



**KEN PAXTON**  
ATTORNEY GENERAL OF TEXAS

March 18, 2025

To All Bond Counsel:

RE: Pending Opinion Request Precluding Review of Certain Housing Finance Structures

An opinion has been requested regarding whether a housing finance corporation has the legal authority to engage in residential developments outside of its jurisdictional boundaries. *See* Request for Opinion [RQ-0587-KP](#). This request is identical to the Request for Opinion [RQ-0566-KP](#), which was closed before issuing. Please be advised that during the pendency of the opinion request, we will not review any housing finance structure in which a housing financing corporation owns a residential development outside of the boundaries of the local government that created it.<sup>1</sup> We consider the opinion request to be tantamount to pending litigation precluding our review. *See generally* 1 Tex. Admin. Code § [53.9](#), [53.3\(a\)\(13\)\(C\)](#), [53.248\(1\)\(J\)](#).

This is the same advice we gave bond counsel who made informal inquiries to our office during the pendency of RQ-0566-KP. We have also informally advised bond counsel that our office has had concerns as to the legality of such structures.

We have provided this letter pursuant to our authority under section 402.044 of the Government Code, which requires that we advise the proper legal authorities regarding the issuance of bonds that by law require the Attorney General's approval. However, please note that this letter does not dictate how a court may rule in a legal proceeding.

Sincerely,

A handwritten signature in cursive script that reads "Leslie Brock".

Leslie Brock  
Assistant Attorney General Chief,  
Public Finance Division

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<sup>1</sup> A residential development covered by chapter 394 of the Local Government Code must be located within the local government. Tex. Loc. Gov't Code § [394.903\(a\)](#). When a housing finance corporation issues bonds under chapter 394 to finance such a project, our rules require certification confirming that the project is located within the boundaries of the sponsoring local government. *See* 1 Tex. Admin. Code § [53.230\(1\)\(L\)](#). However, it appears that some financings are being structured in which the housing finance corporation is not issuing bonds; rather, its role is limited to having an ownership interest in a residential development outside of its boundaries.