

By: Anchia

H.B. No. 199

A BILL TO BE ENTITLED

AN ACT

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

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

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

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

(1) prioritizes in descending order criteria regarding:

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

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

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

(D) the size and quality of the units;

(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 the~~  
4 ~~state representative or the state senator that represents the~~  
5 ~~district containing the proposed development site,~~

6 [~~(G)~~] the rent levels of the units;

7 (G) [~~(H)~~] the cost of the development by square  
8 foot;

9 (H) [~~(I)~~] the services to be provided to tenants  
10 of the development; and

11 (I) [~~(J)~~] whether, at the time the complete  
12 application is submitted or at any time within the two-year period  
13 preceding the date of submission, the proposed development site is  
14 located in an area declared to be a disaster under Section 418.014;

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

23 (3) encourages applicants to provide free notary  
24 public service to the residents of the developments for which the  
25 allocation of housing tax credits is requested.

26 SECTION 2. Section 2306.6710(f), Government Code, is  
27 repealed.

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

7           SECTION 4. This Act takes effect September 1, 2013.