

By: J. Davis of Harris

H.B. No. 2660

A BILL TO BE ENTITLED

1 AN ACT
2 relating to transferring certain functions of the Texas Department
3 of Housing and Community Affairs to the Texas State Affordable
4 Housing Corporation.

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

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

8 Sec. 1372.0221. DEDICATION OF PORTION OF STATE CEILING FOR
9 PROFESSIONAL EDUCATORS HOME LOAN PROGRAM. Until August 7, out of
10 that portion of the state ceiling that is available exclusively for
11 reservations by the Texas State Affordable Housing Corporation
12 under Section 1372.0223, 20 [~~54.5~~] percent shall be allotted each
13 year and made available to the corporation for the purpose of
14 issuing qualified mortgage bonds in connection with the
15 professional educators home loan program established under Section
16 2306.562.

17 SECTION 2. Section 1372.0222, Government Code, is amended
18 to read as follows:

19 Sec. 1372.0222. DEDICATION OF PORTION OF STATE CEILING FOR
20 FIRE FIGHTER, LAW ENFORCEMENT OR SECURITY OFFICER, AND EMERGENCY
21 MEDICAL SERVICES PERSONNEL HOME LOAN PROGRAM. Until August 7, out
22 of that portion of the state ceiling that is available exclusively
23 for reservations by the Texas State Affordable Housing Corporation
24 under Section 1372.0223, 10 [~~45.5~~] percent shall be allotted each

1 year and made available to the corporation for the purpose of
2 issuing qualified mortgage bonds in connection with the fire
3 fighter, law enforcement or security officer, and emergency medical
4 services personnel home loan program established under Section
5 2306.5621.

6 SECTION 3. Subchapter B, Chapter 1372, Government Code, is
7 amended by adding Section 1372.02221 to read as follows:

8 Sec. 1372.02221. DEDICATION OF PORTION OF STATE CEILING FOR
9 PROGRAMS ADMINISTERED BY TEXAS STATE AFFORDABLE HOUSING
10 CORPORATION. Until August 7, out of that portion of the state
11 ceiling that is available exclusively for reservations by the Texas
12 State Affordable Housing Corporation under Section 1372.0223, 70
13 percent shall be allotted each year and made available to the
14 corporation for the purpose of issuing qualified mortgage bonds in
15 connection with the programs established under Sections 2306.562
16 and 2306.5621 or any other home loan program administered by the
17 corporation.

18 SECTION 4. Section 1372.0223, Government Code, is amended
19 to read as follows:

20 Sec. 1372.0223. DEDICATION OF PORTION OF STATE CEILING TO
21 [~~CERTAIN~~] ISSUERS OF QUALIFIED MORTGAGE BONDS. Until August 7, out
22 of that portion of the state ceiling that is available exclusively
23 for reservations by issuers of qualified mortgage bonds under
24 Section 1372.022:

25 (1) 40 [~~10~~] percent is available exclusively to the
26 Texas State Affordable Housing Corporation for the purpose of
27 issuing qualified mortgage bonds; and

1 (2) 60 [~~56.66~~] percent is available exclusively to
2 housing finance corporations for the purpose of issuing qualified
3 mortgage bonds.

4 SECTION 5. Sections 1372.0231(a), (b-1), (c), (d), (g), and
5 (i), Government Code, are amended to read as follows:

6 (a) Until August 15, of that portion of the state ceiling
7 that is available exclusively for reservations by issuers of
8 qualified residential rental project bonds:

9 (1) 80 [~~20 percent is available exclusively to the~~
10 ~~Texas Department of Housing and Community Affairs in the manner~~
11 ~~described by Subsection (b)~~],

12 [~~(2) 70~~] percent is available exclusively to housing
13 finance corporations in the manner described by Subsections
14 (c)-(f); and

15 (2) 20 [~~(3) 10~~] percent is available exclusively to
16 the Texas State Affordable Housing Corporation in the manner
17 described by Subsection (b-1).

18 (b-1) With respect to the amount of the state ceiling set
19 aside under Subsection (a)(2) [~~(a)(3)~~], the board shall issue
20 qualified residential rental project bonds and allocate bond funds
21 at the direction of the Texas State Affordable Housing Corporation
22 as provided by Section 2306.565. Issuances made by the board under
23 this subsection are subject to review and approval by the board
24 under Section 1231.041.

