

EXHIBIT A

PROPOSED AMENDMENTS TO THE TEXAS HOUSING FINANCE CORPORATIONS ACT – CHAPTER 394 OF THE TEXAS LOCAL GOVERNMENT CODE

Section 394.005, Local Government Code, is amended to read as follows:

~~This chapter does not apply to~~ The authority of a housing finance corporation does not apply to property located within a municipality that has not authorized, sponsored, or otherwise participated in the creation of the housing finance corporation with more than 20,000 as determined by the housing finance corporation's rules, resolutions relating to the issuance of bonds, or financing documents relating to the issuance of bonds, unless the governing body of the municipality approves the application of this chapter to that property.

Section 394.032, Local Government Code, is amended by adding subsection (f) to read as follows:

(f) A housing finance corporation may only carry out the purposes stated in this chapter within the jurisdictional boundaries of the local government that has authorized, sponsored, or otherwise participated in the creation of the housing finance corporation, except as otherwise provided under Section 394.005.

Section 394.039, Local Government Code, is amended by revising subsection (3) to read as follows:

A housing finance corporation may:

- (1) lend money for its corporate purposes, invest and reinvest its funds, and take and hold real or personal property as security for the payment of the loaned or invested funds;
- (2) mortgage, pledge, or grant security interest in any residential development, home mortgage, note, or other property in favor of the holders of bonds issued for those items; and
- (3) purchase, receive, lease, or otherwise acquire, own, hold, improve, use, or deal in and with real or personal property or interests in that property, ~~wherever the property is located,~~ as required by the purposes of the corporation or as donated to the corporation; and
- (4) sell, convey, mortgage, pledge, lease, exchange, transfer, and otherwise dispose of all or part of its property and assets.

Section 394.9025, Local Government Code, is amended by adding subsection (a) and re-designating the remaining subsections to read as follows:

(a) A multifamily residential development covered by this chapter must be located within the jurisdictional boundaries of the local government that authorized, sponsored, or otherwise

participated in the creation of the housing finance corporation, except as otherwise provided under Section 394.005.

~~(a)~~ (b) Following a public hearing, a housing finance corporation may issue bonds to finance a multifamily residential development to be owned by the housing finance corporation if at least 50 percent of the units in the multifamily residential development are reserved for occupancy by individuals and families earning less than 80 percent of the area median family income.

~~(b)~~ (c) Following a public hearing by the governing body of the local government, a housing finance corporation may issue bonds to finance a multifamily residential development to be owned by the housing finance corporation in accordance with Section 394.004 if the housing finance corporation receives approval of the governing body of the local government.

Section 394.903, Local Government Code, is amended to read as follows:

(a) A residential development covered by this chapter must be located within the jurisdictional boundaries of the local government that authorized, sponsored, or otherwise participated in the creation of the housing finance corporation, except as otherwise provided under Section 394.005.

(b) The local government may transfer any residential development site to a housing finance corporation by sale or lease. The governing body of the local government may authorize the transfer by resolution without submitting the issue to the voters and without regard to the requirements, restriction, limitations, or other provisions contained in any other general, special, or local law. The site may be located wholly or partly inside or outside the jurisdictional boundaries of the local government, except as otherwise provided under Section 394.005.