

By: Moody

H.B. No. 2947

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the eligibility of certain at-risk developments to
3 receive 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 (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 HUD-insured or HUD-held
17 mortgage on the development is eligible for prepayment or is
18 nearing the end of 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~~
22 ~~authority and~~] receive assistance under Section 9, United States
23 Housing Act of 1937 (42 U.S.C. Section 1437g) and are owned by:

24 (a) a public housing authority; or

25 (b) a public facility corporation

26 created by a public housing authority under Chapter 303, Local
27 Government Code;

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

3 (a) are proposed to be disposed of or
4 demolished by a public housing authority or a public facility
5 corporation created by a public housing authority under Chapter
6 303, Local Government Code; or

7 (b) have been disposed of or
8 demolished by a public housing authority or a public facility
9 corporation created by a public housing authority under Chapter
10 303, Local Government Code, in the two-year period preceding the
11 application for housing tax credits; or

12 (iii) receive assistance or will receive
13 assistance through the Rental Assistance Demonstration program
14 administered by the United States Department of Housing and Urban
15 Development as specified by the Consolidated and Further Continuing
16 Appropriations Act, ~~of~~ 2012 (Pub. L. No. 112-55) and its
17 subsequent amendments, if the application for assistance through
18 the Rental Assistance Demonstration program is included in the
19 applicable public housing ~~[authority's annual]~~ plan that was most
20 recently approved by the United States Department of Housing and
21 Urban Development as specified by 24 C.F.R. Section 903.23.

22 SECTION 2. Section 2306.6714, Government Code, is amended
23 by adding Subsection (a-2) to read as follows:

24 (a-2) Notwithstanding any other provision of law, an
25 at-risk development described by Section 2306.6702(a)(5)(B) that
26 was previously allocated housing tax credits set aside under
27 Subsection (a) does not lose eligibility for those credits if the

1 portion of units reserved for public housing as a condition of
2 eligibility for the credits under Subsection (a-1)(2) are later
3 converted under the Rental Assistance Demonstration program
4 administered by the United States Department of Housing and Urban
5 Development as specified by the Consolidated and Further Continuing
6 Appropriations Act, 2012 (Pub. L. No. 112-55) and its subsequent
7 amendments.

8 SECTION 3. This Act takes effect immediately if it receives
9 a vote of two-thirds of all the members elected to each house, as
10 provided by Section 39, Article III, Texas Constitution. If this
11 Act does not receive the vote necessary for immediate effect, this
12 Act takes effect September 1, 2017.