

SUBJECT:	Revising tax credit program criteria for at-risk developments
COMMITTEE:	Urban Affairs — favorable, without amendment
VOTE:	5 ayes — Lozano, Gates, Bernal, Cortez, J. González 3 nays — Cunningham, Hayes, Tepper 1 absent — Romero
WITNESSES:	For — Gerald Cichon, CEO - El Paso Housing Authority (<i>Registered, but did not testify</i> : John Montford, City of El Paso Housing Authority; Nancy Kasten, Faith Commons; Bill Kelly, Mayor’s Office, City of Houston; Sarah Anderson) Against — (<i>Registered, but did not testify</i> : Todd Kercheval, Rural Rental Housing Association of Texas)
BACKGROUND:	Concerns have been raised that the definition of “at-risk development” in statute governing the low income housing tax program excludes certain developments under the federal Section 8 program from eligibility for tax credits.
DIGEST:	HB 2402 would include a development under the federal Section 8 Housing Assistance Payments Program for New Construction or the Program for Substantial Rehabilitation in the definition of an “at-risk development” for the purposes of the low income housing tax credit program administered by the Texas Department of Housing and Community Affairs (TDHCA). The bill would establish that an eligible development would be considered at-risk regardless of whether it proposed to: <ul style="list-style-type: none">• construct, rehabilitate, or reconstruct housing units at the same location of any of the original development sites; or• construct or reconstruct units at a different location, if the

development qualified for opportunity index points under TDHCA rules and was supported by the governing body of the municipality or county in which the development was located.

The bill would take effect September 1, 2023, and would apply only to an application for tax credits submitted during an application cycle based on the TDHCA's 2024 qualified allocation plan or a subsequent plan.