

By: Bernal

H.B. No. 191

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, Government Code, is amended by amending Subsection (b) and adding Subsections (h) and (i) 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 a resolution concerning the development that is voted on and adopted by the following, as applicable:

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

(ii) subject to Subparagraph (iii), the commissioners court of a county in which the proposed development

1 site is to be located, if the proposed site is to be located in an
2 area of a county that is not part of a municipality; or

3 (iii) the commissioners court of a county
4 in which the proposed development site is to be located and the
5 governing body of the applicable municipality, if the proposed site
6 is to be located in the extraterritorial jurisdiction of a
7 municipality;

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

10 (D) the size and quality of the units;

11 (E) the rent levels of the units;

12 (F) the cost of the development by square foot;

13 (G) the services to be provided to tenants of the
14 development;

15 (H) whether, at the time the complete application
16 is submitted or at any time within the two-year period preceding the
17 date of submission, the proposed development site is located in an
18 area declared to be a disaster under Section [418.014](#);

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

24 (J) the level of community support for the
25 application, evaluated on the basis of a written statement from the
26 state representative who represents the district containing the
27 proposed development site; and

1 (K) whether, at the time the complete application
2 is submitted, all units owned by the applicant are equipped with air
3 conditioning;

4 (2) uses criteria imposing penalties on applicants or
5 affiliates who have requested extensions of department deadlines
6 relating to developments supported by housing tax credit
7 allocations made in the application round preceding the current
8 round or a developer or principal of the applicant that has been
9 removed by the lender, equity provider, or limited partners for its
10 failure to perform its obligations under the loan documents or
11 limited partnership agreement;

12 (3) encourages applicants to provide free notary
13 public service to the residents of the developments for which the
14 allocation of housing tax credits is requested; and

15 (4) for an application concerning a development that
16 is or will be located in a county with a population of 1 million or
17 more but less than 4 million and that is or will be located not more
18 than two miles from a veterans hospital, veterans affairs medical
19 center, or veterans affairs health care center, encourages
20 applicants to provide a preference for leasing units in the
21 development to low income veterans.

22 (h) If an applicant requests in writing a statement of
23 support under Subsection (b)(1)(J) from the state representative
24 who represents the district containing the proposed development
25 site, the request from the applicant must include information
26 disclosing the percentage of units owned by the applicant that are
27 equipped with air conditioning.

1 (i) In assigning points to an application under Subsection
2 (b)(1)(K), the department shall award:

3 (1) positive points if all units owned by the
4 applicant are equipped with air conditioning; and

5 (2) negative points if any of the units owned by the
6 applicant are not equipped with air conditioning.

7 SECTION 2. The change in law made by this Act applies only
8 to an application for low income housing tax credits that is
9 submitted to the Texas Department of Housing and Community Affairs
10 during an application cycle that is based on the 2024 qualified
11 allocation plan or a subsequent plan adopted by the governing board
12 of the department under Section [2306.67022](#), Government Code. An
13 application that is submitted during an application cycle that is
14 based on an earlier qualified allocation plan is governed by the law
15 in effect on the date the application cycle began, and the former
16 law is continued in effect for that purpose.

17 SECTION 3. This Act takes effect September 1, 2023.