

## **BILL ANALYSIS**

C.S.H.B. 1586  
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Urban Affairs  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

It has been suggested that statutory changes are needed regarding the allocation of federal housing funds provided to the state under the federal Cranston-Gonzalez National Affordable Housing Act in order to ensure compliance with federal law. C.S.H.B. 1586 seeks to provide for such changes.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 1586 amends the Government Code to authorize the Texas Department of Housing and Community Affairs (TDHCA), with regard to the federal housing funds provided to the state under the federal Cranston-Gonzalez National Affordable Housing Act that the TDHCA is required to allocate for the benefit of non-participating small cities and rural areas that do not qualify to receive funds under the federal act directly from the U.S. Department of Housing and Urban Development, to allocate an amount not to exceed 15 percent of such allocated funds to participating jurisdictions as necessary to meet the requirements of federal law. The bill changes the percentage of the federal housing funds provided to the state under the federal act that the TDHCA is required to allocate for the benefit of persons with disabilities who live in any area of Texas from five percent to at least five percent.

C.S.H.B. 1586 requires the TDHCA, in allocating set-aside funds from the federal housing funds provided under the federal act, to allocate funds in accordance with any applicable spending plan required under federal law and 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. The bill replaces a provision making nonprofit and for-profit providers of affordable housing eligible to apply for the set-aside funds with a provision establishing that eligibility to apply for the set-aside funds is determined by federal law. The bill applies only to an application for financial assistance that is submitted to the TDHCA on or after January 1, 2020.

### **EFFECTIVE DATE**

September 1, 2019.

## **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 1586 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute includes language changing the percentage of the federal housing funds provided to the state under the federal act that the TDHCA is required to allocate for the benefit of persons with disabilities from five percent to at least five percent.

The substitute includes a requirement for the TDHCA to allocate the set-aside funds 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.