

By: Lucio

S.B. No. 284

Substitute the following for S.B. No. 284:

By: Talton

C.S.S.B. No. 284

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the continuation and functions of the Texas State
3 Affordable Housing Corporation.

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

5 SECTION 1. Section 1372.0221, Government Code, is amended
6 to read as follows:

7 Sec. 1372.0221. DEDICATION OF PORTION OF STATE CEILING FOR
8 PROFESSIONAL EDUCATORS [~~TEACHERS~~] HOME LOAN PROGRAM. Until August
9 1, out [~~Out~~] of that portion of the state ceiling that is available
10 exclusively for reservations by issuers of qualified mortgage bonds
11 under Section 1372.022, \$25 million shall be allotted each year and
12 made available exclusively to the Texas State Affordable Housing
13 Corporation for the purpose of issuing qualified mortgage bonds in
14 connection with the professional educators [~~teachers~~] home loan
15 program established under Section 2306.562.

16 SECTION 2. Section 1372.023(b), Government Code, is amended
17 to read as follows:

18 (b) Until August 1 [~~15~~], of that portion of the state
19 ceiling that is available exclusively for reservations by issuers
20 of qualified residential rental project bonds, one-fifth
21 [~~one-fourth~~] is available exclusively to the Texas Department of
22 Housing and Community Affairs in the manner described by Section
23 1372.0231.

24 SECTION 3. Section 1372.0231, Government Code, is amended

1 by amending Subsection (a) and adding Subsection (b-1) to read as
2 follows:

3 (a) Until August 1 [~~15~~], of that portion of the state
4 ceiling that is available exclusively for reservations by issuers
5 of qualified residential rental project bonds:

6 (1) 20 [~~25~~] percent is available exclusively to the
7 Texas Department of Housing and Community Affairs in the manner
8 described by Subsection (b); [~~and~~]

9 (2) 70 [~~75~~] percent is available exclusively to
10 housing finance corporations in the manner described by Subsections
11 (c)-(f); and

12 (3) 10 percent is available exclusively to the Texas
13 State Affordable Housing Corporation in the manner described by
14 Subsection (b-1).

15 (b-1) With respect to the amount of the state ceiling set
16 aside under Subsection (a)(3), the board shall issue qualified
17 residential rental project bonds and allocate bond funds at the
18 direction of the Texas State Affordable Housing Corporation as
19 provided by Section 2306.565. Issuances made by the board under
20 this subsection are subject to review and approval by the board
21 under Section 1231.041.

22 SECTION 4. Section 2306.057, Government Code, is amended by
23 adding Subsection (d) to read as follows:

24 (d) In assessing the compliance of the project, applicant,
25 or affiliate, the board shall consider any relevant compliance
26 information in the department's database created under Section
27 2306.081, including compliance information provided to the

1 department by the Texas State Affordable Housing Corporation.

2 SECTION 5. Section 2306.0721, Government Code, is amended
3 by adding Subsections (g) and (h) to read as follows:

4 (g) The department shall include the plan developed by the
5 Texas State Affordable Housing Corporation under Section 2306.565
6 in the department's resource allocation plan under Subsection
7 (c)(5).

8 (h) The department shall consider and incorporate the
9 specific results of the programs of the Texas State Affordable
10 Housing Corporation in the department's estimate and analysis of
11 the housing supply in each uniform state service region under
12 Subsection (c)(9).

13 SECTION 6. Section 2306.0722(b), Government Code, is
14 amended to read as follows:

15 (b) In preparing the annual report under Section 2306.072
16 and the state low income housing plan under Section 2306.0721, the
17 director shall:

18 (1) coordinate local, state, and federal housing
19 resources, including tax exempt housing bond financing and low
20 income housing tax credits;

21 (2) set priorities for the available housing resources
22 to help the neediest individuals;

23 (3) evaluate the success of publicly supported housing
24 programs;

25 (4) survey and identify the unmet housing needs of
26 individuals the department is required to assist;

27 (5) ensure that housing programs benefit an individual

1 without regard to the individual's race, ethnicity, sex, or
2 national origin;

