

By: Vo

H.B. No. 741

A BILL TO BE ENTITLED

AN ACT

relating to criteria for financing certain multifamily housing developments.

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

SECTION 1. Section 2306.223, Government Code, is amended to read as follows:

Sec. 2306.223. CRITERIA FOR FINANCING HOUSING DEVELOPMENT OF HOUSING SPONSOR. (a) Notwithstanding any other provision of this chapter, the department may not finance a housing development undertaken by a housing sponsor under this chapter, unless the department first determines that:

(1) the housing development is necessary to provide needed decent, safe, and sanitary housing at rentals or prices that individuals or families of low and very low income or families of moderate income can afford;

(2) the housing sponsor undertaking the proposed housing development will supply well-planned and well-designed housing for individuals or families of low and very low income or families of moderate income;

(3) the housing sponsor is financially responsible;

(4) the housing sponsor is not, or will not enter into a contract for the proposed housing development with, a housing developer that:

(A) is on the department's debarred list,

1 including any parts of that list that are derived from the debarred
2 list of the United States Department of Housing and Urban
3 Development;

4 (B) breached a contract with a public agency; or

5 (C) misrepresented to a subcontractor the extent
6 to which the developer has benefited from contracts or financial
7 assistance that has been awarded by a public agency, including the
8 scope of the developer's participation in contracts with the agency
9 and the amount of financial assistance awarded to the developer by
10 the agency;

11 (5) the financing of the housing development is a
12 public purpose and will provide a public benefit; ~~and~~

13 (6) the housing development will be undertaken within
14 the authority granted by this chapter to the housing finance
15 division and the housing sponsor; and

16 (7) for a general multifamily housing development that
17 will be located within the boundaries of a small school district and
18 consist only of new construction, the addition of the housing
19 development will not cause the total number of housing units within
20 such developments within the boundaries of the district to exceed
21 60 units per square mile.

22 (b) In this section:

23 (1) "General multifamily housing development" means a
24 multifamily housing development that will not primarily serve
25 elderly individuals.

26 (2) "Small school district" means a school district
27 that is 50 square miles or less in size.

1 SECTION 2. The change in law made by this Act in amending
2 Section 2306.223, Government Code, applies only to a multifamily
3 housing development for which the Texas Department of Housing and
4 Community Affairs first awards financing for new construction on or
5 after the effective date of this Act.

6 SECTION 3. This Act takes effect September 1, 2011.