

By: Keffer of Eastland

H.B. No. 2690

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the allocation of housing trust funds among uniform  
3 state service regions.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 2306.111(d), Government Code, is amended  
6 to read as follows:

7 (d) The department shall allocate housing funds provided to  
8 the state under the Cranston-Gonzalez National Affordable Housing  
9 Act (42 U.S.C. Section 12701 et seq.) [~~housing trust funds~~  
10 ~~administered by the department under Sections 2306.201-2306.206,~~]  
11 and commitments issued under the federal low income housing tax  
12 credit program administered by the department under Subchapter DD  
13 to each uniform state service region based on a formula developed by  
14 the department that is based on the need for housing assistance and  
15 the availability of housing resources, provided that the  
16 allocations are consistent with applicable federal and state  
17 requirements and limitations. The department shall use the  
18 information contained in its annual state low income housing plan  
19 and shall use other appropriate data to develop the formula. If the  
20 department determines under the formula that an insufficient number  
21 of eligible applications for assistance out of funds or credits  
22 allocable under this subsection are submitted to the department  
23 from a particular uniform state service region, the department  
24 shall use the unused funds or credits allocated to that region for

1 all other regions based on identified need and financial  
2 feasibility.

3 SECTION 2. Section 2306.203, Government Code, is amended to  
4 read as follows:

5 Sec. 2306.203. RULES REGARDING ADMINISTRATION OF HOUSING  
6 TRUST FUND. The board shall adopt rules to administer the housing  
7 trust fund, including rules providing:

8 (1) that the division give priority to programs that  
9 maximize federal resources;

10 (2) for a process to set priorities for use of the  
11 fund, including the distribution of fund resources under a request  
12 for a proposal process developed and approved by the board;

13 (3) that the criteria used to rank proposals will  
14 include the:

15 (A) leveraging of federal resources;

16 (B) cost-effectiveness of a proposed  
17 development; and

18 (C) extent to which individuals and families of  
19 very low income are served by the development;

20 (4) that funds may not be made available to a  
21 development that permanently and involuntarily displaces  
22 individuals and families of low income;

23 (5) that the board [~~attempt to~~] allocate funds equally  
24 among all the uniform state service regions to achieve a broad  
25 geographical distribution, with [+

26 [~~(A)~~] special emphasis on equitably serving  
27 rural and nonmetropolitan areas within those regions [~~, and~~

1                   ~~[(B) consideration of the number and percentage~~  
2 ~~of income-qualified families in different geographical areas]~~; and

3                   (6) that multifamily housing developed or  
4 rehabilitated through the fund remain affordable to  
5 income-qualified households for at least 20 years.

6                   SECTION 3. (a) The change in law made by this Act applies to  
7 housing trust funds allocated on or after the effective date of this  
8 Act.

9                   (b) The governing board of the Texas Department of Housing  
10 and Community Affairs shall adopt the rules required by Section  
11 2306.203, Government Code, as amended by this Act, not later than  
12 November 1, 2003.

13                   SECTION 4. This Act takes effect September 1, 2003.