

By: Menendez

H.B. No. 3878

Substitute the following for H.B. No. 3878:

By: Martinez Fischer

C.S.H.B. No. 3878

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the operation and management of the Texas State  
3 Affordable Housing Corporation.

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

5 SECTION 1. Section 654.011, Government Code, is amended by  
6 adding Subsection (c) to read as follows:

7 (c) Notwithstanding Subsections (a) and (b) of this  
8 section, Section 654.012(4), or any other law, the position  
9 classification plan applies to all hourly, part-time, temporary,  
10 and regular, full-time salaried employees of the Texas State  
11 Affordable Housing Corporation, including the president of that  
12 corporation.

13 SECTION 2. Subchapter D, Chapter 2306, Government Code, is  
14 amended by adding Section 2306.07051 to read as follows:

15 Sec. 2306.07051. APPROVAL OF TEXAS STATE AFFORDABLE HOUSING  
16 CORPORATION. (a) Not later than March 1 of each odd-numbered year,  
17 the department shall approve or disapprove the biennial budget  
18 submitted by the Texas State Affordable Housing Corporation under  
19 Section 2306.572.

20 (b) If the department disapproves a biennial budget  
21 submitted under Section 2306.572, the department shall:

22 (1) inform the corporation in writing of the reason  
23 for the disapproval and the manner in which the budget must be  
24 changed to be approved; and

1           (2) request a revised biennial budget from the  
2 corporation.

3           (c) Not later than July 1 of each odd-numbered year, the  
4 department shall approve a biennial budget for the Texas State  
5 Affordable Housing Corporation for the state fiscal biennium that  
6 begins on September 1 of that same odd-numbered year.

7           SECTION 3. Section 2306.205, Government Code, is amended by  
8 amending Subsection (f) and adding Subsection (g) to read as  
9 follows:

10           (f) In addition to the money transferred into the housing  
11 trust fund under this section, and subject to Subsection (e), the  
12 department shall transfer into the fund the amount of any of the  
13 following types of revenue the Texas State Affordable Housing  
14 Corporation receives that exceeds the amount needed by the  
15 department or the Texas State Affordable Housing Corporation to pay  
16 the corporation's operating and overhead costs and maintain the  
17 corporation's fund reserves, including an insurance reserve or  
18 credit enhancement reserve established to administer the program:

19           (1) any origination fee, asset oversight fee, or [and]  
20 servicing fee the department or the Texas State Affordable Housing  
21 Corporation receives in relation to the administration of its  
22 501(c)(3) bond program established pursuant to Section 2306.358;  
23 and

24           (2) any other revenue that the corporation receives  
25 from a source not described by Subdivision (1), other than  
26 donations made directly to [that exceeds the amount needed by the  
27 department or] the Texas State Affordable Housing Corporation [to

1 ~~pay its operating and overhead costs and fund reserves, including~~  
2 ~~an insurance reserve or credit enhancement reserve established by~~  
3 ~~the board in administering the program].~~

4 (g) The Texas State Affordable Housing Corporation promptly  
5 shall transfer to the department any excess revenue described by  
6 Subsection (f).

7 SECTION 4. Sections 2306.553(a) and (b), Government Code,  
8 are amended to read as follows:

9 (a) The public purpose of the corporation is to perform  
10 activities and services that the corporation's board of directors  
11 determines will promote the public health, safety, and welfare  
12 through the provision of adequate, safe, and sanitary housing  
13 primarily for individuals and families of low, very low, and  
14 extremely low income and~~[,]~~ for persons who are eligible for loans  
15 ~~[professional educators]~~ under the ~~[professional educators]~~ home  
16 loan programs ~~[program as]~~ provided by Sections ~~[Section]~~ 2306.562  
17 and~~[, for fire fighters, corrections officers, county jailers,~~  
18 ~~public security officers, and peace officers under the fire~~  
19 ~~fighter, law enforcement officer, and security officer home loan~~  
20 ~~program as provided by Section]~~ 2306.5621~~[, and for professional~~  
21 ~~nursing program faculty members under the professional nursing~~  
22 ~~program faculty member home loan program as provided by Section~~  
23 ~~2306.5622]~~. The activities and services shall include engaging in  
24 mortgage banking activities and lending transactions and  
25 acquiring, holding, selling, or leasing real or personal property.

26 (b) The corporation's primary public purpose is to  
27 facilitate the provision of housing by issuing qualified 501(c)(3)

1 bonds and qualified residential rental project bonds and by making  
2 affordable loans to individuals and families of low, very low, and  
3 extremely low income and[7] to persons who are eligible for loans  
4 under the home loan programs provided by Sections 2306.562 and  
5 2306.5621 [~~professional educators under the professional educators~~  
6 ~~home loan program, to fire fighters, corrections officers, county~~  
7 ~~jailers, public security officers, and peace officers under the~~  
8 ~~fire fighter, law enforcement officer, and security officer home~~  
9 ~~loan program, and to professional nursing program faculty members~~  
10 ~~under the professional nursing program faculty member home loan~~  
11 ~~program~~]. The corporation may make first lien, single family  
12 purchase money mortgage loans for single family homes only to  
13 individuals and families of low, very low, and extremely low income  
14 if the individual's or family's household income is not more than  
15 the greater of 60 percent of the median income for the state, as  
16 defined by the United States Department of Housing and Urban  
17 Development, or 60 percent of the area median family income,  
18 adjusted for family size, as defined by that department. The  
19 corporation may make loans for multifamily developments if:

