



Legislation Text

File #: 24-6085, **Version:** 1

Resolution - A Resolution of the City Council of the City of Mansfield, Texas, Supporting A Statutory Amendment to Texas Local Government Code Chapter 394 Regarding Housing Finance Corporations in Municipalities and Counties; Finding that the Meeting at Which this Resolution is Passed is Open to the Public as Required by Law; And Declaring an Effective Date

Consider a resolution supporting amendments to the Texas Local Government Code Chapter 394.

Staff recommends approval of the resolution.

Texas Local Government Code Chapter 394 (the "Act"), provides regulations for housing finance corporations which can be created by any local government, defined as any municipality or county, for the purposes provided for in the Act. Under the Act, all property owned by a housing finance corporation is exempt from all taxes imposed by this state or any political subdivision of the State of Texas.

The purpose of the Act is to provide a means to finance the cost of residential ownership and development that will provide decent, safe, and sanitary housing at affordable prices for residents of local governments and to promotes the public health, safety, morals, and welfare of the citizens within the jurisdiction of a housing finance corporation.

Section 394.005 of the Act provides that the authority granted by the Act to create tax exempt housing does not apply within a municipality with more than 20,000 inhabitants as determined by the housing finance corporation's rules, resolutions relating to the issuance of bonds, or financing documents relating to the issuance of bonds, unless the governing body of the municipality approves the application of the Act to that property.

The City of Mansfield has become aware that the Cameron County Housing Finance Corporation, which is located in south Texas, owns properties throughout the State of Texas, outside of Cameron County, which are all tax exempt.

The Cameron County Housing Finance Corporation has adopted an interpretation of Section 394.005 of the Act that the consent of the governing body of a municipality is only required if the housing finance corporation requests such consent.

The City believes that the public interest in the State of Texas to provide affordable housing is undermined by allowing housing finance corporations to create tax exempt housing outside of the jurisdiction of such housing finance corporation without offsetting the burdens placed on municipalities to provide police and fire protection, parks and other public facilities, code enforcement, and other governmental services that are unfunded due to the tax-exempt status.

N/A

Ashley Dierker, City Attorney