

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**April 16, 2013**

**TO:** Honorable Harold V. Dutton, Jr., Chair, House Committee on Urban Affairs

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB2954** by Guillen (relating to the establishment of a down payment assistance program by the manufactured housing division of the Texas Department of Housing and Community Affairs for the purchase of manufactured homes by low-income individuals and families. ), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2954, Committee Report 1st House, Substituted: a negative impact of (\$480,000) through the biennium ending August 31, 2015.

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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2014	(\$240,000)
2015	(\$240,000)
2016	(\$240,000)
2017	(\$240,000)
2018	(\$240,000)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable (Cost) from General Revenue Fund 1</b>
2014	(\$240,000)
2015	(\$240,000)
2016	(\$240,000)
2017	(\$240,000)
2018	(\$240,000)

**Fiscal Analysis**

The bill would amend the Occupations Code relating to the establishment of a down payment assistance program by the manufactured housing division of the Texas Department of Housing and Community Affairs (TDHCA) for the purchase of manufactured homes by low-income individuals and families.

The bill requires TDHCA to provide down payment assistance not to exceed the lesser of: \$2,000 per eligible person; 50 percent of any down payment required by the primary lender; or five percent of the total purchase price of the manufactured home and the real property on which a manufactured home has been installed. The bill requires that financial assistance be provided in connection with a primary loan. TDHCA is required to adopt rules not later than December 1, 2013 to implement the provisions of the bill.

In addition, the bill requires TDHCA to fund the program with money appropriated to the department and money from the Housing Trust Fund that is made available to the department for that purpose. The bill would also allow TDHCA to reserve not more than five percent of money received for the program for payment of administrative expenses.

The bill would take effect September 1, 2013.

### **Methodology**

According to information provided by TDHCA, this analysis assumes that \$240,000 in General Revenue funding would be available each fiscal year to implement the provisions of the bill. This analysis also assumes that TDHCA would retain \$12,000 (5 percent) each fiscal year for administrative costs. It is assumed that the Manufactured Housing Division would enter into a Memorandum of Understanding with TDHCA to administer the program through the Housing Trust Fund. For the purpose of this analysis, TDHCA assumes financial assistance would be provided in the form of a grant and that each grant would total \$2,000, resulting in 114 grants each fiscal year.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 332 Department of Housing and Community Affairs

**LBB Staff:** UP, KKR, MW, NV