

BILL ANALYSIS

Senate Research Center
87R2840 JAM-D

S.B. 608
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Local Government
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Each year, the Texas Department of Housing and Community Affairs (TDHCA) issues a new qualified application plan (QAP) that sets forth baseline criteria that all low income housing tax credit (LIHTC) applications must meet. The QAP also establishes criteria by which nine percent of credit applicants can earn extra points, such as agreeing to longer affordability terms or providing tenant services. Concerns have been raised that annual changes to the QAP for the LIHTC program significantly impact the competitive nature of applications and impact viable sites for affordable housing opportunities. It has been noted that months of feasibility analysis and vetting are at risk due to the timing requirements and annual modifications to the plan.

S.B. 608 seeks to address this issue by changing the frequency with which the governing board of TDHCA is required to adopt a QAP and a corresponding manual for the LIHTC program from at least biennially to biennially. The bill explicitly prohibits the governing board from adopting a plan and manual more frequently than once during each biennium. The bill applies only to an application for LIHTCs that is submitted to TDHCA during an application cycle that is based on the 2020 QAP or a subsequent plan adopted by the governing board.

As proposed, S.B. 608 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 2306.67022, Government Code, as follows:

Sec. 2306.67022. QUALIFIED ALLOCATION PLAN; MANUAL. Requires the governing board of the Texas Department of Housing and Community Affairs (board; TDHCA) biennially, rather than at least biennially, to adopt a qualified allocation plan and a corresponding manual to provide information regarding the administration of and eligibility for the low income housing tax credit program. Prohibits the board from adopting a plan and manual more frequently than once during each biennium. Deletes existing text authorizing the board to adopt the plan and manual annually, as considered appropriate by the board.

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 2020 qualified allocation plan or a subsequent plan adopted by the board under Section 2306.67022, Government Code, as amended by this Act. 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.