

SUBJECT: Ensuring nondiscrimination for low-income housing tax credits program

COMMITTEE: Urban Affairs — favorable, without amendment

VOTE: 6 ayes — Alvarado, Leach, Bernal, Elkins, Isaac, J. Johnson

0 nays

1 absent — Zedler

WITNESSES: For — (*Registered, but did not testify*: John Kroll, Bonner Carrington; TJ Patterson, City of Fort Worth; Jean Langendorf, Disability Rights Texas; Bradley Pepper, Greater Houston Builders Association; Todd Kercheval, Rural Rental Housing Association of Texas, Texas Affiliation of Affordable Housing; Kyle Jackson, Texas Apartment Association; Felicia Wright, Texas Association of Builders; Todd Kercheval and Jeanne Talerico, Texas Association of Local Housing Finance Agencies; Lisa Stephens, Texas Coalition of Affordable Developers; Charlie Duncan, Texas Low Income Housing Information Service)

Against — None

BACKGROUND: Government Code, sec. 2306.065 prohibits discrimination in any program or activity of the Texas Department of Housing and Community Affairs (TDHCA) based on an individual's race, color, national origin, or sex.

Sec. 2306.67022 requires the TDHCA governing board to adopt a qualified allocation plan and a corresponding manual to provide information regarding the administration of and eligibility for the low-income housing tax credit program.

Some observers have suggested a need to ensure that low-income housing tax credit programs comply with federal and state fair housing laws.

DIGEST: HB 3685 would require the Texas Department of Housing and Community Affairs (TDHCA) to comply with state and federal fair

housing laws in adopting a qualified allocation plan for the low-income housing tax credit program. The department could not implement a qualified allocation plan or any component of that plan in a way that did not comply with those laws.

In returning a rejected application for a qualified allocation plan to the applicant, the department would have to include an explanation to the applicant as to why the application failed to satisfy the threshold criteria.

HB 3685 would apply to applications made for low-income housing tax credits submitted to TDHCA during an application cycle based on the 2018 qualified allocation plan or a subsequent adopted plan.

The bill would take effect September, 1, 2017.