

- SUBJECT:** Modifying TDHCA right of first refusal and sale requirements
- COMMITTEE:** Urban Affairs — favorable, without amendment
- VOTE:** 6 ayes — Cortez, Holland, Bernal, Campos, Minjarez, Morales Shaw
- 1 nay — Gates
- 2 absent — Jarvis Johnson, Slaton
- SENATE VOTE:** On final passage, May 5 — 31-0, on Local and Uncontested Calendar
- WITNESSES:** No public hearing.
- BACKGROUND:** Government Code sec. 2306.6726(b)(1) authorizes the owner of a development supported by a low income housing tax credit allocation and subject to a right of first refusal, during the first 60-day period after the Texas Department of Housing and Community Affairs (TDHCA) notifies any parties with the right of first refusal of the owner's intent to sell the development, to enter into a purchase agreement with a community housing development organization as defined by the federal HOME investment partnership program, or a qualified entity controlled by such an organization.
- Concerns have been raised that current limits on the entities to which a low income tax credit supported development may be sold during the first 60-day right of first refusal period are too restrictive. It has been suggested that a public housing authority or a public facility corporation created by a public housing authority may have an interest in purchasing the development.
- DIGEST:** SB 403 would add public housing authorities, public facility corporations created by a housing authority, and other entities controlled by such authorities or corporations to the qualified entities with which a development owner could enter a purchase agreement under the applicable Government Code provisions if the authority or corporation owned the fee

title to the development owner's leasehold estate.

The bill would take effect September 1, 2021, and would apply to the sale of a development supported with low income housing tax credit allocation issued before, on, or after that date.

**NOTES:**

The House companion bill, HB 2456 by Gervin-Hawkins, was considered by the House Urban Affairs Committee in a public hearing on April 7, reported favorably on April 14, and sent to the Calendars Committee.