3 (6) develop housing opportunities for individuals and
4 families of low and very low income and individuals with special
5 housing needs;

6 (7) develop housing programs through an open, fair,
7 and public process;

8 (8) set priorities for assistance in a manner that is
9 appropriate and consistent with the housing needs of the
10 populations described by Section 2306.0721(c)(1);

11 (9) incorporate recommendations that are consistent
12 with the consolidated plan submitted annually by the state to the
13 United States Department of Housing and Urban Development;

14 (10) identify the organizations and individuals
15 consulted by the department in preparing the annual report and
16 state low income housing plan and summarize and incorporate
17 comments and suggestions provided under Subsection (a) as the board
18 determines to be appropriate;

19 (11) develop a plan to respond to changes in federal
20 funding and programs for the provision of affordable housing;

21 (12) use the following standardized categories to
22 describe the income of program applicants and beneficiaries:

23 (A) 0 to 30 percent of area median income
24 adjusted for family size;

25 (B) more than 30 to 60 percent of area median
26 income adjusted for family size;

27 (C) more than 60 to 80 percent of area median

1 income adjusted for family size;

2 (D) more than 80 to 115 percent of area median
3 income adjusted for family size; or

4 (E) more than 115 percent of area median income
5 adjusted for family size; ~~and~~

6 (13) use the most recent census data combined with
7 existing data from local housing and community service providers in
8 the state, including public housing authorities, housing finance
9 corporations, community housing development organizations, and
10 community action agencies; and

11 (14) provide the needs assessment information
12 compiled for the report and plan to the Texas State Affordable
13 Housing Corporation.

14 SECTION 7. Section 2306.081, Government Code, is amended by
15 amending Subsection (d) and adding Subsection (e) to read as
16 follows:

17 (d) The department shall create an easily accessible
18 database that contains all project compliance information
19 developed under this chapter, including project compliance
20 information provided to the department by the Texas State
21 Affordable Housing Corporation.

22 (e) The department shall allow the Texas State Affordable
23 Housing Corporation timely access to the information in the
24 database.

25 SECTION 8. Section 2306.5521, Government Code, is amended
26 to read as follows:

27 Sec. 2306.5521. SUNSET PROVISION. The Texas State

1 Affordable Housing Corporation is subject to Chapter 325 (Texas
2 Sunset Act). Unless continued in existence as provided by that
3 chapter, the corporation is abolished and this subchapter expires
4 September 1, 2009 [~~2003~~].

5 SECTION 9. Sections 2306.553(a) and (b), Government Code,
6 are amended to read as follows:

7 (a) The public purpose of the corporation is to perform
8 activities and services that the corporation's board of directors
9 determines will promote the public health, safety, and welfare
10 through the provision of adequate, safe, and sanitary housing
11 primarily for individuals and families of low, very low, and
12 extremely low income, and for professional educators [~~teachers~~]
13 under the professional educators [~~teachers~~] home loan program as
14 provided by Section 2306.562. The activities and services shall
15 include engaging in mortgage banking activities and lending
16 transactions and acquiring, holding, selling, or leasing real or
17 personal property.

18 (b) The corporation's primary public purpose is to
19 facilitate the provision of housing by issuing qualified 501(c)(3)
20 bonds and qualified residential rental project bonds and by [~~the~~]
21 making [~~of~~] affordable loans to individuals and families of low,
22 very low, and extremely low income, and to professional educators
23 [~~teachers~~] under the professional educators [~~teachers~~] home loan
24 program. The corporation may make first lien, single family
25 purchase money mortgage loans for single family homes only to
26 individuals and families of low, very low, and extremely low income
27 if the individual's or family's household income is not more than

1 the greater of 60 percent of the median income for the state, as
2 defined by the United States Department of Housing and Urban
3 Development, or 60 percent of the area median family income,
4 adjusted for family size, as defined by that department. The
5 corporation may make loans for multifamily developments if:

6 (1) at least 40 percent of the units in a multifamily
7 development are affordable to individuals and families with incomes
8 at or below 60 percent of the median family income, adjusted for
9 family size; or

10 (2) at least 20 percent of the units in a multifamily
11 development are affordable to individuals and families with incomes
12 at or below 50 percent of the median family income, adjusted for
13 family size.

