

BILL ANALYSIS

H.B. 2402
By: Moody
Urban Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Concerns have been raised by a local municipal housing authority that the definition of "at-risk development" in state law governing the low income housing tax credit program improperly excludes certain types of developments under the federal Section 8 program from eligibility for receiving such tax credits. H.B. 2402 seeks to address these concerns by adding those developments to the definition of "at-risk development" for purposes of the low income housing tax credit program.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 2402 amends the Government Code to make eligible for housing tax credits under the low income housing tax credit program a development that has received the benefit of an applicable subsidy under the following federal programs administered by HUD and that otherwise qualifies as an at-risk development:

- the Section 8 housing assistance payments program for new construction; or
- the Section 8 housing assistance payments program for substantial rehabilitation.

H.B. 2402 establishes that a development is considered an at-risk development for purposes of that eligibility regardless of whether the development proposes to do the following:

- to newly construct housing units or rehabilitate or reconstruct housing units at the same location of any of the original development sites; or
- to wholly construct or reconstruct housing units at a location other than the location of any of the original development sites and meets the following criteria:
 - qualifies for points on the opportunity index under Texas Department of Housing and Community Affairs (TDHCA) rule; or
 - is supported by the applicable governing body of the municipality or county in which the development is located, as evidenced by a resolution adopted by the governing body.

H.B. 2402 applies only to an application for low income housing tax credits that is submitted to TDHCA during an application cycle that is based on the 2024 qualified allocation plan or a subsequent plan adopted by the TDHCA governing board.

EFFECTIVE DATE

September 1, 2023.