

BILL ANALYSIS

Senate Research Center
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H.B. 1512
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Bootstrap Loan Program is a self-help housing construction program that provides very low-income families (owner-builders) an opportunity to purchase or refinance real property on which to build new housing or repair their existing homes through "sweat equity."

To qualify, an owner-builder's household income may not exceed 60 percent of area median family income and the total loan amount the owner-builder secures for purchase of the land and construction cannot exceed \$90,000. The program receives \$3 million in funding annually from the state Housing Trust Fund as well as repayments on the loans issued in previous years.

H.B. 1512 seeks to address the \$90,000 cap that has excluded many individuals in areas of the state that have experienced rapid property value growth. To remedy this problem, H.B. 1512 raises that cap to \$150,000, but maintains the \$45,000 cap for funds loaned by the state—thereby qualifying more individuals, but not costing the state additional funds. By making this change, more families will be empowered to build a home for themselves.

H.B. 1512 extends the sunset date for the provision of funds from the Housing Trust Fund to the later of September 1, 2025, or when the payments received from previously issued loans equal the amounts issued in new loans for that year.

H.B. 1512 amends current law relating to the maximum loan amount made to persons under the owner-builder loan program.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Department of Housing and Community Affairs in SECTION 2 of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2306.754(b), Government Code, as follows:

(b) Requires the owner-builder, if it is not possible for an owner-builder to purchase necessary real property and build or rehabilitate adequate housing for \$45,000, to obtain the amount necessary that exceeds \$45,000 from other sources of funds. Prohibits the total amount of amortized, repayable loans made by the Texas Department of Housing and Community Affairs (TDHCA) and other entities to an owner-builder under this subchapter from exceeding \$150,000, rather than \$90,000.

SECTION 2. Requires TDHCA, as soon as practicable after the effective date of this Act, to adopt rules necessary to implement Section 2306.754(b), Government Code, as amended by this Act.

SECTION 3. Effective date: upon passage or September 1, 2017.