14 SECTION 10. Section 2306.554, Government Code, is amended
15 by amending Subsection (c) and adding Subsection (f) to read as
16 follows:

17 (c) A member of the corporation's board of directors is not
18 entitled to compensation, but is entitled to reimbursement of
19 travel expenses incurred by the member while conducting the
20 business of the board to the same extent~~[, as]~~ provided by the
21 General Appropriations Act for a member of a state board.

22 (f) Appointments to the board of directors of the
23 corporation shall be made without regard to the race, color,
24 disability, sex, religion, age, or national origin of the
25 appointees.

26 SECTION 11. Subchapter Y, Chapter 2306, Government Code, is
27 amended by adding Sections 2306.5541, 2306.5542, and 2306.5543 to

1 read as follows:

2 Sec. 2306.5541. TERMS OF MEMBERS. The members of the board
3 of directors of the corporation serve staggered six-year terms,
4 with the terms of one or two members expiring on February 1 of each
5 odd-numbered year.

6 Sec. 2306.5542. REMOVAL OF MEMBERS. (a) It is a ground for
7 removal from the board of directors of the corporation that a
8 member:

9 (1) does not have at the time of taking office the
10 qualifications required by Section 2306.554;

11 (2) does not maintain during service on the board of
12 directors of the corporation the qualifications required by Section
13 2306.554;

14 (3) is ineligible for membership under Sections
15 2306.554 and 2306.5545;

16 (4) cannot, because of illness or disability,
17 discharge the member's duties for a substantial part of the member's
18 term; or

19 (5) is absent from more than half of the regularly
20 scheduled board meetings that the member is eligible to attend
21 during a calendar year without an excuse approved by a majority vote
22 of the board of directors.

23 (b) The validity of an action of the board of directors of
24 the corporation is not affected by the fact that it is taken when a
25 ground for removal of a board member exists.

26 (c) If the president of the corporation has knowledge that a
27 potential ground for removal exists, the president shall notify the

1 presiding officer of the board of directors of the potential
2 ground. The presiding officer shall then notify the governor and
3 the attorney general that a potential ground for removal exists. If
4 the potential ground for removal involves the presiding officer,
5 the president shall notify the next highest ranking officer of the
6 board of directors, who shall then notify the governor and the
7 attorney general that a potential ground for removal exists.

8 Sec. 2306.5543. TRAINING. (a) A person who is appointed
9 to and qualifies for office as a member of the corporation's board
10 of directors may not vote, deliberate, or be counted as a member in
11 attendance at a meeting of the board until the person completes a
12 training program that complies with this section.

13 (b) The training program must provide the person with
14 information regarding:

15 (1) the legislation that created the corporation and
16 the corporation's board of directors;

17 (2) the programs operated by the corporation;

18 (3) the role and functions of the corporation;

19 (4) the rules of the corporation with an emphasis on
20 the rules that relate to disciplinary and investigatory authority;

21 (5) the current budget for the corporation;

22 (6) the results of the most recent formal audit of the
23 corporation;

24 (7) the requirements of:

25 (A) the open meetings law, Chapter 551;

26 (B) the public information law, Chapter 552;

27 (C) the administrative procedure law, Chapter

1 2001; and

2 (D) other laws relating to public officials,
3 including conflict-of-interest laws; and

4 (8) any applicable ethics policies adopted by the
5 corporation or the Texas Ethics Commission.

6 (c) A person appointed to the corporation's board of
7 directors is entitled to reimbursement, to the same extent provided
8 by the General Appropriations Act for a member of a state board, for
9 the travel expenses incurred in attending the training program
10 regardless of whether the attendance at the program occurs before
11 or after the person qualifies for office.

