

By: West

S.B. No. 1592

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to applications for and allocations of reservations of the  
3 state ceiling among issuers of qualified residential rental project  
4 bonds.

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

6 SECTION 1. Section 1372.0231, Government Code, is amended  
7 by amending Subsection (d) and adding Subsection (d-1) to read as  
8 follows:

9 (d) Except as provided by Subsection (d-1), before ~~Before~~  
10 June 1, the board shall apportion the amount of the state ceiling  
11 set aside under Subsection (a)(2) among the uniform state service  
12 regions according to the percentage of the state's population that  
13 resides in each of those regions.

14 (d-1) Before June 1, the board shall apportion the amount of  
15 the state ceiling set aside under Subsection (a)(2) only among  
16 uniform state service regions with respect to which an issuer has  
17 submitted an application for a reservation of the state ceiling on  
18 or before March 1.

19 SECTION 2. Section 1372.0321, Government Code, as added by  
20 Chapters 1367 and 1420, Acts of the 77th Legislature, Regular  
21 Session, 2001, is reenacted and amended to read as follows:

22 Sec. 1372.0321. PRIORITIES FOR RESERVATIONS AMONG ISSUERS  
23 OF QUALIFIED RESIDENTIAL RENTAL PROJECT ISSUES. (a) In granting  
24 reservations to issuers of qualified residential rental project

1 issues, the board shall~~+~~

2 ~~[(1)]~~ give first priority to:

3 (1) ~~[(A)]~~ projects in which:

4 (A) 50 ~~[100]~~ percent of the residential units  
5 in the ~~project~~ ~~[projects]~~ are:

6 (i) under the restriction that the maximum  
7 allowable rents are an amount equal to 30 percent of 50 percent of  
8 the area median family income minus an allowance for utility costs  
9 authorized under the federal low-income housing tax credit program;  
10 and

11 (ii) reserved for families and individuals  
12 earning not more than 50 percent of the area median income; and

13 (B) the remaining 50 percent of the residential  
14 units in the project are:

15 (i) under the restriction that the maximum  
16 allowable rents are an amount equal to 30 percent of 60 percent of  
17 the area median family income minus an allowance for utility costs  
18 authorized under the federal low-income housing tax credit program;  
19 and

20 (ii) reserved for families and individuals  
21 earning not more than 60 percent of the area median income;

22 (2) projects in which:

23 (A) 15 percent of the residential units in the  
24 project are:

25 (i) under the restriction that the maximum  
26 allowable rents are an amount equal to 30 percent of 30 percent of  
27 the area median family income minus an allowance for utility costs

1 authorized under the federal low-income housing tax credit program;

2 and

3 (ii) reserved for families and individuals  
4 earning not more than 30 percent of the area median income; and

5 (B) the remaining 85 percent of the residential  
6 units in the project are:

7 (i) under the restriction that the maximum  
8 allowable rents are an amount equal to 30 percent of 60 percent of  
9 the area median family income minus an allowance for utility costs  
10 authorized under the federal low-income housing tax credit program;

11 and

12 (ii) reserved for families and individuals  
13 earning not more than 60 percent of the area median income;

14 (3) projects:

15 (A) in which 100 percent of the residential units  
16 in the project are:

17 (i) under the restriction that the maximum  
18 allowable rents are an amount equal to 30 percent of 60 percent of  
19 the area median family income minus an allowance for utility costs  
20 authorized under the federal low-income housing tax credit program;

21 and

22 (ii) reserved for families and individuals  
23 earning not more than 60 percent of the area median income; and

24 (B) which are located in a census tract in which  
25 the median income, based on the most recent information published  
26 by the United States Bureau of the Census, is higher than the median  
27 income for the county, metropolitan statistical area, or primary

1 metropolitan statistical area in which the census tract is located  
2 as established by the United States Department of Housing and Urban  
3 Development; or

4 (4) ~~(B)~~ on or after June 1, projects that are  
5 located in counties, metropolitan statistical areas, or primary  
6 metropolitan statistical areas with area median family incomes at  
7 or below the statewide median family income established by the  
8 United States Department of Housing and Urban Development.

9 (a-1) In granting reservations to issuers of qualified  
10 residential rental project issues, the board shall~~[(2)]~~ give  
11 second priority to projects in which 100 percent of the residential  
12 units in the project ~~[projects]~~ are under the restriction that the  
13 maximum allowable rents are an amount equal to 30 percent of 60  
14 percent of the area median family income minus an allowance for  
15 utility costs authorized under the federal low-income housing tax  
16 credit program.

17 (a-2) In granting reservations to issuers of qualified  
18 residential rental project issues, the board shall~~[(3)]~~ give  
19 third priority to any other qualified residential rental project.

20 (b) The board may not reserve a portion of the state ceiling  
21 for a first or second priority project described by this section  
22 ~~[Subsection (a)]~~ unless the board receives evidence that an  
23 application has been filed with the Texas Department of Housing and  
24 Community Affairs for the low-income housing tax credit that is  
25 available for multifamily transactions that are at least 51 percent  
26 financed by tax-exempt private activity bonds.

27 SECTION 3. Subsection (a), Section 1372.006, Government

1 Code, is amended to read as follows:

2 (a) An application for a reservation under Subchapter B or a  
3 carryforward designation under Subchapter C must be accompanied by  
4 a nonrefundable fee in the amount of \$500, except that for issuers  
5 of qualified residential rental project bonds the application must  
6 be accompanied by a nonrefundable fee of \$5,000, \$1,000 of which the  
7 board shall retain to offset the costs of the private activity bond  
8 allocation program and the administration of that program and  
9 \$4,000 of which the board shall transfer through an interagency  
10 agreement to the Texas Department of Housing and Community Affairs  
11 for use in the affordable housing research and information program  
12 as provided by Section 2306.259, Government Code.

13 SECTION 4. Subchapter K, Chapter 2306, Government Code, is  
14 amended by adding Section 2306.259 to read as follows:

15 Sec. 2306.259. AFFORDABLE HOUSING RESEARCH AND INFORMATION  
16 PROGRAM. With money available under Section 1372.006(a), the  
17 department shall establish an affordable housing research and  
18 information program in which the department shall contract for:

19 (1) periodic market studies to determine the need for  
20 housing for families of extremely low, very low, and low income in  
21 census tracts throughout the state;

22 (2) research from qualified professionals to  
23 determine the effect of affordable housing developments on property  
24 values, social conditions, and quality of life in surrounding  
25 neighborhoods;

26 (3) independent research in affordable housing design  
27 and development approaches that enhance community acceptance of

1 affordable housing and improve the quality of life for the  
2 residents of the housing; and

3 (4) public education and outreach efforts to assist  
4 the public in understanding the nature and purpose of affordable  
5 housing and the process for public participation in the  
6 administration of affordable housing programs.

7 SECTION 5. (a) This Act takes effect September 1, 2003.

8 (b) The change in law made by this Act applies only to an  
9 application for an amount of the state ceiling set aside for issuers  
10 of qualified residential rental project bonds in a year beginning  
11 on or after January 1, 2004. An application for an amount of the  
12 state ceiling set aside for issuers of qualified residential rental  
13 project bonds in 2003 is governed by the law in effect immediately  
14 before the effective date of this Act, and the former law is  
15 continued in effect for that purpose.