

By: Leach

H.B. No. 616

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) quantifiable community participation with  
17 respect to the development, evaluated on the basis of a resolution  
18 concerning the development that is voted on and adopted by the  
19 following, as applicable:

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

22 (ii) subject to Subparagraph (iii), the  
23 commissioners court of a county in which the proposed development  
24 site is to be located, if the proposed site is to be located in an

1 area of a county that is not part of a municipality; or

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

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

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

10 (E) the rent levels of the units;

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

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

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

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

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

27 (2) uses criteria imposing penalties on applicants or

1 affiliates who have requested extensions of department deadlines  
2 relating to developments supported by housing tax credit  
3 allocations made in the application round preceding the current  
4 round or a developer or principal of the applicant that has been  
5 removed by the lender, equity provider, or limited partners for its  
6 failure to perform its obligations under the loan documents or  
7 limited partnership agreement; and

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

11 SECTION 2. Section 2306.6718(b), Government Code, is  
12 amended to read as follows:

13 (b) The department shall provide the elected officials with  
14 an opportunity to comment on the application during the application  
15 evaluation process [~~provided by Section 2306.6710~~] and shall  
16 consider those comments in evaluating applications [~~under that~~  
17 ~~section~~].

18 SECTION 3. Section 2306.6710(f), Government Code, is  
19 repealed.

20 SECTION 4. The change in law made by this Act applies only  
21 to an application for a low income housing tax credit filed on or  
22 after the effective date of this Act. An application filed before  
23 the effective date of this Act is governed by the law in effect on  
24 the date the application was filed, and the former law is continued  
25 in effect for that purpose.

26 SECTION 5. This Act takes effect September 1, 2017.