12 SECTION 12. Section 2306.5545, Government Code, is amended
13 to read as follows:

14 Sec. 2306.5545. CONFLICT OF INTEREST POLICIES. (a) The
15 board of directors of the corporation shall develop and implement
16 policies relating to employee conflicts of interest that are
17 substantially similar to comparable policies that govern state
18 employees.

19 (b) A person may not be a member of the corporation's board
20 of directors and may not be a corporation employee employed in a
21 "bona fide executive, administrative, or professional capacity,"
22 as that phrase is used for purposes of establishing an exemption to
23 the overtime provisions of the federal Fair Labor Standards Act of
24 1938 (29 U.S.C. Section 201 et seq.), and its subsequent
25 amendments, if:

26 (1) the person is an officer, employee, or paid
27 consultant of a Texas trade association in the field of banking,

1 real estate, housing development, or housing construction; or

2 (2) the person's spouse is an officer, manager, or paid
3 consultant of a Texas trade association in the field of banking,
4 real estate, housing development, or housing construction.

5 (c) A person may not be a member of the corporation's board
6 of directors or act as the general counsel to the board of directors
7 or the corporation if the person is required to register as a
8 lobbyist under Chapter 305 because of the person's activities for
9 compensation on behalf of a profession related to the operation of
10 the corporation.

11 (d) In this section, "Texas trade association" means a
12 cooperative and voluntarily joined statewide association of
13 business or professional competitors in this state designed to
14 assist its members and its industry or profession in dealing with
15 mutual business or professional problems and in promoting their
16 common interest.

17 SECTION 13. Subchapter Y, Chapter 2306, Government Code, is
18 amended by adding Sections 2306.5546, 2306.5547, and 2306.5548 to
19 read as follows:

20 Sec. 2306.5546. STANDARDS OF CONDUCT. The president of the
21 corporation or the president's designee shall provide to members of
22 the board of directors of the corporation and to corporation
23 employees, as often as necessary, information regarding the
24 requirements for office or employment under this subchapter,
25 including information regarding a person's responsibilities under
26 applicable laws relating to standards of conduct for state officers
27 or employees.

1 Sec. 2306.5547. DIVISION OF RESPONSIBILITY. The board of
2 directors of the corporation shall develop and implement policies
3 that clearly separate the policymaking responsibilities of the
4 board of directors and the management responsibilities of the
5 president and the staff of the corporation.

6 Sec. 2306.5548. EQUAL EMPLOYMENT OPPORTUNITY POLICY.

7 (a) The president of the corporation or the president's designee
8 shall prepare and maintain a written policy statement that
9 implements a program of equal employment opportunity to ensure that
10 all personnel decisions are made without regard to race, color,
11 disability, sex, religion, age, or national origin.

12 (b) The policy statement must include:

13 (1) personnel policies, including policies relating
14 to recruitment, evaluation, selection, training, and promotion of
15 personnel, that show the intent of the corporation to avoid the
16 unlawful employment practices described by Chapter 21, Labor Code;
17 and

18 (2) an analysis of the extent to which the composition
19 of the corporation's personnel is in accordance with state and
20 federal law and a description of reasonable methods to achieve
21 compliance with state and federal law.

22 (c) The policy statement must be:

23 (1) updated annually; and

24 (2) filed with the governor's office.

25 SECTION 14. The heading to Section 2306.562, Government
26 Code, is amended to read as follows:

27 Sec. 2306.562. PROFESSIONAL EDUCATORS [~~TEACHERS~~] HOME LOAN

1 PROGRAM.

2 SECTION 15. Sections 2306.562(a)-(d) and (f), Government
3 Code, are amended to read as follows:

4 (a) In this section:

5 (1) "Home" means a dwelling in this state in which a
6 professional educator [~~teacher~~] intends to reside as the
7 professional educator's [~~teacher's~~] principal residence.

8 (2) "Mortgage lender" has the meaning assigned by
9 Section 2306.004.

10 (3) "Professional educator" means a classroom
11 teacher, full-time paid teacher's aide, full-time librarian,
12 full-time counselor certified under Subchapter B, Chapter 21,
13 Education Code, or full-time school nurse.

