

By: Whitmire

S.B. No. 1827

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the system by which an application for a low income
3 housing tax credit is scored.

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

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

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

10 (1) prioritizes in descending order criteria
11 regarding:

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

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

21 (C) the income levels of tenants of the
22 development;

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

24 (E) the commitment of development funding by

1 local political subdivisions;

2 (F) [~~the level of community support for the~~
3 ~~application, evaluated on the basis of written statements from~~
4 ~~state elected officials,~~

5 [~~(G)~~] the rent levels of the units;

6 (G) [~~(H)~~] the cost of the development by square
7 foot; and

8 (H) [~~(I)~~] the services to be provided to tenants
9 of the development; and

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

18 SECTION 2. Subsections (f) and (g), Section 2306.6710,
19 Government Code, are repealed.

20 SECTION 3. The change in law made by this Act applies only
21 to an application for a low income housing tax credit filed on or
22 after the effective date of this Act. An application filed before
23 the effective date of this Act is governed by the law in effect on
24 the date the application was filed, and the former law is continued
25 in effect for that purpose.

26 SECTION 4. This Act takes effect September 1, 2005.