

1-1 By: Watson S.B. No. 1991  
1-2 (In the Senate - Filed March 10, 2017; March 27, 2017, read  
1-3 first time and referred to Committee on Intergovernmental  
1-4 Relations; April 26, 2017, reported favorably by the following  
1-5 vote: Yeas 5, Nays 2; April 26, 2017, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12		X		
1-13	X			
1-14		X		

1-15 A BILL TO BE ENTITLED  
1-16 AN ACT

1-17 relating to the administration of federal funds under the  
1-18 Cranston-Gonzalez National Affordable Housing Act.

1-19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-20 SECTION 1. Sections 2306.111(c), (c-1), and (c-2),  
1-21 Government Code, are amended to read as follows:

1-22 (c) In administering federal housing funds provided to the  
1-23 state under the Cranston-Gonzalez National Affordable Housing Act  
1-24 (42 U.S.C. Section 12701 et seq.), the department shall allocate  
1-25 ~~[expend]~~:

1-26 (1) 95 percent of these funds for the benefit of  
1-27 non-participating small cities and rural areas that do not qualify  
1-28 to receive funds under the Cranston-Gonzalez National Affordable  
1-29 Housing Act directly from the United States Department of Housing  
1-30 and Urban Development, except that an amount not to exceed 15  
1-31 percent of the funds allocated under this subdivision may be  
1-32 allocated to participating jurisdictions as necessary to meet the  
1-33 requirements of federal law; and

1-34 (2) at least five percent of these funds for the  
1-35 benefit of persons with disabilities who live in any area of this  
1-36 state.

1-37 (c-1) Eligibility to apply for community housing  
1-38 development organization set-aside funds under Subsection (c) is  
1-39 determined by federal law ~~[The following entities are eligible to~~  
1-40 ~~apply for set-aside funds under Subsection (c):~~

1-41 ~~[(1) nonprofit providers of affordable housing,~~  
1-42 ~~including community housing development organizations, and~~

1-43 ~~[(2) for-profit providers of affordable housing].~~

1-44 (c-2) In allocating set-aside funds under Subsection (c),  
1-45 the department:

1-46 (1) may not give preference to nonprofit providers of  
1-47 affordable housing, except as necessary to meet the requirements of  
1-48 [required by] federal law; and

1-49 (2) shall allocate funds in accordance with any  
1-50 applicable spending plan required under federal law.

1-51 SECTION 2. The change in law made by this Act in amending  
1-52 Section 2306.111, Government Code, applies only to an application  
1-53 for financial assistance that is submitted to the Texas Department  
1-54 of Housing and Community Affairs on or after January 1, 2018. An  
1-55 application for financial assistance that is submitted to the  
1-56 department before January 1, 2018, is governed by the law in effect  
1-57 immediately before the effective date of this Act, and the former  
1-58 law is continued in effect for that purpose.

1-59 SECTION 3. This Act takes effect September 1, 2017.

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