

By: Menendez

H.B. No. 3432

A BILL TO BE ENTITLED

AN ACT

relating to the administration of the Texas Department of Housing  
and Community Affairs.

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

SECTION 1. Sections 2306.004(12-a) and (26-a), Government  
Code, are amended to read as follows:

(12-a) "Grant" means financial assistance that is  
awarded in the form of money to a housing sponsor for a specific  
purpose and that is not required to be repaid. [~~For purposes of  
this chapter, a grant includes a forgivable loan.~~]

(26-a) "Rehabilitation" means the improvement or  
modification of an existing residential development through an  
alteration, addition, or enhancement. The term includes the  
demolition of an existing residential development [~~and the  
reconstruction of any development units~~], but does not include the  
improvement or modification of an existing residential development  
for the purpose of an adaptive reuse of the development.

SECTION 2. Sections 2306.030(b) and (c), Government Code,  
are amended to read as follows:

(b) The board shall elect the following officers:

(1) from the members of the board, an assistant  
presiding officer to perform the duties of the presiding officer  
when the presiding officer is not present or is incapable of  
performing duties of the presiding officer; and

1           (2) a secretary to be the official custodian of the  
2 minutes, books, records, and seal of the board and to perform other  
3 duties assigned by the board[~~, and~~

4           ~~[(3) a treasurer to perform duties assigned by the~~  
5 ~~board].~~

6           (c) The office [~~offices~~] of secretary [~~and treasurer may be~~  
7 ~~held by one individual, and the holder of each of these offices]~~  
8 need not be a board member. The board may appoint one or more  
9 individuals who are not members to be assistant secretaries to  
10 perform any duty of the secretary.

11           SECTION 3. Subchapter B, Chapter 2306, Government Code, is  
12 amended by adding Section 2306.0351 to read as follows:

13           Sec. 2306.0351. PUBLIC HOUSING AUTHORITY BOARD:  
14 APPOINTMENT AND COMPOSITION. (a) The department shall establish a  
15 public housing authority board.

16           (b) The public housing authority board is composed of:

17                   (1) the seven members of the board; and

18                   (2) one representative who participates in a public  
19 housing authority voucher program administered through the  
20 department, appointed by the governor.

21           (c) The board member appointed under Subsection (b)(2):

22                   (1) serves a three-year term; and

23                   (2) is not required to meet any other qualifications  
24 of appointment required of the members of the board of the  
25 department but is subject to the restrictions provided by Sections  
26 2306.034 and 2306.035.

27           (d) The public housing authority board shall investigate

1 and report on issues related to public housing and the voucher  
2 programs administered by the department.

3 (e) The public housing authority board shall meet at least  
4 once each year.

5 (f) A public housing authority board meeting may be held in  
6 conjunction with a regularly scheduled board meeting.

7 (g) For purposes of this section, the presiding officer  
8 named under Section 2306.030 serves as the presiding officer of the  
9 public housing authority board.

10 (h) The presiding officer of the public housing authority  
11 board serves as an ex officio, nonvoting member.

12 SECTION 4. Section 2306.045, Government Code, is amended by  
13 adding Subsection (c) to read as follows:

14 (c) To accomplish the purposes of this section, the board  
15 may request the director to transfer an administrative law judge  
16 into the department on a temporary or permanent basis and may  
17 contract with a qualified individual to serve as temporary  
18 administrative law judge as necessary.

19 SECTION 5. Section 2306.0503, Government Code, is amended  
20 to read as follows:

21 Sec. 2306.0503. ADMINISTRATIVE PROCEDURE. (a) A  
22 proceeding to impose the penalty is considered to be a contested  
23 case under Chapter 2001.

24 (b) If this chapter conflicts with Chapter 2001, this  
25 chapter controls.

26 SECTION 6. Section 2306.052(b), Government Code, is amended  
27 to read as follows:

1 (b) The director shall:

2 (1) administer and organize the work of the department  
3 consistent with this chapter and with sound organizational  
4 management that promotes efficient and effective operation;

5 (2) appoint and remove personnel employed by the  
6 department;

7 (3) submit, through and with the approval of the board  
8 and the governor, requests for appropriations and other money to  
9 operate the department;

10 (4) administer all money entrusted to the department;

11 (5) administer all money and investments of the  
12 department subject to:

13 (A) department indentures and contracts;

14 (B) Sections 2306.118 through 2306.120; and

15 (C) an action of the board under Section  
16 2306.351; and

17 (6) perform other functions that may be assigned by  
18 the board or the governor.

