

REFERENCE TITLE: teachers; mortgage assistance

State of Arizona
Senate
Forty-eighth Legislature
First Regular Session
2007

SB 1489

Introduced by
Senators Burton Cahill, Hale, Landrum Taylor; Representative Ableser:
Senators Aboud, Garcia, O'Halleran, Pesquiera; Representative Schapira

AN ACT

AMENDING TITLE 41, CHAPTER 37, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-3958; RELATING TO THE ARIZONA DEPARTMENT OF HOUSING.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 41, chapter 37, article 2, Arizona Revised Statutes,
3 is amended by adding section 41-3958, to read:

4 41-3958. Teacher housing development foundation; members;
5 duties; fund

6 A. THE TEACHER HOUSING DEVELOPMENT FOUNDATION IS ESTABLISHED IN THE
7 DEPARTMENT.

8 B. THE TEACHER HOUSING DEVELOPMENT FOUNDATION CONSISTS OF THE
9 FOLLOWING MEMBERS WHO ARE APPOINTED BY THE GOVERNOR PURSUANT TO SECTION
10 38-211:

11 1. THREE PUBLIC SCHOOL TEACHERS.

12 2. ONE REALTOR.

13 3. ONE MORTGAGE OFFICER.

14 4. ONE REAL ESTATE DEVELOPER.

15 5. ONE PERSON WHO IS EMPLOYED BY THIS STATE.

16 6. ONE PERSON WHO IS EMPLOYED BY A COUNTY IN THIS STATE.

17 7. ONE PERSON WHO IS EMPLOYED BY A CITY OR TOWN IN THIS STATE.

18 C. THE GOVERNOR SHALL APPOINT A CHAIRPERSON FROM MEMBERS APPOINTED
19 PURSUANT TO SUBSECTION B OF THIS SECTION.

20 D. THE INITIAL MEMBERS SHALL ASSIGN THEMSELVES BY LOT TO TERMS OF SIX
21 MONTHS, ONE YEAR, EIGHTEEN MONTHS AND TWO YEARS IN OFFICE. ALL SUBSEQUENT
22 MEMBERS SERVE TWO YEAR TERMS OF OFFICE. THE CHAIRPERSON SHALL NOTIFY THE
23 GOVERNOR'S OFFICE ON APPOINTMENTS OF THESE TERMS.

24 E. THE TEACHER HOUSING DEVELOPMENT FOUNDATION SHALL MEET AS OFTEN AS
25 THE MEMBERS DEEM NECESSARY, EXCEPT THAT THE INITIAL MEETING SHALL OCCUR NO
26 LATER THAN THIRTY DAYS AFTER THE COMPLETION OF THE INITIAL APPOINTMENTS. A
27 MAJORITY OF THE MEMBERS CONSTITUTES A QUORUM FOR THE TRANSACTION OF BUSINESS.

28 F. THE GOVERNOR SHALL FILL A VACANCY BY APPOINTMENT OF A QUALIFIED
29 PERSON AS PROVIDED IN SUBSECTION B OF THIS SECTION.

30 G. THE TEACHER HOUSING DEVELOPMENT FOUNDATION MAY ADOPT RULES TO CARRY
31 OUT THE PURPOSES OF THIS SECTION.

32 H. THE FOUNDATION SHALL PROVIDE HOUSING INCENTIVES TO TEACHERS TO WORK
33 IN SCHOOLS IN AREAS OF THIS STATE THAT DEMONSTRATE A HIGH PRIORITY NEED FOR
34 TEACHERS. THE FOUNDATION SHALL IDENTIFY AREAS OF THIS STATE THAT DEMONSTRATE
35 A HIGH PRIORITY NEED FOR TEACHERS DUE TO SCHOOLS THAT HAVE BEEN PLACED IN
36 CORRECTIVE ACTION, SCHOOLS THAT ARE RESTRUCTURING OR OTHER CHALLENGES FACED
37 BY PARTICULAR SCHOOLS. THE FOUNDATION SHALL IDENTIFY WELL-QUALIFIED TEACHERS
38 FOR HOUSING ASSISTANCE BASED ON EDUCATIONAL DEGREES OBTAINED AND YEARS OF
39 TEACHING EXPERIENCE, WITH PREFERENCE GIVEN TO TEACHERS WHO ARE CERTIFIED BY A
40 NATIONAL BOARD.

