

By: Birdwell

S.B. No. 444

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) the level of neighborhood support for  
17 [~~quantifiable community participation with respect to~~] the  
18 development, evaluated on the basis of written statements from any  
19 neighborhood organizations on record with the state or county in  
20 which the development is to be located and whose boundaries contain  
21 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 for the  
4 application, which must be evaluated on the basis of:

5 (i) a resolution concerning the development  
6 that is voted on and adopted by the governing body of a municipality  
7 whose boundaries contain [~~written statements from the state~~  
8 ~~representative or the state senator that represents the district~~  
9 ~~containing~~] the proposed development site or by the commissioners  
10 court of a county whose boundaries contain the proposed development  
11 site; and

12 (ii) the commitment of development funding  
13 by the municipality or county;

14 (G) the rent levels of the units;

15 (H) the cost of the development by square foot;

16 (I) the services to be provided to tenants of the  
17 development; and

18 (J) whether, at the time the complete application  
19 is submitted or at any time within the two-year period preceding the  
20 date of submission, the proposed development site is located in an  
21 area declared to be a disaster under Section 418.014;

22 (2) uses criteria imposing penalties on applicants or  
23 affiliates who have requested extensions of department deadlines  
24 relating to developments supported by housing tax credit  
25 allocations made in the application round preceding the current  
26 round or a developer or principal of the applicant that has been  
27 removed by the lender, equity provider, or limited partners for its

1 failure to perform its obligations under the loan documents or  
2 limited partnership agreement; and

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

6 SECTION 2. Section 2306.6710(f), Government Code, is  
7 repealed.

8 SECTION 3. The change in law made by this Act applies only  
9 to an application for a low income housing tax credit filed on or  
10 after the effective date of this Act. An application filed before  
11 the effective date of this Act is governed by the law in effect on  
12 the date the application was filed, and the former law is continued  
13 in effect for that purpose.

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