

1-1 By: Bernal, Geren (Senate Sponsor - Hughes) H.B. No. 191  
 1-2 (In the Senate - Received from the House May 4, 2023;  
 1-3 May 17, 2023, read first time and referred to Committee on Local  
 1-4 Government; May 22, 2023, reported favorably by the following  
 1-5 vote: Yeas 9, Nays 0; May 22, 2023, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			

1-17 A BILL TO BE ENTITLED  
 1-18 AN ACT

1-19 relating to the evaluation of applications for certain financial  
 1-20 assistance administered by the Texas Department of Housing and  
 1-21 Community Affairs.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-23 SECTION 1. Section 2306.359(a), Government Code, is amended  
 1-24 to read as follows:

1-25 (a) In evaluating an application for an issuance of private  
 1-26 activity bonds, the department shall score and rank the application  
 1-27 using a point system based on criteria that are adopted by the  
 1-28 department, including criteria regarding:

1-29 (1) the income levels of tenants of the development,  
 1-30 consistent with the funding priorities provided by Section  
 1-31 1372.0321;

1-32 (2) the rent levels of the units;

1-33 (3) the level of community support for the  
 1-34 application;

1-35 (4) the period of guaranteed affordability for low  
 1-36 income tenants;

1-37 (5) the cost per unit of the development;

1-38 (6) the size, quality, and amenities of the units;

1-39 (7) the services to be provided to tenants of the  
 1-40 development; ~~and~~

1-41 (8) whether, at the time the complete application is  
 1-42 submitted, all units that are:

1-43 (A) owned by the applicant are equipped with air  
 1-44 conditioning; and

1-45 (B) owned or operated by a housing authority or  
 1-46 other governmental entity, from which the applicant receives  
 1-47 financial assistance or with which the applicant participates in  
 1-48 projects for the development of affordable housing, are equipped  
 1-49 with air conditioning; and

1-50 (9) other criteria as developed by the board.

1-51 SECTION 2. Section 2306.6710, Government Code, is amended  
 1-52 by amending Subsection (b) and adding Subsections (h) and (i) to  
 1-53 read as follows:

1-54 (b) If an application satisfies the threshold criteria, the  
 1-55 department shall score and rank the application using a point  
 1-56 system that:

1-57 (1) prioritizes in descending order criteria  
 1-58 regarding:

1-59 (A) financial feasibility of the development  
 1-60 based on the supporting financial data required in the application  
 1-61 that will include a project underwriting pro forma from the

2-1 permanent or construction lender;

2-2 (B) quantifiable community participation with

2-3 respect to the development, evaluated on the basis of a resolution

2-4 concerning the development that is voted on and adopted by the

2-5 following, as applicable:

2-6 (i) the governing body of a municipality in

2-7 which the proposed development site is to be located;

2-8 (ii) subject to Subparagraph (iii), the

2-9 commissioners court of a county in which the proposed development

2-10 site is to be located, if the proposed site is to be located in an

2-11 area of a county that is not part of a municipality; or

2-12 (iii) the commissioners court of a county

2-13 in which the proposed development site is to be located and the

2-14 governing body of the applicable municipality, if the proposed site

2-15 is to be located in the extraterritorial jurisdiction of a

2-16 municipality;

2-17 (C) the income levels of tenants of the

2-18 development;

2-19 (D) the size and quality of the units;

2-20 (E) the rent levels of the units;

2-21 (F) the cost of the development by square foot;

2-22 (G) the services to be provided to tenants of the

2-23 development;

2-24 (H) whether, at the time the complete application

2-25 is submitted or at any time within the two-year period preceding the

2-26 date of submission, the proposed development site is located in an

2-27 area declared to be a disaster under Section 418.014;

2-28 (I) quantifiable community participation with

2-29 respect to the development, evaluated on the basis of written

2-30 statements from any neighborhood organizations on record with the

2-31 state or county in which the development is to be located and whose

2-32 boundaries contain the proposed development site; ~~and~~

2-33 (J) the level of community support for the

2-34 application, evaluated on the basis of a written statement from the

2-35 state representative who represents the district containing the

2-36 proposed development site; and

2-37 (K) whether, at the time the complete application

2-38 is submitted, all units that are:

2-39 (i) owned by the applicant are equipped

2-40 with air conditioning; and

2-41 (ii) owned or operated by a housing

2-42 authority or other governmental entity, from which the applicant

2-43 receives financial assistance or with which the applicant

2-44 participates in projects for the development of affordable housing,

2-45 are equipped with air conditioning;

2-46 (2) uses criteria imposing penalties on applicants or

2-47 affiliates who have requested extensions of department deadlines

2-48 relating to developments supported by housing tax credit

2-49 allocations made in the application round preceding the current

2-50 round or a developer or principal of the applicant that has been

2-51 removed by the lender, equity provider, or limited partners for its

2-52 failure to perform its obligations under the loan documents or

2-53 limited partnership agreement;

2-54 (3) encourages applicants to provide free notary

2-55 public service to the residents of the developments for which the

2-56 allocation of housing tax credits is requested; and

2-57 (4) for an application concerning a development that

2-58 is or will be located in a county with a population of 1 million or

2-59 more but less than 4 million and that is or will be located not more

2-60 than two miles from a veterans hospital, veterans affairs medical

2-61 center, or veterans affairs health care center, encourages

2-62 applicants to provide a preference for leasing units in the

2-63 development to low income veterans.

2-64 (h) If an applicant requests in writing a statement of

2-65 support under Subsection (b)(1)(J) from the state representative

2-66 who represents the district containing the proposed development

2-67 site, the request from the applicant must include information

2-68 disclosing the percentage of units owned or operated as described

2-69 by Subsection (b)(1)(K) that are equipped with air conditioning.

3-1           (i) In assigning points to an application under Subsection  
3-2 (b)(1)(K), the department shall award negative points if any of the  
3-3 units that are owned or operated as described by that paragraph are  
3-4 not equipped with air conditioning.

3-5           SECTION 3. The change in law made by this Act applies only  
3-6 to an application for low income housing tax credits that is  
3-7 submitted to the Texas Department of Housing and Community Affairs  
3-8 during an application cycle that is based on the 2024 qualified  
3-9 allocation plan or a subsequent plan adopted by the governing board  
3-10 of the department under Section [2306.67022](#), Government Code. An  
3-11 application that is submitted during an application cycle that is  
3-12 based on an earlier qualified allocation plan is governed by the law  
3-13 in effect on the date the application cycle began, and the former  
3-14 law is continued in effect for that purpose.

3-15           SECTION 4. This Act takes effect September 1, 2023.

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