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| BILL ANALYSIS |

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| S.B. 1238 |
| By: Rodríguez |
| Urban Affairs |
| Committee Report (Unamended) |

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| **BACKGROUND AND PURPOSE**  Interested parties note that tax credits are awarded under the low income housing tax credit program for purposes of developing and preserving affordable housing for low income households, but the parties contend that statutory changes are needed to expand the at-risk developments eligible for tax credits under the program. S.B. 1238 seeks to provide for these changes to the program. |
| **CRIMINAL JUSTICE IMPACT**  It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision. |
| **RULEMAKING AUTHORITY**  It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution. |
| **ANALYSIS**  S.B. 1238 amends the Government Code to include as an at-risk development for purposes of the low income housing tax credit program a development that proposes to rehabilitate or reconstruct housing units that receive assistance under certain provisions of the federal United States Housing Act of 1937 and are owned by a public facility corporation created by a public housing authority under the Public Facility Corporation Act and a development that proposes to rehabilitate or reconstruct housing units that received assistance under such provisions and are proposed to be, or have been in the two-year period preceding the application for housing tax credits, disposed of or demolished by such a corporation. The bill establishes that certain at-risk developments that propose to rehabilitate or reconstruct housing units and that were previously allocated set-aside housing tax credits do not lose eligibility for those credits if the portion of units reserved for public housing as a condition of eligibility for the credits are later converted under the rental assistance demonstration program administered by the U.S. Department of Housing and Urban Development as specified by the federal Consolidated and Further Continuing Appropriations Act, 2012 and its subsequent amendments. |
| **EFFECTIVE DATE**  On passage, or, if the bill does not receive the necessary vote, September 1, 2017. |