**BILL ANALYSIS**

|  |  |
| --- | --- |
| Senate Research Center | S.B. 493 |
|  | By: Alvarado |
|  | Intergovernmental Relations |
|  | 5/31/2019 |
|  | Enrolled |

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

S.B. 493 amends the Government Code to authorize the allocation of tax credits for affordable housing developments within two linear miles or less of other affordable housing developments in disaster affected areas. Under current law a board may allocate nine percent housing tax credits to more than one affordable housing development in a single community, as defined by the Texas Department of Housing and Community Affairs (TDHCA), in the same calendar year only if the developments are or will be located more than two linear miles apart.

After Hurricane Harvey, the City of Houston was part of the disaster declared area by Federal Emergency Management Agency (FEMA) and received $1.13 billion from the federal government for housing disaster recovery (Harvey funds) to be invested by August 2024. The funds are administered via local action plans adopted by the City of Houston (Houston) and Harris County, and are approved by the United States Department of Housing and Urban Development (HUD) and the Texas General Land Office (GLO).

S.B. 493 amends the Government Code to add Subsection (f-1) authorizing the allocation of tax credits for affordable housing developments within two linear miles or less of other affordable housing developments in an area that: (1) is a federally declared disaster area, (2) the area is within a county with a population of four million or more, and (3) the governing body has by a vote specifically authorized the allocation of housing tax credits for the development and is authorized to administer disaster recovery funds as a subgrant recipient. (Original Author's/Sponsor's Statement of Intent)

S.B. 493 amends current law relating to the allocation of housing tax credits to developments within proximate geographical areas.

**RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

**SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 2306.6711(f), Government Code, as follows:

(f) Authorizes the governing board of the Texas Department of Housing and Community Affairs (board; TDHCA), except as provided by Subsection (f-1), to allocate housing tax credits to more than one development in a single community, as defined by TDHCA rule, in the same calendar year only if the developments are or will be located more than two linear miles apart.

(f-1) Authorizes the board to allocate housing tax credits to more than one development in a single community only if:

(1) the community is located in:

(A) a municipality with a population of two million or more; and

(B) an area that is a federally declared disaster area; and

(2) the governing board of the municipality containing the development:

(A) has by vote specifically authorized the allocation of housing tax credits for the development; and

(B) is authorized to administer disaster recovery funds as a subgrant recipient.

SECTION 2. Provides that the changes in law made by this Act apply only to an application for low income housing tax credits that is submitted to TDHCA during an application cycle that is based on the 2020 qualified allocation plan or a subsequent plan adopted by the board. Provides that an application that is submitted during an application cycle that is based on an earlier qualified allocation plan is governed by the law in effect on the date the application cycle began, and the former law is continued in effect for that purpose.

SECTION 3. Effective date: September 1, 2019.