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. Sections 2306.6710(b) and (f), Government Code,

6 are 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) whether the development is a mixed-income

22 development providing at least 20 percent of the development's

23 units to individuals and families with incomes greater than 60

24 percent of the area median family income;

1   (D) the income levels of tenants of the

2 development;

3   (E) [(D)] the size and quality of the units;

4   (F) [(E)] the commitment of development funding

5 by local political subdivisions;

6   (G) [(F)] the level of community support for the

7 application, evaluated on the basis of written statements from

8 state elected officials;

9   (H) [(G)] the rent levels of the units;

10   (I) [(H)] the cost of the development by square

11 foot, unless the development exceeds a height of five stories; and

12   (J) [(I)] the services to be provided to tenants

13 of the development; and

14   (2) uses criteria imposing penalties on applicants or

15 affiliates who have requested extensions of department deadlines

16 relating to developments supported by housing tax credit

17 allocations made in the application round preceding the current

18 round or a developer or principal of the applicant that has been

19 removed by the lender, equity provider, or limited partners for its

20 failure to perform its obligations under the loan documents or

21 limited partnership agreement.

22   (f) In evaluating the level of community support for an

23 application under Subsection (b)(1)(G) [(b)(1)(F)], the department

24 shall award:

25   (1) positive points for positive written statements

26 received;

27   (2) negative points for negative written statements

1   received; and

2   (3) zero points for neutral statements received.

3   SECTION 2.   The changes in law made by this Act apply only to

4   an application for low income housing tax credits that is submitted

5   to the Texas Department of Housing and Community Affairs during an

6   application cycle that begins on or after the effective date of this

7   Act. An application that is submitted during an application cycle

8   that began before the effective date of this Act is governed by the

9   law in effect at the time the application cycle began, and the

10   former law is continued in effect for that purpose.

11   SECTION 3.   This Act takes effect September 1, 2007.