

1-1 By: Jones of Dallas (Senate Sponsor - West) H.B. No. 2308  
1-2 (In the Senate - Received from the House May 12, 2003;  
1-3 May 13, 2003, read first time and referred to Committee on  
1-4 Intergovernmental Relations; May 22, 2003, reported adversely,  
1-5 with favorable Committee Substitute by the following vote: Yeas 5,  
1-6 Nays 0; May 22, 2003, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 2308 By: Gallegos

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to the low income housing tax credit program.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Section 2306.6703, Government Code, is amended  
1-13 to read as follows:

1-14 Sec. 2306.6703. INELIGIBILITY FOR CONSIDERATION. (a) An  
1-15 application is ineligible for consideration under the low income  
1-16 housing tax credit program if:

1-17 (1) at the time of application or at any time during  
1-18 the two-year period preceding the date the application round  
1-19 begins, the applicant or a related party is or has been:

1-20 (A) a member of the board; or

1-21 (B) the director, a deputy director, the director  
1-22 of housing programs, the director of compliance, the director of  
1-23 underwriting, or the low income housing tax credit program manager  
1-24 employed by the department; ~~or~~

1-25 (2) the applicant proposes to replace in less than 15  
1-26 years any private activity bond financing of the development  
1-27 described by the application, unless:

1-28 (A) the applicant proposes to maintain for a  
1-29 period of 30 years or more 100 percent of the development units  
1-30 supported by ~~low income~~ housing tax credits as rent-restricted  
1-31 and exclusively for occupancy by individuals and families earning  
1-32 not more than 50 percent of the area median income, adjusted for  
1-33 family size; and

1-34 (B) at least one-third of all the units in the  
1-35 development are public housing units or Section 8 project-based  
1-36 units; or

1-37 (3) the applicant proposes to construct a new  
1-38 development that is located one linear mile or less from a  
1-39 development that:

1-40 (A) serves the same type of household as the new  
1-41 development;

1-42 (B) has received an allocation of housing tax  
1-43 credits for new construction at any time during the three-year  
1-44 period preceding the date the application round begins; and

1-45 (C) has not been withdrawn or terminated from the  
1-46 low income housing tax credit program.

1-47 (b) Subsection (a)(3) does not apply to a development:

1-48 (1) that is using:

1-49 (A) federal HOPE VI funds received through the  
1-50 United States Department of Housing and Urban Development;

1-51 (B) locally approved funds received from a public  
1-52 improvement district or a tax increment financing district;

1-53 (C) funds provided to the state under the  
1-54 Cranston-Gonzalez National Affordable Housing Act (42 U.S.C.  
1-55 Section 12701 et seq.); or

1-56 (D) funds provided to the state and participating  
1-57 jurisdictions under the Housing and Community Development Act of  
1-58 1974 (42 U.S.C. Section 5301 et seq.);

1-59 (2) that is located outside of a metropolitan  
1-60 statistical area; or

1-61 (3) that a local government where the project is to be  
1-62 located has by vote specifically allowed the construction of a new  
1-63 development located within one linear mile or less from a

2-1 development under Subsection (a).

2-2 SECTION 2. Section 2306.6711, Government Code, is amended  
2-3 by adding Subsection (f) to read as follows:

2-4 (f) The board may allocate housing tax credits to more than  
2-5 one development in a single community, as defined by department  
2-6 rule, in the same calendar year only if the developments are or will  
2-7 be located more than one linear mile apart.

2-8 SECTION 3. Subsection (b), Section 2306.6725, Government  
2-9 Code, is amended to read as follows:

2-10 (b) The department shall provide appropriate incentives as  
2-11 determined through the qualified allocation plan to reward  
2-12 applicants who agree to:

2-13 (1) equip the property that is the basis of the  
2-14 application with energy saving devices that meet the standards  
2-15 established by the state energy conservation office or to provide  
2-16 to a qualified nonprofit organization or tenant organization a  
2-17 right of first refusal to purchase the property at the minimum price  
2-18 provided in, and in accordance with the requirements of, Section  
2-19 42(i)(7), Internal Revenue Code of 1986 (26 U.S.C. Section  
2-20 42(i)(7)); and

2-21 (2) locate the development in a census tract in which  
2-22 there are no other existing developments supported by housing tax  
2-23 credits.

2-24 SECTION 4. The change in law made by this Act applies only  
2-25 to a development for which an application for a low income housing  
2-26 tax credit is submitted on or after the effective date of this Act.  
2-27 A development for which an application for a low income housing tax  
2-28 credit was submitted before the effective date of this Act is  
2-29 governed by the law in effect on the date the application was  
2-30 submitted, and the former law is continued in effect for that  
2-31 purpose.

2-32 SECTION 5. This Act takes effect September 1, 2003.

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