

By: Guillen

H.B. No. 2528

A BILL TO BE ENTITLED

AN ACT

1
2 relating to predevelopment loans provided to community housing
3 development organizations by the Texas Department of Housing and
4 Community Affairs.

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

6 SECTION 1. Subchapter J, Chapter 2306, Government Code, is
7 amended by adding Section 2306.233 to read as follows:

8 Sec. 2306.233. PREDEVELOPMENT LOANS. (a) The department
9 may issue to a community housing development organization certified
10 by the department a project-specific predevelopment loan to
11 facilitate the development of a project that, if considered
12 feasible, will receive an award of financial assistance under the
13 terms of the federal HOME Investment Partnerships Program
14 established under Title II of the Cranston-Gonzalez National
15 Affordable Housing Act (42 U.S.C. Section 12701 et seq.).

16 (b) A predevelopment loan issued under this section may not
17 be used to pay:

18 (1) project costs that exceed customary and reasonable
19 project preparation costs; or

20 (2) administrative expenses of a community housing
21 development organization.

22 SECTION 2. This Act takes effect September 1, 2017.