41 I. THE TEACHER HOUSING DEVELOPMENT FUND IS ESTABLISHED CONSISTING OF
42 LEGISLATIVE APPROPRIATIONS AND GIFTS, GRANTS AND DONATIONS FROM ANY LAWFUL
43 PUBLIC AND PRIVATE SOURCES. THE TEACHER HOUSING DEVELOPMENT FOUNDATION SHALL
44 ADMINISTER THE FUND. MONIES IN THE FUND ARE SUBJECT TO LEGISLATIVE

1 APPROPRIATION. THE FOUNDATION SHALL DISTRIBUTE MONIES FROM THE FUND TO
2 TEACHERS AS PROVIDED IN THIS SECTION.

3 J. THE TEACHER HOUSING DEVELOPMENT FOUNDATION SHALL DISTRIBUTE MONIES
4 FROM THE FUND TO PROVIDE MORTGAGE ASSISTANCE TO THOSE TEACHERS WHO SUBMIT
5 APPLICATIONS FOR MONIES FROM THE FUNDS WHO THE FOUNDATION DETERMINES ARE THE
6 MOST PROMISING TEACHERS TO PROVIDE EXCELLENT PUBLIC SERVICE FOR THE MOST
7 NUMBER OF YEARS IN AREAS OF THIS STATE THAT DEMONSTRATE A HIGH PRIORITY NEED
8 FOR TEACHERS. APPLICANTS FOR ASSISTANCE SHALL REMAIN EMPLOYED AS A TEACHER
9 IN AN AREA OF THIS STATE THAT DEMONSTRATES A HIGH PRIORITY NEED FOR TEACHERS
10 FOR AT LEAST FIVE YEARS AFTER RECEIVING MONIES FROM THE FUND.

11 K. APPLICANTS FOR MONIES FROM THE FUND SHALL SUBMIT AN APPLICATION TO
12 THE TEACHER HOUSING DEVELOPMENT FOUNDATION THAT CONTAINS THE FOLLOWING:

13 1. THREE LETTERS OF RECOMMENDATION.

14 2. THE REASONS THAT THE APPLICANT IS AVAILABLE FOR EMPLOYMENT IN AN
15 AREA OF THIS STATE THAT DEMONSTRATES A HIGH PRIORITY NEED FOR TEACHERS.

16 3. THE REASONS THAT THE APPLICANT WISHES TO TEACH IN AN AREA OF THIS
17 STATE THAT DEMONSTRATES A HIGH PRIORITY NEED FOR TEACHERS.

18 L. THE MORTGAGE ASSISTANCE PROVIDED BY THE TEACHER HOUSING DEVELOPMENT
19 FOUNDATION SHALL BE IN THE FORM OF A HOME LOAN PROGRAM THAT PROVIDES SPECIAL
20 HOME LOAN FINANCING TO SELECTED TEACHERS. IF POSSIBLE, THE FOLLOWING OPTIONS
21 SHALL BE INCLUDED IN THE HOME LOAN PROGRAM:

22 1. A CONVENTIONAL THIRTY-YEAR MORTGAGE FOR THE PURCHASE OF A HOME AT A
23 FAVORABLE INTEREST RATE DETERMINED BY THE FOUNDATION.

24 2. OTHER MORTGAGE OPTIONS AT FAVORABLE INTEREST RATES DETERMINED BY
25 THE FOUNDATION.

26 3. A FORGIVABLE LOAN EQUAL TO NOT MORE THAN TEN PER CENT OF THE TOTAL
27 COST OF THE FINANCED HOME. THIS FORGIVABLE LOAN AMOUNT SHALL BE USED FOR
28 ASSISTANCE WITH THE DOWN PAYMENT FOR THE FINANCED HOME.

29 M. IF A PERSON WHO RECEIVES MONIES FROM THE FUND CEASES EMPLOYMENT AS
30 A TEACHER IN AN AREA OF THIS STATE THAT DEMONSTRATES A HIGH PRIORITY NEED FOR
31 TEACHERS, THE REMAINING BALANCE OF THE MORTGAGE AND THE FORGIVABLE LOAN SHALL
32 BECOME DUE AND PAYABLE WITHIN SIX MONTHS OF THE DATE THAT THE EMPLOYMENT
33 CEASED.

34 N. NOTWITHSTANDING SUBSECTION M OF THIS SECTION, THE TEACHER HOUSING
35 DEVELOPMENT FOUNDATION MAY DEVELOP A SUPPLEMENTAL LOAN PROGRAM THAT CONVERTS
36 THE FORGIVABLE LOAN INTO A CONVENTIONAL LOAN FOR PERSONS WHO CEASE EMPLOYMENT
37 AS A TEACHER IN AN AREA OF THIS STATE THAT DEMONSTRATES A HIGH PRIORITY NEED
38 FOR TEACHERS.