25 (c) With respect to the amount of the state ceiling set
26 aside under Subsection (a)(1) [~~(a)(2)~~], the board shall grant
27 reservations in a manner that ensures that not more than 50 percent

1 of the set-aside amount is used for proposed projects that are
2 located in qualified census tracts as defined by the most recent
3 publication by the United States Department of Housing and Urban
4 Development.

5 (d) Except as provided by Subsection (i), before May 1, the
6 board shall apportion the amount of the state ceiling set aside
7 under Subsection (a)(1) [~~(a)(2)~~] among the uniform state service
8 regions according to the percentage of the state's population that
9 resides in each of those regions.

10 (g) On or after May 1, the board may not grant available
11 reservations to housing finance corporations described by
12 Subsection (a)(1) [~~(a)~~] based on uniform state service regions or
13 any segments of those regions.

14 (i) Before May 1, the board shall apportion the amount of
15 the state ceiling set aside under Subsection (a)(1) [~~(a)(2)~~] only
16 among uniform state service regions with respect to which an issuer
17 has submitted an application for a reservation of the state ceiling
18 on or before March 1.

19 SECTION 6. Section 1372.025(b), Government Code, is amended
20 to read as follows:

21 (b) Subsection (a) does not apply to qualified mortgage
22 bonds or qualified residential rental project bonds made available
23 exclusively to [~~the Texas Department of Housing and Community~~
24 ~~Affairs under Section 1372.023 or~~] the Texas State Affordable
25 Housing Corporation under Sections 1372.0221, [~~and~~] 1372.0222, and
26 1372.02221.

27 SECTION 7. Section 1372.028(d), Government Code, is amended

1 to read as follows:

2 (d) An issuer is not required to provide the statement
3 required by Subsection (c)(3)(F) if the issuer:

4 (1) is an issuer of a state-voted issue;

5 (2) is the [~~Texas Department of Housing and Community~~
6 ~~Affairs or the~~] Texas State Affordable Housing Corporation; or

7 (3) provides evidence that one or more binding
8 contracts have been entered into, or other evidence acceptable to
9 the board as described by program rule, to spend the unexpended
10 proceeds by the later of:

11 (A) 12 months after the date the board receives
12 the application; or

13 (B) December 31 of the program year for which the
14 application is filed.

15 SECTION 8. Section 1372.037(a), Government Code, is amended
16 to read as follows:

17 (a) Except as provided by Subsection (b), before August 15
18 the board may not grant for any single project a reservation for
19 that year that is greater than:

20 (1) \$40 million, if the issuer is an issuer of
21 qualified mortgage bonds, other than the [~~Texas Department of~~
22 ~~Housing and Community Affairs or the~~] Texas State Affordable
23 Housing Corporation;

24 (2) \$50 million, if the issuer is an issuer of a
25 state-voted issue, other than the Texas Higher Education
26 Coordinating Board, or \$75 million, if the issuer is the Texas
27 Higher Education Coordinating Board;

1 (3) the amount to which the Internal Revenue Code
2 limits issuers of qualified small issue bonds and enterprise zone
3 facility bonds, if the issuer is an issuer of those bonds;

4 (4) the lesser of \$20 million or 15 percent of the
5 amount set aside for reservation by issuers of qualified
6 residential rental project bonds, if the issuer is an issuer of
7 those bonds;

8 (5) the amount as prescribed in Sections 1372.033(d),
9 (e), and (f), if the issuer is an issuer authorized by Section
10 53B.47, Education Code, to issue qualified student loan bonds; or

11 (6) \$50 million, if the issuer is any other issuer of
12 bonds that require an allocation.

13 SECTION 9. Section 1372.040, Government Code, is amended to
14 read as follows:

15 Sec. 1372.040. RESERVATION BY CERTAIN ISSUERS OF QUALIFIED
16 MORTGAGE BONDS OF MONEY FOR MORTGAGES FOR CERTAIN PERSONS. An
17 issuer of qualified mortgage bonds, other than the [~~Texas~~
18 ~~Department of Housing and Community Affairs or the~~] Texas State
19 Affordable Housing Corporation, shall reserve for six months 50
20 percent of the funds available for loans outside the federally
21 designated target areas to provide mortgages to individuals and
22 families with incomes below 80 percent of the applicable median
23 family income, as defined by Section 143(f)(4), Internal Revenue
24 Code (26 U.S.C. Section 143(f)(4)).

