

BILL ANALYSIS

Senate Research Center
87R13989 JAM-D

H.B. 249
By: Cortez (Zaffirini)
Local Government
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Department of Housing and Community Affairs administers the low income housing tax credit program (LIHTC), which funds multi-family affordable housing developments in Texas. The qualified allocation plan (QAP) governs which applications for funding will be selected based on criteria set in the Texas Administrative Code (TAC). Under current TAC rules, to receive the scoring benefit of a "qualified nonprofit," the majority of the board of directors for the non-profit must live within 90 miles of the site for "urban" applicants or within Texas for "rural" applicants.

H.B. 249 would revise this 90-mile proximity requirement to require that a majority of board members principally reside somewhere in Texas. This uniform residency requirement would allow regional nonprofit developers to qualify and compete for funding under this program, irrespective of where the project is located in the state. This revision would increase access to regional and national nonprofits that provide specialized affordable housing for vulnerable populations.

H.B. 249 amends current law relating to the requirements for an application for a low income housing tax credit allocation from the nonprofit set-aside.

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 2306.6706(a), Government Code, as follows:

(a) Requires that an application for a housing tax credit allocation from the nonprofit set-aside, in addition to the information required by Section 2306.6705 (General Application Requirements), as defined by Section 42(h)(5), Internal Revenue Code of 1986 (26 U.S.C. Section 42(h)(5)), contain certain written, detailed information with respect to each development owner and each general partner of a development owner including evidence that a majority of the members of the nonprofit organization's board of directors principally reside in this state. Deletes existing text requiring evidence that a majority of the members of the nonprofit organization's board of directors principally reside in this state if the development is located in a rural area, or not more than 90 miles from the development in the community in which the development is located, if the development is not located in a rural area. Makes nonsubstantive changes.

SECTION 2. 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 the Texas Department of Housing and Community Affairs (TDHCA) during an application cycle that is based on the 2022 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 3. Effective date: September 1, 2021.