

BILL ANALYSIS

Senate Research Center

S.B. 1838
By: Van de Putte
Veteran Affairs & Military Installations
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

One of the programs supported by the Housing Trust Fund is a veterans housing program, which the Texas Department of Housing and Community Affairs (TDHCA) has used to provide rental assistance to veterans. The governor's 2012-2013 budget estimates that this program should be receiving \$4 million per biennium in grants, or \$2 million per year.

Transferring this program to the Texas Veterans Commission (TVC) will ensure that all funds are spent to help Texas veterans and their families obtain, maintain, or improve housing. TVC has an established track record of taking veterans programs that were not performing as well as they could have been at other agencies and making them a success. TVC's focus and commitment to veterans is the reason for this success. Transferring the veterans housing assistance program will yield similar results.

S.B. 1838 will help reduce duplication, lower costs, serve more veterans, and make state government more efficient.

As proposed, S.B. 1838 amends current law relating to the transfer of housing funds from the Texas Department of Housing and Community Affairs to the Texas Veterans Commission.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2306.202(a), Government Code, as follows:

Sec. 2306.202. USE OF HOUSING TRUST FUND. (a) Requires the Texas Department of Housing and Community Affairs (TDHCA), through the housing finance division, to use the housing trust fund to provide loans, grants, or other comparable forms of assistance to local units of government, public housing authorities, nonprofit organizations, and income-eligible individuals, families, and households to finance, acquire, rehabilitate, and develop decent, safe, and sanitary housing. Requires that, in each biennium, the first \$2.6 million available through the housing trust fund for loans, grants, or other comparable forms of assistance be set aside and made available exclusively for local units of government, public housing authorities, and nonprofit organizations; and that the next \$4 million in each biennium be transferred to the Texas Veterans Commission for the Veterans Housing Assistance Program. Authorizes any additional funds to also be made available to for-profit organizations, provided that at least 45 percent of available funds, as determined on September 1 of each state fiscal year, in excess of the first \$2.6 million are required to be made available to nonprofit organizations for the purpose of acquiring, rehabilitating, and developing decent, safe, and sanitary housing. Requires that the remaining portion be distributed to nonprofit organizations, for-profit organizations, and other eligible entities. Authorizes TDHCA, notwithstanding any other section of this chapter, but subject to the limitations in Section 2306.251(c) (prohibiting TDHCA, if TDHCA uses the housing trust fund to finance real

property acquisitions from using more than 10 percent of the yearly balance of the fund to acquire the real property), to also use the fund to acquire property to endow the fund.

SECTION 2. Effective date: upon passage or September 1, 2011.