

- SUBJECT:** Adjusting requirements for allocation of low income housing tax credits
- COMMITTEE:** Urban Affairs — committee substitute recommended
- VOTE:** 7 ayes — Cortez, Holland, Bernal, Campos, Jarvis Johnson, Minjarez, Morales Shaw
- 2 nays — Gates, Slaton
- WITNESSES:** For — Nicholas Tuccio, LDG Development; Chris Akbari, Janine Sisak, and Jean Latsha, Texas Affiliation of Affordable Housing Providers; Todd Kercheval, Texas Association of Local Housing Finance Agencies; *(Registered, but did not testify: Allison Greer, CHCS; Christine Wright, City of San Antonio; Roger Arriaga, Texas Affiliation of Affordable Housing Providers; David Mintz, Texas Apartment Association; Jay Brown, Texas Association of Builders; Gilbert Turrieta, Texas Association of Builders; Julie Wheeler, Travis County Commissioners Court; Zenobia Joseph)*
- Against — None
- On — Marni Holloway, Texas Department of Housing and Community Affairs
- BACKGROUND:** Government Code sec. 2306.67071 prohibits the board of the Texas Department of Housing and Community Affairs from approving an application for housing tax credits for developments financed through the private activity bond program unless the applicant has submitted to the department a certified copy of a resolution from each applicable governing body certifying that each governing body:
- has been provided notice of intent to apply;
 - has had sufficient opportunity to receive a response from the applicant regarding questions or concerns about the proposed development;
 - has held the required public hearing on the application; and

- does not object to the proposed application.

It has been suggested that the statewide housing shortage could be addressed in part by increasing the supply of affordable housing through adjustments to the low income housing tax credit program.

DIGEST:

CSHB 2027 would amend the application process for housing tax credits for developments financed through the private activity bond program under the Texas Department of Housing and Community Affairs (TDHCA).

The bill would repeal the provision requiring a county or municipality to hold a hearing at which public comment could be made on the application. It would replace the certified copy of governing body resolutions currently required to be submitted by the applicant to TDHCA with a certification required to be submitted by each applicable governing body stating the same information regarding notice of an application and responses by the applicant to questions. Such certifications would not have to include a statement that the governing body did not object to the proposed application.

The TDHCA board could approve an application without receiving each such certification if, after the 60th day following the date on which all applicable governing bodies had received notice of an intended application, the applicant submitted to TDHCA a certification stating that applicable governing bodies had had sufficient opportunity to obtain a response from the applicant regarding questions or concerns about the proposed development.

CSHB 2027 also would eliminate provisions requiring TDHCA to prioritize in a specific order the criteria that must be considered in scoring an application for low income housing tax credits that had satisfied other threshold criteria; and provide incentives to reward applicants who agreed to locate the development in a census tract in which there were no other existing developments supported by housing tax credits.

The bill would apply only to an application for low income housing tax credits that was submitted to TDHCA during an application cycle based on the 2022 qualified allocation plan or a subsequent plan adopted by the TDHCA board.

The bill would take effect September 1, 2021.