LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 11, 2007

TO: Honorable Kevin Bailey, Chair, House Committee on Urban Affairs

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: **HB3627** by Rodriguez (Relating to housing funds for certain disabled persons and the creation of the person with permanent disability home loan program.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Government Code to remove the requirement that the Texas Department of Housing and Community Affairs (TDHCA) administer 95 percent of the federal housing funds provided to the state under the Cranston-Gonzalez National Affordable Housing Act to rural areas and would authorize TDHCA to spend any amount of funds for the benefit of persons with disabilities.

The bill would exempt any set-asides allocated by TDHCA for persons with disabilities to be distributed through a regional allocation formula.

The bill would establish the Person with Permanent Disability Home Loan Program to be operated by the Texas State Affordable Housing Corporation (TSAHC) and would reserve $5 million each year for this program from the portion of the state ceiling that is available exclusively for reservations by issuers of qualified mortgage revenue bonds.

Based on information provided by TDHCA, it is assumed that costs related to the duties and responsibilities associated with implementing the provisions of the bill could be covered by utilizing existing resources.

The bill would take effect immediately if it receives a vote of two-thirds of all members elected to each house; otherwise it would take effect September 1, 2007.

Local Government Impact

In fiscal year 2007, approximately $318 million was made available to local housing finance corporations from the portion of the state ceiling that is available exclusively for reservations by issuers of qualified mortgage revenue bonds. Of this $318 million, the bill would allocate $5 million, as indicated above, to TSAHC for the operation of the Person with Permanent Disability Home Loan Program. A result of setting aside $5 million for the new program operated by TSAHC would be that the local housing finance corporations would be allocated less money from the state ceiling; therefore there would be some local government impact. This analysis assumes that any fiscal implication to units of local government would not be significant.

Source Agencies: 332 Department of Housing and Community Affairs

LBB Staff: JOB, DB, AH