

By: Bernal, Geren

H.B. No. 191

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the evaluation of applications for certain financial
3 assistance administered by the Texas Department of Housing and
4 Community Affairs.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 2306.359(a), Government Code, is amended
7 to read as follows:

8 (a) In evaluating an application for an issuance of private
9 activity bonds, the department shall score and rank the application
10 using a point system based on criteria that are adopted by the
11 department, including criteria regarding:

12 (1) the income levels of tenants of the development,
13 consistent with the funding priorities provided by Section
14 1372.0321;

15 (2) the rent levels of the units;

16 (3) the level of community support for the
17 application;

18 (4) the period of guaranteed affordability for low
19 income tenants;

20 (5) the cost per unit of the development;

21 (6) the size, quality, and amenities of the units;

22 (7) the services to be provided to tenants of the
23 development; ~~and~~

24 (8) whether, at the time the complete application is

1 submitted, all units that are:

2 (A) owned by the applicant are equipped with air
3 conditioning; and

4 (B) owned or operated by a housing authority or
5 other governmental entity, from which the applicant receives
6 financial assistance or with which the applicant participates in
7 projects for the development of affordable housing, are equipped
8 with air conditioning; and

9 (9) other criteria as developed by the board.

10 SECTION 2. Section 2306.6710, Government Code, is amended
11 by amending Subsection (b) and adding Subsections (h) and (i) to
12 read as follows:

13 (b) If an application satisfies the threshold criteria, the
14 department shall score and rank the application using a point
15 system that:

16 (1) prioritizes in descending order criteria
17 regarding:

18 (A) financial feasibility of the development
19 based on the supporting financial data required in the application
20 that will include a project underwriting pro forma from the
21 permanent or construction lender;

22 (B) quantifiable community participation with
23 respect to the development, evaluated on the basis of a resolution
24 concerning the development that is voted on and adopted by the
25 following, as applicable:

26 (i) the governing body of a municipality in
27 which the proposed development site is to be located;

1 (ii) subject to Subparagraph (iii), the
2 commissioners court of a county in which the proposed development
3 site is to be located, if the proposed site is to be located in an
4 area of a county that is not part of a municipality; or

5 (iii) the commissioners court of a county
6 in which the proposed development site is to be located and the
7 governing body of the applicable municipality, if the proposed site
8 is to be located in the extraterritorial jurisdiction of a
9 municipality;

10 (C) the income levels of tenants of the
11 development;

12 (D) the size and quality of the units;

13 (E) the rent levels of the units;

14 (F) the cost of the development by square foot;

15 (G) the services to be provided to tenants of the
16 development;

17 (H) whether, at the time the complete application
18 is submitted or at any time within the two-year period preceding the
19 date of submission, the proposed development site is located in an
20 area declared to be a disaster under Section [418.014](#);

21 (I) quantifiable community participation with
22 respect to the development, evaluated on the basis of written
23 statements from any neighborhood organizations on record with the
24 state or county in which the development is to be located and whose
25 boundaries contain the proposed development site; ~~and~~

26 (J) the level of community support for the
27 application, evaluated on the basis of a written statement from the

1 state representative who represents the district containing the
2 proposed development site; and

3 (K) whether, at the time the complete application
4 is submitted, all units that are:

5 (i) owned by the applicant are equipped
6 with air conditioning; and

7 (ii) owned or operated by a housing
8 authority or other governmental entity, from which the applicant
9 receives financial assistance or with which the applicant
10 participates in projects for the development of affordable housing,
11 are equipped with air conditioning;

12 (2) uses criteria imposing penalties on applicants or
13 affiliates who have requested extensions of department deadlines
14 relating to developments supported by housing tax credit
15 allocations made in the application round preceding the current
16 round or a developer or principal of the applicant that has been
17 removed by the lender, equity provider, or limited partners for its
18 failure to perform its obligations under the loan documents or
19 limited partnership agreement;

20 (3) encourages applicants to provide free notary
21 public service to the residents of the developments for which the
22 allocation of housing tax credits is requested; and

23 (4) for an application concerning a development that
24 is or will be located in a county with a population of 1 million or
25 more but less than 4 million and that is or will be located not more
26 than two miles from a veterans hospital, veterans affairs medical
27 center, or veterans affairs health care center, encourages

1 applicants to provide a preference for leasing units in the
2 development to low income veterans.

3 (h) If an applicant requests in writing a statement of
4 support under Subsection (b)(1)(J) from the state representative
5 who represents the district containing the proposed development
6 site, the request from the applicant must include information
7 disclosing the percentage of units owned or operated as described
8 by Subsection (b)(1)(K) that are equipped with air conditioning.

9 (i) In assigning points to an application under Subsection
10 (b)(1)(K), the department shall award negative points if any of the
11 units that are owned or operated as described by that paragraph are
12 not equipped with air conditioning.

13 SECTION 3. The change in law made by this Act applies only
14 to an application for low income housing tax credits that is
15 submitted to the Texas Department of Housing and Community Affairs
16 during an application cycle that is based on the 2024 qualified
17 allocation plan or a subsequent plan adopted by the governing board
18 of the department under Section [2306.67022](#), Government Code. An
19 application that is submitted during an application cycle that is
20 based on an earlier qualified allocation plan is governed by the law
21 in effect on the date the application cycle began, and the former
22 law is continued in effect for that purpose.

23 SECTION 4. This Act takes effect September 1, 2023.