

BILL ANALYSIS

C.S.H.C.R. 198
By: Swinford
State Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Texas Residential Construction Commission (TRCC) was created in 2003 to provide homeowners and residential builders with the opportunity to resolve their differences through a state-sponsored inspection and dispute resolution process by the enactment of the Texas Residential Construction Commission Act (Title 16, Property Code).

The mission of the TRCC is to promote quality construction in Texas by registering builders and residential construction projects, providing information and education to homeowners and industry members, and reviewing consumer complaints regarding alleged postconstruction defects; as part of its governing philosophy, the TRCC is committed to addressing the needs of consumers and industry members in a fair and efficient manner, promoting collaboration between consumers and builders when disputes arise.

The San Antonio Housing Authority (SAHA) receives funds from the U.S. Department of Housing and Urban Development to build and maintain affordable housing in San Antonio communities; one of SAHA's principal goals is to increase home ownership in the city for first-time homebuyers and low-income residents.

In 2000, SAHA constructed the 159 single-family dwellings that comprise the Mirasol Homes project to give low-income families the opportunity to own their own homes through a lease-to-purchase program; to date, more than 80 of the homes have been purchased, and approximately 20 additional homes are occupied by families under a lease-to-purchase agreement.

In recent months, several owners and tenants of Mirasol Homes properties have contacted SAHA to voice their concerns about the structural viability of their dwellings, including problems that may be the result of postconstruction defects; some of those residents have asked the housing authority to make repairs on their homes.

TRCC is uniquely positioned to draw on its expertise within the residential construction industry and coordinate with SAHA as the housing authority addresses the concerns of the Mirasol residents; working together, TRCC and SAHA could develop and implement a plan for the inspection of potentially defective dwellings, the repair and reinspection of any defects found, and the establishment of procedures to provide mediation between SAHA and the Mirasol homeowners and tenants.

As a political subdivision of the state, however, SAHA is exempt from TRCC oversight under provisions of the Property Code; additionally, because the Mirasol properties alleged defects manifested themselves before TRCC was created, the commission lacks the authority to assist SAHA with the Mirasol Homes construction disputes.

RULEMAKING AUTHORITY

It is the committee's opinion that this resolution does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

HCR 198 provides that the 80th Legislature of the State of Texas hereby respectfully request the Texas Residential Construction Commission to work in cooperation with the San Antonio Housing Authority to create and implement an inspection and mediation plan that would address the concerns of the homeowners and tenants of certain Mirasol Homes properties.

HCR 198 provides that the secretary of state forward an official copy of this resolution to the chair and the executive director of the Texas Residential Construction Commission, to the chair and the president and chief executive officer of the San Antonio Housing Authority, and to the mayor of the City of San Antonio.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute modifies the original by replacing "approximately 20 of which are occupied by families under a lease-to-purchase agreement" with "and approximately 20 additional homes are occupied by families under a lease-to-purchase agreement." The substitute also changes the original by replacing "because the Mirasol properties were constructed and sold before TRCC was created" with "because the Mirasol properties alleged defects manifested themselves before TRCC was created."