

BILL ANALYSIS

Senate Research Center
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S.B. 1873
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Finance
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Chapter 1372, Government Code, provides a program for the issuance of bonds related to financing the rehabilitation and construction of certain residential facilities and sets forth the application process for obtaining such bonds.

As proposed, S.B. 1873 amends the application process by updating the priorities for reservations among certain issuers and decreases the lag time between when the program expends its funds to lend and when the trustee issues a certificate that the loans have been distributed.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 1372.002, Government Code, by amending Subsection (a) and adding Subsections (c) and (d), as follows:

(a) Provides that a project, for the purposes of this chapter, includes an eligible group of facilities that is proposed to be financed, in whole or in part, by an issue of bonds.

(c) Provides that, for purposes of Subsection (a), a group of eligible facilities includes an application under this chapter that includes both rehabilitation and new construction of qualified residential rental facilities located at multiple sites and with respect to which 51 percent or more of the residential units are located in a county with a population of less than 75,000; or in a county in which the median income is less than the median income for the state, provided that the units are located in that portion of the county that is not included in a metropolitan statistical area containing one or more projects that are proposed to be financed, in whole or in part, by an issuance of bonds.

(d) Authorizes the number of sites, for purposes of Subsection (c), in an application for a reservation, to be reduced as needed without affecting their status as a project for purposes of the application, provided that the final application for a reservation contains at least two sites.

SECTION 2. Amends Section 1372.0231(d), (e), (g), and (i), Government Code, as follows:

(d) Provides that the deadline under this subsection is before May 1, rather than June 1.

(e) Requires the Bond Review Board (board), until March 1, rather than May 15, of each year, for each of the uniform state services regions containing Dallas or Houston to reserve a total of \$15 million of the state ceiling (reservation) set aside for the region under Subsection (d). Deletes existing text regarding the region containing Austin. Requires the reservation to be used for projects involving the rehabilitation of a qualified residential rental facility or facilities in the region, regardless of whether the projects are located inside or outside a metropolitan statistical area.

(g) Makes a conforming change.

(i) Makes a conforming change.

SECTION 3. Amends Section 1372.0261, Government Code, by amending Subsection (a) and adding Subsection (e), as follows:

(a) Redefines "utilization percentage."

(e) Authorizes, for the purpose of Subsection (a)(1), only the original principal balance of originated mortgage loans to be used in computing a utilization percentage.

SECTION 4. Amends Section 1372.031, Government Code, as follows:

Sec. 1372.031. PRIORITIES FOR RESERVATIONS AMONG CERTAIN ISSUERS.
Provides that this subsection is subject to Section 1372.035(c).

SECTION 5. Reenacts Section 1372.0321(a-1), Government Code, as added by Chapters 330 and 1329, Acts of the 78th Legislature, Regular Session, 2003, as follows:

(a-1) Requires the board, in granting reservations to issuers of qualified residential rental project issues, to give second priority to projects in which 80, rather than 100, percent or more of the residential units in the project are under the restriction that the maximum allowable rents are an amount equal to 30 percent of 60 percent of the area median family income minus an allowance for utility costs authorized under the federal low-income housing tax credit program; and reserved for families and individuals earning not more than 60 percent of the area median income.

SECTION 6. Amends Section 1372.035, Government Code, by amending Subsection (b) and adding Subsection (c), as follows:

(b) Includes Subsection (c) as an exception to this subsection.

(c) Requires the board, if an issuer receives a carryforward designation with respect to an application, to grant a reservation with respect to the issuer's next available application on the earlier of certain dates.

SECTION 7. Amends Section 1372.070, Government Code, as follows:

Sec. 1372.070. FORM AND CONTENTS OF APPLICATION FOR CARRYFORWARD APPLICATION. Deletes existing text as it relates to the governor or the presiding officer or another authorized official of each political subdivision signing a carryforward application.

SECTION 8. Makes application of Section 1372.0261, Government Code, as amended by this Act, prospective to January 1, 2008.

SECTION 9. Effective date: September 1, 2007.