

By: Collier

H.B. No. 3535

A BILL TO BE ENTITLED

AN ACT

relating to low income housing tax credits awarded for proposed developments in targeted areas for revitalization.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 2306.111(d-1), Government, is amended to read as follows:

(d-1) In allocating low income housing tax credit commitments under Subchapter DD, the department shall before applying the regional allocation formula prescribed by Section 2306.1115, set aside for at-risk developments, as defined by section 2306.6702, not less than the minimum amount of housing tax credits required under Section 2306.6714 and revitalization developments, as defined by section 2306.6702, not less than the minimum amount of housing tax credits required under Section 2306.67141. Funds or credits are not required to be allocated according to the regional allocation formula under Subsection (d) if:

(1) the funds or credits are reserved for contract-for-deed conversions or for set-asides mandated by state or federal law and each contract-for-deed allocation or set-aside allocation equals not more than 10 percent of the total allocation of funds or credits for the applicable program;

(2) the funds or credits are allocated by the department primarily to serve persons with disabilities; or

1 (3) the funds are housing trust funds administered by
2 the department under Sections 2306.201-2306.206 that are not
3 otherwise required to be set aside under state or federal law and do
4 not exceed \$3 million for each programmed activity during each
5 application cycle.

6 SECTION 2. Subchapter DD, Section 2306.6702(a), Government
7 Code is amended by adding Subdivision (14-a) to read as follows:

8 (14-a) "Revitalization Development" means a development
9 that has received a resolution designating it as a Revitalization
10 Development from the municipality in which the development is
11 located and a commitment from the municipality in which the
12 development is located to expend municipal funds on the development
13 and is located in:

14 (1) an area for which the municipality has adopted a
15 plan to revitalize the area including a strategy to address blight
16 and vacant lots,

17 (2) an area in which the municipality has made
18 investment to construct new infrastructure or public buildings, and

19 (3) a census tract that has a:

20 (A) poverty rate above 15 percent; and

21 (B) medium household income equal to or less than
22 60 percent of the median household income for the municipality in
23 which the tract is located

24 SECTION 3. Subchapter DD, Chapter 2306, Government Code is
25 amended by adding Section 2306.67141 to read as follows:

26 Sec. 2306.67141. REVITALIZATION DEVELOPMENT SET ASIDE.

27 (a) To the maximum extent allowable under federal law, the

1 department shall set aside for eligible revitalization
2 developments not less than 10 percent of the housing tax credits
3 available for allocation in the calendar year.

4 (b) Any amount of housing tax credits set aside under this
5 section that remains after the initial allocation of housing tax
6 credit is available for allocation to any eligible applicant as
7 provided by the qualified allocation plan.

8 SECTION 4. Subchapter DD, Section 2306.6725, Government
9 Code, is amended by adding subsection (e) to read as follows:

10 (e) On awarding tax credit allocations for at-risk
11 developments and revitalization developments as defined in
12 2306.6702 the department shall not consider:

13 (1) the poverty rate or area median income for the
14 census tract in which the development is located, or

15 (2) the amount of blight within 3 miles of the
16 development.

17 SECTION 5. The change in law made by this Act applies only
18 to the allocation of low income housing tax credits for an
19 application cycle that begins on or after January 1, 2017. The
20 allocation of low income housing tax credits for an application
21 cycle that begins before January 1, 2017, is governed by the law in
22 effect on the date the application cycle began, and the former law
23 is continued in effect for that purpose.

24 SECTION 6. This Act takes effect September 1, 2015.