

1-1 By: Ellis S.B. No. 1908
1-2 (In the Senate - Filed March 9, 2007; March 22, 2007, read
1-3 first time and referred to Committee on Government Organization;
1-4 April 19, 2007, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 5, Nays 0; April 19, 2007,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1908 By: Ellis

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the system by which an application for a low income
1-11 housing tax credit is scored.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Subsection (b), Section 2306.6710, Government
1-14 Code, is amended to read as follows:

1-15 (b) If an application satisfies the threshold criteria, the
1-16 department shall score and rank the application using a point
1-17 system that:

1-18 (1) prioritizes in descending order criteria
1-19 regarding:

1-20 (A) financial feasibility of the development
1-21 based on the supporting financial data required in the application
1-22 that will include a project underwriting pro forma from the
1-23 permanent or construction lender;

1-24 (B) quantifiable community participation with
1-25 respect to the development, evaluated on the basis of written
1-26 statements from any neighborhood organizations on record with the
1-27 state or county in which the development is to be located and whose
1-28 boundaries contain the proposed development site;

1-29 (C) the income levels of tenants of the
1-30 development;

1-31 (D) the size and quality of the units;

1-32 (E) the commitment of development funding by
1-33 local political subdivisions;

1-34 (F) ~~the level of community support for the~~
1-35 ~~application, evaluated on the basis of written statements from~~
1-36 ~~state elected officials;~~

1-37 ~~(G)~~ the rent levels of the units;

1-38 (G) ~~(H)~~ the cost of the development by square
1-39 foot; and

1-40 (H) ~~(I)~~ the services to be provided to tenants
1-41 of the development; and

1-42 (2) uses criteria imposing penalties on applicants or
1-43 affiliates who have requested extensions of department deadlines
1-44 relating to developments supported by housing tax credit
1-45 allocations made in the application round preceding the current
1-46 round or a developer or principal of the applicant that has been
1-47 removed by the lender, equity provider, or limited partners for its
1-48 failure to perform its obligations under the loan documents or
1-49 limited partnership agreement.

1-50 SECTION 2. Subsections (f) and (g), Section 2306.6710,
1-51 Government Code, and Subsection (b), Section 2306.6718, Government
1-52 Code, are repealed.

1-53 SECTION 3. The change in law made by this Act applies only
1-54 to an application for a low income housing tax credit filed on or
1-55 after the effective date of this Act. An application filed before
1-56 the effective date of this Act is governed by the law in effect on
1-57 the date the application was filed, and the former law is continued
1-58 in effect for that purpose.

1-59 SECTION 4. This Act takes effect September 1, 2007.

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