88R12498 JAM-D

By:  Goodwin H.B. No. 4958

A BILL TO BE ENTITLED

AN ACT

relating to the establishment of the workforce housing program by the Texas Department of Housing and Community Affairs.

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

SECTION 1.  Subchapter K, Chapter 2306, Government Code, is amended by adding Section 2306.2595 to read as follows:

Sec. 2306.2595.  WORKFORCE HOUSING PROGRAM. (a) In this section:

(1)  "Fund" means the workforce housing fund.

(2)  "Program" means workforce housing program.

(b)  The department shall establish the workforce housing program to provide financial assistance to participating municipalities to facilitate the construction and rehabilitation of eligible workforce housing developments in those municipalities. Financial assistance may be awarded from the fund described by Subsection (e) to eligible developments in the form of grants or low-interest loans for the purposes described by this section and must be prorated, to the extent practicable, according to the size of the participating municipality.

(c)  To be eligible for financial assistance awarded by a participating municipality under the program, a workforce housing development must:

(1)  consist of new construction or a substantial rehabilitation of an existing facility;

(2)  reserve a specified percentage of the units in the development for occupancy of individuals and families earning:

(A)  not less than 30 percent of the area median income, adjusted for family size; and

(B)  not more than 120 percent of the area median income, adjusted for family size; and

(3)  maintain the affordability requirements described by Subdivision (2) for a period of not less than 20 years following the date of receipt of financial assistance under this section.

(d)  The department shall adopt rules to implement the program, including rules that:

(1)  provide criteria for determining which municipalities may participate in the program;

(2)  specify the percentage of units that a workforce housing development must reserve to satisfy the affordability requirements under Subsection (c)(2), to demonstrate eligibility for financial assistance under the program; and

(3)  provide a scoring system to be used by a municipality to prioritize developments that are eligible for financial assistance under the program.

(e)  The workforce housing fund is a special account in the state treasury. The fund consists of:

(1)  money appropriated to the board for a purpose of the fund;

(2)  repayment of principal and interest from loans made from the fund;

(3)  money the board transfers to the fund from any available source;

(4)  depository interest allocable to the fund and other investment returns on money in the fund;

(5)  money from gifts, grants, or donations to the fund; and

(6)  any other fees or sources of revenue that the legislature may dedicate for deposit to the fund.

(f)  Financial assistance provided from the fund to an eligible workforce housing development must be spent by the recipient on the development not later than 36 months after the date the assistance is received.

(g)  Money provided from the fund that is not spent as required by Subsection (f) must be returned to the department and deposited to the credit of the fund.

SECTION 2.  This Act takes effect September 1, 2023.