

## **BILL ANALYSIS**

Senate Research Center

S.B. 1314  
By: Watson  
Intergovernmental Relations  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

S.B. 1314 promotes the use of low-income housing tax credits within the at-risk set aside for rehabilitation. Affordable housing projects are awarded federal tax credits based on a scoring system in a Qualified Allocation Plan (QAP) issued by the Texas Department of Housing and Community Affairs. This bill adds two new scoring items that promote rehabilitation unless the building is over 50 years old, because often rehabilitation is more efficient than new construction.

As proposed, S.B. 1314 amends current law relating to the award of points for affordable housing projects that are awarded low income housing tax credits.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 2304.6725, Government Code, as follows:

(a) Requires the Texas Department of Housing and Community Affairs (TDHCA), in allocating low income housing tax credits, to score each application using a point system based on criteria adopted by TDHCA that are consistent with TDHCA's housing goals, including criteria addressing the ability of the proposed project to:

(1)-(6) Makes no change to these subdivisions;

(7) rehabilitate, not including reconstruction, any existing affordable housing development that is eligible to apply under 2306.6714 (At-Risk Development Set-Aside);

(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)-(d) Makes no change to these subsections.

(e) Requires that Subsections (7) and (8) receive an equal number of points, and provides that such value shall be the greatest number of points awarded under this section, but not more than the lowest scoring item under Section 2306.6710 (Evaluation and Underwriting of Applicants).

(f) Requires that point under Subsections (7) and (8) be awarded only for applications to receive low income housing tax credits allocated under Section 2306.6714.

SECTION 2. Effective date: upon passage or September 1, 2015.