

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 1888
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Intergovernmental Relations
5/14/2013
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Housing Tax Credit (HTC) Program is a federal program administered by the Texas Department of Housing and Community Affairs (TDHCA). Current federal law weights certain kinds of investments in affordable housing units for the purpose of allocating housing tax credits. These tax credits are competitively awarded by TDHCA.

Within the HTC program are certain statutorily mandated "set-asides" which the TDHCA is required to allocate. These are differing types of developments, and, for example, include set-asides for nonprofit housing developers, housing developments that are funded by the United States Department of Agriculture, and investment in housing units that are "at-risk" of being removed from the housing pool.

C.S.H.B. 1888 amends current law relating to low income housing tax credits awarded to at-risk developments.

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 2306.6702(a)(5), Government Code, to redefine "at-risk development."

SECTION 2. Amends Section 2306.6714, Government Code, by amending Subsection (a) and adding Subsection (a-1), as follows:

(a) Requires the Texas Department of Housing and Community Affairs (TDHCA) to set aside for eligible at-risk developments not less than 15 percent of the housing tax credits available for allocation in the calendar year.

(a-1) Provides that an at-risk development described by Section 2306.6702(a)(5)(B) (relating to defining "at-risk development" to include a development that proposes to rehabilitate or reconstruct housing units that are owned by a public housing authority and receive certain assistance; or that received certain assistance and are proposed to be disposed of or demolished or have been disposed of or demolished) is eligible for housing tax credits set aside under Subsection (a) if:

(1) a portion of the public housing operating subsidy received from TDHCA is retained for the development; and

(2) a portion of the units of the development are reserved for public housing as specified in the qualified housing plan.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: September 1, 2013.