

**SUBJECT:** Regulating the adoption of a TDHCA housing tax credit allocation plan

**COMMITTEE:** Urban Affairs — committee substitute recommended

**VOTE:** 9 ayes — Cortez, Holland, Bernal, Campos, Gates, Jarvis Johnson, Minjarez, Morales Shaw, Slaton

0 nays

**WITNESSES:** For — Chris Akbari, ITEX; Nicholas Tuccio, LDG Development; Joel Pollack, Streamline Advisory Partners; Bobby Bowling, TAAHP; Lisa Stephens, TXCAD; (*Registered, but did not testify:* Thamara Narvaez, Harris County Commissioners Court; David Mintz, Texas Apartment Association; Julie Wheeler, Travis County Commissioners Court)

Against — None

On — Bobby Wilkinson, Texas Department of Housing and Community Affairs; (*Registered, but did not testify:* Marni Holloway, Texas Department of Housing and Community Affairs)

**BACKGROUND:** It has been suggested that requiring the allocation plan for the low income housing tax credit program under the Texas Department of Housing and Community Affairs to be adopted on a strictly biennial schedule would provide greater predictability for the program's applicants, enabling more clarity and due diligence in planning for developers and community stakeholders.

**DIGEST:** CSHB 1853 would prohibit the board of the Texas Department of Housing and Community Affairs (TDHCA) from adopting more frequently than once during a biennium a qualified allocation plan and corresponding manual providing information regarding the administration of and eligibility for the low income housing tax credit program.

The bill would require the TDHCA board biennially to adjust to reflect inflation any amount in the allocation plan relating to the acceptable cost

of a development by square foot. The board would be required to use 2021 as the base year for adjustments. In making this adjustment, the board would be required to consider the Consumer Price Index for All Urban Consumers, or its successor in function, published by the U.S. Bureau of Labor Statistics.

The bill would take effect September 1, 2021, and would apply only to the adoption of a qualified adoption plan and corresponding manual for the state fiscal biennium beginning on that date.