19 SECTION 7. Section 2306.0521(a), Government Code, is  
20 amended to read as follows:

21 (a) The [~~Notwithstanding Section 2306.021(b) or any other~~  
22 ~~provision of this chapter, the~~] director, with the approval of the  
23 board, may:

24 (1) create divisions [~~in addition to those listed in~~  
25 ~~Section 2306.021(b)] and assign to the newly created divisions any  
26 duties and powers imposed on or granted to an existing division or  
27 the department generally; or~~

1           (2) eliminate any division [~~listed in Section~~  
2 ~~2306.021(b) or created under this section and assign any duties or~~  
3 ~~powers previously assigned to the eliminated division to another~~  
4 ~~division listed in Section 2306.021(b) or created under this~~  
5 ~~section; or~~

6           [~~(3) eliminate all divisions listed in Section~~  
7 ~~2306.021(b) or created under this section]~~ and reorganize the  
8 distribution of powers and duties granted to or imposed on a  
9 division in any manner the director determines appropriate for the  
10 proper administration of the department.

11           SECTION 8. Section 2306.057(a), Government Code, is amended  
12 to read as follows:

13           (a) Before the board approves any project application  
14 submitted under this chapter, the department, through the division  
15 with responsibility for compliance matters, shall~~+~~

16           [~~(1)~~] assess:

17           (1) [~~(A)~~] the compliance history in this state of the  
18 applicant and any affiliate of the applicant with respect to all  
19 applicable requirements; and

20           (2) [~~(B)~~] the compliance issues associated with the  
21 proposed project~~, and~~

22           [~~(2) provide to the board a written report regarding~~  
23 ~~the results of the assessments described by Subdivision (1)~~].

24           SECTION 9. Section 2306.092, Government Code, is amended to  
25 read as follows:

26           Sec. 2306.092. DUTIES REGARDING CERTAIN PROGRAMS CREATED  
27 UNDER FEDERAL LAW. As consistent with its purposes, the [~~The~~]

1 department shall administer programs, as appropriate under  
2 policies established by the board, implementing [+

3 [~~(1)~~] state responsibilities established [~~for~~  
4 ~~programs created~~] under [~~the federal Economic Opportunity Act of~~  
5 ~~1964 (42 U.S.C. Section 2701 et seq.)~~];

6 [~~(2)~~ ~~programs assigned to the department under the~~  
7 ~~Omnibus Budget Reconciliation Act of 1981 (Pub.L. No. 97-35)~~]; and

8 [~~(3)~~ ~~other~~] federal [~~acts creating economic~~  
9 ~~opportunity~~] programs and assigned by law or by executive order to  
10 the department.

11 SECTION 10. Section 2306.111(d), Government Code, is  
12 amended to read as follows:

13 (d) The department shall allocate housing funds provided to  
14 the state under the Cranston-Gonzalez National Affordable Housing  
15 Act (42 U.S.C. Section 12701 et seq.), housing trust funds  
16 administered by the department under Sections 2306.201-2306.206,  
17 and commitments issued under the federal low income housing tax  
18 credit program administered by the department under Subchapter DD  
19 to all urban areas and rural areas of each uniform state service  
20 region based on a formula developed by the department under Section  
21 2306.1115. Except as otherwise provided this chapter, if [~~If~~] the  
22 department determines under the formula that an insufficient number  
23 of eligible applications for assistance out of funds or credits  
24 allocable under this subsection are submitted to the department  
25 from a particular uniform state service region, the department  
26 shall use the unused funds or credits allocated to that region for  
27 all urban areas and rural areas in other uniform state service

1 regions based on identified need and financial feasibility.

2 SECTION 11. Section 2306.148, Government Code, is amended  
3 to read as follows:

4 Sec. 2306.148. UNDERWRITING STANDARDS. The board shall  
5 have the specific duty and power to adopt underwriting standards  
6 for grants or loans made or financed by the housing finance  
7 division.

8 SECTION 12. Section 2306.174, Government Code, is amended  
9 to read as follows:

10 Sec. 2306.174. ACQUISITION AND DISPOSITION OF PROPERTY.  
11 The department may:

12 (1) acquire, own, rent, lease, accept, hold, or  
13 dispose of any real, personal, or mixed property, or any interest in  
14 property, including a right or easement, in performing its duties  
15 and exercising its powers under this chapter, by purchase,  
16 exchange, gift, assignment, transfer, foreclosure, sale, lease, or  
17 otherwise;

18 (2) hold, manage, operate, or improve real, personal,  
19 or mixed property, except that:

20 (A) the department is restricted in acquiring  
21 property under Section 2306.251 unless it is required to foreclose  
22 on a delinquent loan and elects to acquire the property at  
23 foreclosure;

