

1-1 By: West S.B. No. 1592
1-2 (In the Senate - Filed March 14, 2003; March 20, 2003, read
1-3 first time and referred to Committee on Finance; May 7, 2003,
1-4 reported adversely, with favorable Committee Substitute by the
1-5 following vote: Yeas 8, Nays 0, 2 present not voting; May 7, 2003,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1592 By: Zaffirini
1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to applications for and allocations of reservations of the
1-11 state ceiling among issuers of qualified residential rental project
1-12 bonds.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. Section 1372.0231, Government Code, is amended
1-15 by amending Subsection (d) and adding Subsection (d-1) to read as
1-16 follows:

1-17 (d) Except as provided by Subsection (d-1), before [Before]
1-18 June 1, the board shall apportion the amount of the state ceiling
1-19 set aside under Subsection (a)(2) among the uniform state service
1-20 regions according to the percentage of the state's population that
1-21 resides in each of those regions.

1-22 (d-1) Before June 1, the board shall apportion the amount of
1-23 the state ceiling set aside under Subsection (a)(2) only among
1-24 uniform state service regions with respect to which an issuer has
1-25 submitted an application for a reservation of the state ceiling on
1-26 or before March 1.

1-27 SECTION 2. Section 1372.0321, Government Code, as added by
1-28 Chapters 1367 and 1420, Acts of the 77th Legislature, Regular
1-29 Session, 2001, is reenacted and amended to read as follows:

1-30 Sec. 1372.0321. PRIORITIES FOR RESERVATIONS AMONG ISSUERS
1-31 OF QUALIFIED RESIDENTIAL RENTAL PROJECT ISSUES. (a) In granting
1-32 reservations to issuers of qualified residential rental project
1-33 issues, the board shall~~+~~

1-34 ~~[(1)]~~ give first priority to:

1-35 (1) ~~[(A)]~~ projects in which:

1-36 (A) 50 [100] percent of the residential units
1-37 in the project [projects] are:

1-38 (i) under the restriction that the maximum
1-39 allowable rents are an amount equal to 30 percent of 50 percent of
1-40 the area median family income minus an allowance for utility costs
1-41 authorized under the federal low-income housing tax credit program;
1-42 and

1-43 (ii) reserved for families and individuals
1-44 earning not more than 50 percent of the area median income; and

1-45 (B) the remaining 50 percent of the residential
1-46 units in the project are:

1-47 (i) under the restriction that the maximum
1-48 allowable rents are an amount equal to 30 percent of 60 percent of
1-49 the area median family income minus an allowance for utility costs
1-50 authorized under the federal low-income housing tax credit program;
1-51 and

1-52 (ii) reserved for families and individuals
1-53 earning not more than 60 percent of the area median income;

1-54 (2) projects in which:

1-55 (A) 15 percent of the residential units in the
1-56 project are:

1-57 (i) under the restriction that the maximum
1-58 allowable rents are an amount equal to 30 percent of 30 percent of
1-59 the area median family income minus an allowance for utility costs
1-60 authorized under the federal low-income housing tax credit program;
1-61 and

1-62 (ii) reserved for families and individuals
1-63 earning not more than 30 percent of the area median income; and

