

By: Hinojosa

S.B. No. 1965

A BILL TO BE ENTITLED

1 AN ACT
2 relating to low income housing tax credits awarded for at-risk
3 developments.

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

14 (a) Sections 221(d)(3) and (5),
15 National Housing Act (12 U.S.C. Section 1715l);

16 (b) Section 236, National Housing Act
17 (12 U.S.C. Section 1715z-1);

18 (c) Section 202, Housing Act of 1959
19 (12 U.S.C. Section 1701q);

20 (d) Section 101, Housing and Urban
21 Development Act of 1965 (12 U.S.C. Section 1701s);

22 (e) 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

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

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

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

9 (h) Section 42, Internal Revenue Code
10 of 1986 (26 U.S.C. Section 42); and

11 (ii) is subject to the following
12 conditions:

13 (a) the stipulation to maintain
14 affordability in the contract granting the subsidy is nearing
15 expiration; or

16 (b) the federally insured mortgage on
17 the development is eligible for prepayment or is nearing the end of
18 its term; or

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

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

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

26 (a) are proposed to be disposed of or
27 demolished by a public housing authority; or

1 (b) have been disposed of or
2 demolished by a public housing authority in the two-year period
3 preceding the application for housing tax credits; or
4 (iii) receive assistance or will receive
5 assistance through the Rental Assistance Demonstration program
6 administered by the United States Department of Housing and Urban
7 Development as specified by the Consolidated and Further Continuing
8 Appropriations Act of 2012 (Pub. L. No. 112-55) and its subsequent
9 amendments.

10 SECTION 2. The change in law made by this Act applies only
11 to an application for low income housing tax credits that is
12 submitted on or after the effective date of this Act. An application
13 for low income housing tax credits that is submitted before the
14 effective date of this Act is governed by the law in effect when the
15 application was submitted, and the former law is continued in
16 effect for that purpose.

17 SECTION 3. This Act takes effect September 1, 2015.