

Amend **HB 1973** (senate committee report) as follows:

(1) Add the following appropriately numbered SECTIONS to the bill and renumber subsequent SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. Sections 2306.111(c), (c-1), and (c-2), Government Code, are amended to read as follows:

(c) In administering federal housing funds provided to the state under the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. Section 12701 et seq.), the department shall allocate ~~[expend]~~:

(1) 95 percent of these funds for the benefit of non-participating small cities and rural areas that do not qualify to receive funds under the Cranston-Gonzalez National Affordable Housing Act directly from the United States Department of Housing and Urban Development, except that an amount not to exceed 15 percent of the funds allocated under this subdivision may be allocated to participating jurisdictions as necessary to meet the requirements of federal law; and

(2) at least five percent of these funds for the benefit of persons with disabilities who live in any area of this state.

(c-1) Eligibility to apply for set-aside funds under Subsection (c) is determined by federal law ~~[The following entities are eligible to apply for set-aside funds under Subsection (c):~~

~~[(1) nonprofit providers of affordable housing, including community housing development organizations; and~~

~~[(2) for-profit providers of affordable housing].~~

(c-2) In allocating set-aside funds under Subsection (c), the department:

(1) may not give preference to nonprofit providers of affordable housing, except as necessary to meet the requirements of ~~[required by]~~ federal law; and

(2) shall allocate funds:

(A) in accordance with any applicable spending plan required under federal law; and

(B) in a manner that ensures that, to the greatest extent possible, an allocation required only under state law is made before an allocation is made solely to meet the

requirements of federal law.

SECTION \_\_\_\_\_. The change in law made by this Act in amending Section 2306.111, Government Code, applies only to an application for financial assistance that is submitted to the Texas Department of Housing and Community Affairs on or after January 1, 2020. An application for financial assistance that is submitted to the department before January 1, 2020, is governed by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

(2) In SECTION 2 of the bill (page 1, line 38), between "Act" and "applies", insert "in amending Section 2306.6710, Government Code,".