

By: Bohac

H.B. No. 2150

A BILL TO BE ENTITLED

AN ACT

relating to the administration of the low income housing tax credit program by the Texas Department of Housing and Community Affairs.

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;

(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 housing tax credits as rent-restricted and exclusively for occupancy by individuals and families earning not more than 50

1 percent of the area median income, adjusted for 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;

5 (3) the applicant proposes to construct a new
6 development that is located two [~~one~~] linear miles [~~mile~~] or less
7 from a 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14 (C) has not been withdrawn or terminated from the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; or

16 (4) the development is located in a municipality or,
17 if located outside a municipality, a county that has more than twice
18 the state average of units per capita supported by housing tax
19 credits or private activity bonds, unless the applicant:

20 (A) has obtained prior approval of the
21 development from the governing body of the appropriate municipality
22 or county containing the development; and

23 (B) has included in the application a written
24 statement of support from that governing body referencing this
25 section and authorizing an allocation of housing tax credits for
26 the development.

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

1 (1) that is using:

2 (A) federal HOPE VI funds received through the
3 United States Department of Housing and Urban Development;

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

6 (C) funds provided to the state under the
7 Cranston-Gonzalez National Affordable Housing Act (42 U.S.C.
8 Section 12701 et seq.); or

9 (D) funds provided to the state and participating
10 jurisdictions under the Housing and Community Development Act of
11 1974 (42 U.S.C. Section 5301 et seq.);

12 (2) that is located in a county with a population of
13 less than one million;

14 (3) that is located outside of a metropolitan
15 statistical area; or

16 (4) that a local government where the project is to be
17 located has by vote specifically allowed the construction of a new
18 development located within two [~~one~~] linear miles [~~mile~~] or less
19 from a development under Subsection (a).

20 SECTION 2. Section 2306.6711(f), Government Code, is
21 amended to read as follows:

22 (f) The board may allocate housing tax credits to more than
23 one development in a single community, as defined by department
24 rule, in the same calendar year only if the developments are or will
25 be located more than two [~~one~~] linear miles [~~mile~~] apart. This
26 subsection applies only to communities contained within counties
27 with populations exceeding one million.

1 SECTION 3. The changes in law made by this Act apply only to
2 an application for low income housing tax credits that is submitted
3 to the Texas Department of Housing and Community Affairs during an
4 application cycle that begins on or after the effective date of this
5 Act. An application that is submitted during an application cycle
6 that began before the effective date of this Act is governed by the
7 law in effect at the time the application cycle began, and the
8 former law is continued in effect for that purpose.

9 SECTION 4. This Act takes effect September 1, 2007.