

1-1 By: Barrientos S.B. No. 833
1-2 (In the Senate - Filed March 1, 2005; March 10, 2005, read
1-3 first time and referred to Committee on Intergovernmental
1-4 Relations; April 26, 2005, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 5, Nays 0;
1-6 April 26, 2005, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 833 By: Gallegos

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the required use of tax increment financing to provide
1-11 affordable housing in certain reinvestment zones.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Section 311.011, Tax Code, is amended by adding
1-14 Subsection (h) to read as follows:

1-15 (h) This subsection applies only to a zone that is located
1-16 in a county with a population of more than 800,000 and less than 3.3
1-17 million, is designated on or after January 1, 2005, and is or will
1-18 be served by a rail transportation project as defined by general
1-19 law. The project plan for the zone must:

1-20 (1) contain a residential component that includes the
1-21 construction of affordable housing in the zone;

1-22 (2) require that at least 25 percent of the tax
1-23 increment of the zone be used to acquire necessary real property and
1-24 construct the affordable housing until at least 10 percent of the
1-25 total square footage in the residential component as shown in the
1-26 project plan consists of multifamily rental properties and
1-27 single-family dwellings, half of which are affordable to
1-28 individuals or families with incomes at or below 30 percent of the
1-29 area median income, as determined by the Texas Department of
1-30 Housing and Community Affairs, adjusted for family size, and half
1-31 of which are affordable to individuals or families with incomes
1-32 above 30 percent and below 50 percent of the adjusted area median
1-33 income;

1-34 (3) require that the affordable housing consisting of
1-35 rental properties continue to be affordable for at least 30 years
1-36 from the date of construction and that the affordable housing
1-37 consisting of owner-occupied single-family dwellings continue to
1-38 be affordable for at least 10 years from the date of construction;
1-39 and

1-40 (4) include policies that govern the administration of
1-41 the affordability terms for affordable housing consisting of rental
1-42 properties and of owner-occupied single-family dwellings.

1-43 SECTION 2. This Act takes effect immediately if it receives
1-44 a vote of two-thirds of all the members elected to each house, as
1-45 provided by Section 39, Article III, Texas Constitution. If this
1-46 Act does not receive the vote necessary for immediate effect, this
1-47 Act takes effect September 1, 2005.

1-48 * * * * *