

## **BILL ANALYSIS**

C.S.H.B. 3871  
By: Menendez  
Urban Affairs  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

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 the 78th Legislature, Regular Session, 2003, in the Senate Bill No. 264.

Since the inclusion of "quantifiable community participation" requirements, the 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 situation has lead to otherwise well-qualified and desired developments fom 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.

The TDHCA has determined that there is not sufficient specificity in existing statute to fully carry out the intention of the legislature when these changes were added.

The proposed complete committee substitute for House Bill No. 3871 would allow for a determination, based on documented input, of due diligence on the part of the applicant and thus allow 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**

It is the opinion of the committee that this Act would not grant any additional rulemaking authority to a State officer, department, agency or institution.

### **SECTION-BY-SECTION ANALYSIS**

In SECTION 1, Section 2306.6710, Government Code, is amended by adding Subsection (h) to allow the TDHCA to account for a due diligence, good faith award of quantifiable community participation points to an application for a project whose boundaries do not include a recognized neighborhood group or association as otherwise determined by the department.

SECTION 2 establishes that changes in scoring rules are not retroactive and will apply only to applications received after the effective date of this Act.

SECTION 3 provides for an effective date of this Act as September 1, 2007.

### **EFFECTIVE DATE**

This Act would take effect September 1, 2007.

## **COMPARISON OF ORIGINAL TO SUBSTITUTE**

The only change in the substitute is a technical correction changing the amended section of 2306.6710 Government Code to the intended Subsection (b)(1)(B) specifying neighborhood groups instead of what was contained in the original bill which made the change effect State elected officials.