

By: Duncan

S.B. No. 258

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. Section 2306.6710(b), Government Code, is  
6 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. Sections 2306.6710(f) and (g) and 2306.6718(b),  
19 Government Code, are repealed.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, 2007.