

BILL ANALYSIS

Senate Research Center
80R6765 EJI-F

S.B. 1331
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current law, applicants for low income housing tax credits through the Texas Department of Housing and Community Affairs' (department) Housing Tax Credit Program (program) who propose to construct mixed-income properties are penalized for not limiting the project to low income residents through a point system assigning different credits to low-income and mixed-income properties.

The rules of the department discourage mixed-income projects in central business districts due to potential misunderstanding of the mitigation of the higher cost of development in those districts by the economic benefits residents of mixed-income housing in those districts by being close to jobs and transit systems.

As proposed, S.B. 1331 amends the program's qualified allocation plan and rules to permit equal opportunity to earn scoring credits for mixed-income housing and to permit additional credits for downtown mixed-income housing development that provides residents with access to significant employment opportunities and access to transit systems.

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 Sections 2306.6710(b) and (f), Government Code, as follows:

(b) Requires the Texas Department of Housing and Community Affairs to score and rank an application for a low income housing tax credit using a point system that prioritizes certain criteria in a predetermined order, including whether the development is a mixed-income development providing at least 20 percent of the development's units to individuals and families with incomes greater than 60 percent of the area median family income, and the cost of the development by square foot, unless the development exceeds a height of five stories. Makes conforming changes.

(f) Makes a conforming change.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2007.