

1-1 By: Button, Bowers, Neave H.B. No. 1558
 1-2 (Senate Sponsor - Johnson)
 1-3 (In the Senate - Received from the House April 26, 2021;
 1-4 May 6, 2021, read first time and referred to Committee on Local
 1-5 Government; May 22, 2021, reported adversely, with favorable
 1-6 Committee Substitute by the following vote: Yeas 7, Nays 0;
 1-7 May 22, 2021, sent to printer.)

1-8 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-9				
1-10	X			
1-11	X			
1-12			X	
1-13			X	
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			

1-19 COMMITTEE SUBSTITUTE FOR H.B. No. 1558 By: Menéndez

1-20 A BILL TO BE ENTITLED
 1-21 AN ACT

1-22 relating to the system by which an application for a low income
 1-23 housing tax credit is scored.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-25 SECTION 1. Section 2306.6710(b), Government Code, is
 1-26 amended to read as follows:

1-27 (b) If an application satisfies the threshold criteria, the
 1-28 department shall score and rank the application using a point
 1-29 system that:

1-30 (1) prioritizes in descending order criteria
 1-31 regarding:

1-32 (A) financial feasibility of the development
 1-33 based on the supporting financial data required in the application
 1-34 that will include a project underwriting pro forma from the
 1-35 permanent or construction lender;

1-36 (B) quantifiable community participation with
 1-37 respect to the development, evaluated on the basis of a resolution
 1-38 concerning the development that is voted on and adopted by the
 1-39 following, as applicable:

1-40 (i) the governing body of a municipality in
 1-41 which the proposed development site is to be located;

1-42 (ii) subject to Subparagraph (iii), the
 1-43 commissioners court of a county in which the proposed development
 1-44 site is to be located, if the proposed site is to be located in an
 1-45 area of a county that is not part of a municipality; or

1-46 (iii) the commissioners court of a county
 1-47 in which the proposed development site is to be located and the
 1-48 governing body of the applicable municipality, if the proposed site
 1-49 is to be located in the extraterritorial jurisdiction of a
 1-50 municipality;

1-51 (C) the income levels of tenants of the
 1-52 development;

1-53 (D) the size and quality of the units;

1-54 (E) the rent levels of the units;

1-55 (F) the cost of the development by square foot;

1-56 (G) the services to be provided to tenants of the
 1-57 development;

1-58 (H) whether, at the time the complete application
 1-59 is submitted or at any time within the two-year period preceding the
 1-60 date of submission, the proposed development site is located in an

2-1 area declared to be a disaster under Section 418.014;
2-2 (I) quantifiable community participation with
2-3 respect to the development, evaluated on the basis of written
2-4 statements from any neighborhood organizations on record with the
2-5 state or county in which the development is to be located and whose
2-6 boundaries contain the proposed development site; and

2-7 (J) the level of community support for the
2-8 application, evaluated on the basis of a written statement from the
2-9 state representative who represents the district containing the
2-10 proposed development site;

2-11 (2) uses criteria imposing penalties on applicants or
2-12 affiliates who have requested extensions of department deadlines
2-13 relating to developments supported by housing tax credit
2-14 allocations made in the application round preceding the current
2-15 round or a developer or principal of the applicant that has been
2-16 removed by the lender, equity provider, or limited partners for its
2-17 failure to perform its obligations under the loan documents or
2-18 limited partnership agreement; ~~and~~

2-19 (3) encourages applicants to provide free notary
2-20 public service to the residents of the developments for which the
2-21 allocation of housing tax credits is requested; and

2-22 (4) for an application concerning a development that
2-23 is or will be located in a county with a population of 1 million or
2-24 more but less than 4 million and that is or will be located not more
2-25 than two miles from a veterans hospital, veterans affairs medical
2-26 center, or veterans affairs health care center, encourages
2-27 applicants to provide a preference for leasing units in the
2-28 development to low income veterans.

2-29 SECTION 2. The change in law made by this Act applies only
2-30 to an application for low income housing tax credits that is
2-31 submitted to the Texas Department of Housing and Community Affairs
2-32 during an application cycle that is based on the 2022 qualified
2-33 allocation plan or a subsequent plan adopted by the governing board
2-34 of the department. An application that is submitted during an
2-35 application cycle that is based on an earlier qualified allocation
2-36 plan is governed by the law in effect on the date the application
2-37 cycle began, and the former law is continued in effect for that
2-38 purpose.
2-39 SECTION 3. This Act takes effect September 1, 2021.

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