

BILL ANALYSIS

Senate Research Center

C.S.H.B. 1215
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Intergovernmental Relations
5/18/2019
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Recent reports indicate that the state's largest urban areas are rapidly growing, but the supply of affordable housing has not kept up with demand. It has been suggested that the housing tax credit program administered by the Texas Department of Housing and Community Affairs (TDHCA) could fill the gap, but the sites approved by the TDHCA in recent years have been mostly located in suburban locations. While recent legislative efforts addressed this issue by instituting a two-year trial period during which educational quality was a threshold consideration in the application under the program, there is concern that the expiration of the trial period could deprive communities where housing is much needed from obtaining these tax credits. C.S.H.B. 1215 seeks to remedy this situation by including educational quality among the permanent criteria for obtaining these tax credits.

C.S.H.B. 1215 amends the Government Code to authorize TDHCA to require, until September 1, 2021, as part of the threshold criteria under a qualified allocation plan for the low income housing tax credit program that a proposed development satisfy certain criteria relating to educational quality, as specified by the TDHCA in that plan. The bill prohibits the TDHCA from adopting a qualified allocation plan that uses a scoring system that awards points to an application based on criteria relating to the educational quality applicable to a proposed development site. C.S.H.B. 1215 also requires TDHCA to publish a report on its findings on the effects of the policy prior to the 87th Regular Session.

C.S.H.B. 1215 amends current law relating to the allocation of low income housing tax credits.

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 2306.67022, Government Code, as follows:

Sec. 2306.67022. QUALIFIED ALLOCATION PLAN; MANUAL. (a) Creates this subsection from existing text and makes no further changes.

(b) Authorizes the Texas Department of Housing and Community Affairs (TDHCA) to require as part of the threshold criteria under a qualified allocation plan that a proposed development satisfy certain criteria relating to educational quality, as specified by TDHCA in that plan.

(c) Prohibits TDHCA from adopting a qualified allocation plan that uses a scoring system that awards points to an application based on criteria relating to the educational quality applicable to a proposed development site.

(d) Provides that this subsection and Subsections (b) and (c) expire September 1, 2021.

SECTION 2. (a) Requires TDHCA to conduct a study of the effects that the implementation of Sections 2306.67022(b) and (c), Government Code, as added by this Act, has on the allocation of low income housing tax credits in this state.

(b) Requires TDHCA, not later than January 1, 2021, to submit to the governor, the lieutenant governor, the speaker of the house of representatives and each standing committee of the legislature with jurisdiction over affordable housing a report regarding the study required by Subsection (a) of this section.

SECTION 3. Provides that the change in law made by this Act applies only to an application for low income housing tax credits that is submitted to TDHCA during an application cycle that is based on the 2020 qualified allocation plan or a subsequent plan adopted by the governing board of TDHCA under Section 2306.67022, Government Code, as amended by this Act. Provides that an application that is submitted during an application cycle that is based on an earlier qualified allocation plan is governed by the law in effect on the date the application cycle began, and the former law is continued in effect for that purpose.

SECTION 4. Effective date: September 1, 2019.