

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 26, 2011

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: SB1464 by Williams (Relating to transferring certain functions of the Texas Department of Housing and Community Affairs to the Texas State Affordable Housing Corporation.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1464, As Introduced: a positive impact of \$180,000 through the biennium ending August 31, 2013.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2012	\$90,000
2013	\$90,000
2014	\$90,000
2015	\$90,000
2016	\$90,000

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>Appropriated Receipts</i> 666	Probable Savings from <i>Appropriated Receipts</i> 666	Probable Savings/ (Cost) from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2011
2012	(\$1,066,634)	\$1,066,634	\$90,000	(8.0)
2013	(\$1,299,036)	\$1,299,036	\$90,000	(12.0)
2014	(\$1,517,494)	\$1,517,494	\$90,000	(17.0)
2015	(\$1,722,844)	\$1,722,844	\$90,000	(19.0)
2016	(\$1,915,874)	\$1,915,874	\$90,000	(22.0)

Fiscal Analysis

The bill would amend the Government Code relating to transferring certain functions of the Texas Department of Housing and Community Affairs to the Texas State Affordable Housing Corporation (TSAHC). The bill would remove TDHCA's ability to access the state's bond cap and its ability to issue qualified mortgage bonds for single family purposes and qualified residential rental project bonds and increasing the portion reserved for TSAHC and local Housing Finance Corporations. The bill would remove the requirement that TDHCA must implement and administer a homebuyer education program and transfers that responsibility to TSAHC. The bill would also direct TSAHC, when feasible, to implement this program through the Self-Help Centers which are administered by TDHCA. The bill would direct TSAHC to perform compliance monitoring and physical inspections

of multifamily properties for which it issues bonds and to continue to perform compliance monitoring and physical inspections in relation to contracts maintained under TDHCA programs as otherwise funded using federal funding sources.

The bill would take effect immediately upon receiving a two-thirds majority vote in each house. If the bill does not receive a two-thirds vote in each house, the bill would take effect September 1, 2011.

Methodology

For the purposes of this analysis, TDHCA assumes a decrease in Appropriated Receipts would be realized in implementing the provisions of the bill associated a reduction in the collection of certain bond related and compliance fees. TDHCA also assumes that staffing levels would be reduced beginning in fiscal year 2012 due to the following: 1) Staff will no longer be involved in the ongoing maintenance and support of outstanding bonds; 2) Single and multifamily staff responsible for bond issuance will be reduced as a result of the discontinuation of single and multifamily bond programs; 3) Office of Colonia Initiative staff funded through single family bond fees, including Border Office Staff and a portion of Colonia Self-Help Center Program staffing would be eliminated under the provisions of the bill; and 4) Central administration staff providing support to the programs mentioned above would also decrease over the five year period. TDHCA estimates a decrease of 8 staff in 2012, 12 staff in 2013, 17 staff in 2014, 19 staff in 2015 and 22 staff in 2016.

TDHCA anticipates that an annual savings of \$90,000 in Housing Trust Fund administrative funds would be realized with the transfer of the Texas Statewide Homebuyer Education Program to TSHAC.

Based on the analysis of the Texas AgriLife Extension Service, Health and Human Services Commission, Texas A&M University System Administrative and General Offices and the Comptroller of Public Accounts, it is assumed that duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources. Costs and anticipated revenue gains related to TSAHC are not reflected in the table above since funding for that entity occurs outside the Treasury.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 320 Texas Workforce Commission, 332 Department of Housing and Community Affairs, 529 Health and Human Services Commission, 555 Texas AgriLife Extension Service, 710 Texas A&M University System Administrative and General Offices, 304 Comptroller of Public Accounts

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