14 (4) "Program" means the professional educators
15 [~~teachers~~] home loan program.

16 [~~(4) "Teacher" means a person who is a classroom~~
17 ~~teacher as defined by Section 5.001, Education Code.~~]

18 (b) The corporation shall establish a program to provide
19 eligible professional educators [~~teachers~~] whose income does not
20 exceed 115 percent of area median family income, adjusted for
21 family size, with low-interest home mortgage loans.

22 (c) To be eligible for a loan under this section, a
23 professional educator [~~teacher~~] must:

24 (1) [~~have been residing in this state for the~~
25 ~~five-year period preceding the date the teacher files an~~
26 ~~application for a loan under this section,~~

27 [~~(2) have been working as a teacher for the three-year~~

1 ~~period preceding the application date; and~~

2 [~~3~~] reside in this state on the application date;
3 and

4 (2) be employed by a school district in this state on
5 the application date.

6 (d) The corporation may contract with other agencies of the
7 state or with private entities to determine whether applicants
8 qualify as professional educators [~~teachers~~] under this section or
9 otherwise to administer all or part of this section.

10 (f) The board of directors of the corporation shall adopt
11 rules governing:

- 12 (1) the administration of the program;
13 (2) the making of loans under the program;
14 (3) the criteria for approving mortgage lenders;
15 (4) the use of insurance on the loans and the homes
16 financed under the program, as considered appropriate by the board
17 to provide additional security for the loans;

18 (5) the verification of occupancy of the home by the
19 professional educator [~~teacher~~] as the professional educator's
20 [~~teacher's~~] principal residence; and

21 (6) the terms of any contract made with any mortgage
22 lender for processing, originating, servicing, or administering
23 the loans.

24 SECTION 16. Subchapter Y, Chapter 2306, Government Code, is
25 amended by adding Sections 2306.563 through 2306.569 to read as
26 follows:

27 Sec. 2306.563. PUBLIC BENEFIT REQUIREMENT. (a) The

1 corporation shall implement a requirement that a community housing
2 development organization that receives an issuance of qualified
3 501(c)(3) bonds from the corporation to develop property must
4 invest at least one dollar in projects and services that benefit
5 income-eligible persons for each dollar of taxes that is not
6 imposed on the property as a result of a property tax exemption
7 received under Section 11.182, Tax Code.

8 (b) The projects and services must benefit income-eligible
9 persons in the county in which the property supported with the tax
10 exemption is located.

11 (c) The projects and services must consist of:

12 (1) rent reduction;

13 (2) capital improvement projects; or

14 (3) social, educational, or economic development
15 services.

16 (d) The corporation and the organization may determine on a
17 case-by-case basis the specific projects and services in which the
18 organization must invest under this section.

19 (e) The dollar-for-dollar public benefit requirement
20 imposed by this section shall be reduced by an amount equal to each
21 dollar that, in lieu of taxes, a community housing development
22 organization pays to a taxing unit for which the property receives
23 an exemption under Section 11.182, Tax Code.

24 (f) In implementing the public benefit requirement, the
25 corporation shall adopt guidelines for reasonable rent reductions,
26 capital improvement projects, and social, educational, and
27 economic development services.

1 Sec. 2306.564. REVIEW OF QUALIFIED 501(c)(3) BOND ISSUANCE
2 POLICIES. (a) The corporation shall review annually its qualified
3 501(c)(3) bond issuance policies, including the public benefit
4 requirement implemented under Section 2306.563.

5 (b) The corporation shall give to the secretary of state for
6 publication in the Texas Register any proposed policy revisions and
7 allow a reasonable period for public comment.

8 (c) The board of directors of the corporation must approve
9 any change to the bond issuance policies.

10 Sec. 2306.565. ISSUANCE OF QUALIFIED RESIDENTIAL RENTAL
11 PROJECT BONDS; ALLOCATION OF BOND FUNDS. (a) The corporation shall
12 direct the Bond Review Board on the issuance of the portion of state
13 ceiling set aside for the corporation under Section 1372.0231(a).

