

BILL ANALYSIS

C.S.H.B. 2878
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Urban Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties have expressed concerns that the law relating to applications for certain qualified residential rental project bonds is too restrictive. In response to these concerns, C.S.H.B. 2878 seeks to amend the applicable law.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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. 2878 amends the Government Code to authorize an applicant for a qualified residential rental project bond to aggregate more than one qualified residential rental project into a single, combined project as part of the participation of the housing authority for the applicable municipality in the Rental Assistance Demonstration program administered by the U.S. Department of Housing and Urban Development, as specified by the federal Consolidated and Further Continuing Appropriations Act of 2012 and its subsequent amendments, if the combined project is related to the municipal housing authority's conversion of public housing units as permitted under that program. The bill makes this provision applicable only to an applicant that was created by a municipality that is adjacent to an international boundary of Texas and that is located in a county with a population of more than 800,000.

C.S.H.B. 2878 adds an exception to the requirement that an application for a reservation of a portion of the state ceiling for a specific bond issue or for a carryforward designation of a portion of the state ceiling be accompanied by a \$500 nonrefundable fee, requiring an application for a combined project that includes multiple qualified residential rental projects authorized under the bill to be accompanied instead by a nonrefundable \$5,000 fee for each qualified residential rental project included in the application for the combined project, of which amount the Bond Review Board is required to retain 20 percent to offset the costs of the private activity bond allocation program and the administration of that program and to transfer the remaining 80 percent through an interagency agreement to the Texas Department of Housing and Community Affairs for use in the affordable housing research and information program.

C.S.H.B. 2878 applies only to a reservation of state ceiling granted on or after January 1, 2015.

EFFECTIVE DATE

September 1, 2015.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 2878 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 1372.002, Government Code, is amended by adding Subsection (f) to read as follows:

(f) Notwithstanding Subsection (c), an applicant may combine more than one qualified residential rental project into a single project as part of a housing authority's participation in the United States Department of Housing and Urban Development's Rental Assistance Demonstration program if the project is related to the conversion of the housing authority's public housing units as permitted under that program

and if the applicant:

(1) was created by a municipal housing authority established under Chapter 392, Local Government Code;

(2) is located in a city that borders Mexico;
and

(3) is situated in a county that borders Mexico with a population greater than 800,000.

No equivalent provision.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 1372.002, Government Code, is amended by adding Subsections (f) and (g) to read as follows:

(f) Notwithstanding Subsection (c), an applicant to which this subsection applies may aggregate more than one qualified residential rental project into a single, combined project as part of the participation of the housing authority for the applicable municipality in the Rental Assistance Demonstration program administered by the United States Department of Housing and Urban Development, as specified by the Consolidated and Further Continuing Appropriations Act of 2012 (Pub. L. No. 112-55) and its subsequent amendments, if the combined project is related to the municipal housing authority's conversion of public housing units as permitted under that program.

(g) Subsection (f) applies only to an applicant that was created by a municipality that is adjacent to an international boundary of this state and that is located in a county with a population of more than 800,000.

SECTION 2. Section 1372.006(a), Government Code, is amended to read as follows:

(a) An application for a reservation under Subchapter B or a carryforward designation under Subchapter C must be accompanied by a nonrefundable fee in the amount of \$500, except that:

(1) for projects that include multiple facilities authorized under Section 1372.002(e), the application must be accompanied by a nonrefundable fee in an amount of \$500 for each facility included in the application for the project; ~~and~~

(2) for issuers of qualified residential rental project bonds the application must be

accompanied by a nonrefundable fee of \$5,000, of which the board shall retain \$1,000 to offset the costs of the private activity bond allocation program and the administration of that program and of which the board shall transfer \$4,000 through an interagency agreement to the Texas Department of Housing and Community Affairs for use in the affordable housing research and information program as provided by Section 2306.259; and

(3) for a combined project that includes multiple qualified residential rental projects authorized under Section 1372.002(f), the application must be accompanied by a nonrefundable fee in an amount of \$5,000 for each qualified residential rental project included in the application for the combined project, the total amount of which the board shall retain 20 percent to offset the costs of the private activity bond allocation program and the administration of that program and of which the board shall transfer 80 percent through an interagency agreement to the Texas Department of Housing and Community Affairs for use in the affordable housing research and information program as provided by Section 2306.259.

No equivalent provision.

SECTION 3. The change in law made by this Act in amending Chapter 1372, Government Code, applies only to a reservation of state ceiling granted on or after January 1, 2015.

SECTION 2. This Act takes effect September 1, 2015.

SECTION 4. Same as introduced version.