

BILL ANALYSIS

C.S.H.B. 3161
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Urban Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Texas State Affordable Housing Corporation, created in 1995, is a self-sustaining nonprofit corporation that helps Texans obtain affordable housing. Merging its duties into the Texas Department of Housing and Community Affairs (TDHCA) will eliminate the duplication of services.

C.S.H.B. 3161 requires TDHCA to conduct a study of the effectiveness of the annual state low income housing plan and ways to maximize state resources and reduce duplication of services. The bill requires that the study examine and make recommendations regarding increasing the availability of affordable housing. The bill transfers the duties of the Texas State Affordable Housing Corporation to TDHCA.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the executive director of the Texas Department of Housing and Community Affairs in SECTIONS 1 and 5 of this bill.

ANALYSIS

C.S.H.B. 3161 amends the Government Code to add a temporary provision, set to expire September 2, 2011, to require the Texas Department of Housing and Community Affairs (TDHCA) to conduct a study regarding the effectiveness of the annual state low income housing plan in efficiently allocating all available housing resources and reducing or eliminating redundant allocations of housing resources. The bill requires the study to examine and provide recommendations regarding strategies for increasing the efficiency of the state low income housing plan and requires TDHCA to submit a report regarding the results of the study to the legislature not later than December 1, 2010.

C.S.H.B. 3161 transfers the powers and duties of the Texas State Affordable Housing Corporation to TDHCA and requires the corporation to transfer to TDHCA all assets owned or distributed by the corporation, including any real or personal property owned by the corporation and any bond revenue distributed by the corporation; all records related to the operation of any home loan programs under provisions governing TDHCA; and any applications pending with the corporation on the date the corporation is dissolved by the board of the corporation. The bill requires the board of the corporation to take all necessary actions to dissolve the corporation and, at the request of the director of TDHCA assist the director in formulating the transition plan.

C.S.H.B. 3161 requires the director of TDHCA by rule to adopt a transition plan for TDHCA's assumption of the former powers and duties of the corporation; and to require the plan to include a timetable with specific steps and deadlines needed to fully complete the transfer, and to ensure that the transfer is fully implemented not later than January 1, 2010. The bill authorizes the director to adopt rules necessary to improve the efficiency or effectiveness of any program transferred in such a transition, including rules that provide for consolidating the operation of

programs already administered by TDHCA and a program or programs that are transferred to TDHCA from the corporation.

C.S.H.B. 3161 abolishes the Texas State Affordable Housing Corporation on January 1, 2010, and requires all powers, duties, obligations, rights, contracts, funds, unspent appropriations, records, real or personal property, and personnel of the corporation to be transferred to TDHCA by that date. The bill requires the director of TDHCA to adopt rules relating to the transfer of programs to TDHCA not later than October 1, 2009.

C.S.H.B. 3161 repeals Sections 2306.255(g) and 2306.552, Government Code, relating to the Texas State Affordable Housing Corporation.

EFFECTIVE DATE

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 3161 adds provisions not in the original to abolish the Texas State Affordable Housing Corporation on January 1, 2010, and transfer its powers and duties to the Texas Department of Housing and Community Affairs (TDHCA). The substitute adds a provision not in the original to require the director of TDHCA by rule to adopt a transition plan for TDHCA's assumption of the powers and duties. The substitute omits provisions in the original establishing an affordable housing fee, makes conforming changes related to these omissions, and requiring TDHCA to seek and apply for any available federal funding. The substitute requires the study of the effectiveness of the state low income housing plan by TDHCA to study the effectiveness of the plan in allocating all available housing resources and reducing or eliminating redundant allocations of housing resources and reducing or eliminating redundant allocations of housing resources, rather than identifying all available housing resources to address the needs for affordable housing in underserved areas, as in the original. The substitute differs from the original by changing the effective date.