

87th Texas Legislature: A Preview In a Time of Covid-19

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Important Dates

November 3, 2020: Election Date

November 9, 2020: Bill Prefiling Begins (555 HBs, 186 SBs)

December 19, 2020- Special Election Senate District 30

January 12, 2021: 87th Legislature convenes at noon

March 12, 2021: 60-day bill filing deadline

May 31, 2021: Adjournment sine die

What We Know

A New House Speaker

Texas Will Have a Significant Reduction in Budget

22 Incumbents Not Returning

What We Don't Know

How Covid-19 Will Impact Operations During Session

- Business as Usual but with Masks?
- Convene, Adjourn, Pass Budget and Redistricting?
- Multiple Special Sessions Due to Covid-19?

Will Senate update 3/5th Rule now that Senate District 19 flipped to Democratic Seat?

What We Think

Covid-19 may change traditional lobbying practices

- Fewer In Person Meetings/Fundraisers
- Possible Greater Influence for Advocates
- *Speaker-Elect Phelan established legislative operations workgroup

Bills with Fiscal Notes are Likely Dead

Housing May Take on Important Role In Discussions

Legislation Likely To Be Filed

Bills on Housing Funding

- Increases vs. Hold the Line on HTF
- State Tax Credit for Affordable Housing (SB1116)

QAP Changes

- Change Priority of Education Points (HB1215)
- 2 Mile De-concentration Rule (SB542)
- Tenant Selection Criteria
- Right of First Refusal (SB958)

Legislation Likely To Be Filed

Homeownership

- Land Bank/Land Trust Enabling Legislation
- Homestead Preservation Districts Enabling Bills

Taxation

- Land Bank/Land Trust Clarification (SB335)
- Self Help Housing Tax Exemption (SB547)
- Increasing Public Benefits in Public Facilities Corps.

Legislation Likely To Be Filed

Housing Programs

- HOME CHDO Funds (SB544)
- Migrant / Farm Labor Housing Standards (HB206)
- Transfer of Land from School Districts for Affordable Housing (SB1114)

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2021 87th Legislature Priorities

Chris Akbari, 2020-2021 President-Elect,
Govt. Affairs Chair

KEY FOCUS:

1. REMOVE BARRIERS TO AFFORDABLE HOUSING
2. DEFENSE AGAINST BAD LEGISLATION



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Increase the supply of affordable housing by removing resolutions of no objection

- **Background:** During the 83rd session, new legislation was passed requiring 4% HTC applicants to obtain a resolution of no objection from the local jurisdiction. Failure to do so would make the development ineligible for credits with no opportunity to appeal.



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- **Problem:** 4% HTC: the requirement of resolutions of no objection results in a politically charged environment that hinders building affordable housing, especially in suburban areas where land is already appropriately zoned.
- **Solution:** Strike language in Section 2306.67071 (c) (4), which requires the governing body to pass a resolution of “no objection” and require a certification of notification in lieu.

NO FISCAL IMPACT



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Remove barriers to building affording housing in areas of greatest need

- **Background:** The 9% HTC program incentivizes developments in census tracts in which there are no other existing tax credit developments. This incentivizes developers to look for “clean” census tracts that have never had a development, but oftentimes, there is no other existing development there because there is no market demand. This provision effectively dis-incentivizes developments in densely populated urban areas where there is the most need, despite the existence of another tax credit development.



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- **Problem:** Tax credits in densely populated areas are not encouraged, meaning affordable housing is not always being built where it most needed. There are other de-concentration factors in the rule that more equitably distribute tax credit dollars.
- **Solution:** Remove Section 2306.6725(b)(2) which requires TDHCA to incentivize developments in “census tracts in which there are no other existing developments supported by tax credits.”

NO FISCAL IMPACT



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Give TDHCA the ability to prioritize policy objectives

- **Background:** The Texas HTC program is highly prescribed by state statute, hampering TDHCA's ability to be nimble from year to year in addressing changing policy goals and objectives.



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- **Problem:** Section 2306.6710 sets forth required scoring criteria in descending priority order, hampering TDHCA's ability to make any substantive changes to the scoring rubric.
- **Solution:** Replace the directive to “prioritizes in descending order” with a simple directive to “consider” the enumerated scoring criteria in Section 2306.6710(b)(1) and/or reorder the prioritization of the scoring items.

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