14 (b) The board of directors of the corporation shall adopt
15 guidelines governing the method by which the corporation identifies
16 target areas for the allocation of qualified residential rental
17 project bond funds. The guidelines must include a clear
18 demonstration of local need and community support for a housing
19 development.

20 (c) The corporation shall research the state's strategic
21 housing needs by coordinating with the department and reviewing
22 relevant needs assessment information, as required by Section
23 2306.566. The corporation shall also solicit information regarding
24 housing needs from local and regional housing organizations.

25 (d) The board of directors of the corporation shall adopt
26 criteria governing the method by which the corporation solicits
27 proposals for housing developments in areas targeted by the

1 corporation. The guidelines must state the criteria to be included
2 in the corporation's requests for proposals. The requests for
3 proposals must comply with any relevant federal requirements.

4 (e) The board of directors of the corporation shall adopt
5 criteria governing the method by which the staff of the corporation
6 scores and ranks applications for an allocation under this section
7 that are received in response to a request for proposals. The
8 criteria must include:

- 9 (1) the cost per unit of the housing development;
10 (2) the proposed rent for a unit; and
11 (3) the income ranges of individuals and families to
12 be served by the housing development.

13 (f) The board of directors of the corporation shall identify
14 housing developments with respect to which the board anticipates
15 directing the Bond Review Board to allocate bond funds under this
16 section, based on the highest scores received in the scoring and
17 ranking process described by Subsection (e).

18 (g) After the board of directors of the corporation has
19 identified housing developments under Subsection (f), the
20 corporation shall hold public hearings, as required by federal law,
21 on the housing developments identified by the board.

22 (h) Following the public hearings, the staff shall prepare
23 final evaluations and recommendations for the board, incorporating
24 any public comments received at the hearings. The board shall
25 consider the staff's recommendations in making its final decisions
26 regarding the allocation of bond funds for housing developments
27 under this section and shall inform the Bond Review Board of those

1 decisions.

2 (i) The corporation shall pay the department a reasonable
3 fee for underwriting an application for an allocation of low income
4 housing tax credits if the housing development proposed in the
5 application is or will be supported by an allocation of bond funds
6 under this section.

7 (j) The decisions made by the corporation regarding the
8 allocation of bond funds under this section are not subject to the
9 restrictions in Section 1372.0321, as added by Chapter 1367 or
10 1420, Acts of the 77th Legislature, Regular Session, 2001.

11 Sec. 2306.566. COORDINATION REGARDING STATE LOW INCOME
12 HOUSING PLAN. (a) The corporation shall review the needs
13 assessment information provided to the corporation by the
14 department under Section 2306.0722(b).

15 (b) The corporation shall develop a plan to meet the state's
16 most pressing housing needs identified in the needs assessment
17 information and provide the plan to the department for
18 incorporation into the state low income housing plan.

19 (c) The corporation's plan must include specific proposals
20 to help serve rural and other underserved areas of the state.

21 Sec. 2306.567. COMPLIANCE INFORMATION. (a) The
22 corporation shall provide to the department electronic copies of
23 all compliance information compiled by the corporation.

24 (b) Before approving an application regarding a housing
25 development, the corporation shall consider any relevant
26 compliance information in the department's database created under
27 Section 2306.081.

1 Sec. 2306.568. RECORD OF COMPLAINTS. (a) The corporation
2 shall maintain a file on each written complaint filed with the
3 corporation. The file must include:

4 (1) the name of the person who filed the complaint;

5 (2) the date the complaint is received by the
6 corporation;

7 (3) the subject matter of the complaint;

8 (4) the name of each person contacted in relation to
9 the complaint;

10 (5) a summary of the results of the review or
11 investigation of the complaint; and

12 (6) an explanation of the reason the file was closed,
13 if the corporation closed the file without taking action other than
14 to investigate the complaint.

15 (b) The corporation shall provide to the person filing the
16 complaint and to each person who is a subject of the complaint a
17 copy of the corporation's policies and procedures relating to
18 complaint investigation and resolution.

