

BILL ANALYSIS

H.B. 1247
By: Ritter
Urban Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Texas State Affordable Housing Corporation (“TSAHC”) is a nonprofit corporation that was created by the legislature in 1995 to help meet the housing needs of low-income residents in Texas. TSAHC operates to provide single and multifamily loans to low-income individuals without using state appropriated general revenue. TSAHC generates income primarily through bond proceeds, grants, fees, and investment revenue. In February 2000, TSAHC redirected its efforts away from acting as a mortgage bank and grant administrator to issuing taxable single and multifamily tax exempt mortgage revenue bonds for the purpose of directing the proceeds of the bonds to low-income households. Currently, there is not a state program that offers assistance to encourage qualified police officers and firefighters to purchase residential property. The creation of such a program would likely lead to increased retention rates of police officers and firefighters and provide incentives for these workers to purchase homes in the cities where they work.

H.B. 1247 requires TSAHC to establish a fire fighter and police officer home loan program. The program expires September 1, 2014.

RULEMAKING AUTHORITY

It is the committee’s opinion that rulemaking authority is expressly granted to the Texas State Affordable Housing Corporation board of directors in SECTION 3 (Section 2306.563, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 1372, Government Code, by adding Sec. 1372.0222. DEDICATION OF PORTION OF STATE CEILING FOR FIRE FIGHTER AND POLICE OFFICER HOME LOAN PROGRAM. This section allots \$25 million of the state ceiling to Texas State Affordable Housing Corporation (TSAHC) each year for the purpose of issuing qualified mortgage bonds in connection with the program established in Section 2306.563, Government Code, added below.

SECTION 2. Amends Section 2306.553(a) and (b), Government Code, by adding the fire fighter and police office home loan program to the TSAHC public purpose statements.

SECTION 3. Amends Subchapter Y, Chapter 2306, Government Code, by adding Sec. 2306.563 as follows:

- (a) Sets forth definitions for “Firefighter,” “Home,” “Mortgage lender,” “Police Officer,” and “Program.”
- (b) Requires the TSAHC to establish a program to provide eligible fire fighters and police officers with low-interest home mortgage loans.
- (c) Sets forth loan eligibility requirements for fire fighters and police.
- (d) Authorizes TSAHC to contract with other state agencies or private entities to administer the program.

- (e) Authorizes the TSAHC board of directors to collect reasonable and necessary fees from program applicants.
- (f) Requires the board to adopt rules related to the administration of the program.
- (g) Requires the TSAHC to ensure that a loan complies with requirements associated with the source of the funds used for the loan.
- (h) Authorizes TSAHC to solicit and accept funding from gifts, grants, the housing trust fund, federal block grants, other state or federal programs, and amounts received by TSAHC in repayment of fire fighter and police loans.
- (i) Sets forth that the program expires September 1, 2014.

SECTION 4. Requires the TSAHC to aggressively pursue funding for the program and implement the program not later than September 1, 2004.

SECTION 5. Provides that if the TSAHC is abolished, the program shall be administered by the Texas Department of Housing and Community Affairs.

SECTION 6. Effective Date.

EFFECTIVE DATE

If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2003.