

BILL ANALYSIS

Senate Research Center
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S.B. 545
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law requires any developer submitting an application for housing tax credits to the Texas Department of Housing and Community Affairs to provide notice of the application to "any neighborhood organizations on record with the state or county in which the development described in the application is to be located..."

S.B. 545 clarifies that the repository of neighborhood organizations is those "in good standing with the secretary of state, or, if applicable and verifiable, the county or municipality," so that developers know where to look and who to contact. Affordable housing developers seeking to comply with this requirement are not sure how diligent their search must be nor when they have satisfied the requirement. This lack of clarity in the law can mean that neighborhood organizations do not receive notice because they might be on file with their county, but not the state or the city in which the project will be located.

By making this change, both the neighborhood organization and the developer know exactly what a diligent search entails. In making this clarification, neighborhood organizations know where they need to be on file to guarantee that they receive notification of any future development. Further, developers know the bounds of where they need to search, so they can be sure to properly satisfy the requirements of the statute.

As proposed, S.B. 545 amends current law relating to the evaluation of applications for certain financial assistance administered by the Texas Department of Housing and Community Affairs.

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 2306.1114(a), Government Code, to include any neighborhood organization, rather than neighborhood organizations, on record and in good standing with the secretary of state (SOS) or, if applicable and verifiable, the county or municipality in which the development described in the application is to be located and whose boundaries contain the proposed development site among the persons to whom the Texas Department of Housing and Community Affairs (TDHCA) is required to provide written notice of the filing of the application or proposed application for housing funds described by Section 2306.111 (Uniform Application and Funding Cycles).

SECTION 2. Amends Section 2306.6704(b-1), Government Code, to include any neighborhood organization, rather than neighborhood organizations, on record and in good standing with the SOS or, if applicable and verifiable, the county or municipality in which the development described in the application is to be located and whose boundaries contain the proposed development site among the persons an applicant in the preapplication process for the low income housing tax credit program is required to notify and to provide TDHCA with evidence that the applicant has notified those entities.

SECTION 3. Amends Section 2306.6705, Government Code, to make conforming changes.

SECTION 4. Amends Section 2306.6710(b), Government Code, as follows:

(b) Requires TDHCA, if an application satisfies the threshold criteria, to score and rank the application using a point system that:

(1) prioritizes in descending order criteria regarding:

(A)–(H) Makes no changes to these paragraphs.

(I) quantifiable community participation with respect to the development, evaluated on the basis of written statements from any neighborhood organization, rather than neighborhood organizations, on record and in good standing with SOS or, if applicable and verifiable, the county or municipality in which the development is to be located and whose boundaries contain the proposed development site; and

(J) Makes no changes to this paragraph;

(2)–(3) makes no changes to these subdivisions.

SECTION 5. 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 (Qualified Allocation Plan; Manual), Government Code. 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 6. Effective date: September 1, 2019.