

By: Bohac

H.B. No. 2023

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the participation by certain state elected officials in
3 the process for evaluating an application for a low income housing
4 tax credit.

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

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

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

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

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

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

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

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

1 (E) the commitment of development funding by
2 local political subdivisions;

3 (F) the level of community support or opposition
4 for the application, evaluated on the basis of written statements
5 from state elected officials;

6 (G) the rent levels of the units;

7 (H) the cost of the development by square foot;
8 and

9 (I) the services to be provided to tenants of the
10 development; and

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

19 SECTION 2. Sections 2306.6718(a) and (c), Government Code,
20 are 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 a house
24 or senate district the boundary of which contains or is located not
25 more than one mile from [~~the community containing~~] the development
26 described in the application; and

27 (2) the chief executive officer of the political

1 subdivision containing the development described in the
2 application.

3 (c) A member of the legislature who represents a house or
4 senate district the boundary of which contains or is located not
5 more than one mile from [the community containing] the development
6 may hold a district [~~community~~] meeting at which the department
7 shall provide appropriate representation.

8 SECTION 3. The changes in law made by this Act apply only to
9 an application for a low income housing tax credit submitted to the
10 Texas Department of Housing and Community Affairs during an
11 application cycle that begins on or after the effective date of this
12 Act. An application submitted during an application cycle that
13 began before the effective date of this Act is governed by the law
14 in effect on the date the application cycle began, and the former
15 law is continued in effect for that purpose.

16 SECTION 4. This Act takes effect immediately if it receives
17 a vote of two-thirds of all the members elected to each house, as
18 provided by Section 39, Article III, Texas Constitution. If this
19 Act does not receive the vote necessary for immediate effect, this
20 Act takes effect September 1, 2007.