

By: Cortez

H.B. No. 663

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; and

11 (ii) is subject to the following
12 conditions:

13 (a) the stipulation to maintain
14 affordability in the applicable contract or regulatory agreement
15 ~~[granting the subsidy]~~ is nearing expiration, or the stipulation in
16 the contract or regulatory agreement has expired and the restricted
17 housing units have not yet been converted to market rate units; or

18 (b) the HUD-insured or HUD-held
19 mortgage on the development is eligible for prepayment or is
20 nearing the end of its term or has been fully paid, prepaid, or
21 refinanced; or

22 (B) a development that proposes to rehabilitate
23 or reconstruct housing units that:

24 (i) receive assistance under Section 9,
25 United States Housing Act of 1937 (42 U.S.C. Section 1437g) and are
26 owned by:

27 (a) a public housing authority; or

1 (b) a public facility corporation
2 created by a public housing authority under Chapter 303, Local
3 Government Code;

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

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

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

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

25 SECTION 2. The change in law made by this Act applies only
26 to an application for low income housing tax credits that is
27 submitted to the Texas Department of Housing and Community Affairs

1 during an application cycle that is based on the 2022 qualified
2 allocation plan or a subsequent plan adopted by the governing board
3 of the department under Section [2306.67022](#), Government Code. An
4 application that is submitted during an application cycle that is
5 based on an earlier qualified allocation plan is governed by the law
6 in effect on the date the application cycle began, and the former
7 law is continued in effect for that purpose.

8 SECTION 3. This Act takes effect September 1, 2021.