

# Texas State Affordable Housing Corporation

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H.B. 1818 Harper-Brown (Hinojosa)

## Summary

Created in 1995, the Texas State Affordable Housing Corporation (Corporation) is a self-sustaining nonprofit entity that helps Texans obtain affordable housing. To achieve its mission, the Corporation issues bonds to help teachers, firefighters, police officers, and low-income families purchase homes; provides loans to affordable housing developers; and seeks private funds to help support affordable housing. The Corporation self-funds its operations, including raising \$1.7 million in grants and donations in fiscal year 2010, and receives no state-appropriated funding. A five-member, Governor-appointed Board oversees the Corporation.

House Bill 1818 continues the Corporation for 12 years, requiring the Corporation to report additional financial information to the Legislature and placing new stakeholders on the Board. The Legislature adopted all of the Sunset Commission's recommendations and added several statutory modifications to H.B. 1818, primarily to increase the transparency of Board decisions. A discussion of the bill's major provisions follows.

## Sunset Provision

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### **1. Continue the Texas State Affordable Housing Corporation for 12 years, and ensure the Corporation operates with greater transparency and accountability.**

House Bill 1818 continues the Corporation for 12 years, and requires it to regularly provide the Legislature information showing its effectiveness at raising funds and awarding grants. The bill maintains the current five member size of the Corporation's Board and requires one member to represent the interests of families served by the Corporation's single family programs and one member to represent nonprofit housing organizations. The bill requires the Corporation to add a range of enforcement options in all multifamily development contracts it finances. In addition, the bill updates standard Sunset across-the-board requirements for the Corporation regarding conflicts of interest, designation of the presiding officer, board member training, and complaint information.

## Provisions Added by the Legislature

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### **2. Require the Corporation to make its meetings and information related to its meetings open and easily available to the public.**

The bill clarifies that the Board must conduct its meetings in accordance with the Open Meetings Act. In addition, H.B. 1818 requires the Corporation to post meeting-related information provided to the

Board on its website at least three days in advance of meetings and make it available in hardcopy at meetings, post complete transcripts of Board meetings on its website, provide for public comment on Board agenda items, and adopt rules ensuring reasonable opportunity for public testimony at Board meetings.

**3. Exempt certain public housing authorities from requirements to appoint resident members to their governing boards.**

The bill exempts a public housing authority that oversees 150 units or fewer from requirements to appoint a tenant member to its board, if the authority provides public notice of the vacancy and cannot fill the seat within 60 days. The bill also exempts these public housing authorities from restrictions on board members serving more than two consecutive two-year terms.

**4. Require the Corporation to make a good faith effort to contract with Historically Underutilized Businesses.**

The bill requires the Corporation to make a good faith effort to provide opportunities for, and to increase contract awards to, Historically Underutilized Businesses (HUBs). The bill also specifies that, in accordance with the Comptroller's HUB rules, a good faith effort must include awarding to HUBs at least a portion of its contract value each year.

## **Fiscal Implication Summary**

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House Bill 1818 will not have a fiscal impact to the State.