BILL ANALYSIS

C.S.H.B. 249
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Urban Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Texas Department of Housing and Community Affairs administers the state's low income housing tax credit program which helps fund the construction of affordable, multifamily housing developments for Texans. Applications for the program are competitive and scored according to established criteria.

Under current law, to receive a scoring benefit the majority of the board of directors for the nonprofit applying for a grant must live within 90 miles of the development site for projects not in a rural area. If the development is in a rural area, a majority must principally reside somewhere in Texas. This places barriers on development in smaller municipalities and counties that do not qualify as rural but that have fewer highly qualified nonprofit organizations operating in the area.

C.S.H.B. 249 seeks to improve statewide community access to qualified regional and national nonprofits with proven affordable housing capacity and experience developing service-enriched affordable housing in Texas, thus providing for the construction of more housing for vulnerable populations such as the homeless, veterans, seniors, persons with mental and physical disabilities, and youth aging out of foster care, by removing this 90-mile proximity requirement and instead establishing a uniform residence requirement for all developments.

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. 249 amends the Government Code to establish uniform residency requirements for members of a nonprofit organization's board of directors applying for a low income housing tax credit allocation from the nonprofit set-aside for a development, irrespective to the location of the development, by doing the following:

- removing the requirement that a majority of board members live not more than 90 miles from a development that is not located in a rural area; and
- requiring instead a majority of board members simply principally reside somewhere in Texas, as is the current standard for a development located in a rural area.

The bill's provisions apply only to an application that is submitted to the Texas Department of Housing and Community Affairs (TDHCA) during an application cycle that is based on the 2022 qualified allocation plan or a subsequent plan adopted by the TDHCA.

EFFECTIVE DATE

September 1, 2021.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 249 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute does not entirely remove in-state residency requirements for the board members of an organization applying for a low income housing tax credit allocation from the nonprofit set-aside as in the original. The substitute instead revises the requirements to establish uniform residency requirements, irrespective of where the project is located in Texas.