

By: Miles

S.B. No. 2910

A BILL TO BE ENTITLED

AN ACT

relating to the evaluation of an application for low income housing tax credits.

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

SECTION 1. Section 2306.6710(b), Government Code, is amended to read as follows:

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

(1) prioritizes in descending order criteria regarding:

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

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

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

(ii) subject to Subparagraph (iii), the commissioners court of a county in which the proposed development site is to be located, if the proposed site is to be located in an

1 area of a county that is not part of a municipality; or

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

7 (C) the income levels of tenants of the  
8 development;

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

10 (E) the rent levels of the units;

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

12 (G) the services to be provided to tenants of the  
13 development;

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

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

23 (J) the level of community support for the  
24 application, evaluated on the basis of a written statement from the  
25 state representative who represents the district containing the  
26 proposed development site; and

27 (K) for a development located in an urban

1 subregion that contains a county with a population of one million or  
2 more, other than a supportive housing development or a development  
3 that primarily serves elderly individuals, whether the development  
4 will provide a high-quality prekindergarten program and associated  
5 educational space on the proposed development site that meets the  
6 requirements prescribed by the department under 10 T.A.C. Section  
7 11.101(b)(5)(C)(i), as that provision existed on September 1, 2025;

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

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

19           (4) for an application concerning a development that  
20 is or will be located in a county with a population of 1.2 million or  
21 more but less than 4 million and that is or will be located not more  
22 than two miles from a veterans hospital, veterans affairs medical  
23 center, or veterans affairs health care center, encourages  
24 applicants to provide a preference for leasing units in the  
25 development to low income veterans.

26           SECTION 2. The change in law made by this Act applies only  
27 to an application for low income housing tax credits that is

1 submitted to the Texas Department of Housing and Community Affairs  
2 during an application cycle that is based on the 2026 qualified  
3 allocation plan or a subsequent plan adopted by the governing board  
4 of the department under Section [2306.67022](#), Government Code. An  
5 application that is submitted during an application cycle that is  
6 based on an earlier qualified allocation plan is governed by the law  
7 in effect on the date the application cycle began, and the former  
8 law is continued in effect for that purpose.

9       SECTION 3. This Act takes effect September 1, 2025.