25 SECTION 10. Section 2306.1076(b), Government Code, is
26 amended to read as follows:

27 (b) The [~~In addition to funds set aside for the program~~

1 ~~under Section 1372.023, the~~] department may solicit and accept
2 funding for the program from gifts and grants for the purposes of
3 this section.

4 SECTION 11. Section 2306.253, Government Code, is
5 transferred to Subchapter Y, Chapter 2306, Government Code,
6 redesignated as Section 2306.570, Government Code, and amended to
7 read as follows:

8 Sec. 2306.570 [~~2306.253~~]. HOMEBUYER EDUCATION PROGRAM.

9 (a) The corporation [~~department~~] shall develop and implement a
10 statewide homebuyer education program designed to provide
11 information and counseling to prospective homebuyers about the home
12 buying process.

13 (b) The corporation [~~department~~] shall develop the program
14 in cooperation with the Texas AgriLife [~~Agricultural~~] Extension
15 Service, the Health and [~~Texas Department of~~] Human Services
16 Commission, the Real Estate [~~Research~~] Center at Texas A&M
17 University, the Texas Workforce Commission, experienced homebuyer
18 education providers, community-based organizations, and advocates
19 of affordable housing. When feasible, the corporation [~~The~~
20 ~~department~~] shall implement the program through the self-help
21 centers established under Subchapter Z [~~when feasible~~].

22 (c) The corporation [~~department~~] shall make full use of
23 existing training and informational materials available from
24 sources such as the United States Department of Housing and Urban
25 Development, the cooperative extension system, the Neighborhood
26 Reinvestment Corporation, and existing homebuyer education
27 providers.

1 (d) In order to implement this section, the corporation
2 [~~department~~] may use money available to the corporation
3 [~~department~~] for housing purposes that the corporation
4 [~~department~~] is not prohibited from spending on the homebuyer
5 education program, including:

6 (1) the amount of administrative or service fees the
7 corporation [~~department~~] receives from the issuance or refunding of
8 bonds that exceeds the amount the corporation [~~department~~] needs to
9 pay its overhead costs in administering its bond programs; and

10 (2) money the corporation [~~department~~] receives from
11 other entities by gift or grant under a contract.

12 SECTION 12. The heading to Section 2306.565, Government
13 Code, is amended to read as follows:

14 Sec. 2306.565. ISSUANCE OF QUALIFIED RESIDENTIAL RENTAL
15 PROJECT BONDS; ALLOCATION OF BOND FUNDS; COMPLIANCE MONITORING.

16 SECTION 13. Section 2306.565, Government Code, is amended
17 by adding Subsection (k) to read as follows:

18 (k) The corporation shall perform compliance monitoring and
19 physical inspections to ensure that recipients of money funded by
20 bonds issued by the corporation or the department under Section
21 1372.0231(a) comply with all legal and contractual requirements for
22 receiving that money, except that the department shall continue to
23 perform compliance monitoring and physical inspections in relation
24 to contracts maintained under department programs that are
25 otherwise funded using federal money.

26 SECTION 14. The following provisions of the Government Code
27 are repealed:

1 (1) Section 1372.023;

2 (2) Section 1372.0231(b), as amended by Chapters 330
3 (S.B. 264) and 1329 (S.B. 1664), Acts of the 78th Legislature,
4 Regular Session, 2003; and

5 (3) Section 1372.0231(h).

6 SECTION 15. The change in law made by this Act in amending
7 Chapter 1372, Government Code, applies only to a reservation of
8 state ceiling granted on or after January 1, 2012.

9 SECTION 16. This Act takes effect immediately if it
10 receives a vote of two-thirds of all the members elected to each
11 house, as provided by Section 39, Article III, Texas Constitution.
12 If this Act does not receive the vote necessary for immediate
13 effect, this Act takes effect September 1, 2011.