

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 2250
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Intergovernmental Relations
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently the Texas Department of Housing and Community Affairs (TDHCA) does not have a comprehensive strategy for preserving properties that have received an allocation of low income housing tax credits (LIHTC) and are at risk of exiting the program. When these properties are lost from the program, the low-income residents may be displaced and an already acute shortage of affordable housing in Texas is made worse.

S.B. 2250 requires TDHCA to create a comprehensive preservation strategy that includes the identification and prioritization of properties at risk of exiting the program when an owner applies for a qualified contract or notifies TDHCA about their intent to sell the property. It also requires TDHCA to create policy and funding strategies for preserving identified properties, and the identification and securing of qualified entities that can acquire and will maintain the affordability of the developments.

To help facilitate affirmative preservation efforts, S.B. 2250 also requires TDHCA to maintain on its website the land use agreement and any amendments to the agreement for each LIHTC property subject to such an agreement. (Original Author's/Sponsor's Statement of Intent)

C.S.S.B. 2250 amends current law relating to low income housing tax credits administered by the Texas Department of Housing and Community Affairs.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Department of Housing and Community Affairs in SECTION 3 of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2306.256, Government Code, by amending Subsection (b) and adding Subsection (c), as follows:

(b) Requires the Texas Department of Housing and Community Affairs (TDHCA), through the program to preserve affordable housing in this state, to:

(1)–(2) makes no changes to these subdivisions;

(3)–(4) makes nonsubstantive changes to these subdivisions;

(5) create for developments that have received an allocation of low income housing tax credits a comprehensive preservation strategy that includes:

(A) the identification of developments at risk of withdrawing from the low income housing tax credit program in the next two years and five years;

(B) a system for prioritizing developments for preservation; and

(C) policy and funding strategies for preserving developments prioritized under the system described by Paragraph (B); and

(6) with respect to developments described by Subdivision (5), adopt and implement a proactive marketing strategy for identifying and securing commitments from qualified entities who will maintain affordable housing options in developments when the owner of the development applies for a qualified contract or notifies TDHCA under Section 2306.6726 (Sale of Certain Low Income Housing Tax Credit Developments) of the owner's intent to sell the development.

(c) Requires TDHCA's marketing strategy under Subsection (b)(6) to include a process for:

(1) affirmatively developing and maintaining a list of qualified entities, as that term is defined in Section 2306.6726; and

(2) contacting qualified entities, through a means other than e-mail or general postings on TDHCA's website, to inform the entities of opportunities to purchase and preserve affordable housing.

SECTION 2. Amends Section 2306.6717(a), Government Code, as follows:

(a) Requires TDHCA, subject to Section 2306.67041 (On-Line Application System), to make certain items available on TDHCA's website, including the land use restriction agreement, including any amendments to the agreement, for each low income housing tax credit property subject to such an agreement.

SECTION 3. Requires TDHCA, not later than January 15, 2020, to adopt rules as necessary to implement the changes in law made by this Act.

SECTION 4. Requires TDHCA to implements a provision of this Act only if the legislature appropriates money specifically for that purpose. Authorizes, but does not require, TDHCA, if the legislature does not appropriate money specifically for that purpose, to implement a provision of this Act using other appropriations available for that purpose.

SECTION 5. Effective date: September 1, 2019.