19 (c) The corporation, at least quarterly until final
20 disposition of the complaint, shall notify the person filing the
21 complaint and each person who is a subject of the complaint of the
22 status of the investigation unless the notice would jeopardize an
23 undercover investigation.

24 Sec. 2306.569. EFFECTIVE USE OF TECHNOLOGY. The
25 corporation's board of directors shall develop and implement a
26 policy requiring the president of the corporation and corporation
27 employees to research and propose appropriate technological

1 solutions to improve the corporation's ability to perform its
2 functions. The technological solutions must:

3 (1) ensure that the public is able to easily find
4 information about the corporation on the Internet;

5 (2) ensure that persons who want to use the
6 corporation's services are able to:

7 (A) interact with the corporation through the
8 Internet; and

9 (B) access any service that can be provided
10 effectively through the Internet; and

11 (3) be cost-effective and developed through the
12 corporation's planning processes.

13 SECTION 17. Section 6, Chapter 1194, Acts of the 77th
14 Legislature, Regular Session, 2001, is amended to read as follows:

15 Sec. 6. The Texas State Affordable Housing Corporation
16 shall[+]

17 ~~[(1) give priority to a teacher who resides or teaches~~
18 ~~in an area of the state with a teacher shortage, as determined by~~
19 ~~the commissioner of education;~~

20 ~~[(2)]~~ aggressively pursue funding for the
21 professional educators [teachers] home loan program required by
22 Section 2306.562, Government Code [~~, as added by this Act, and~~

23 ~~[(3) implement the teachers home loan program required~~
24 ~~by that section not later than September 1, 2002].~~

25 SECTION 18. (a) The change in law made by this Act in
26 amending Chapter 1372, Government Code, applies only to an
27 application for an amount of the state ceiling set aside for issuers

1 of qualified mortgage bonds or qualified residential rental project
2 bonds in a year beginning on or after January 1, 2004. An
3 application for an amount of the state ceiling set aside for issuers
4 of qualified mortgage bonds or qualified residential rental project
5 bonds in 2003 is governed by the law in effect immediately before
6 the effective date of this Act, and the former law is continued in
7 effect for that purpose.

8 (b) The offices of the board of directors of the Texas State
9 Affordable Housing Corporation serving immediately before the
10 effective date of this Act are abolished at the time three or more
11 of the newly appointed directors under Subsection (c) of this
12 section qualify for office. The changes in law made by this Act to
13 the qualifications of or prohibitions on members of the board of
14 directors do not affect the entitlement of a member serving
15 immediately before the effective date of this Act to continue to
16 serve as provided by this subsection.

17 (c) The governor shall make five appointments to the board
18 of directors of the Texas State Affordable Housing Corporation in
19 accordance with Section 2306.554, Government Code, as amended by
20 this Act, as soon as possible on or after the effective date of this
21 Act. In making appointments under this subsection, the governor
22 shall designate:

- 23 (1) one member for a term expiring February 1, 2005;
24 (2) two members for terms expiring February 1, 2007;
25 and
26 (3) two members for terms expiring February 1, 2009.

27 (d) A member of the board of directors of the Texas State

1 Affordable Housing Corporation appointed under Subsection (c) of
2 this section is not required to comply with the training
3 requirement prescribed by Section 2306.5543, Government Code, as
4 added by this Act, until September 1, 2004.

5 (e) This Act does not prohibit a person who is a member of
6 the board of directors of the Texas State Affordable Housing
7 Corporation immediately before the effective date of this Act from
8 being appointed as a member of the board of directors on or after
9 the effective date of this Act if the person has the qualifications
10 required for the position under Subchapter Y, Chapter 2306,
11 Government Code, as amended by this Act.

12 SECTION 19. Section 2306.568, Government Code, as added by
13 this Act, applies only to a complaint filed with the board of
14 directors of the Texas State Affordable Housing Corporation on or
15 after the effective date of this Act, regardless of whether the
16 conduct or act that is the subject of the complaint occurred or was
17 committed before, on, or after the effective date of this Act.

18 SECTION 20. This Act takes effect September 1, 2003.