**BILL ANALYSIS**

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| Senate Research Center | H.B. 2027 |
|  | By: Cortez (Lucio) |
|  | Local Government |
|  | 5/20/2021 |
|  | Engrossed |

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

A statewide housing shortage has been compounded due to the economic impact of the COVID‑19 pandemic.

With almost half of Texans reportedly spending more than 30 percent of their household income on housing costs, increasing the supply of affordable housing through adjustments to the low income housing tax credit program may help stimulate economic growth.

H.B. 2027 seeks to adjust the application process for the low income housing tax credit program by replacing provisions requiring a resolution of no objection with a certification process relating to the program.

Additionally, H.B. 2027 seeks to effect the scoring process for a certain low income housing tax credit program by removing census tract limitations for scoring purposes and by giving the Texas Department of Housing and Community Affairs greater discretion in prioritizing the scoring elements.

H.B. 2027 amends current law relating to the allocation of low income housing tax credits.

**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 2306.6725(b), Government Code, as follows:

(b) Deletes existing text requiring the Texas Department of Housing and Community Affairs (TDHCA) to provide appropriate incentives as determined through the qualified allocation plan to reward applicants who agree to locate the development in a census tract in which there are no other existing developments supported by housing tax credits. Makes nonsubstantive changes.

SECTION 2. Provides that the change in law made by this Act applies only to an application for low income housing tax credits that is submitted to TDHCA during an application cycle that is based on the 2022 qualified allocation plan or a subsequent plan adopted by the governing board of TDHCA. Provides that an application that is submitted during an application cycle that is based on an earlier qualified allocation plan 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.

SECTION 3. Effective date: September 1, 2021.