

BILL ANALYSIS

Senate Research Center
80R15127 EJI-F

H.B. 3871
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Intergovernmental Relations
5/18/2007
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, the Texas Department of Housing and Community Affairs (TDHCA) evaluates Low Income Housing Tax Credit multifamily development applications based on a set of scoring criteria and priorities established by S.B. 264 from the 78th Legislature, Regular Session, 2003.

Since the inclusion of "quantifiable community participation" requirements TDHCA has struggled with how to deal with a situation in which there is legitimately no impacted neighborhood group or association to provide community input on the application. This has led to otherwise well qualified and desired developments not receiving sufficiently high scores to fairly compete with other applications and in some cases may have caused applicants to act inappropriately by creating a "neighborhood group" simply to receive a higher score.

TDHCA has determined that there is not sufficient specificity in existing statute to fully carry out the intention of the legislature. H.B. 3871 allows for a determination, based on documented input, of due diligence on the part of the applicant and thus allows an equal award of quantifiable community participation points to an application that is located beyond TDHCA determined boundaries for a neighborhood group or association to be impacted by the development.

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 2306.6710, Government Code, by adding Subsection (h), to require the Texas Department of Housing and Community Affairs (department) to presume that the applicant for a low income housing tax credit has made a good faith effort to obtain community participation and to award the applicant the total number of points that are authorized to be awarded under Subsection (b)(1)(B) if the application includes a statement that a neighborhood organization described by Subsection (b)(1)(B) does not exist that is submitted by certain persons.

SECTION 2. Effective date: upon passage or September 1, 2007.