

By: Menendez

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; and

16 (2) ensure that the transfer is fully implemented not
17 later than January 1, 2010.

18 (b) The director may adopt rules necessary to improve the
19 efficiency or effectiveness of any program that is transferred to
20 the department as a result of the department's assumption of the
21 former powers and duties of the Texas State Affordable Housing
22 Corporation under Section 2306.551, including rules that provide
23 for consolidating the operation of programs already administered by
24 the department and a program or programs that are transferred to the

1 department from the Texas State Affordable Housing Corporation.

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

4 Sec. 2306.084. NONPROFIT ASSISTANCE DIVISION. (a) The
5 nonprofit assistance division is an independent entity within the
6 department, is administratively attached to the department, and is
7 not an advisory body to the department.

8 (b) The department shall administer and enforce Section
9 2306.5552 through the nonprofit assistance division.

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

12 Sec. 2306.095. HOMELESS GRANT PROGRAM. (a) The department
13 shall provide grants, supportive housing services, and housing
14 retention services to support services offered to homeless persons
15 by political subdivisions, housing finance corporations,
16 for-profit corporations, and nonprofit organizations.

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

- 19 (1) case management;
20 (2) job training, placement, and retention;
21 (3) housing placement and retention; and
22 (4) mental health services.

23 (c) The department may adopt rules to administer this
24 section.

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

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

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

7 (1) all assets owned or distributed by the
8 corporation, including any real or personal property owned by the
9 corporation and any bond revenue distributed by the corporation;

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

12 (3) any applications pending with the corporation on
13 the date the corporation is dissolved by the board of the
14 corporation.

15 (c) The board of the corporation shall:

16 (1) take all necessary actions to dissolve the
17 corporation; and

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

20 Sec. 2306.5511. DEFINITION; CONSTRUCTION OF OTHER LAW. (a)
21 In this subchapter, "corporation" means the Texas State Affordable
22 Housing Corporation.

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

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

27 Sec. 2306.557. DISTRIBUTION OF EARNINGS. (a) Any part of

1 earnings remaining after payment of expenses and any establishment
2 of reserves by the corporation's board of directors may not inure to
3 any person except that the corporation shall use these excess
4 earnings to further the corporation's new or existing affordable
5 housing initiatives if the corporation's board of directors
6 determines that sufficient provision has been made for the full
7 payment of the expenses, bonds, and other obligations of the
8 corporation and for any establishment of reserves by the
9 corporation's board of directors.

10 (b) Notwithstanding any provision to the contrary, all
11 earnings from bonds issued under Section 2306.5551, 2306.562,
12 2306.5621, or 2306.565 shall be allocated to the homeless grant
13 program under Section 2306.095.

14 SECTION 6. Sections 2306.255(g) and 2306.552, Government
15 Code, are repealed.

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

18 (b) All powers, duties, obligations, rights, contracts,
19 funds, unspent appropriations, records, real or personal property,
20 and personnel of the Texas State Affordable Housing Corporation
21 shall be transferred to the Texas Department of Housing and
22 Community Affairs not later than January 1, 2010.

23 (c) The nonprofit assistance division of the Texas
24 Department of Housing and Community Affairs created under Section
25 2306.084, Government Code, as added by this Act, is established on
26 the effective date of this Act.

27 (d) A policy, procedure, or decision of the Texas State

1 Affordable Housing Corporation relating to a duty of that
2 corporation that is transferred to the authority of the Texas
3 Department of Housing and Community Affairs under Section 2306.551,
4 Government Code, as amended by this Act, continues in effect as a
5 policy, procedure, or decision of the Texas Department of Housing
6 and Community Affairs until superseded by an act of the director of
7 the Texas Department of Housing and Community Affairs.

8 (e) Except as otherwise provided by this Act, the validity
9 of a plan or procedure adopted, contract or acquisition made,
10 proceeding begun, grant or loan awarded, obligation incurred, right
11 accrued, or other action taken by or in connection with the
12 authority of the Texas State Affordable Housing Corporation before
13 that corporation is abolished under Subsection (a) of this section
14 is not affected by the abolishment.

15 (f) The director of the Texas Department of Housing and
16 Community Affairs shall adopt rules relating to the transfer of the
17 programs assigned to the Texas Department of Housing and Community
18 Affairs under Section 2306.551, Government Code, as amended by this
19 Act, not later than October 1, 2009.

20 SECTION 8. This Act takes effect immediately if it receives
21 a vote of two-thirds of all the members elected to each house, as
22 provided by Section 39, Article III, Texas Constitution. If this
23 Act does not receive the vote necessary for immediate effect, this
24 Act takes effect September 1, 2009.