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

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

1 SECTION 5. The heading to Section 2306.5545, Government  
2 Code, is amended to read as follows:

3 Sec. 2306.5545. ETHICS AND CONFLICT OF INTEREST POLICIES.

4 SECTION 6. Section 2306.5545(a), Government Code, is  
5 amended to read as follows:

6 (a) The board of directors of the corporation shall require  
7 corporation employees to comply with the same ethical standards,  
8 rules, and laws with which Texas Department of Housing and  
9 Community Affairs employees must comply, including any standards,  
10 rules, or laws that prohibit Texas Department of Housing and  
11 Community Affairs employees from lobbying or engaging in  
12 lobby-related activities [~~develop and implement policies relating~~  
13 ~~to employee conflicts of interest that are substantially similar to~~  
14 ~~comparable policies that govern state employees~~].

15 SECTION 7. Section 2306.562(a), Government Code, is amended  
16 by amending Subdivision (3) and adding Subdivision (5) to read as  
17 follows:

18 (3) "Professional educator" means a classroom  
19 teacher, full-time paid teacher's aide, full-time librarian,  
20 full-time counselor certified under Subchapter B, Chapter 21,  
21 Education Code, [~~or~~] full-time school nurse, or a full-time faculty  
22 member of an undergraduate professional nursing program or graduate  
23 professional nursing program.

24 (5) "Undergraduate professional nursing program" and  
25 "graduate professional nursing program" have the meanings assigned  
26 by Section 54.221, Education Code.

27 SECTION 8. Sections 2306.562(b) and (c), Government Code,

1 are amended to read as follows:

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

7 (c) To be eligible for a loan under this section, a  
8 professional educator must:

9 (1) reside in this state on the application date; and

10 (2) be employed by a school district or be a full-time  
11 faculty member of an undergraduate professional nursing program or  
12 graduate professional nursing program in this state on the  
13 application date.

14 SECTION 9. Sections 2306.565(e) and (i), Government Code,  
15 are amended to read as follows:

16 (e) The board of directors of the corporation shall adopt  
17 criteria governing the method by which the staff of the corporation  
18 scores and ranks applications for an allocation under this section  
19 that are received in response to a request for proposals. The  
20 criteria must be substantially similar to, and at least as  
21 stringent as, the criteria the executive award and review advisory  
22 committee uses to develop funding priorities under Section  
23 2306.1112. The criteria must also include:

24 (1) the cost per unit of the housing development;

25 (2) the proposed rent for a unit; and

26 (3) the income ranges of individuals and families to  
27 be served by the housing development.

1           (i) In underwriting an application, the corporation shall  
2 use underwriting standards that are similar to, and at least as  
3 stringent as, any underwriting standards that the executive award  
4 and review advisory committee recommends or develops under Section  
5 2306.1112. The corporation shall pay the department a reasonable  
6 fee for underwriting an application for an allocation of low income  
7 housing tax credits if the housing development proposed in the  
8 application is or will be supported by an allocation of bond funds  
9 under this section.

10           SECTION 10. Subchapter Y, Chapter 2306, Government Code, is  
11 amended by adding Sections 2306.570 through 2306.572 to read as  
12 follows:

13           Sec. 2306.570. LOCATION OF OFFICE. (a) The administrative  
14 offices of the corporation must be located:

15                   (1) in office space that is owned or leased by this  
16 state; and

17                   (2) if possible, in the same building as or near to the  
18 administrative offices of a state agency or agencies that  
19 administer affordable housing programs in this state.

20           (b) The corporation's board of directors shall terminate,  
21 on the earliest date possible without the corporation being  
22 assessed a penalty of any nature, any lease or lease agreement that  
23 secures administrative office space for the corporation and that  
24 violates Subsection (a). This subsection expires on the date that  
25 the corporation first relocates the administrative offices of the  
26 corporation to a location that complies with Subsection (a).

27           Sec. 2306.571. SALARY OF EMPLOYEES AND PRESIDENT. (a) The

1 corporation may not pay an employee of the corporation an amount  
2 that exceeds any applicable salary rates and provisions in the  
3 General Appropriations Act for a similarly classified employee that  
4 is subject to those salary rates and provisions.

5 (b) The corporation may not pay the president of the  
6 corporation a salary that exceeds the maximum salary for a Group IV  
7 exempt position as specified in the General Appropriations Act.

8 Sec. 2306.572. BUDGET REVIEW AND APPROVAL. (a) Not later  
9 than January 15 of each odd-numbered year, the corporation shall  
10 submit the corporation's proposed budget for the state fiscal  
11 biennium that begins on September 1 of that same odd-numbered year  
12 to:

13 (1) the presiding officer of each legislative standing  
14 committee with jurisdiction over affordable housing programs, for  
15 the committees' review; and

16 (2) the Texas Department of Housing and Community  
17 Affairs, for the department's approval.

18 (b) The corporation shall comply with a request for a  
19 revised biennial budget made under Section 2306.07051.

20 SECTION 11. Sections 1372.0223 and 2306.5622, Government  
21 Code, are repealed.

22 SECTION 12. This Act takes effect September 1, 2007.