

## **BILL ANALYSIS**

Senate Research Center  
84R26353 KJE-D

H.B. 3311  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

H.B. 3311 amends the Government Code to prohibit the governing board of the Texas Department of Housing and Community Affairs (TDHCA), except as necessary to comply with the nonprofit set-aside required by certain federal law, from allocating to developments reserved for elderly persons and located in an urban subregion of a uniform state service region that contains a county with a population of more than one million a percentage of the available low income housing tax credits allocated to developments located in that subregion that is greater than the percentage that results from a formula specified by the bill, unless there are no other qualified applicants in that region. The bill prohibits TDHCA, in scoring applications for low income housing tax credits, from awarding to a proposed project for the general population a number of points for a scoring criterion that is different than the number of points awarded for that criterion to a proposed project reserved for elderly persons if the proposed projects comply with the criterion to the same degree.

With the senior population rapidly growing in Texas, the need for affordable housing options specifically designed with elevators, grab bars, and special common spaces for supportive services for our seniors will be of the utmost importance. Interested parties have asserted that the current program for allocating low income housing tax credits benefits family projects over developments for seniors. H.B. 3311 seeks to add parity to the application process to help ensure that seniors are provided access to affordable housing resources.

H.B. 3311 amends current law relating to the scoring criteria for an application for a low income housing tax credit and the allocation of those credits to developments reserved for elderly persons.

### **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 2306.6711, Government Code, by adding Subsections (h) and (i), as follows:

(h) Prohibits the governing board of the Texas Department of Housing and Community Affairs (board) (TDHCA), notwithstanding Section 2306.6710(d) (authorizes TDHCA to underwrite the applications ranked under this section beginning with the applications with the highest scores in each region described as set forth), and except as necessary to comply with the nonprofit set-aside required by Section 42(h)(5), Internal Revenue Code of 1986 (26 U.S.C. Section 42(h)(5)), from allocating to developments reserved for elderly persons and located in an urban subregion of a uniform state service region a percentage of the available housing tax credits allocated to developments located in that subregion that is greater than the percentage that results from the following formula, unless there are no other qualified applicants in that region. Sets forth the formula and applicable definitions.

(i) Provides that Subsection (h) applies only to a uniform state service region that contains a county with a population of more than one million.

SECTION 2. Amends Section 2306.6725(d), Government Code, as follows:

(d) Prohibits TDHCA from awarding:

(1) a number of points for a scoring criterion that is disproportionate to the degree to which a proposed project complies with that criterion; or

(2) to a proposed project for the general population a number of points for a scoring criterion that is different than the number of points awarded for that criterion to a proposed project reserved for elderly persons if the proposed projects comply with the criterion to the same degree.

SECTION 3. (a) Provides that the change in law made by this Act to Section 2306.6711 (Allocation of Housing Tax Credits), Government Code, applies only to the allocation of low income housing tax credits for an application cycle that begins on or after the effective date of this Act. Provides that the allocation of low income housing tax credits for an application cycle that begins before the effective date of this Act is governed by the law in effect on the date the application cycle began, and the former law is continued in effect for that purpose.

(b) Provides that the change in law made by this Act to Section 2306.6725(d), Government Code, applies only to an application for low income housing tax credits that is submitted to TDHCA during an application cycle that begins on or after the effective date of this Act. Makes application of this Act prospective.

SECTION 4. Effective date: September 1, 2015.