

1-1 By: Whitmire S.B. No. 1827
1-2 (In the Senate - Filed March 30, 2005; April 4, 2005, read
1-3 first time and referred to Committee on Intergovernmental
1-4 Relations; April 25, 2005, reported favorably by the following
1-5 vote: Yeas 5, Nays 0; April 25, 2005, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the system by which an application for a low income
1-9 housing tax credit is scored.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Subsection (b), Section 2306.6710, Government
1-12 Code, is amended to read as follows:

1-13 (b) If an application satisfies the threshold criteria, the
1-14 department shall score and rank the application using a point
1-15 system that:

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

1-18 (A) financial feasibility of the development
1-19 based on the supporting financial data required in the application
1-20 that will include a project underwriting pro forma from the
1-21 permanent or construction lender;

1-22 (B) quantifiable community participation with
1-23 respect to the development, evaluated on the basis of written
1-24 statements from any neighborhood organizations on record with the
1-25 state or county in which the development is to be located and whose
1-26 boundaries contain the proposed development site;

1-27 (C) the income levels of tenants of the
1-28 development;

1-29 (D) the size and quality of the units;

1-30 (E) the commitment of development funding by
1-31 local political subdivisions;

1-32 (F) ~~[the level of community support for the~~
1-33 ~~application, evaluated on the basis of written statements from~~
1-34 ~~state elected officials;~~

1-35 ~~[(G)]~~ the rent levels of the units;

1-36 (G) ~~[(H)]~~ the cost of the development by square
1-37 foot; and

1-38 (H) ~~[(I)]~~ the services to be provided to tenants
1-39 of the development; and

1-40 (2) uses criteria imposing penalties on applicants or
1-41 affiliates who have requested extensions of department deadlines
1-42 relating to developments supported by housing tax credit
1-43 allocations made in the application round preceding the current
1-44 round or a developer or principal of the applicant that has been
1-45 removed by the lender, equity provider, or limited partners for its
1-46 failure to perform its obligations under the loan documents or
1-47 limited partnership agreement.

1-48 SECTION 2. Subsections (f) and (g), Section 2306.6710,
1-49 Government Code, are repealed.

1-50 SECTION 3. The change in law made by this Act applies only
1-51 to an application for a low income housing tax credit filed on or
1-52 after the effective date of this Act. An application filed before
1-53 the effective date of this Act is governed by the law in effect on
1-54 the date the application was filed, and the former law is continued
1-55 in effect for that purpose.

1-56 SECTION 4. This Act takes effect September 1, 2005.

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