

## **BILL ANALYSIS**

Senate Research Center

H.B. 3451  
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Intergovernmental Relations  
5/7/2001  
Engrossed

### **DIGEST AND PURPOSE**

The Texas State Affordable Housing Corporation (TSAHC) is a nonprofit corporation that was created by the legislature in 1995 to help meet the housing needs of low-income residents in Texas. TSAHC operates to provide single and multifamily loans to low-income individuals without using state-appropriated general revenue. TSAHC generates income primarily through bond proceeds, grants, fees, and investment revenue. In February 2000, TSAHC redirected its efforts away from acting as a mortgage bank and grant administrator to issuing taxable single and multifamily tax exempt mortgage revenue bonds for the purpose of directing the proceeds of the bonds to low-income households. TSAHC is subject to the Sunset Act and will be abolished September 1, 2001, unless continued by the legislature. H.B. 3451 continues TSAHC for two years as recommended by the Sunset Commission and addresses certain aspects of its operation.

### **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 2306.5521, Government Code, to provide that the Texas State Affordable Housing Corporation is subject to Chapter 325 (Texas Sunset Act) and, unless continued in existence as provided by that chapter, the corporation is abolished and this subchapter expires September 1, 2003 (rather than 2001).

SECTION 2. Amends Chapter 2306Y, Government Code, by adding Sections 2306.5551 and 2306.5552, as follows:

Sec. 2306.5551. BOARD DELEGATION OF AUTHORITY TO ISSUE BONDS OR OTHER OBLIGATIONS. (a) Authorizes the board of directors of the corporation to delegate to a member of the board or to an employee of the corporation the authority to enter into a contract to issue bonds or other obligations for the corporation.

(b) Requires the person to whom contract authority is delegated under this section to report to the board as frequently as considered necessary by the board all of the person's activities relating to the issuance of bonds or other obligations.

Sec. 2306.5552. TECHNICAL AND FINANCIAL ASSISTANCE PROVIDED TO NONPROFIT ORGANIZATIONS. Requires the corporation to supplement the technical and financial capacity of other appropriate nonprofit organizations to provide for the multifamily and single-family housing needs of individuals and families of low, very low, and extremely low income.

SECTION 3. Effective date: upon passage or September 1, 2001.