By: Anchia H.B. No. 1888

## A BILL TO BE ENTITLED

1	AN ACT
2	relating to the definition of an at-risk development for the
3	purpose of awarding low income housing tax credits.
4	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
5	SECTION 1. Section 2306.6702(a)(5), Government Code, is
6	amended to read as follows:
7	(5) "At-risk development" means:
8	(A) a development that:
9	$\underline{\text{(i)}}$ [ $\frac{\text{(A)}}{\text{)}}$ ] has received the benefit of a
10	subsidy in the form of a below-market interest rate loan, interest
11	rate reduction, rental subsidy, Section 8 housing assistance
12	payment, rental supplement payment, rental assistance payment, or
13	equity incentive under the following federal laws, as applicable:
14	(a) [(i)] Sections 221(d)(3) and (5),
15	National Housing Act (12 U.S.C. Section 17151);
16	(b) [ <del>(ii)</del> ] Section 236, National
17	Housing Act (12 U.S.C. Section 1715z-1);
18	(c) [ <del>(iii)</del> ] Section 202, Housing Act
19	of 1959 (12 U.S.C. Section 1701q);
20	(d) [ <del>(iv)</del> ] Section 101, Housing and
21	Urban Development Act of 1965 (12 U.S.C. Section 1701s);
22	$\underline{\text{(e)}}$ [ $\frac{\text{(v)}}{\text{)}}$ ] the Section 8 Additional
23	Assistance Program for housing developments with HUD-Insured and
24	HUD-Held Mortgages administered by the United States Department of

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1
    Housing and Urban Development;
 2
                                (f) [<del>(vi)</del>] the Section
                                                                 Housing
                                                             8
    Assistance Program for the Disposition of HUD-Owned Projects
 3
    administered by the United States Department of Housing and Urban
 4
    Development;
 5
 6
                                (g) [<del>(vii)</del>] Sections 514, 515,
    516, Housing Act of 1949 (42 U.S.C. Sections 1484, 1485, and 1486);
 7
8
    or
 9
                                (h) [<del>(viii)</del>] Section
                                                          42,
                                                                Internal
    Revenue Code of 1986 (26 U.S.C. Section 42); and
10
11
                           (ii) [(B)] is subject to the following
12
    conditions:
13
                                (a) [\frac{(i)}{(i)}] the stipulation to maintain
14
    affordability in the contract granting the subsidy is nearing
15
    expiration; or
16
                                (b) [\frac{(ii)}{(ii)}] the federally
                                                                 insured
17
    mortgage on the development is eligible for prepayment or is
    nearing the end of its term; or
18
19
                     (B) a development that proposes to rehabilitate
    or reconstruct housing units that:
20
21
                           (i) are owned by a public housing authority
    and receive assistance under Section 9 of the National Housing Act
22
    (12 U.S.C. Section 1706d); or
23
24
                           (ii) received assistance under Section 9 of
25
    the National Housing Act (12 U.S.C. Section 1706d) and:
26
                                (a) are proposed to be disposed of or
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demolished by a public housing authority; or

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- 1 (b) have been disposed of or
- 2 <u>demolished by a public housing authority in the two-year period</u>
- 3 preceding the application for housing tax credits.
- 4 SECTION 2. The change in law made by this Act in amending
- 5 Section 2306.6702(a)(5), Government Code, applies only to an
- 6 application for low income housing tax credits that is submitted on
- 7 or after the effective date of this Act. An application for low
- 8 income housing tax credits that is submitted before the effective
- 9 date of this Act is governed by the law in effect when the
- 10 application was submitted, and the former law is continued in
- 11 effect for that purpose.
- 12 SECTION 3. This Act takes effect September 1, 2013.