

By: Goodwin, et al.

H.B. No. 1586

Substitute the following for H.B. No. 1586:

By: Button

C.S.H.B. No. 1586

A BILL TO BE ENTITLED

AN ACT

relating to the administration of federal funds under the
Cranston-Gonzalez National Affordable Housing Act.

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

SECTION 1. 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 ~~[(1) nonprofit providers of affordable housing,~~
2 ~~including community housing development organizations; and~~
3 ~~[(2) for-profit providers of affordable housing].~~

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

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

9 (2) shall allocate funds:

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

12 (B) in a manner that ensures that, to the
13 greatest extent possible, an allocation required only under state
14 law is made before an allocation is made solely to meet the
15 requirements of federal law.

16 SECTION 2. The change in law made by this Act in amending
17 Section 2306.111, Government Code, applies only to an application
18 for financial assistance that is submitted to the Texas Department
19 of Housing and Community Affairs on or after January 1, 2020. An
20 application for financial assistance that is submitted to the
21 department before January 1, 2020, is governed by the law in effect
22 immediately before the effective date of this Act, and the former
23 law is continued in effect for that purpose.

24 SECTION 3. This Act takes effect September 1, 2019.