

By: Watson

S.B. No. 544

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.