

- SUBJECT:** Revising the purposes of the State Affordable Housing Corporation
- COMMITTEE:** International Relations and Economic Development — committee substitute recommended
- VOTE:** 7 ayes — Anchia, Frullo, Blanco, Larson, Metcalf, Perez, Raney
- 1 nay — Cain
- 1 absent — Romero
- WITNESSES:** For — (*Registered, but did not testify:* Bill Kelly, City of Houston Mayor's Office)
- Against — None
- On — Michael Wilt, Texas State Affordable Housing Corporation
- BACKGROUND:** Government Code ch. 2306, subch. Y establishes the Texas State Affordable Housing Corporation. The corporation's primary purpose is to facilitate the provision of housing for low-income individuals and families by issuing bonds and making affordable loans.
- DIGEST:** CSHB 1402 would expand the purpose of the Texas State Affordable Housing Corporation (TSAHC) to include providing financing services to assist moderate-income individuals and families in addition to low-income individuals and families.
- The bill also would broaden the purpose of TSAHC to include providing economic development opportunities that:
- supported employment in a low-income to moderate-income or high-unemployment area;
  - constituted activities that otherwise would not occur in the area without economic development;
  - supported the statutory public purposes of TSAHC; and

- did not conflict with activities of the Texas Economic Development and Tourism Office.

The bill would take effect September 1, 2019.

**SUPPORTERS  
SAY:**

CSHB 1402 would empower the Texas State Affordable Housing Corporation (TSAHC) to finance economic development opportunities, including mixed-use retail and office spaces, that would provide jobs and contribute to economic revitalization of underserved areas.

TSAHC currently is neither expressly allowed in law to finance commercial development projects or finance moderate-income housing, nor is it expressly precluded from doing so. The bill would allow TSAHC to take a broader view of community development in accomplishing its goal of promoting affordable housing. TSAHC would have more freedom in dealings with banks and developers that are increasingly interested in financing developments that are mixed-use, rather than strictly residential.

Broadening the authority of TSAHC to serve moderate-income households would complement the existing Homes for Texas Heroes loan program, which is open to certain moderate-income public servants, veterans, and educators. Because housing prices have risen relative to income, this change would be a refinement of the agency's original purpose, rather than a radical departure from it.

**OPPONENTS  
SAY:**

CSHB 1402 would expand the remit of the Texas State Affordable Housing Corporation significantly beyond what the Legislature intended when it created the corporation.