

1-1 By: Rodríguez S.B. No. 1238
1-2 (In the Senate - Filed March 2, 2017; March 13, 2017, read
1-3 first time and referred to Committee on Intergovernmental
1-4 Relations; April 11, 2017, reported favorably by the following
1-5 vote: Yeas 6, Nays 0; April 11, 2017, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13			X	
1-14	X			

1-15 A BILL TO BE ENTITLED
1-16 AN ACT

1-17 relating to the eligibility of certain at-risk developments to
1-18 receive low income housing tax credits.

1-19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-20 SECTION 1. Section 2306.6702(a)(5), Government Code, is
1-21 amended to read as follows:

1-22 (5) "At-risk development" means:

1-23 (A) a development that:

1-24 (i) has received the benefit of a subsidy in
1-25 the form of a below-market interest rate loan, interest rate
1-26 reduction, rental subsidy, Section 8 housing assistance payment,
1-27 rental supplement payment, rental assistance payment, or equity
1-28 incentive under the following federal laws, as applicable:

1-29 (a) Sections 221(d)(3) and (5),
1-30 National Housing Act (12 U.S.C. Section 1715l);

1-31 (b) Section 236, National Housing Act
1-32 (12 U.S.C. Section 1715z-1);

1-33 (c) Section 202, Housing Act of 1959
1-34 (12 U.S.C. Section 1701q);

1-35 (d) Section 101, Housing and Urban
1-36 Development Act of 1965 (12 U.S.C. Section 1701s);

1-37 (e) the Section 8 Additional
1-38 Assistance Program for housing developments with HUD-Insured and
1-39 HUD-Held Mortgages administered by the United States Department of
1-40 Housing and Urban Development as specified by 24 C.F.R. Part 886,
1-41 Subpart A;

1-42 (f) the Section 8 Housing Assistance
1-43 Program for the Disposition of HUD-Owned Projects administered by
1-44 the United States Department of Housing and Urban Development as
1-45 specified by 24 C.F.R. Part 886, Subpart C;

1-46 (g) Sections 514, 515, and 516,
1-47 Housing Act of 1949 (42 U.S.C. Sections 1484, 1485, and 1486); or

1-48 (h) Section 42, Internal Revenue Code
1-49 of 1986 [~~26 U.S.C. Section 42~~]; and

1-50 (ii) is subject to the following
1-51 conditions:

1-52 (a) the stipulation to maintain
1-53 affordability in the contract granting the subsidy is nearing
1-54 expiration; or

1-55 (b) the HUD-insured or HUD-held
1-56 mortgage on the development is eligible for prepayment or is
1-57 nearing the end of its term; or

1-58 (B) a development that proposes to rehabilitate
1-59 or reconstruct housing units that:

1-60 (i) [~~are owned by a public housing~~
1-61 ~~authority and~~] receive assistance under Section 9, United States

2-1 Housing Act of 1937 (42 U.S.C. Section 1437g) and are owned by:
2-2 (a) a public housing authority; or
2-3 (b) a public facility corporation
2-4 created by a public housing authority under Chapter 303, Local
2-5 Government Code;

2-6 (ii) received assistance under Section 9,
2-7 United States Housing Act of 1937 (42 U.S.C. Section 1437g) and:

2-8 (a) are proposed to be disposed of or
2-9 demolished by a public housing authority or a public facility
2-10 corporation created by a public housing authority under Chapter
2-11 303, Local Government Code; or

2-12 (b) have been disposed of or
2-13 demolished by a public housing authority or a public facility
2-14 corporation created by a public housing authority under Chapter
2-15 303, Local Government Code, in the two-year period preceding the
2-16 application for housing tax credits; or

2-17 (iii) receive assistance or will receive
2-18 assistance through the Rental Assistance Demonstration program
2-19 administered by the United States Department of Housing and Urban
2-20 Development as specified by the Consolidated and Further Continuing
2-21 Appropriations Act, ~~of~~ 2012 (Pub. L. No. 112-55) and its
2-22 subsequent amendments, if the application for assistance through
2-23 the Rental Assistance Demonstration program is included in the
2-24 applicable public housing ~~[authority's annual]~~ plan that was most
2-25 recently approved by the United States Department of Housing and
2-26 Urban Development as specified by 24 C.F.R. Section 903.23.

2-27 SECTION 2. Section 2306.6714, Government Code, is amended
2-28 by adding Subsection (a-2) to read as follows:

2-29 (a-2) Notwithstanding any other provision of law, an
2-30 at-risk development described by Section 2306.6702(a)(5)(B) that
2-31 was previously allocated housing tax credits set aside under
2-32 Subsection (a) does not lose eligibility for those credits if the
2-33 portion of units reserved for public housing as a condition of
2-34 eligibility for the credits under Subsection (a-1)(2) are later
2-35 converted under the Rental Assistance Demonstration program
2-36 administered by the United States Department of Housing and Urban
2-37 Development as specified by the Consolidated and Further Continuing
2-38 Appropriations Act, 2012 (Pub. L. No. 112-55) and its subsequent
2-39 amendments.

2-40 SECTION 3. This Act takes effect immediately if it receives
2-41 a vote of two-thirds of all the members elected to each house, as
2-42 provided by Section 39, Article III, Texas Constitution. If this
2-43 Act does not receive the vote necessary for immediate effect, this
2-44 Act takes effect September 1, 2017.

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