

By: Alvarado

H.B. No. 3497

A BILL TO BE ENTITLED

AN ACT

relating to the award of points for affordable housing projects that are awarded low income housing tax credits.

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

SECTION 1. Section 2304.6725, Government Code, is amended to read as follows:

(a) In allocating low income housing tax credits, the department shall score each application using a point system based on criteria adopted by the department that are consistent with the department's housing goals, including criteria addressing the ability of the proposed project to:

(1) provide quality social support services to residents;

(2) demonstrate community and neighborhood support as defined by the qualified allocation plan;

(3) consistent with sound underwriting practices and when economically feasible, serve individuals and families of extremely low income by leveraging private and state and federal resources, including federal HOPE VI grants received through the United States Department of Housing and Urban Development;

(4) serve traditionally underserved areas;

(5) remain affordable to qualified tenants for an extended, economically feasible period; and

(6) comply with the accessibility standards that are

required under Section 504, Rehabilitation Act of 1973 (29 U.S.C. Section 794), and specified under 24 C.F.R. Part 8, Subpart C;

(7) rehabilitate, not including reconstruction, any existing affordable housing development that is eligible to apply under 2306.6714;

(8) allow replacement of an affordable housing development that is eligible to apply under Section 2306.6714 and that is at least 50 years old at the time the application is submitted.

(b) The department shall provide appropriate incentives as determined through the qualified allocation plan to reward applicants who agree to:

(1) equip the property that is the basis of the application with energy saving devices that meet the standards established by the state energy conservation office or to provide to a qualified nonprofit organization or tenant organization a right of first refusal to purchase the property at the minimum price provided in, and in accordance with the requirements of, Section 42(i)(7), Internal Revenue Code of 1986 (26 U.S.C. Section 42(i)(7)); and

(2) locate the development in a census tract in which there are no other existing developments supported by housing tax credits.

(c) On awarding tax credit allocations, the board shall document the reasons for each project's selection, including an explanation of:

(1) all discretionary factors used in making its

1 determination; and

2 (2) the reasons for any decision that conflicts with
3 the recommendations of department staff under Section 2306.6731.

4 (d) For each scoring criterion, the department shall use a
5 range of points to evaluate the degree to which a proposed project
6 satisfies the criterion. The department may not award a number of
7 points for a scoring criterion that is disproportionate to the
8 degree to which a proposed project complies with that criterion.

9 (e) Subsections (7) and (8) shall receive an equal number of
10 points, and such value shall be the greatest number of points
11 awarded under this Section, but not more than the lowest scoring
12 item under Section 2306.6710.

13 (f) Point under subsections (7) and (8) may only be awarded
14 for applications to receive low income housing tax credits
15 allocated under Section 2306.6714.

16 SECTION 2. This Act takes effect immediately if it receives
17 a vote of two-thirds of all the members elected to each house, as
18 provided by Section 39, Article III, Texas Constitution. If this
19 Act does not receive the vote necessary for immediate effect, this
20 Act takes effect September 1, 2015.