

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, regardless of whether the developments serve
10 families, elderly individuals, or another type of household;

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

14 (C) has not been withdrawn or terminated from the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

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

17 (1) that is using:

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

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

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

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

26 (f) The board may allocate housing tax credits to more than
27 one development in a single community, as defined by department

1 rule, in the same calendar year only if the developments are or will
2 be located more than one linear mile apart.

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

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

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

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

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

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