

By: Anchia, Alvarado

H.B. No. 1888

A BILL TO BE ENTITLED

AN ACT

relating to low income housing tax credits awarded to at-risk developments.

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

SECTION 1. Section 2306.6702(a)(5), Government Code, is amended to read as follows:

(5) "At-risk development" means:

(A) a development that:

(i) [~~(A)~~] has received the benefit of a subsidy in the form of a below-market interest rate loan, interest rate reduction, rental subsidy, Section 8 housing assistance payment, rental supplement payment, rental assistance payment, or equity incentive under the following federal laws, as applicable:

(a) [~~(i)~~] Sections 221(d)(3) and (5), National Housing Act (12 U.S.C. Section 1715l);

(b) [~~(ii)~~] Section 236, National Housing Act (12 U.S.C. Section 1715z-1);

(c) [~~(iii)~~] Section 202, Housing Act of 1959 (12 U.S.C. Section 1701q);

(d) [~~(iv)~~] Section 101, Housing and Urban Development Act of 1965 (12 U.S.C. Section 1701s);

(e) [~~(v)~~] the Section 8 Additional Assistance Program for housing developments with HUD-Insured and HUD-Held Mortgages administered by the United States Department of

1 Housing and Urban Development as specified by 24 C.F.R. Part 886,
2 Subpart A;

3 (f) [~~(vi)~~] the Section 8 Housing
4 Assistance Program for the Disposition of HUD-Owned Projects
5 administered by the United States Department of Housing and Urban
6 Development as specified by 24 C.F.R. Part 886, Subpart C;

7 (g) [~~(vii)~~] Sections 514, 515, and
8 516, Housing Act of 1949 (42 U.S.C. Sections 1484, 1485, and 1486);
9 or

10 (h) [~~(viii)~~] Section 42, Internal
11 Revenue Code of 1986 (26 U.S.C. Section 42); and

12 (ii) [~~(B)~~] is subject to the following
13 conditions:

14 (a) [~~(i)~~] the stipulation to maintain
15 affordability in the contract granting the subsidy is nearing
16 expiration; or

17 (b) [~~(ii)~~] the federally insured
18 mortgage on the development is eligible for prepayment or is
19 nearing the end of its term; or

20 (B) a development that proposes to rehabilitate
21 or reconstruct housing units that:

22 (i) are owned by a public housing authority
23 and receive assistance under Section 9, United States Housing Act
24 of 1937 (42 U.S.C. Section 1437g); or

25 (ii) received assistance under Section 9,
26 United States Housing Act of 1937 (42 U.S.C. Section 1437g) and:

27 (a) are proposed to be disposed of or

1 demolished by a public housing authority; or
2 (b) have been disposed of or
3 demolished by a public housing authority in the two-year period
4 preceding the application for housing tax credits.

5 SECTION 2. Section 2306.6714, Government Code, is amended
6 by amending Subsection (a) and adding Subsection (a-1) to read as
7 follows:

8 (a) The department shall set aside for eligible at-risk
9 developments not less than 15 percent of the housing tax credits
10 available for allocation in the calendar year.

11 (a-1) An at-risk development is eligible for housing tax
12 credits set aside under Subsection (a) only if:

13 (1) a portion of the public housing operating subsidy
14 received from the department is retained for the development; and

15 (2) a portion of the units of the development are
16 reserved for public housing as specified in the qualified housing
17 plan.

18 SECTION 3. The changes in law made by this Act apply only to
19 an application for low income housing tax credits that is submitted
20 on or after the effective date of this Act. An application for low
21 income housing tax credits that is submitted before the effective
22 date of this Act is governed by the law in effect when the
23 application was submitted, and the former law is continued in
24 effect for that purpose.

25 SECTION 4. This Act takes effect September 1, 2013.