

## **BILL ANALYSIS**

C.S.H.B. 3311  
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Urban Affairs  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

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. C.S.H.B. 3311 seeks to add parity to the application process to help ensure that seniors are provided access to affordable housing resources.

### **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. 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.

### **EFFECTIVE DATE**

September 1, 2015.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 3311 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

No equivalent provision.

SECTION 1. Section 2306.6725(d), Government Code, is amended to read as follows:

(d) For each scoring criterion, the department shall use a range of points to evaluate the degree to which a proposed project satisfies the criterion. The department may not award:

- (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

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 2306.6711, Government Code, is amended by adding Subsections (h) and (i) to read as follows:

(h) Notwithstanding Section 2306.6710(d), 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)), the board may not allocate 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:

$$MP = [(LEH - ERU)/(TLH - TEU)] \times 100$$

where:

"MP" is the maximum percentage of the available housing tax credits allocated to developments in the subregion that may be allocated to developments reserved exclusively for elderly persons;

"LEH" is the number of low income elderly households in the subregion;

"ERU" is the number of existing units reserved exclusively for elderly persons in developments located in the subregion that already receive housing tax credits;

"TLH" is the total number of low income households in the subregion; and

"TEU" is the total number of existing units in developments located in the subregion that already receive housing tax credits.

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

SECTION 2. Section 2306.6725(d), Government Code, is amended to read as follows:

(d) For each scoring criterion, the department shall use a range of points to evaluate the degree to which a proposed project satisfies the criterion. The department may not award:

- (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 exclusively for elderly persons if the proposed projects comply with the criterion to the same degree.

SECTION 2.

The change in law made by this Act applies only to an application for low income housing tax credits that is submitted to the Texas Department of Housing and Community Affairs during an application cycle that begins on or after the effective date of this Act. An application that is submitted during an application cycle that began before the effective date of this Act is governed by the law in effect at the time the application cycle began, and the former law is continued in effect for that purpose.

SECTION 3. This Act takes effect September 1, 2015.

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) The change in law made by this Act to Section 2306.6711, 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. 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) 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 the Texas Department of Housing and Community Affairs during an application cycle that begins on or after the effective date of this Act. An application that is submitted during an application cycle that began before the effective date of this Act is governed by the law in effect at the time the application cycle began, and the former law is continued in effect for that purpose.

SECTION 4. Same as introduced version.