

## **BILL ANALYSIS**

H.B. 2660  
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Urban Affairs  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Currently, a percentage of the state's private activity bond ceiling is set aside for issuers of qualified single family mortgage bonds and is allocated to certain housing entities. The Texas State Affordable Housing Corporation is a self-supporting, state-chartered not-for-profit organization and does not receive any state funding for its operations. Its partnership with local housing nonprofits helps foster relationships that readily identify local needs, address those needs, and help bring the promise of decent affordable housing to our citizens. H.B. 2660, among other provisions, seeks to bring the state's private activity bond ceiling structure in alignment with the affordable housing programs in other states by making changes to the allocation percentages.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 2660 amends the Government Code, in provisions relating to the allocation and reservation of the state ceiling in connection with private activity bonds and certain other bonds, to reduce from 54.5 percent to 20 percent the annual allotment, out of that portion of the state ceiling that is available exclusively for reservations by the Texas State Affordable Housing Corporation, that until August 7 of each calendar year must be made available to the corporation for the purpose of issuing qualified mortgage bonds in connection with the professional educators home loan program administered by the corporation and reduces from 45.5 percent to 10 percent the annual allotment that must be made available to the corporation for the purpose of issuing qualified mortgage bonds in connection with the fire fighter, law enforcement or security officer, and emergency medical services personnel home loan program administered by the corporation. The bill requires, until August 7 of each calendar year, 70 percent of the portion of the state ceiling that is available exclusively for reservations by the corporation to be allotted each year and made available to the corporation for the purpose of issuing qualified mortgage bonds in connection with either of the aforementioned programs or any other home loan program administered by the corporation.

H.B. 2660, of the portion of the state ceiling that is available exclusively for reservations by issuers of qualified mortgage bonds available until August 7 of each year, increases from 10 percent to 40 percent the allotment available exclusively to the Texas State Affordable Housing Corporation for the purpose of issuing qualified mortgage bonds. The bill, of the same portion of the state ceiling, increases from 56.66 percent to 60 percent the allotment available exclusively to housing finance corporations for the purpose of issuing qualified mortgage bonds.

H.B. 2660, of the portion of the state ceiling that is available exclusively for reservations by issuers of qualified residential rental project bonds available until August 15 of each year, increases from 70 percent to 80 percent the allotment available exclusively to housing finance

corporations. The bill, of the same portion of the state ceiling, increases from 10 percent to 20 percent the allotment available exclusively to the Texas State Affordable Housing Corporation. The bill removes a provision establishing an allotment of a portion of the state ceiling available exclusively to the Texas Department of Housing and Community Affairs (TDHCA).

H.B. 2660 transfers Section 2306.253, Government Code, to Subchapter Y, Chapter 2306, Government Code, redesignates it as Section 2306.570, Government Code, and amends it to replace references to the TDHCA with the Texas State Affordable Housing Corporation in provisions relating to a statewide homebuyer education program.

H.B. 2660 requires the Texas State Affordable Housing Corporation to perform compliance monitoring and physical inspections to ensure that recipients of money funded by bonds issued by the corporation or the TDHCA comply with all legal and contractual requirements for receiving that money and adds an exception requiring the department to continue to perform compliance monitoring and physical inspections in relation to contracts maintained under department programs that are otherwise funded using federal money.

H.B. 2660 repeals Section 1372.023, Government Code, relating to the dedication of portions of the state ceiling to the TDHCA. The bill repeals Section 1372.0231(b), Government Code, as amended by Chapters 330 (S.B. 264) and 1329 (S.B. 1664), Acts of the 78th Legislature, Regular Session, 2003, and Section 1372.0231(h), Government Code, relating to the dedication of a portion of the state ceiling available for qualified residential rental project bonds.

H.B. 2660 makes conforming and nonsubstantive changes.

#### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.