

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 7, 2005

TO: Honorable Frank Madla, Chair, Senate Committee on Intergovernmental Relations

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: SB935 by West, Royce (Relating to the evaluation of applications for certain financial assistance administered by the Texas Department of Housing and Community Affairs.),
Committee Report 1st House, Substituted

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend sections of Chapter 2306, Government Code, related to the criteria used by the Texas Department of Housing and Community Affairs (TDHCA) to qualify applications for the issuance of private activity bonds and housing tax credits for the development of affordable housing units. The bill would require TDHCA to include in its application scoring criteria the degree to which a development furthers state and federal fair housing objectives and prevents the concentration of low-income housing units. The bill would require TDHCA to consider the quality level of elementary schools serving the development as measured by the state's performance rating system and standards prescribed by the federal No Child Left Behind Act of 2001. The bill would specify that community and neighborhood support for a proposed development be expressed through an official resolution from the governing body of the applicable political subdivision and be evaluated by TDHCA on the basis of written statements from state elected officials. The bill would apply only to applications submitted on or after the effective date of the bill.

The bill would take effect on September 1, 2005.

Based on the analysis of TDHCA, it is assumed any duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 332 Department of Housing and Community Affairs

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