

## **BILL ANALYSIS**

Senate Research Center

S.B. 2250  
By: Johnson  
Intergovernmental Relations  
4/12/2019  
As Filed

### **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. Finally, it requires TDHCA to include in its annual report to the TDHCA board the efforts to preserve LIHTC properties.

As proposed, S.B. 2250 amends current law relating to financial assistance administered by the Texas Department of Housing and Community Affairs.

### **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 2306.256(b), 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 projected to lose their affordable status 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 buyers who will maintain the affordability of developments when the owner of the development applies for a qualified contract or notifies the department 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) proactively 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. Effective date: September 1, 2019.