

SUBJECT: Modifying requirements for TDHCA compliance assessments reports

COMMITTEE: Urban Affairs — favorable, without amendment

VOTE: 8 ayes — Cortez, Holland, Bernal, Campos, Gates, Jarvis Johnson,
Minjarez, Morales Shaw

0 nays

1 absent — Slaton

SENATE VOTE: On final passage, May 5 — 31-0, on Local and Uncontested Calendar

WITNESSES: No public hearing.

BACKGROUND: Government Code sec. 2306.057 requires the Texas Department of Housing and Public Affairs (TDHCA), before approving a project application, to:

- assess the compliance history of the applicant and any affiliates with respect to all applicable requirements and the compliance issues associated with the proposed project; and
- provide to the TDHCA board a written report on the results of such assessments.

Concerns have been raised that, under current statute, a public housing authority can be penalized in a project application process by TDHCA for an instance of noncompliance by a private partner over which the authority had little control.

DIGEST: SB 2046 would prohibit the Texas Department of Housing and Community Affairs (TDHCA), for a project application seeking financial assistance administered through TDHCA's multifamily housing programs, from including in the report required by Government Code sec. 2306.057 any instance of noncompliance associated with a project if the applicant or affiliate had submitted documentation in an acceptable format

demonstrating that responsibility for project compliance had been delegated to another participant in the project.

The bill also would specify that documentation and disclosure by the TDHCA board of any instances in which it approved a project application despite any noncompliance associated with the project, applicant, or affiliate would apply when such noncompliance was included in the required compliance assessment report.

The bill would take effect September 1, 2021, and would apply only to an application submitted to TDHCA on or after January 1, 2022.

NOTES:

The House companion bill, HB 1261 by Gervin-Hawkins, was considered by the House Urban Affairs Committee in a public hearing on April 7, reported favorably on April 14, and sent to the Calendars Committee.