

BILL ANALYSIS

Senate Research Center
84R23232 MCK-D

C.S.S.B. 1325
By: Menéndez
Veteran Affairs & Military Installations
4/29/2015
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

C.S.S.B. 1325 allows affordable housing projects targeted at veterans to qualify for a Defense Economic Adjustment Assistance Grant (DEAAG). The Texas Military Preparedness Commission administers the DEAAG program to assist defense communities impacted or potentially impacted by United States Department of Defense plans and decisions. As a result of an economic downturn due to a military base closing, many military families have suffered from unemployment and subsequently lost their home and access to housing.

C.S.S.B. 1325 would authorize affordable housing projects to compete for DEAAG to assist areas in need of housing. This is especially important as Texas experiences a high rate of homelessness among veterans—more affordable housing means fewer veterans on the street.

The bill as originally filed included all the recommendations from the interim charges for the House Committee on Defense and Veterans Affairs, which was chaired by Senator Menéndez when he was a member of the Texas House of Representatives.

C.S.S.B. 1325 amends Section 436.202 of the Government Code to add housing to the items eligible for a DEAAG program and raises the project cost from \$2 million to \$5 million.

C.S.S.B. 1325 amends current law relating to grants to local governmental entities from the Texas Military Preparedness Commission.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 436.202, Government Code, by amending Subsections (a), (b), and (c) and adding Subsection (e), as follows:

(a) Authorizes the Texas Military Preparedness Commission (TMPC), from money appropriated for this purpose, to make a grant to an eligible local governmental entity to:

(1) Makes no change to this subdivision;

(2) and (3) Makes nonsubstantive changes to these subdivisions;

(4) construct affordable single family, multifamily, and veteran's supportive housing financed under the low income housing tax credit program under Subchapter DD (Low Income Housing Tax Credit Program), Chapter 2306 (Texas Department of Housing and Community Affairs).

(b) Prohibits TMPC from making a grant for an amount less than \$50,000 or an amount more than the lesser of:

(1) and (2) Makes no change to these subdivisions;

(3) \$5 million, rather than \$2 million.

(c) Prohibits TMPC, if the local governmental entity demonstrates to TMPC that, because of a limited budget, the entity lacks the resources necessary to provide 50 percent of the amount of matching money or investment that the entity is required to provide, from making a grant in an amount that exceeds \$5 million, rather than \$2 million.

(e) Authorizes TMPC to make a grant to an eligible local governmental entity for a project described by Subsection (a)(4) in an amount that does not exceed the lesser of 10 percent of the total construction cost of the project or \$5 million.

SECTION 2. Effective date: September 1, 2015.