

By: Menendez

H.B. No. 3431

Substitute the following for H.B. No. 3431:

By: Hilderbran

C.S.H.B. No. 3431

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the transfer of the powers, duties, and programs of the  
3 Texas State Affordable Housing Corporation to the Texas Department  
4 of Housing and Community Affairs and to the establishment of  
5 certain other programs and divisions within the department.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. Subchapter C, Chapter 2306, Government Code, is  
8 amended by adding Section 2306.058 to read as follows:

9 Sec. 2306.058. TRANSITION PLAN FOR CERTAIN POWERS, DUTIES,  
10 AND PROGRAMS; RULES. (a) The director by rule shall adopt a  
11 transition plan for the department's assumption of the former  
12 powers and duties of the Texas State Affordable Housing Corporation  
13 under Section 2306.551. The transition plan must:

14 (1) include a timetable with specific steps and  
15 deadlines needed to fully complete the transfer;

16 (2) ensure that the programs administered under  
17 Sections 2306.562 and 2306.5621 will be administered by a  
18 tax-exempt organization listed under Section 501(c)(3), Internal  
19 Revenue Code of 1986; and

20 (3) ensure that the transfer is fully implemented not  
21 later than January 1, 2010.

22 (b) The director may adopt rules necessary to improve the  
23 efficiency or effectiveness of any program that is transferred to  
24 the department as a result of the department's assumption of the

1 former powers and duties of the Texas State Affordable Housing  
2 Corporation under Section 2306.551, including rules that provide  
3 for consolidating the operation of programs already administered by  
4 the department and a program or programs that are transferred to the  
5 department from the Texas State Affordable Housing Corporation.

6 (c) Notwithstanding Subsection (b), the director may not  
7 consolidate or eliminate the programs administered under Sections  
8 2306.562 and 2306.5621.

9 SECTION 2. Subchapter D, Chapter 2306, Government Code, is  
10 amended by adding Section 2306.084 to read as follows:

11 Sec. 2306.084. NONPROFIT ASSISTANCE DIVISION. (a) The  
12 nonprofit assistance division is an independent entity within the  
13 department, is administratively attached to the department, and is  
14 not an advisory body to the department.

15 (b) The department shall administer and enforce Section  
16 2306.5552 through the nonprofit assistance division.

17 SECTION 3. Subchapter E, Chapter 2306, Government Code, is  
18 amended by adding Section 2306.095 to read as follows:

19 Sec. 2306.095. HOMELESS GRANT PROGRAM. (a) The department  
20 shall provide grants, supportive housing services, and housing  
21 retention services to support services offered to homeless persons  
22 by political subdivisions, housing finance corporations,  
23 for-profit corporations, and nonprofit organizations.

24 (b) Grants made under this section must be used only for  
25 support services for homeless persons, including:

26 (1) case management;

27 (2) job training, placement, and retention;

1           (3) housing placement and retention; and

2           (4) mental health services.

3           (c) The department may adopt rules to administer this  
4 section.

5           SECTION 4. Subchapter Y, Chapter 2306, Government Code, is  
6 amended by amending Section 2306.551 and adding Section 2306.5511  
7 to read as follows:

8           Sec. 2306.551. TRANSFER OF CORPORATION POWERS AND DUTIES  
9 AND ASSETS. (a) The powers and duties of the corporation under  
10 this chapter or other law are transferred to the Texas Department of  
11 Housing and Community Affairs.

12           (b) The corporation shall transfer to the Texas Department  
13 of Housing and Community Affairs:

14           (1) all assets owned or distributed by the  
15 corporation, including any real or personal property owned by the  
16 corporation and any bond revenue distributed by the corporation;

17           (2) all records related to the operation of any home  
18 loan programs under this chapter; and

19           (3) any applications pending with the corporation on  
20 the date the corporation is dissolved by the board of the  
21 corporation.

22           (c) The board of the corporation shall:

23           (1) take all necessary actions to dissolve the  
24 corporation; and

25           (2) at the request of the director, assist the  
26 director in formulating the transition plan under Section 2306.058.

27           Sec. 2306.5511. DEFINITION; CONSTRUCTION OF OTHER LAW. (a)

1 In this subchapter, "corporation" means the Texas State Affordable  
2 Housing Corporation.

3 (b) A reference in law to the corporation is a reference to  
4 the Texas Department of Housing and Community Affairs.

5 SECTION 5. Section 2306.557, Government Code, is amended to  
6 read as follows:

7 Sec. 2306.557. DISTRIBUTION OF EARNINGS. (a) Any part of  
8 earnings remaining after payment of expenses and any establishment  
9 of reserves by the corporation's board of directors may not inure to  
10 any person except that the corporation shall use these excess  
11 earnings to further the corporation's new or existing affordable  
12 housing initiatives if the corporation's board of directors  
13 determines that sufficient provision has been made for the full  
14 payment of the expenses, bonds, and other obligations of the  
15 corporation and for any establishment of reserves by the  
16 corporation's board of directors.

17 (b) Notwithstanding any provision to the contrary, all  
18 earnings from bonds issued under Section 2306.5551, 2306.562,  
19 2306.5621, or 2306.565 shall be allocated to the homeless grant  
20 program under Section 2306.095.

21 SECTION 6. Sections 2306.255(g) and 2306.552, Government  
22 Code, are repealed.

23 SECTION 7. (a) The Texas State Affordable Housing  
24 Corporation is abolished on January 1, 2010.

25 (b) All powers, duties, obligations, rights, contracts,  
26 funds, unspent appropriations, records, and real or personal  
27 property of the Texas State Affordable Housing Corporation shall be

1 transferred to the Texas Department of Housing and Community  
2 Affairs not later than January 1, 2010.

3 (c) The nonprofit assistance division of the Texas  
4 Department of Housing and Community Affairs created under Section  
5 2306.084, Government Code, as added by this Act, is established on  
6 the effective date of this Act.

7 (d) A policy, procedure, or decision of the Texas State  
8 Affordable Housing Corporation relating to a duty of that  
9 corporation that is transferred to the authority of the Texas  
10 Department of Housing and Community Affairs under Section 2306.551,  
11 Government Code, as amended by this Act, continues in effect as a  
12 policy, procedure, or decision of the Texas Department of Housing  
13 and Community Affairs until superseded by an act of the director of  
14 the Texas Department of Housing and Community Affairs.

15 (e) Except as otherwise provided by this Act, the validity  
16 of a plan or procedure adopted, contract or acquisition made,  
17 proceeding begun, grant or loan awarded, obligation incurred, right  
18 accrued, or other action taken by or in connection with the  
19 authority of the Texas State Affordable Housing Corporation before  
20 that corporation is abolished under Subsection (a) of this section  
21 is not affected by the abolishment.

22 (f) The director of the Texas Department of Housing and  
23 Community Affairs shall adopt rules relating to the transfer of the  
24 programs assigned to the Texas Department of Housing and Community  
25 Affairs under Section 2306.551, Government Code, as amended by this  
26 Act, not later than October 1, 2009.

27 SECTION 8. This Act takes effect immediately if it receives

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1 a vote of two-thirds of all the members elected to each house, as  
2 provided by Section 39, Article III, Texas Constitution. If this  
3 Act does not receive the vote necessary for immediate effect, this  
4 Act takes effect September 1, 2009.