

## **BILL ANALYSIS**

Senate Research Center

C.S.H.B. 1402  
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Intergovernmental Relations  
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Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The Texas State Affordable Housing Corporation (TSAHC) is a 501(c)(3) nonprofit organization that was incorporated in 1994. TSAHC was created at the direction of the Texas Legislature to serve as a self-sustaining, statewide affordable housing provider. TSAHC is not subject to the legislative appropriations process.

TSAHC's programs target the housing needs of extremely low-income, very low-income, low-income and moderate-income individuals and families. TSAHC's mission is to address their critical and expanding needs by: (1) helping affordable housing developers build better housing for working families; (2) helping home buyers achieve the American dream of homeownership; and (3) helping homeowners sustain homeownership and improve their financial situation.

H.B. 1402 updates TSAHC's enabling statute. H.B. 1402 clarifies that TSAHC may serve moderate-income individuals and families through its programs. The Texas legislature has already given TSAHC authority to serve moderate-income households through the creation of the Homes for Texas Heroes Loan Program (Section 2306.5621, Government Code) which allows TSAHC to assist households up to 115 percent of area median income. Thus, H.B. 1402 conforms TSAHC purposes language to what the legislature has already allowed.

H.B. 1402 also provides that TSAHC can perform limited economic development opportunities in underserved areas. This reflects a couple of trends in the industry. First, it is increasingly common for housing developments to include a commercial component whether that be retail or office space. Second, it is also increasingly common for housing finance entities to finance activities that provide jobs and economic revitalization to underserved areas with the understanding that quality housing alone may not go far enough in improving a community and providing opportunities for its residents. (Original Author's/Sponsor's Statement of Intent)

C.S.H.B. 1402 amends current law relating to the purposes of and income eligibility limits for participation in programs offered by the Texas State Affordable Housing Corporation.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 2306.551, Government Code, as follows:

Sec. 2306.551. New heading: DEFINITIONS. Makes nonsubstantive changes, defines "corporation" as the Texas State Affordable Housing Corporation (TSAHC), and defines "economic development opportunities" for purposes of this subchapter (Texas State Affordable Housing Corporation).

SECTION 2. Amends Section 2306.553(a), Government Code, as follows:

(a) Provides that the public purpose of TSAHC is to perform activities and services that TSAHC'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 moderate, low, very low, and extremely low income and for persons who are eligible for loans under the home loan program provided by Section 2306.5621 (Homes For Texas Heroes Home Loan Program), rather than providing that the public purpose of TSAHC is to perform activities and services that TSAHC's board of directors determines will promote the public health, safety, and welfare through the provision of adequate, safe, and sanitary housing primarily for individuals and families of low, very low, and extremely low income and for persons who are eligible for loans under the home loan program provided by Section 2306.5621.

SECTION 3. Effective date: September 1, 2019.