

By: West

S.B. No. 1002

A BILL TO BE ENTITLED

AN ACT

relating to the low income housing tax credit program.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

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

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

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

(A) a member of the board; or

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

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

(A) the applicant proposes to maintain for a period of 30 years or more 100 percent of the development units supported by ~~low-income~~ 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

1 family size; and

2 (B) at least one-third of all the units in the
3 development are public housing units or Section 8 project-based
4 units; or

5 (3) the applicant proposes to construct a new
6 development that is located one linear mile or less from a
7 development that:

8 (A) serves the same type of household as the new
9 development;

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

13 (C) has not been withdrawn or terminated from the
14 low income housing tax credit program.

15 (b) Subsection (a)(3) does not apply to a development:

16 (1) that is using:

17 (A) federal HOPE VI funds received through the
18 United States Department of Housing and Urban Development; or

19 (B) locally approved funds received from a public
20 improvement district or a tax increment financing district; or

21 (2) that is located outside of a metropolitan
22 statistical area.

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

25 (f) The board may allocate housing tax credits to more than
26 one development in a single community, as defined by department
27 rule, in the same calendar year only if the developments are or will

1 be located more than one linear mile apart.

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

4 (b) The department shall provide appropriate incentives as
5 determined through the qualified allocation plan to reward
6 applicants who agree to:

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

15 (2) locate the development in a census tract in which
16 there are no other existing developments supported by housing tax
17 credits.

18 SECTION 4. The change in law made by this Act applies only
19 to a development for which an application for a low income housing
20 tax credit is submitted on or after the effective date of this Act.
21 A development for which an application for a low income housing tax
22 credit was submitted before the effective date of this Act is
23 governed by the law in effect on the date the application was
24 submitted, and the former law is continued in effect for that
25 purpose.

26 SECTION 5. This Act takes effect September 1, 2003.