

## **BILL ANALYSIS**

C.S.H.B. 2121  
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Urban Affairs  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The Texas Department of Housing and Community Affairs administers various programs relating to the financing of low-income housing developments through the provision of tax credits. The process of approval for proposed developments requires applicants to notify certain neighborhood organizations whose boundaries contain the proposed development site. The law allows such organizations to submit input to the department which can directly affect the score and rank of the proposed development, and thus its likelihood of approval. This input is designated as "quantifiable community participation."

The input of other neighborhood organizations whose boundaries do not contain the proposed site, but whose neighborhoods will be greatly impacted by the existence of the development, is not considered "quantifiable community participation," and thus is not given nearly the same degree of weight in the approval process. This is true even though some affected neighborhoods are literally across the street from a proposed site and will be impacted as much or more so than any other neighborhood.

C.S.H.B. 2121 requires applicants and preapplicants for a low-income housing tax credit to provide evidence of notifying each neighborhood organization that has a boundary within 1,000 feet of any boundary of a proposed development site. The bill also specifies that the input of such neighborhood organizations is part of the "quantifiable community participation" evaluated by the department in scoring and ranking development proposals.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 2121 amends the Government Code provision establishing that a preapplication process for a low income housing tax credit must require an applicant to notify a neighborhood organization about the filing of the preapplication to modify the description of a neighborhood organization. The bill specifies that the preapplicant is required to notify each neighborhood organization that has boundaries containing the proposed development site or has a boundary located not more than 1,000 feet from any boundary of the proposed development site. The bill applies the modified description of a neighborhood organization to the application process, requiring an applicant to provide evidence that such a neighborhood organization has been notified. The bill applies the modified description to provisions relating to the prioritizing of information by the Texas Department of Housing and Community Affairs if an application satisfies threshold criteria.

**EFFECTIVE DATE**

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.

**COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.H.B. 2121 differs from the original by specifying that the preapplicant is required to notify each neighborhood organization that has boundaries containing the proposed development site or has a boundary located not more than 1,000 feet from any boundary of the proposed development site, rather than 500 feet, as in the original.