

**ORDINANCE 2013-03**

**AN ORDINANCE OF THE CITY OF LA FERIA, TEXAS ESTABLISHING CRITERIA FOR THE SALE OF CITY-OWNED LAND TO PRIVATE ENTITIES FOR THE PURPOSE OF INCREASING THE SUPPLY OF QUALITY AFFORDABLE HOUSING IN LA FERIA AND THE SURROUNDING AREA, FOSTERING NEIGHBORHOOD STABILIZATION AND REVITALIZATION, AND STIMULATING ECONOMIC DEVELOPMENT AND ESTABLISHING AN EFFECTIVE DATE**

**WHEREAS**, the City of La Feria, Texas is a home-rule municipality; and

**WHEREAS**, the City of La Feria is authorized by Section 1.02 of its City Charter to sell any real or personal property owned by it;

**WHEREAS**, generally publicly-owned real estate is sold at public auction or through the solicitation of sealed bids;

**WHEREAS**, Title 8, Subtitle A, Chapter 253 of the Texas Local Government Code (LGC) authorizes the City to establish the manner in which land owned by it may be sold, without the requirement of public auction or solicitation of sealed bids, if the land is sold to (1) a nonprofit organization that develops housing for low-income individuals and families as a primary activity to promote community-based revitalization of the municipality; (2) a nonprofit corporation described by 26 U.S.C. Section 501(c)(3) that (a) has been incorporated in Texas for at least one year, (b) has a corporate purpose to develop affordable housing in its articles of incorporation, bylaws, or charter, (c) has at least one-fourth of its board of directors residing in the municipality and (d) engages primarily in the building, repair, rental, or sale of housing for low-income individuals and families; or (3) a religious organization that (a) owns other property in the City that is exempt from taxation under Section 11.20, Tax Code and (b) has entered into a written agreement with the City regarding the revitalization of the land;

**WHEREAS**, Title 8, Subtitle A, Chapter 253 of the LGC also provides that the City may by ordinance determine the individuals and families who qualify as low-income individuals and families based on the median individual income and median family income in the area;

**WHEREAS**, Title 8, Subtitle C, Chapter 272 of the LGC also allows the City to establish the manner, terms and conditions in which land owned by it may be sold, conveyed or exchanged, without the requirement of public auction or solicitation of sealed bids, to an entity for the development of low-income and moderate-income housing and including conveyance of the land for less than market value;

**WHEREAS**, the City of La Feria desires to establish the criteria which will determine those private, non-profit entities to which the City may sell, convey or exchange property without engaging in the processes of soliciting sealed bids or holding a public auction;

**WHEREAS**, the U.S. Census Bureau’s American Community Survey and the Texas Department of Agriculture publish reliable information relating to the median income for each county in Texas, including information for households that range in size from one person to twelve persons;

**WHEREAS**, the City of La Feria desires to have the option to sell, convey or exchange property to or with non-profit entities engaged in increasing the supply of quality affordable housing in La Feria and the surrounding area, fostering neighborhood stabilization and revitalization, and stimulating economic development;

**WHEREAS**, the City of La Feria has consistently supported and promoted the creation and establishment of fair housing opportunities for all of its citizens and hereby finds and declares that the establishment of such fair housing opportunities is a public purpose within the authority of the City;

**NOW THEREFORE BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF LA FERIA, TEXAS, THAT:**

Section 1. The City of La Feria hereby amends the City of La Feria Code of Ordinances by adding Article 1.10 thereto as follows:

**ARTICLE 1.10 SALE, CONVEYANCE OR EXCHANGE OF CITY-OWNED PROPERTY TO NON-PROFIT ENTITIES FOR HOUSING AND ECONOMIC DEVELOPMENT;**

**Sec. 1.10.001 Authority**

The city may sell, convey or exchange city-owned property to private, non-profit entities qualifying under Sec. 1.10.002 below for the purpose of development of affordable housing and economic development. The city shall not be required to hold a public auction or solicit sealed bids in connection with any such sale, conveyance or exchange. Any authorized sale, conveyance or exchange shall be on such terms and conditions which promote the public purpose of affordable housing as determined by the city, including the conveyance of such land at less than market value.

**Sec. 1.10.002 Qualifying Entity**

A qualifying entity shall meet the following criteria:

- (a) be a nonprofit organization, described by 26 U.S.C. Section 501(c)(3) that develops affordable housing as a primary activity;
- (b) be incorporated in Texas for at least one year;
- (c) have a corporate purpose to develop affordable housing stated in its articles of incorporation or bylaws;
- (d) engage primarily in the building, repair, rental, or sale of affordable housing;

- (e) have no fewer than two (2) or twenty-five percent (25%), whichever is more, of the members of its Board of Directors be residents in the City of La Feria; and
- (f) have at least one year's experience in the provision of quality, affordable housing in La Feria or the surrounding area.

**Sec.1.10.003 Affordable Housing**

For purposes of this Article, "affordable housing" shall be housing that is affordable to persons, families and households that have incomes that do not exceed one hundred and fifty percent (150%) of the median family income available from the U.S. Census Bureau's American Community Survey or published by the Texas Department of Agriculture, as modified over time.

**Sec. 1.10.004 Condemned Property**

The authority granted in this Article shall not apply to property acquired by the City by way of eminent domain.

Section 2. This ordinance shall be effective immediately upon adoption.

**PASSED AND APPROVED THIS THE 9<sup>th</sup> DAY OF APRIL 2013.**

**APPROVED:**




**Steve Brewer, Mayor**

**ATTEST:**

  
**Olga Oberwetter, City Secretary**

**APPROVED AS TO FORM:**

  
**Richard S. Talbert, City Attorney**