24 (B) the department shall make a diligent effort  
25 to sell a housing development acquired through foreclosure to a  
26 purchaser who will be required to pay ad valorem taxes on the  
27 housing development or, if such a purchaser cannot be found, to

1 another purchaser; and

2 (C) the department shall sell a multifamily  
3 housing development acquired through foreclosure not later than the  
4 third anniversary of the date of acquisition unless the board  
5 adopts a resolution stating the reason [~~that a purchaser cannot be~~  
6 ~~found after diligent search by the housing finance division, in~~  
7 ~~which case the department shall continue to try to find a purchaser~~  
8 ~~and shall sell~~] the [~~housing~~] development has not been sold [~~when a~~  
9 ~~purchaser is found~~]; and

10 (3) lease or rent land or a dwelling, house,  
11 accommodation, building, structure, or facility from a private  
12 party to carry out the housing finance division's purposes.

13 SECTION 13. Section 2306.2561(a), Government Code, is  
14 amended to read as follows:

15 (a) The department, through the housing finance division,  
16 may [~~shall~~] provide loans and grants to political subdivisions,  
17 housing finance corporations, public housing authorities,  
18 for-profit organizations, nonprofit organizations, and  
19 income-eligible individuals, families, and households for purposes  
20 of rehabilitating housing to preserve affordability of the housing.

21 SECTION 14. Section 2306.903(a), Government Code, is  
22 amended to read as follows:

23 (a) The Texas Interagency Council for the Homeless is  
24 composed of:

25 (1) one representative from each of the following  
26 agencies, appointed by the administrative head of that agency:

27 (A) [~~the Texas Department of Health,~~



1                   [~~(B)~~] the [~~Texas~~] Department of State Health  
2 [~~Human~~] Services;

3                   [~~(C) the Texas Department of Mental Health and~~  
4 ~~Mental Retardation;~~]

5                   (B) [~~(D)~~] the Texas Department of Criminal  
6 Justice;

7                   (C) [~~(E)~~] the [~~Texas~~] Department of of [~~on~~] Aging  
8 and Disability Services;

9                   (D) [~~(F)~~] the Department of Assistive and  
10 Rehabilitative Services [~~Texas Rehabilitation Commission~~];

11                   (E) [~~(G)~~] the Texas Education Agency;

12                   [~~(H) the Texas Commission on Alcohol and Drug~~  
13 ~~Abuse;~~]

14                   (F) [~~(I)~~] the Department of Family and  
15 Protective [~~and Regulatory~~] Services;

16                   (G) [~~(J)~~] the Health and Human Services  
17 Commission;

18                   (H) [~~(K)~~] the Texas Workforce Commission;

19                   (I) [~~(L)~~] the Texas Youth Commission; and

20                   (J) [~~(M)~~] the Texas Veterans Commission;

21                   (2) two representatives from the department [~~one each~~  
22 ~~from the community affairs division and the housing finance~~  
23 ~~division~~], appointed by the director; [~~and~~]

24                   (3) three members representing service providers to  
25 the homeless, one each appointed by the governor, the lieutenant  
26 governor, and the speaker of the house of representatives; and

27                   (4) one representative from each municipality that has

1 a population of 250,000 or more, appointed by the governing body of  
2 that municipality.

3 SECTION 15. The following provisions of the Government Code  
4 are repealed:

- 5 (1) Section 2306.004(23-a);
- 6 (2) Section 2306.004(28-b);
- 7 (3) Section 2306.057(b);
- 8 (4) Section 2306.232;
- 9 (5) Section 2306.258; and
- 10 (6) Section 2306.803(c).

11 SECTION 16. (a) The changes in law made by this Act  
12 relating to the evaluation of applications for financial assistance  
13 administered by the Texas Department of Housing and Community  
14 Affairs apply only to an application submitted on or after the  
15 effective date of this Act. An application submitted before the  
16 effective date of this Act is governed by the law in effect when the  
17 application was submitted, and the former law is continued in  
18 effect for that purpose.

19 (b) As soon as practicable after the effective date of this  
20 Act, the governor shall appoint an initial representative  
21 participating in a public housing authority voucher program to the  
22 public housing authority board as required by Section 2306.0351,  
23 Government Code, as added by this Act.

24 (c) As soon as practicable after the effective date of this  
25 Act, the governing body of each municipality that has a population  
26 of 250,000 or more shall appoint an initial representative from the  
27 municipality to the Texas Interagency Council for the Homeless as

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1 required by Section 2306.903(a), Government Code, as amended by  
2 this Act.

3 SECTION 17. This Act takes effect September 1, 2009.