

BILL ANALYSIS

C.S.H.B. 2371
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Urban Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Local concerns have been raised that applicants for low income housing tax credits are not required to provide notification of a proposed development to neighborhood organizations whose boundaries are adjacent to the proposed development site like an applicant is required to do for an organization whose boundaries contain the site. This lack of notification may limit opportunity for individuals to provide input on the application. C.S.H.B. 2371 seeks to address these concerns by expanding the type of neighborhood organizations to which certain notification must be provided with respect to applications for certain financial assistance administered by the Texas Department of Housing and Community Affairs.

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. 2371 amends the Government Code to expand the type of neighborhood organizations with respect to which the following requirements apply by including any neighborhood organization on record with the state or county in which the applicable development is to be located that has boundaries immediately contiguous to or across the street from the proposed development site:

- the requirement for the Texas Department of Housing and Community Affairs (TDHCA) to provide written notice of the filing of an application or proposed application for housing funds to certain neighborhood organizations by a certain deadline;
- the requirement for the low income housing tax credit program preapplication process to require an applicant to provide the TDHCA with evidence that the applicant has notified such an organization with respect to the filing of an application; and
- the requirement for a low income housing tax credit program application to contain evidence that the applicant has notified such an organization with respect to the filing of the application.

C.S.H.B. 2371 applies only to an application for low income housing tax credits that is submitted to the TDHCA during an application cycle that is based on the 2022 qualified allocation plan or a subsequent plan adopted by the TDHCA governing board.

EFFECTIVE DATE

September 1, 2021.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 2371 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.

While the substitute and original both expand the type of neighborhood organizations with respect to which the notification requirements apply, the substitute includes a neighborhood organization that has boundaries immediately contiguous to or across the street from the proposed development site, whereas the original included a neighborhood organization that has a boundary located not more than one mile from the proposed site.

The substitute does not include changes that appeared in the original to the requirement that the TDHCA score and rank an application using criteria regarding, in part, quantifiable community participation with respect to the development that is evaluated on the basis of written statements from certain neighborhood organizations.