**BILL ANALYSIS**

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| Senate Research Center | S.B. 1990 |
| 85R12799 JAM-F | By: Watson |
|  | Intergovernmental Relations |
|  | 4/21/2017 |
|  | As Filed |

**AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Supportive housing is a type of housing that provides not only housing, but additional services for people with disabilities, veterans, the elderly, and other populations that might need such services. Under current rules, these housing developments are very difficult to finance because they cannot carry debt, which leads to very few of these being built. S.B. 1990 attempts to create an incentive for the development of this type of housing by requiring the Texas Department of Housing and Community Affairs to award housing tax credits, under the Low Income Housing Tax Credit Program, to the top five scoring supportive housing proposals. This is limited to urban subregions with more than 285,000 people.

As proposed, S.B. 1990 amends current law relating to low income housing tax credits awarded for certain developments.

**RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Department of Housing and Community Affairs in SECTION 1 (Section 2306.6711, Government Code) of this bill.

**SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 2306.6711, Government Code, by adding Subsection (j), as follows:

(j) Requires the governing board of the Texas Department of Housing and Community Affairs (TDHCA), except as necessary to comply with the nonprofit set-aside required by Section 42(h)(5), Internal Revenue Code of 1986 (26 U.S.C. Section 42(h)(5)), and except as otherwise provided by this subsection, in each urban subregion of a uniform state service region that contains a municipality with a population of 285,000 or more, to allocate housing tax credits to the highest scoring development, if any, that qualifies as a supportive housing project and is located in that urban subregion in a municipality with a population of 285,000 or more. Requires TDHCA by rule to establish requirements for a supportive housing project to qualify for housing tax credits under this subsection. Provides that TDHCA is not required to award housing tax credits to more than the five highest scoring supportive housing projects under this subsection in an application cycle.

SECTION 2. Makes application of this Act prospective to January 1, 2019.

SECTION 3. Effective date: September 1, 2017.