By: Menendez

H.B. No. 309

A BILL TO BE ENTITLED

AN ACT

relating to the establishment of the supportive living facility pilot program.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 2306.6710(b), Government Code, is amended 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 written statements from any neighborhood organizations on record with the state or county in which the development is to be located and whose boundaries contain the proposed development site;

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

(D) the size and quality of the units;

(E) the commitment of development funding by
local political subdivisions;

(F) the level of community support for the application, evaluated on the basis of written statements from the state representative or the state senator that represents the district containing the proposed development site;

(G) the rent levels of the units;

(H) the cost of the development by square foot;

(I) the services to be provided to tenants of the development; [and]

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

(K) whether the proposed development is a supportive living facility developed under Section 2306.6739;

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

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

SECTION 2. Subchapter DD, Chapter 2306, Government Code, is
amended by adding Section 2306.6739 to read as follows:

Sec. 2306.6739. SUPPORTIVE LIVING FACILITY PILOT PROGRAM AND SET-ASIDE. (a) In this section:

(1) “Commission” means the Health and Human Services Commission.

(2) “Health and human services agency” means an agency listed in Section 531.001.

(3) “Pilot program” means the supportive living facility pilot program established under this section.

(4) “Supportive living facility” means a freestanding facility, or a distinct physical and operational entity within a nursing facility, that:

(A) offers residents their own separate, private, and distinct living units; and

(B) integrates housing with health care, personal care, and other supportive services.

(b) The department shall, in coordination with the commission and any other health and human services agency designated by the commission, establish the supportive living facility pilot program to:

(1) facilitate the use of housing tax credits to build or rehabilitate supportive living facilities; and

(2) to the extent permitted by federal law, use money received under the Medicaid program to pay for housing and services provided by supportive living facilities.

(c) The department shall set aside for supportive living facilities developed under the pilot program not less than five

percent of the housing tax credits available for allocation in the
calendar year. Any amount of housing tax credits set aside under
this subsection that remains after the initial allocation of
housing tax credits is available for allocation to any eligible
applicant as provided by the qualified allocation plan.

(d) The commission or designated health and human services
agency, as appropriate, shall apply for and actively pursue any
waiver to the state Medicaid plan from the federal Centers for
Medicare and Medicaid Services or any other federal agency as
necessary to implement the pilot program.

(e) The department, in conjunction with the commission and
to the extent consistent with the department's regional allocation
formula and the other set-asides provided by this chapter, shall
develop methodologies and incentives to encourage and facilitate
the completion of a supportive living facility not later than
September 1, 2015, in:

(1) each of the four most populous primary
metropolitan statistical areas; and

(2) at least two rural areas.

(f) Not later than December 31 of each year, the department,
the commission, and any health and human services agencies
designated by the commission shall collaborate to submit a report
to the legislature regarding the implementation and effectiveness
of the pilot program. The report must include an assessment of any
cost savings of the pilot program and recommendations for expanding
or modifying the pilot program.

(g) The board shall, in consultation with the commission,
Section 3. The change in law made by this Act in adding Section 2306.6739(c), Government Code, applies only to the allocation of low income housing tax credits for an application cycle that begins on or after January 1, 2013. The allocation of low income housing tax credits for an application cycle that begins before January 1, 2013, is governed by the law in effect on the date the application cycle began, and the former law is continued in effect for that purpose.

Section 4. The board of the Texas Department of Housing and Community Affairs shall adopt any rules required by Section 2306.6739, as added by this Act, in conjunction with the qualified allocation plan created for the 2013 application cycle, and the department during that cycle shall begin accepting applications for low income housing tax credits for the development of supportive living facilities under Section 2306.6739, Government Code, as added by this Act.

Section 5. (a) Except as provided by Subsection (b) of this section, this Act takes effect September 1, 2011.

(b) Section 2306.6739(f), as added by this Act, takes effect January 1, 2015.