2-1 (B) the remaining 85 percent of the residential
 2-2 units in the project are:
 2-3 (i) under the restriction that the maximum
 2-4 allowable rents are an amount equal to 30 percent of 60 percent of
 2-5 the area median family income minus an allowance for utility costs
 2-6 authorized under the federal low-income housing tax credit program;
 2-7 and
 2-8 (ii) reserved for families and individuals
 2-9 earning not more than 60 percent of the area median income;
 2-10 (3) projects:
 2-11 (A) in which 100 percent of the residential units
 2-12 in the project are:
 2-13 (i) under the restriction that the maximum
 2-14 allowable rents are an amount equal to 30 percent of 60 percent of
 2-15 the area median family income minus an allowance for utility costs
 2-16 authorized under the federal low-income housing tax credit program;
 2-17 and
 2-18 (ii) reserved for families and individuals
 2-19 earning not more than 60 percent of the area median income; and
 2-20 (B) which are located in a census tract in which
 2-21 the median income, based on the most recent information published
 2-22 by the United States Bureau of the Census, is higher than the median
 2-23 income for the county, metropolitan statistical area, or primary
 2-24 metropolitan statistical area in which the census tract is located
 2-25 as established by the United States Department of Housing and Urban
 2-26 Development; or
 2-27 (4) [~~(B)~~] on or after June 1, projects that are
 2-28 located in counties, metropolitan statistical areas, or primary
 2-29 metropolitan statistical areas with area median family incomes at
 2-30 or below the statewide median family income established by the
 2-31 United States Department of Housing and Urban Development.
 2-32 (a-1) In granting reservations to issuers of qualified
 2-33 residential rental project issues, the board shall~~[, (2)]~~ give
 2-34 second priority to projects in which 100 percent of the residential
 2-35 units in the project [~~projects~~] are under the restriction that the
 2-36 maximum allowable rents are an amount equal to 30 percent of 60
 2-37 percent of the area median family income minus an allowance for
 2-38 utility costs authorized under the federal low-income housing tax
 2-39 credit program.
 2-40 (a-2) In granting reservations to issuers of qualified
 2-41 residential rental project issues, the board shall~~[, and (3)]~~ give
 2-42 third priority to any other qualified residential rental project.
 2-43 (b) The board may not reserve a portion of the state ceiling
 2-44 for a first or second priority project described by this section
 2-45 [~~Subsection (a)~~] unless the board receives evidence that an
 2-46 application has been filed with the Texas Department of Housing and
 2-47 Community Affairs for the low-income housing tax credit that is
 2-48 available for multifamily transactions that are at least 51 percent
 2-49 financed by tax-exempt private activity bonds.
 2-50 SECTION 3. Subsection (a), Section 1372.006, Government
 2-51 Code, is amended to read as follows:
 2-52 (a) An application for a reservation under Subchapter B or a
 2-53 carryforward designation under Subchapter C must be accompanied by
 2-54 a nonrefundable fee in the amount of \$500, except that for issuers
 2-55 of qualified residential rental project bonds the application must
 2-56 be accompanied by a nonrefundable fee of \$5,000, \$1,000 of which the
 2-57 board shall retain to offset the costs of the private activity bond
 2-58 allocation program and the administration of that program and
 2-59 \$4,000 of which the board shall transfer through an interagency
 2-60 agreement to the Texas Department of Housing and Community Affairs
 2-61 for use in the affordable housing research and information program
 2-62 as provided by Section 2306.259, Government Code.
 2-63 SECTION 4. Subchapter K, Chapter 2306, Government Code, is
 2-64 amended by adding Section 2306.259 to read as follows:
 2-65 Sec. 2306.259. AFFORDABLE HOUSING RESEARCH AND INFORMATION
 2-66 PROGRAM. With money available under Section 1372.006(a), the
 2-67 department shall establish an affordable housing research and
 2-68 information program in which the department shall contract for:
 2-69 (1) periodic market studies to determine the need for

3-1 housing for families of extremely low, very low, and low income in
3-2 census tracts throughout the state;

3-3 (2) research from qualified professionals to
3-4 determine the effect of affordable housing developments on property
3-5 values, social conditions, and quality of life in surrounding
3-6 neighborhoods;

3-7 (3) independent research in affordable housing design
3-8 and development approaches that enhance community acceptance of
3-9 affordable housing and improve the quality of life for the
3-10 residents of the housing; and

3-11 (4) public education and outreach efforts to assist
3-12 the public in understanding the nature and purpose of affordable
3-13 housing and the process for public participation in the
3-14 administration of affordable housing programs.

3-15 SECTION 5. (a) This Act takes effect September 1, 2003.

3-16 (b) The change in law made by this Act applies only to an
3-17 application for an amount of the state ceiling set aside for issuers
3-18 of qualified residential rental project bonds in a year beginning
3-19 on or after January 1, 2004. An application for an amount of the
3-20 state ceiling set aside for issuers of qualified residential rental
3-21 project bonds in 2003 is governed by the law in effect immediately
3-22 before the effective date of this Act, and the former law is
3-23 continued in effect for that purpose.

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