HLS 22RS-3240 **ORIGINAL** 

2022 Regular Session

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HOUSE RESOLUTION NO. 107

BY REPRESENTATIVE ECHOLS

HOUSING: Requests the Louisiana Housing Corporation to study issues related to the availability of affordable housing

A RESOLUTION

2	To urge and request the Louisiana Housing Corporation to perform all necessary study and
3	to hold public hearings for the purpose of soliciting comment on various topics
4	affecting the availability of low income housing and to report its findings to the
5	House of Representatives of the Legislature of Louisiana prior to March 1, 2023.
6	WHEREAS, the mission of the Louisiana Housing Corporation is to ensure that
7	every Louisiana resident is granted an opportunity to obtain safe, affordable, energy-efficient
8	housing; and
9	WHEREAS, achieving such goals requires investment of capital from national
10	markets and goods and materials acquired and transported via interstate commerce, but
11	achieving these goals also requires the labor, expertise, and investment of Louisiana-based
12	housing developers; and
13	WHEREAS, the Louisiana Housing Corporation administers a low income housing
14	tax credit program through which housing developers receive a reduction in their federal
15	income tax liability in exchange for construction or rehabilitation of low income housing;
16	there is not a comparable program providing credit against state income taxes; and
17	WHEREAS, Louisiana-based project developers often enter partnerships with
18	national investors; pursuant to many of these partnerships, the investors provide equity to
19	fund the project in exchange for the right to claim the federal income tax credit; and
20	WHEREAS, under the terms of the low income housing tax credit program, the credit
21	can be taken for ten years, but the compliance period, during which the project developer is

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required to maintain the income and rent restrictions that ensure the housing units are 2 affordable for low income families, is at least fifteen years; and 3 WHEREAS, Louisiana-based project developers have alleged numerous cases of out-4 of-state investors divesting themselves of these projects prior to the completion of the 5 compliance period by asserting that the developer is in default of the agreement and not 6 providing the developer an opportunity to respond to the assertion; and 7 WHEREAS, Louisiana-based project developers have also alleged cases of out-of-8 state investors demanding substantial cash contributions in order to remove the developers 9 from partnerships at the end of the compliance period; and 10 WHEREAS, the Louisiana Housing Corporation should ensure that all of its 11 programs, including the low income housing tax credit, are being operated in a way that 12 benefits both Louisiana's low income families and its developers which carry the primary 13 burden in expanding the number of housing units available to those families. 14 THEREFORE, BE IT RESOLVED that the House of Representatives of the 15 Legislature of Louisiana does hereby urge and request the Louisiana Housing Corporation 16 to perform all necessary study and to hold public hearings for the purpose of soliciting 17 comment on all of the following topics: 18 (1) Better protecting Louisiana-based housing developers from business practices 19 of some out-of-state investors, including removal of the developer from the partnership prior 20 to completion of the compliance period and demanding substantial unanticipated cash 21 contributions. The corporation shall receive comments on these practices from both 22 Louisiana-based developers and syndicators representing investors accused of such practices. 23 (2) Identifying strategies to expand affordable housing across the state through a 24 state low income housing tax credit program that would encourage construction and 25 rehabilitation of low income housing in parishes with a population of less than two hundred 26 fifty thousand. 27 (3) Identifying strategies for expanding benefits and improving incentives for 28 Louisiana-based housing developers. 29 BE IT FURTHER RESOLVED, that the Louisiana Housing Corporations shall report 30 to the House of Representatives of the Legislature of Louisiana on all of its finding and HLS 22RS-3240 ORIGINAL HR NO. 107

1 conclusions, including recommendations for legislation, regarding the abovementioned

2 studies prior to March 1, 2023.

## **DIGEST**

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HR 107 Original

2022 Regular Session

**Echols** 

Requests the La. Housing Corp. to perform all necessary study and to hold public hearings for the purpose of soliciting comment on various topics affecting the availability of low income housing and to report its findings to the House of Representatives prior to Mar. 1, 2023.