

By: Lucio

S.B. No. 1742

A BILL TO BE ENTITLED

AN ACT

relating to the creation, fiscal oversight and administration of the Texas Housing Innovations Competition Fund; making an appropriation.

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

SECTION 1. Subchapter Y, Chapter 2306, Government Code, is amended by adding Section 2306.570 to read as follows:

Sec. 2306.570. TEXAS HOUSING INNOVATIONS COMPETITION FUND.

(a) In this section, "Competition Oversight Committee" means the committee established under Subsection (c).

(b) The Texas Housing Innovations Competition Fund is a dedicated account in the Texas Treasury Safekeeping Trust Company. Money appropriated, credited or deposited to the fund, interest earned on money in the account and loans repaid to the account shall be deposited to the credit of the account for exclusive use by the corporation to encourage cities, counties, councils of governments, housing finance agencies, public housing authorities, for-profit affordable housing developers and non-profit affordable housing developers to innovate new, better, more affordable and more effective solutions to providing quality housing and shelter for low income, very low income, and extremely low income Texans through:

(1) providing homeownership;

(2) providing affordable rental housing;

1 (3) providing innovative ways to return foreclosed
2 homes to occupancy;

3 (4) providing quality affordable housing
4 opportunities to special needs Texans, including veterans, the
5 elderly, persons with disabilities, farmworkers and colonia
6 residents;

7 (5) providing shelter, transitional and permanent
8 housing and services to Texans who are homeless; and

9 (6) supporting programs to construct or rehabilitate
10 affordable housing for individuals and families of low income, very
11 low income, and extremely low income.

12 (c) The Competition Oversight Committee is a committee
13 within the corporation consisting of seven members, with one member
14 each appointed by the governor, the lieutenant governor, the
15 speaker of the house of representatives, the attorney general, the
16 comptroller of public accounts, the board of the Texas Department
17 of Housing and Community Affairs, and the corporation's board of
18 directors. Each member of the committee must have experience in the
19 are of affordable housing for individuals and families of low
20 income, very low income, and extremely low income. The members
21 serve staggered three-year terms, with either two or three of the
22 members' terms expiring February 1 of each year. A vacancy on the
23 oversight committee shall be filled in the same manner as a regular
24 appointment to the vacant position. A member of the oversight
25 committee is not entitled to compensation for service on the
26 committee.

27 (d) The oversight committee shall:

1 (1) oversee the administration of the money in the
2 fund for the purposes established under Subsection (b) and
3 according to the plan established under Subdivision (2) of this
4 subsection;

5 (2) establishes an annual program area or areas from
6 the categories in Subsection (b);

7 (3) oversees the competition and makes the annual
8 award recommendations to the Legislative Budget Board as provided
9 in Subsection (i); and

10 (4) approves the annual report to the legislature on
11 the status of the competition as provided in Subsection (j).

12 (e) No less than 75 percent of all funds awarded annually
13 through the competition shall be in the form of repayable loans,
14 including regularly amortizing loans or due on sale loans.

15 (f) Entities eligible to participate in the competition are
16 cities, counties, councils of government, for profit developers of
17 affordable housing, non-profit developers of affordable housing,
18 faith-based institutions, housing authorities, homeless service
19 organizations, homebuyer education providers and housing
20 counseling providers.

21 (g) The guidelines of the competition adopted by the
22 Competition Oversight Committee shall seek to stimulate innovation
23 in housing affordability, housing finance, housing design, energy
24 efficiency, marketing, outreach to underserved populations and
25 areas for the purpose of housing extremely low, very low and low
26 income Texans.

27 (h) In administering the program, the Competition Oversight

1 Committee shall ensure that over the duration of any five year
2 period, funds are used to equitably undertake projects in rural
3 areas, small towns, urban and exurban communities and in regions
4 throughout the State as well as proportionately addressing the
5 housing and shelter needs of extremely low, very low and low income
6 Texans.

7 (i) Prior to awards being made, the recommendations and
8 proposed awards adopted by the Competition Oversight Committee
9 shall be submitted to the Legislative Budget Board of Directors for
10 final approval.

11 (j) Not later than September 1 of each year, the corporation
12 shall submit to the legislature a report based on the results of the
13 competition detailing the status and accomplishments of the fund,
14 the performance of the outstanding loans and recommendations for
15 changes to housing programs and policies within state supported
16 affordable housing programs.

17 (k) If the Texas housing innovations competition fund is
18 created by legislation enacted by the 83rd Legislature, Regular
19 Session, 2013, the amount of \$50 million is appropriated from the
20 general revenue fund to the comptroller for the purpose of
21 depositing that amount to the credit of the Texas housing
22 innovations competition fund as money available for use by the
23 Texas State Affordable Housing Corporation for the purposes of the
24 Texas housing innovations competition fund implementation.

25 SECTION 2. (a) The initial members of the Fund Oversight
26 Committee appointed under Section 2306.570(c), Government Code, as
27 added by this Act, shall draw lots to determine which two directors

1 serve a one-year term, which two directors serve a two-year term,
2 and which three directors serve a three-year term.

3 (b) Successor directors shall serve three-year terms.

4 SECTION 3. This Act takes effect September 1, 2013.