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By:  Lucio S.B. No. 647

A BILL TO BE ENTITLED

AN ACT

relating to the purposes of and income eligibility limits for participation in programs offered by the Texas State Affordable Housing Corporation.

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

SECTION 1.  Section 2306.551, Government Code, is amended to read as follows:

Sec. 2306.551.  DEFINITIONS [~~DEFINITION~~]. In this subchapter:

(1)  "Corporation" [~~, "corporation"~~] means the Texas State Affordable Housing Corporation.

(2)  "Economic development opportunities" means financing activities that:

(A)  maintain or increase employment in an area of high unemployment or an area with a concentration of low-income to moderate-income households;

(B)  constitute activities that would not otherwise occur in the area in the absence of economic development;

(C)  support the public purposes of the corporation described by Section 2306.553; and

(D)  do not limit, impair, or conflict with the public purposes or activities of the Texas Economic Development and Tourism Office established under Chapter 481, including duties, powers, or purposes relating to the:

(i)  Texas Economic Development Corporation established under Section 481.024;

(ii)  capital access fund established under Section 481.402; and

(iii)  capital access program established under Section 481.405.

SECTION 2.  Section 2306.553, Government Code, is amended to read as follows:

Sec. 2306.553.  PURPOSES. (a) The public purpose of the corporation is to perform activities and services that the corporation's board of directors determines will promote the public health, safety, and welfare through the provision of adequate, safe, and sanitary housing and economic development opportunities primarily for individuals and families of low to moderate [~~, very low, and extremely low~~] income and for persons who are eligible for loans under the home loan program provided by Section 2306.5621. The activities and services shall include engaging in mortgage banking activities and lending transactions and acquiring, holding, selling, or leasing real or personal property.

(b)  The corporation's primary public purpose is to facilitate the provision of housing by issuing qualified 501(c)(3) bonds and qualified residential rental project bonds and by making affordable loans to individuals and families of low to moderate [~~, very low, and extremely low~~] income and to persons who are eligible for loans under the home loan program provided by Section 2306.5621.

(b-1)  The corporation may make first lien, single family purchase money mortgage loans for single family homes only to individuals and families of low to moderate [~~, very low, and extremely low~~] income [~~if the individual's or family's household income is not more than the greater of 60 percent of the median income for the state, as defined by the United States Department of Housing and Urban Development, or 60 percent of the area median family income, adjusted for family size, as defined by that department~~].

(b-2)  The corporation may make loans for multifamily developments if:

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

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

(c)  To the extent reasonably practicable, the corporation shall use the services of banks, community banks, savings banks, thrifts, savings and loan associations, private mortgage companies, nonprofit organizations, and other lenders for the origination of all loans contemplated by this subchapter and assist the lenders in providing credit primarily to individuals and families of low to moderate [~~, very low, and extremely low~~] income.

SECTION 3.  Section 2306.555(d), Government Code, is amended to read as follows:

(d)  All of the mortgage banking operations shall be dedicated to the furtherance of facilitating affordable housing finance primarily for the benefit of individuals and families of low to moderate [~~, very low, and extremely low~~] income who, generally, are not afforded housing finance options through conventional lending channels.

SECTION 4.  Section 2306.5552, Government Code, is amended to read as follows:

Sec. 2306.5552.  TECHNICAL AND FINANCIAL ASSISTANCE PROVIDED TO NONPROFIT ORGANIZATIONS. The corporation shall supplement the technical and financial capacity of other appropriate nonprofit organizations to provide for the multifamily and single-family housing needs of individuals and families of low to moderate [~~, very low, and extremely low~~] income.

SECTION 5.  This Act takes effect September 1, 2019.