

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) 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,~~

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

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

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

8 (2) shall allocate funds in accordance with any  
9 applicable spending plan required under federal law.

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

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