

BILL ANALYSIS

H.B. 1818
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Urban Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Created in 1995, the Texas State Affordable Housing Corporation (Corporation) is a self-sustaining nonprofit corporation that helps Texans obtain affordable housing. To achieve its mission, the Corporation issues bonds to help teachers, firefighters, police officers, and low-income families purchase homes; issues bonds to finance multifamily rental properties; provides loans to affordable housing developers; seeks private funds to help support affordable housing; provides grants to nonprofit organizations and rural governmental entities to build or rehabilitate housing; provides grants to local organizations providing foreclosure counseling services; and partners with nonprofit organizations and local governments to acquire and redevelop foreclosed homes, vacant land, and other properties. The Corporation self-funds its operations and receives no state-appropriated funding.

The Corporation is subject to the Sunset Act and will be abolished on September 1, 2011, unless continued by the Legislature. The Sunset Commission found that the State has a continuing need for the Corporation, but identified changes to help the Corporation to continue to maximize its potential as a nonprofit entity to support affordable housing initiatives.

RULEMAKING AUTHORITY

The Corporation is not subject to the Administrative Procedures Act, and the bill does not expressly delegate rulemaking authority to the Corporation.

ANALYSIS

Continues the Texas State Affordable Housing Corporation

H.B.1818 updates the Corporation's sunset review date to 2023 to provide for a twelve-year review.

Ensures representation of families and nonprofit housing organizations on the Corporation's Board Directors.

H.B.1818 maintains the current five member size of the Board but requires that one member represent the interests of families served by the Corporation's single family programs and that one member represents nonprofit housing organizations.

Strengthens the Corporation's contracts to ensure its multifamily developers maintain safe and decent housing.

H.B.1818 requires the Corporation to include a range of enforcement options in its multifamily development contracts, including financial penalties for non-compliance with contracts and Corporation policies; withdrawal of reserve funds to make needed repairs and replacements to a property; replacement of a property manager with one acceptable to the Corporation; and appointment of the Corporation as receiver to protect and operate the property.

Requires the Corporation to report to the Legislature its fund raising, grants, and loans.

H.B.1818 requires the Corporation to report annually to the Legislature on: the number, amount, and use of private grants, donations, or other funds applied for and received by the Corporation; the number, amount, and purpose of loans and grants provided to affordable housing developers; and total revenues generated annually beyond expenditures to support the Corporation's operations.

Updates standard Sunset across-the-board recommendations.

H.B.1818 updates standard Sunset language prohibiting a person from serving as a member of the Board of Directors or high-level agency employee if the person, or their spouse, is an officer, employee, or paid consultant of a Texas trade association in a related field; requiring members of the Board of Directors to complete training before assuming their duties; requiring the Corporation to maintain information on all complaints and notify the parties about policies for and status of complaints; and language giving the Governor authority to designate the Board of Director's presiding officer.

EFFECTIVE DATE

September 1, 2011.