



HOUSE BILL 1067: Employee Housing/Durham County.

2023-2024 General Assembly

Committee:	House Local Government. If favorable, re- refer to Rules, Calendar, and Operations of the House	Date:	June 4, 2024
Introduced by:	Rep. Alston	Prepared by:	Nicholas Giddings Ike McRee
Analysis of:	First Edition		Committee Co-Counsel

OVERVIEW: *House Bill 1067 would authorize the Durham Public Schools Board of Education (Board) and Durham County (County) to construct, provide, or maintain affordable rental housing for teachers, police officers, first responders and other employees of the Board and County.*

[As introduced, this bill was identical to S905, as introduced by Sen. Woodard, which is currently in Senate Rules and Operations of the Senate.]

CURRENT LAW: Under G.S. 66-58, also known as the Umstead Act, governmental units, with some exceptions applying to counties and cities, are generally prohibited from engaging in the sale of goods and services in competition with citizens of the State. Under G.S. 115C-518, when a local board of education determines that a building site or other real or personal property is unnecessary or undesirable for public school purposes, the local board may dispose of the property in accordance with the statutory procedures providing for the sale and disposition of property. In the case of real property no longer suitable or necessary for public school purposes to which the local board of education holds title, the board of county commissioners for the county in which the property is located has a right of first refusal to obtain the property at fair market price or at a price negotiated between the two boards. Under G.S. 160D-1316, counties and cities are authorized to (i) expend funds for residential housing for low and moderate income persons; (ii) acquire property to be developed or used to provide affordable housing for low and moderate income persons; (iii) convey property by private sale to any public or private entity that provides affordable housing to low and moderate income persons; and (iv) convey residential property by private sale to low and moderate income persons.

BILL ANALYSIS: The bill would authorize the Board and County to do the following:

- To enter into a partnership, joint venture, land trust, or similar arrangement to construct, provide, and maintain affordable housing on property now owned by the Board or County.
- To convey property owned by the Board or County to a partnership, joint venture, land trust, or similar arrangement created under the bill for the purposes of constructing, providing, and maintaining affordable housing for Board teachers, sworn law enforcement officers, or other first responders employed by local governments in the County and Board employees if units remain available.
- To contract with any person, partnership, corporation, or other business entity to finance, construct, or maintain affordable rental housing.

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- To enter into residential housing unit lease agreements for housing units owned by the Board or County, with agreements limited to Board teachers, sworn law enforcement officers, or other first responders employed by local governments in the County and Board employees if units remain available. At least 75% of units must be reserved for Board teachers.
- To establish reasonable rents, which may include below-market rates.

EFFECTIVE DATE: Effective when the bill becomes law.

BACKGROUND: Six other boards of education have similar authority to lease housing to teachers within the local school administrative unit: Dare County Board of Education (S.L. 2004-16); Bertie County Board of Education (S.L. 2006-61); Hertford County Board of Education (S.L. 2006-86); Asheville City Board of Education (S.L. 2007-239); Transylvania County Board of Education (S.L. 2009-154); and Edgecombe County Board of Education (S.L. 2009-161). The specific authority granted to each board of education varies.