

By: Paxton

H.B. No. 2566

A BILL TO BE ENTITLED

AN ACT

relating to community evaluation of applications for low income housing tax credits.

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

SECTION 1. Section 2306.6703, Government Code, is amended to read as follows:

Sec. 2306.6703. INELIGIBILITY FOR CONSIDERATION. An application is ineligible for consideration under the low income housing tax credit program if:

(1) at the time of application or at any time during the two-year period preceding the date the application round begins, the applicant or a related party is or has been:

(A) a member of the board; or

(B) the director, a deputy director, the director of housing programs, the director of compliance, the director of underwriting, or the low income housing tax credit program manager employed by the department; ~~or~~

(2) the applicant proposes to replace in less than 15 years any private activity bond financing of the development described by the application, unless:

(A) the applicant proposes to maintain for a period of 30 years or more 100 percent of the development units supported by low income housing tax credits as rent-restricted and exclusively for occupancy by individuals and families earning not

1 more than 50 percent of the area median income, adjusted for family  
2 size; and

3 (B) at least one-third of all the units in the  
4 development are public housing units or Section 8 project-based  
5 units; or

6 (3) the development is located in a municipality or,  
7 if located outside a municipality, a county that has more than twice  
8 the state average of units per capita supported by housing tax  
9 credits or private activity bonds, unless the applicant:

10 (A) has obtained prior approval of the  
11 development from the governing body of the appropriate municipality  
12 or county containing the development; and

13 (B) has included in the application a written  
14 statement of support from that governing body referencing this  
15 section and authorizing an allocation of housing tax credits for  
16 the development.

17 SECTION 2. Section 2306.6710(b), Government Code, is  
18 amended to read as follows:

19 (b) If an application satisfies the threshold criteria, the  
20 department shall score and rank the application using a point  
21 system based on criteria that are adapted to regional market  
22 conditions and adopted by the department, including criteria:

23 (1) regarding:

24 (A) the income levels of tenants of the  
25 development;

26 (B) the rent levels of the units;

27 (C) the period of guaranteed affordability for

1 low income tenants;

2 (D) the cost by square foot of the development;

3 (E) the size, quality, and amenities of the  
4 units;

5 (F) the services to be provided to tenants of the  
6 development;

7 (G) the commitment of development funding by  
8 local political subdivisions that enables additional units for  
9 individuals and families of very low income; and

10 (H) the level of community support for, and the  
11 level of community opposition to, the application, as evaluated on  
12 the basis of written statements [~~of support~~] from local and state  
13 elected officials representing constituents in areas that include  
14 the location of the development; and

15 (2) imposing penalties on applicants or affiliates who  
16 have requested extensions of department deadlines relating to  
17 developments supported by housing tax credit allocations made in  
18 the application round preceding the current round.

19 SECTION 3. Section 2306.6718(a), Government Code, is  
20 amended to read as follows:

21 (a) The department shall provide written notice of the  
22 filing of an application to the following elected officials:

23 (1) members of the legislature who represent the  
24 community containing the development described in the application;  
25 and

26 (2) the chief executive officer and the governing body  
27 of the political subdivision containing the development described

1 in the application.

2 SECTION 4. This Act applies only to an application for a low  
3 income housing tax credit allocation submitted to the Texas  
4 Department of Housing and Community Affairs on or after the  
5 effective date of this Act. An application for an allocation  
6 submitted before the effective date of this Act is governed by the  
7 law in effect on the date the application was submitted, and the  
8 former law is continued in effect for that purpose.

9 SECTION 5. This Act takes effect September 1, 2003.