

SUBJECT: Amending housing tax credit allocation requirements for proximate areas

COMMITTEE: Urban Affairs — favorable, without amendment

VOTE: 8 ayes — Cortez, Holland, Bernal, Campos, Jarvis Johnson, Minjarez,  
Morales Shaw, Slaton

1 nay — Gates

WITNESSES: For — Richard Aubin, City of Garland; Daniel Allgeier, TAAHP;  
(*Registered, but did not testify*: Mandy DeMayo, City of Austin; Christine  
Wright, City of San Antonio; Janine Sisak, DMA Development Company,  
LLC; Thamara Narvaez, Harris County Commissioners Court; Roger  
Arriaga, Texas Affiliation of Affordable Housing Providers; David Mintz,  
Texas Apartment Association; Christina Rosales, Texas Housers; Dana  
Harris, The Greater Austin Chamber of Commerce; Julie Wheeler, Travis  
County Commissioners Court; Susana Carranza; Idona Griffith; Vanessa  
MacDougal)

Against — None

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

BACKGROUND: Government Code, sec. 2306.6711(f) allows the Texas Department of  
Housing and Community Affairs to allocate low income housing tax  
credits to more than one development in a single community in the same  
calendar year and in a county with a population of more than one million  
only if the developments are or will be located more than two linear miles  
apart.

Interested parties have suggested that the current "two-mile rule" for  
developments that may receive low income housing tax credits is a barrier  
to building locally supported affordable housing developments in high-  
opportunity areas where there is a demonstrated need for such housing.  
There have been calls to update state law to address this need and account

for increased population density by allowing tax credit allocations to developments within two miles of each other under certain conditions.

DIGEST: HB 1295 would allow the board of the Texas Department of Housing and Community Affairs (TDHCA) to allocate housing tax credits under the low income housing tax credit program to more than one development in the same community if:

- at least one of the developments would be located wholly within a census tract in which the median value of owner-occupied homes had increased by 15 percent or more within the five years preceding the date of the application;
- the governing body of the municipality containing the development or, if located outside a municipality, the county containing the development adopted a resolution that authorized an allocation of housing tax credits for the development under the bill's provisions; and
- the applicant for the development included in the application a copy of the resolution.

HB 1295 would apply only to an application for low income housing tax credits submitted to the TDHCA during an application cycle based on the 2022 qualified allocation plan or a subsequent plan adopted by the TDHCA governing board.

The bill would take effect September 1, 2021.