

## **BILL ANALYSIS**

S.B. 1002  
By: West  
Urban Affairs  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Currently, no restriction exists to prevent multiple affordable housing developments within the same neighborhood. S.B. 1002 sets forth certain restrictions on applications for low-income housing tax credits for the purpose of building multi-family affordable housing.

### **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 2306.6703, Government Code, as follows:

Sec. 2306.6703. INELIGIBILITY FOR CONSIDERATION. (a) Created from existing text. Provides that an application is ineligible for consideration under the low income housing tax credit program if, in addition to other provisions, the applicant proposes to replace in less than 15 years any private activity bond financing of the development described by the application, unless the applicant proposes to maintain for a period of 30 years or more 100 percent of the development units supported by housing tax credits as rent-restricted and exclusively for occupancy by individuals and families earning not more than 50 percent of the area median income, adjusted for family size, and the applicant proposes to construct a new development that is located one linear mile or less from a development that meets certain criteria.

(b) Provides that Subsection (a)(3) does not apply to a development under certain conditions.

SECTION 2. Amends Section 2306.6711, Government Code, by adding Subsection (f) to authorize the governing board of the Texas Department of Housing and Community Affairs (TDHCA) to allocate housing tax credits to more than one development in a single community, as defined by TDHCA rule, in the same calendar year only if the developments are or will be located more than one linear mile apart.

SECTION 3. Amends Section 2306.6725(b), Government Code, to require TDHCA to provide appropriate incentives as determined through the qualified allocation plan to reward applicants who agree, in addition to other provisions, to locate the development in a census tract in which there are no other existing developments supported by housing tax credits.

SECTION 4. Makes application of this Act prospective.

SECTION 5. Effective date

**EFFECTIVE DATE:** September 1, 2003.