

By: Menendez

H.B. No. 3872

A BILL TO BE ENTITLED

AN ACT

relating to the eligibility of certain applications for low income housing tax credits

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

SECTION 1. Section 2306.6703, Government Code, as amended by Chapters 330 and 1106, Acts of the 78th Legislature, Regular Session, 2003, is reenacted and 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

1 for occupancy by individuals and families earning not more than 50
2 percent of the area median income, adjusted for family size; and

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

6 (3) unless the applicant obtains approval of the
7 development from the governing body of the appropriate municipality
8 or county containing the development, the applicant proposes to
9 develop [~~construct~~] a new construction development that is located
10 one linear mile or less from a development that:

11 (A) serves the same type of household as the new
12 development [~~, regardless of whether the developments serve~~
13 ~~families, elderly individuals, or another type of household~~];

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

17 (C) has not been withdrawn or terminated from the
18 low income housing tax credit program; [~~or~~]

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

23 (A) obtains [~~has obtained prior~~] approval of the
24 development from the governing body of the appropriate municipality
25 or county containing the development; and

26 (B) provides, not later than the 30th day before
27 the date the board first meets to consider applications for an

1 allocation of housing tax credits, [~~has included in the~~
2 ~~application~~] a written statement of support from that governing
3 body referencing this section and authorizing an allocation of
4 housing tax credits for the development.

5 (b) Subsections (a)(2), (3), and (4) do [~~Subsection (a)(3)~~
6 ~~does~~] not apply to a development:

7 (1) that is using:

8 (A) federal HOPE VI funds or other similar funds
9 received through the United States Department of Housing and Urban
10 Development to assist in the preservation, through same-site
11 reconstruction or rehabilitation, of distressed federally assisted
12 housing;

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

15 (C) funds provided to the state under the
16 Cranston-Gonzalez National Affordable Housing Act (42 U.S.C.
17 Section 12701 et seq.); [~~or~~]

18 (D) funds provided to the state and participating
19 jurisdictions under the Housing and Community Development Act of
20 1974 (42 U.S.C. Section 5301 et seq.);

21 (2) that is located in a county with a population of
22 less than one million[~~;~~]

23 [~~(3) that is located outside of a metropolitan~~
24 ~~statistical area; or~~

25 [~~(4) that a local government where the project is to be~~
26 ~~located has by vote specifically allowed the construction of a new~~
27 ~~development located within one linear mile or less from a~~

1 ~~development under Subsection (a)].~~

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

4 (f) The board may allocate housing tax credits to
5 developments [more than one development] in a single community that
6 are or will be less than one linear mile apart, as defined by
7 department rule, in the same calendar year only if:

8 (1) the community is located in a county with a
9 population of one million or less;

10 (2) at least one allocation involves the
11 rehabilitation of existing developments, with not more than one new
12 construction allocation; or

13 (3) the developments each serve a different type of
14 household from the other [the developments are or will be located
15 more than one linear mile apart]. [This subsection applies only to
16 communities contained within counties with populations exceeding
17 one million.]

18 SECTION 3. It is the intent of the legislature that the
19 passage by the 80th Legislature, Regular Session, 2007, of another
20 bill that amends Chapter 2306, Government Code, and the amendments
21 made by this Act shall be harmonized, if possible, as provided by
22 Section 311.025(b), Government Code, so that effect may be given to
23 each. If the amendments made by this Act to Chapter 2306,
24 Government Code, and the amendments made to Chapter 2306,
25 Government Code, by any other bill are irreconcilable, it is the
26 intent of the legislature that this Act prevail, regardless of the
27 relative dates of enactment of this Act and the other bill or bills,

1 but only to the extent that any differences are irreconcilable.

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