

By: Pickett

H.B. No. 684

A BILL TO BE ENTITLED

1 AN ACT

2 relating to state assistance for housing developments located in
3 certain disaster areas.

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

5 SECTION 1. Section 2306.127, Government Code, is amended to
6 read as follows:

7 Sec. 2306.127. PRIORITY FOR CERTAIN COMMUNITIES. In a
8 manner consistent with the regional allocation formula described
9 under Section 2306.111(d), the department shall give priority
10 through its housing program scoring criteria to communities that,
11 at the time of scoring, are located wholly or partly in:

12 (1) a federally designated urban enterprise
13 community;

14 (2) an urban enhanced enterprise community; [~~or~~]

15 (3) an economically distressed area or colonia; or

16 (4) an area declared to be a disaster under Section
17 418.014 due to widespread or severe flooding.

18 SECTION 2. Section 2306.359(a), Government Code, is amended
19 to read as follows:

20 (a) In evaluating an application for an issuance of private
21 activity bonds, the department shall score and rank the application
22 using a point system based on criteria that are adopted by the
23 department, including criteria:

24 (1) regarding:

1 (A) the income levels of tenants of the
2 development, consistent with the funding priorities provided by
3 Section 1372.0321;

4 (B) the rent levels of the units;

5 (C) the level of community support for the
6 application;

7 (D) the period of guaranteed affordability for
8 low income tenants;

9 (E) the cost per unit of the development;

10 (F) the size, quality, and amenities of the
11 units;

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

14 (H) the commitment of development funding by
15 local political subdivisions that enables additional units for
16 individuals and families of very low income; ~~and~~

17 (I) whether, at the time the application is
18 scored, the proposed development site is located in an area
19 declared to be a disaster under Section 418.014 due to widespread or
20 severe flooding; and

21 (J) other criteria as developed by the board; and

22 (2) imposing penalties on applicants who have
23 requested extensions of department deadlines relating to
24 developments supported by an issuance of private activity bonds
25 made in the application round preceding the current round.

26 SECTION 3. Section 2306.565(e), Government Code, is amended
27 to read as follows:

1 (e) The board of directors of the corporation shall adopt
2 criteria governing the method by which the staff of the corporation
3 scores and ranks each application [~~applications~~] for an allocation
4 under this section that is [~~are~~] received in response to a request
5 for a proposal [~~proposals~~]. The criteria must include:

6 (1) the cost per unit of the housing development;

7 (2) the proposed rent for a unit; [~~and~~]

8 (3) the income ranges of individuals and families to
9 be served by the housing development; and

10 (4) criteria related to whether, at the time the
11 application is scored, the proposed housing development site is
12 located in an area declared to be a disaster under Section 418.014
13 due to widespread or severe flooding.

14 SECTION 4. Section 2306.6710(b), Government Code, is
15 amended to read as follows:

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

19 (1) prioritizes in descending order criteria
20 regarding:

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

25 (B) quantifiable community participation with
26 respect to the development, evaluated on the basis of written
27 statements from any neighborhood organizations on record with the

1 state or county in which the development is to be located and whose
2 boundaries contain the proposed development site;

3 (C) the income levels of tenants of the
4 development;

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

6 (E) the commitment of development funding by
7 local political subdivisions;

8 (F) the level of community support for the
9 application, evaluated on the basis of written statements from
10 state elected officials;

11 (G) the rent levels of the units;

12 (H) the cost of the development by square foot;
13 [~~and~~]

14 (I) the services to be provided to tenants of the
15 development; and

16 (J) whether, at the time the application is
17 scored, the proposed development site is located in an area
18 declared to be a disaster under Section 418.014 due to widespread or
19 severe flooding; and

20 (2) uses criteria imposing penalties on applicants or
21 affiliates who have requested extensions of department deadlines
22 relating to developments supported by housing tax credit
23 allocations made in the application round preceding the current
24 round or a developer or principal of the applicant that has been
25 removed by the lender, equity provider, or limited partners for its
26 failure to perform its obligations under the loan documents or
27 limited partnership agreement.

1 SECTION 5. The changes in law made by this Act relating to
2 the evaluation of applications for financial assistance
3 administered by the Texas Department of Housing and Community
4 Affairs or the Texas State Affordable Housing Corporation apply
5 only to an application submitted for an application cycle that
6 begins on or after the effective date of this Act. An application
7 submitted for an application cycle that begins before the effective
8 date of this Act is governed by the law in effect when the
9 application was submitted, and the former law is continued in
10 effect for that purpose.

11 SECTION 6. This Act takes effect September 1, 2007.