

BILL ANALYSIS

S.B. 545
By: Watson
Urban Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Concerns have been raised that affordable housing developers seeking to comply with certain statutory requirements regarding notice to applicable neighborhood organizations with respect to the filing of an application for low income housing tax credits may not notify all applicable organizations due to certain ambiguity in the statute language. S.B. 545 seeks to address these concerns by specifying the applicable neighborhood organizations, providing greater certainty for both the developers and organizations.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 545 amends the Government Code to change the type of neighborhood organizations with respect to which the following requirements apply from a neighborhood organization on record with the state or county in which a development is to be located and whose boundaries contain the proposed development site to a neighborhood organization on record and in good standing with the secretary of state or, if applicable and verifiable, such a county:

- the requirement for the Texas Department of Housing and Community Affairs (TDHCA) to provide written notice of the filing of an application or proposed application for housing funds to an organization by a certain deadline;
- the requirement for the low income housing tax credit program preapplication process to require an applicant to provide the TDHCA with evidence that the applicant has notified an organization with respect to the filing of an application;
- the requirement for a low income housing tax credit program application to contain evidence that the applicant has notified an organization with respect to the filing of the application; and
- the requirement that the TDHCA score and rank a program application using criteria regarding, in part, quantifiable community participation with respect to the development that is evaluated on the basis of written statements from an organization.

S.B. 545 applies only to an application for low income housing tax credits that is submitted to the TDHCA during an application cycle that is based on the 2020 qualified allocation plan or a subsequent plan adopted by the TDHCA governing board.

EFFECTIVE DATE

September 1, 2019.