

2022 Regular Session

HOUSE RESOLUTION NO. 107

BY REPRESENTATIVES ECHOLS AND THOMPSON

A RESOLUTION

To urge and request the Louisiana Housing Corporation 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 of the Legislature of Louisiana prior to March 1, 2023.

WHEREAS, the mission of the Louisiana Housing Corporation is to ensure that every Louisiana resident is granted an opportunity to obtain safe, affordable, energy-efficient housing; and

WHEREAS, achieving such goals requires investment of capital from national markets and goods and materials acquired and transported via interstate commerce, but achieving these goals also requires the labor, expertise, and investment of Louisiana-based housing developers; and

WHEREAS, the Louisiana Housing Corporation administers a low income housing tax credit program through which housing developers receive a reduction in their federal income tax liability in exchange for construction or rehabilitation of low income housing; there is not a comparable program providing credit against state income taxes; and

WHEREAS, Louisiana-based project developers often enter partnerships with national investors; pursuant to many of these partnerships, the investors provide equity to fund the project in exchange for the right to claim the federal income tax credit; and

WHEREAS, under the terms of the low income housing tax credit program, the credit can be taken for ten years, but the compliance period, during which the project developer is required to maintain the income and rent restrictions that ensure the housing units are affordable for low income families, is at least fifteen years; and

WHEREAS, Louisiana-based project developers have alleged numerous cases of out-of-state investors divesting themselves of these projects prior to the completion of the compliance period by asserting that the developer is in default of the agreement and not providing the developer an opportunity to respond to the assertion; and

WHEREAS, Louisiana-based project developers have also alleged cases of out-of-state investors demanding substantial cash contributions in order to remove the developers from partnerships at the end of the compliance period; and

WHEREAS, the Louisiana Housing Corporation should ensure that all of its programs, including the low income housing tax credit, are being operated in a way that benefits both Louisiana's low income families and its developers which carry the primary burden in expanding the number of housing units available to those families.

THEREFORE, BE IT RESOLVED that the House of Representatives of the Legislature of Louisiana does hereby urge and request the Louisiana Housing Corporation to perform all necessary study and to hold public hearings for the purpose of soliciting comment on all of the following topics:

(1) Better protecting Louisiana-based housing developers from business practices of some out-of-state investors, including removal of the developer from the partnership prior to completion of the compliance period and demanding substantial unanticipated cash contributions. The corporation shall receive comments on these practices from both Louisiana-based developers and syndicators representing investors accused of such practices.

(2) Identifying strategies to expand affordable housing across the state through a state low income housing tax credit program that would encourage construction and rehabilitation of low income housing in parishes with a population of less than two hundred fifty thousand.

(3) Identifying strategies for expanding benefits and improving incentives for Louisiana-based housing developers.

BE IT FURTHER RESOLVED, that the Louisiana Housing Corporations shall report to the House of Representatives of the Legislature of Louisiana on all of its finding and conclusions, including recommendations for legislation, regarding the abovementioned studies prior to March 1, 2023.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES