

By: Lucio

S.B. No. 1551

A BILL TO BE ENTITLED

AN ACT

relating to the provision of affordable housing and other services in the Lower Rio Grande Valley.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter D, Chapter 301, Labor Code, is amended by adding Section 301.070 to read as follows:

Sec. 301.070. LOCAL HIRING PROGRAM IN LOWER RIO GRANDE VALLEY. (a) This section applies only to employment arising in connection with a federal or state contract or grant in relation to a public construction project in the Lower Rio Grande Valley.

(b) The commission shall develop, promulgate, monitor, and enforce regulations necessary to ensure that, to the greatest extent feasible, and consistent with existing federal, state, and local laws and regulations, opportunities for training and employment are given to persons of low and very low income who reside in the census tract, metropolitan area, or county in which the project described by Subsection (a) is located.

(c) The commission shall use existing services or procedures to provide job information services, job referral, and reporting and tracking to support the goals and activities provided under this section.

(d) The commission shall establish uniform procedures for state agencies to use and provisions to include in contracts and grant agreements to implement this section. The commission shall

1 establish uniform penalties and sanctions to be applied to secure
2 the hiring and contracting outcomes required under this section.

3 (e) The commission may establish incentives to be awarded to
4 contractors who comply with the hiring and contracting requirements
5 under this section.

6 (f) The commission shall give priority to establishing
7 requirements that provide that:

8 (1) not less than 30 percent of the persons employed to
9 carry out a project are persons of low and very low income residing
10 within the smallest geographic service area in which the project is
11 located; and

12 (2) not less than 15 percent of contracts or
13 subcontracts are awarded to business concerns that provide economic
14 opportunities for persons of low and very low income who reside in
15 the area in which the project is located.

16 (g) In this section, "a business concern that provides
17 economic opportunities" means a business concern that meets
18 criteria established by the commission.

19 SECTION 2. Subtitle C, Title 12, Local Government Code, is
20 amended by adding Chapter 394A to read as follows:

21 CHAPTER 394A. LOWER RIO GRANDE VALLEY COLONIA AND REGIONAL

22 HOUSING DEVELOPMENT INITIATIVE

23 SUBCHAPTER A. GENERAL PROVISIONS

24 Sec. 394A.001. DEFINITIONS. In this chapter:

25 (1) "Authority" means the Land Use, Colonia, and
26 Housing Authority established under Section 394A.151.

27 (2) "Board" means the board of directors of the

1 authority.

2 (3) "Council" means the Lower Rio Grande Valley
3 Development Council.

4 (4) "Development district" means an enhanced urban
5 residential development district established under Subchapter F.

6 (5) "District" means a colonia improvement district
7 established under Subchapter E.

8 Sec. 394A.002. APPLICABILITY. This chapter applies only to
9 Cameron, Hidalgo, and Willacy Counties and the Lower Rio Grande
10 Valley Development Council.

11 SUBCHAPTER B. POWERS AND DUTIES OF COUNCIL

12 Sec. 394A.051. POWERS AND DUTIES OF COUNCIL. In
13 administering this chapter, the council shall:

14 (1) employ staff to carry out housing planning and
15 program contracting activities;

16 (2) provide for the maximum feasible participation of
17 persons of low, very low, and extremely low income and residents of
18 colonias, colonia improvement districts, and enhanced urban
19 residential development districts in the programs established
20 under this chapter;

21 (3) utilize nonprofit housing providers located
22 within the region to carry out housing activities unless the
23 authority makes a determination through a competitive procurement
24 process that:

25 (A) nonprofit housing providers in the region
26 cannot provide the services; or

27 (B) the cost of services would be materially in

1 excess of that of other providers;

2 (4) prepare a regional analysis of impediments to fair
3 housing in a manner consistent with the requirements of the United
4 States Department of Housing and Urban Development and:

5 (A) adopt plans, administer programs, and expend
6 resources in a manner that addresses the issues identified in the
7 analysis; and

8 (B) provide an annual statement on its website
9 detailing the progress made implementing action steps to overcome
10 the impediments identified in the analysis;

11 (5) provide information to state and federal agencies,
12 as needed;

13 (6) maintain on its website a list of associations
14 representing low-income persons and colonias;

15 (7) maintain and post on its website all transcripts,
16 accounts, minutes, and other records related to the meetings of the
17 authority; and

18 (8) adopt and implement a local and regional hiring
19 plan that is consistent with:

20 (A) Section 394A.057;

21 (B) Section 301.070, Labor Code; and

22 (C) standards and regulations adopted by the
23 United States Department of Housing and Urban Development and the
24 General Land Office.

25 Sec. 394A.052. HOUSING AND COMMUNITY DEVELOPMENT INVENTORY
26 AND MARKET ASSESSMENT. (a) Every five years, the council shall
27 prepare for review and approval by the authority a regional

1 assessment of community development conditions in colonias that
2 includes an assessment of public services and facilities and
3 housing availability, affordability, conditions, needs, and market
4 demand.

5 (b) To determine housing needs under Subsection (a), the
6 council shall use the methodology established by the United States
7 Department of Housing and Urban Development to assess worst-case
8 housing needs of homeowners and renters.

9 Sec. 394A.053. AFFORDABLE HOUSING PLAN. (a) Annually the
10 council shall develop for review and approval by the authority a
11 plan to expend resources made available to the council under this
12 chapter for owner and renter occupied housing.

13 (b) The council's housing program allocations, housing
14 policies, and community development policies impacting housing
15 shall be consistent with those necessary to prioritize assistance
16 to worst-case housing needs of homeowners and renters identified
17 through the assessment conducted under Section 394A.052.

18 Sec. 394A.054. ADMINISTRATION OF FUNDS. (a) In
19 administering funds under this chapter, the council shall:

20 (1) expend no more than eight percent of available
21 funds for program administration purposes;

22 (2) ensure that administrative expenses are
23 consistent with any requirements or restrictions imposed by a grant
24 or funding source;

25 (3) expend funds in a manner that benefits households
26 of low, very low, and extremely low income at levels proportionate
27 to their percentage of households in the region that have

1 worst-case housing needs;

2 (4) ensure that programs are efficiently and promptly
3 administered; and

4 (5) allocate money in a manner that is consistent with
5 an affordable housing plan adopted under Section 394A.053.

6 (b) To ensure efficient implementation of the programs
7 provided under this chapter, a state agency that transfers funds to
8 the council may:

9 (1) establish expenditure schedules for money
10 provided to the council under this chapter;

11 (2) reclaim funds that are not spent in a manner
12 consistent with a schedule established under Subdivision (1); and

13 (3) redistribute funds reclaimed under Subdivision
14 (2) to support affordable housing in the region in a manner that is
15 consistent with this chapter.

16 Sec. 394A.055. COOPERATION WITH COLONIA OMBUDSPERSONS. (a)
17 The council shall enter into an agreement with the secretary of
18 state to assign colonia ombudspersons currently working in the
19 region to cooperate with the council to carry out the purposes,
20 activities, and plans established in this chapter.

21 (b) The colonia ombudspersons shall support the council in
22 carrying out this chapter by producing, updating, and maintaining
23 an accurate publicly available database of colonias that documents
24 the availability, conditions, and adequacy of housing and public
25 services in those colonias, including streetlights, storm
26 drainage, garbage collection, public transportation, roads,
27 sidewalks, distance to the schools that serve the colonia, commute

1 times for students to those schools, and distance to essential
2 services, including hospitals and grocery stores.

3 Sec. 394A.056. MODEL SUBDIVISION RULES; STUDY,
4 MODIFICATION, AND ENFORCEMENT. (a) In conjunction with the
5 colonia ombudspersons, the council shall review ongoing compliance
6 with existing model subdivision rules in colonias and new
7 subdivisions and survey the effectiveness of existing model
8 subdivision rules by examining health and safety conditions in
9 subdivisions developed under existing rules.

10 (b) Based on the review conducted under Subsection (a), the
11 council shall recommend to the counties in its jurisdiction any
12 necessary changes to model subdivision rules needed to:

13 (1) protect the health, safety, and financial
14 condition of the residents of affected subdivisions and colonias;
15 and

16 (2) ensure that colonias are provided infrastructure
17 that will facilitate their annexation into adjacent incorporated
18 cities.

19 (c) The council shall determine and recommend to a county
20 commissioners court any necessary additional public improvements
21 to the model subdivision rules not currently required in order to
22 provide essential public safety amenities, including sidewalks,
23 streetlights, safe roads, access to public transportation and
24 schools, and proper interconnection with transportation systems.

25 (d) The council shall investigate issues of noncompliance
26 with the model subdivision rules, refer noncompliance issues to the
27 appropriate county attorney, and consider initiating enforcement

1 actions.

2 (e) On receipt of a petition filed in a manner prescribed by
3 the council and signed by residents comprising five percent of the
4 total households residing in a colonia, the council, with the
5 approval of the authority, may initiate a legal action on behalf of
6 residents of the colonia to enforce model subdivision rules by
7 suing the developer of the colonia for a violation of the rules.

8 (f) The council may utilize available funds and apply for
9 grants and other funding sources to support the cost of dedicated
10 personnel within the county attorney's office to enforce model
11 subdivision rules.

12 Sec. 394A.057. REGIONAL HIRING PLAN; ADVISORY COMMITTEE.

13 (a) The council, with the approval of the authority, shall
14 establish a regional hiring plan that complies with Section
15 301.070, Labor Code. The plan must provide for outreach to workers
16 and qualified businesses, public information, job training
17 activities, compliance certification, and reporting requirements
18 for hiring for projects using financial assistance provided by the
19 council.

20 (b) Reporting requirements under the plan must provide for
21 monthly reports which detail for each grant or contract the number
22 of workers hired and retained, the number of hours worked, and the
23 amount of gross wages paid.

24 (c) The council shall establish a monitoring and advisory
25 committee to review reports submitted under this section. The
26 committee shall advise the council and the authority regarding the
27 effectiveness of the plan and the plan's compliance with Section

1 301.070, Labor Code.

2 SUBCHAPTER C. FINANCING OF PROGRAMS

3 Sec. 394A.101. COMMUNITY DEVELOPMENT BLOCK GRANT COLONIA
4 SET-ASIDE. The Department of Agriculture shall transfer to the
5 council each year a portion of the community development block
6 grant allocation received from the United States Department of
7 Housing and Urban Development that is required under federal law to
8 be used in colonias. The amount transferred shall be calculated
9 based on Cameron, Hidalgo, and Willacy Counties' pro rata share of
10 the number of colonia residents in this state as determined by the
11 secretary of state. The council shall provide reports and maintain
12 records as required by the Department of Agriculture for purposes
13 of accounting, compliance, and reporting to the United States
14 Department of Housing and Urban Development. The Department of
15 Agriculture shall transfer a proportionate share of the state's
16 community development block grant allocation of administrative
17 funds to the council to carry out activities under this chapter.

18 Sec. 394A.102. TRANSPORTATION AND PUBLIC SAFETY RESOURCES.
19 The Texas Department of Transportation and the Texas Department of
20 Public Safety shall cooperate with the council to identify funding
21 resources and prioritize existing regional funding for a colonia
22 public safety program.

23 Sec. 394A.103. SETTLEMENT FUNDS FROM COLONIA ENFORCEMENT
24 LITIGATION. The attorney general shall transfer to the council for
25 use in carrying out activities authorized under this chapter funds
26 in excess of attorney's fees secured through litigation related to
27 colonias and model subdivision rules in cases arising in Cameron,

1 Hidalgo, and Willacy Counties.

2 Sec. 394A.104. OTHER FUNDS. The council may apply for
3 grants and use other funds available to it to carry out the purposes
4 of this chapter.

5 SUBCHAPTER D. LAND USE, COLONIA, AND HOUSING AUTHORITY

6 Sec. 394A.151. LAND USE, COLONIA, AND HOUSING AUTHORITY.
7 The council shall establish a Land Use, Colonia, and Housing
8 Authority.

9 Sec. 394A.152. POWERS AND DUTIES OF AUTHORITY. The
10 authority shall:

11 (1) review and approve the housing and community
12 development inventory and market assessment developed under
13 Section 394A.052;

14 (2) review and approve the affordable housing plan
15 developed under Section 394A.053;

16 (3) review and approve the regional low-income housing
17 tax credit enhancements provided under Section 2306.67251,
18 Government Code;

19 (4) cooperate with existing local housing finance
20 corporations;

21 (5) approve the establishment of colonia improvement
22 districts under Subchapter E;

23 (6) approve colonia improvement district plans;

24 (7) assess the effectiveness of and make
25 recommendations for the model subdivision rules;

26 (8) approve enhanced urban residential development
27 districts and related incentives;

1 (9) oversee the colonia covenant enactment and
2 enforcement program;

3 (10) monitor and advise the council on all activities
4 under the authority's jurisdiction;

5 (11) develop a plan for the allocation of resources
6 provided under Section 394A.102; and

7 (12) establish a citizen participation process
8 designed to secure effective involvement of the intended
9 beneficiaries of the activities, funds, programs, and policies
10 established by or administered under this chapter.

11 Sec. 394A.153. BOARD; QUALIFICATIONS OF MEMBERS. (a) The
12 authority is governed by a board appointed by the council.

13 (b) The council shall appoint to the board from each county:

14 (1) the county judge;

15 (2) the mayor of the most populous municipality;

16 (3) an elected official from a municipality not
17 described by Subdivision (2);

18 (4) a county director of planning;

19 (5) a resident of a colonia;

20 (6) a representative of a nonprofit organization
21 representing colonia residents; and

22 (7) a person of extremely low or very low income living
23 in an incorporated area.

24 (c) At least one member selected under Subsection (b)(3)
25 must be from a municipality with a population of less than 5,000.

26 (d) The council shall establish rules and procedures to
27 prevent conflicts of interest on the part of members. A person may

1 not be a member of the board if the person or the person's spouse:

2 (1) is employed by or participates in the management
3 of a business entity or other organization regulated by or
4 receiving money from the authority;

5 (2) owns or controls, directly or indirectly, more
6 than a 10 percent interest in a business entity or other
7 organization regulated by or receiving money from the authority; or

8 (3) uses or receives a substantial amount of tangible
9 goods, services, or money from the authority other than
10 compensation or reimbursement authorized by law for board
11 membership, attendance, or expenses.

12 Sec. 394A.154. TERMS OF MEMBERS. Members appointed under
13 Sections 394A.153(b)(1)-(4) are eligible to serve as long as the
14 member holds the office or position which qualified them for the
15 appointment. All other members serve staggered three-year terms
16 with the terms of three members expiring each year.

17 Sec. 394A.155. MEETINGS OF AUTHORITY. (a) The authority's
18 internal auditor, fraud prevention coordinator, or ethics advisor
19 may meet in an executive session of the board to discuss issues
20 related to fraud, waste, or abuse.

21 (b) Meetings of the authority are subject to the open
22 meetings law, Chapter 551, Government Code. Authority board members
23 shall receive training in the requirements of that chapter.

24 (c) The authority:

25 (1) may hold meetings when called by the presiding
26 officer or seven of the members;

27 (2) shall keep minutes and complete transcripts of

1 meetings;

2 (3) shall post on the council's website not later than
3 the third day before the date of a board meeting all materials
4 provided to the board that are relevant to a matter proposed for
5 discussion at the meeting;

6 (4) shall make available in hard copy format to the
7 members of the public in attendance at the meeting any materials
8 provided to the board by the council at a board meeting;

9 (5) shall provide for public comment for each item on
10 the board's agenda at the meeting after the presentation made by
11 council staff and the motions made by the board on that topic; and

12 (6) shall adopt rules that give the public a
13 reasonable amount of time for testimony at meetings.

14 Sec. 394A.156. ADOPTION OF AFFORDABLE HOUSING PLAN; HEARING
15 REQUIRED. (a) Prior to adopting the plan developed under Section
16 394A.053, the authority shall hold a public hearing in each county
17 in an area that is convenient and proximate to large populations of
18 colonia residents.

19 (b) Hearings shall be held not earlier than 5:30 p.m. or
20 later than 8:00 p.m.

21 (c) The authority shall mail a notice of the hearing in
22 English and Spanish to any association listed on the council
23 website that represents low-income persons and colonias.

24 (d) Professional simultaneous translation from English to
25 Spanish and from Spanish to English shall be provided at the
26 hearing.

27 (e) No fewer than nine authority board members must be

1 present at each public hearing.

2 Sec. 394A.157. ENACTMENT OF RESTRICTIVE COVENANTS. (a)
3 Notwithstanding any other law, on petition of 51 percent of the
4 residents of a colonia the authority may enact a restrictive
5 covenant in the colonia that provides for:

6 (1) residential or commercial building standards or
7 codes;

8 (2) maximum impervious cover on a lot;

9 (3) permitted land uses;

10 (4) non-permitted nuisances;

11 (5) a program and fee for solid waste services to be
12 paid by residents and property owners; or

13 (6) a program and fee for street lighting to be paid by
14 residents and property owners.

15 (b) Before enacting a restrictive covenant, the authority
16 shall:

17 (1) hold a public hearing in the manner provided by
18 this section; and

19 (2) determine the extent to which existing conditions
20 to be addressed by the proposed covenant negatively affect the
21 health, safety, and real property values of the residents and
22 property owners of the colonia.

23 (c) The hearing required under Subsection (b)(1) shall be
24 held in the colonia if suitable meeting facilities are available
25 or, if suitable meeting facilities are not available, in the
26 closest suitable and available public facility.

27 (d) The hearing must be held not earlier than 5:30 p.m. or

1 later than 8:00 p.m.

2 (e) Not earlier than the 10th day before the hearing date,
3 the authority shall:

4 (1) post at the entrance of the colonia in English and
5 Spanish notice of the hearing on a sign that is not less than eight
6 square feet; and

7 (2) mail to each resident and property owner in the
8 colonia by regular mail a notice of the hearing in English and
9 Spanish.

10 (f) Professional simultaneous translation from English to
11 Spanish and from Spanish to English must be provided at the hearing.

12 (g) No fewer than nine authority board members must be
13 present at the public hearing.

14 (h) A restrictive covenant enacted under this section may be
15 enforced by a resident or a property owner of the colonia or by the
16 council with approval of the authority in response to an
17 enforcement petition as provided by Subsection (i).

18 (i) The authority, on receipt of a petition filed in a
19 manner prescribed by the council and signed by five percent of the
20 residents in a colonia, may initiate a legal action on behalf of
21 residents of a colonia to enforce restrictive covenants by suing
22 for a violation of a covenant recorded in a plan, plat, or replat or
23 a covenant enacted under this section.

24 (j) The council, with approval of the authority, shall
25 develop rules and guidelines for the petition and public hearing
26 process required under this section.

1 SUBCHAPTER E. COLONIA IMPROVEMENT DISTRICTS

2 Sec. 394A.201. COLONIA IMPROVEMENT DISTRICTS. (a) The
3 authority may establish a colonia improvement district only on
4 receipt of a petition, in a manner prescribed by the authority, that
5 represents not less than 51 percent of the households residing in
6 the proposed district.

7 (b) A district shall facilitate comprehensive planning for
8 housing, community development needs, public infrastructure, and
9 public services in colonias.

10 (c) A district shall be staffed by the council and may plan
11 and administer programs in colonias.

12 (d) The council may use resources available to it under this
13 chapter to assist in the creation, administration, and management
14 of a district.

15 (e) A district may be comprised of one or more contiguous or
16 noncontiguous colonias located in an unincorporated area of a
17 county.

18 Sec. 394A.202. DISTRICT BOARD. On designation of an area as
19 a district, the authority shall establish a process for the
20 election by residents of a district board composed of five
21 residents for each 1,000 households located within the district.
22 Actions of the authority in carrying out programs and activities
23 under this section are subject to the approval of the district
24 board.

25 Sec. 394A.203. FUNCTIONS OF DISTRICT. (a) Subject to the
26 advice and consent of a district board, the authority may:

27 (1) establish a management district to carry out

1 functions permitted under state law;

2 (2) adopt a binding land use plan governing permitted
3 land uses;

4 (3) establish minimum standards for residential and
5 nonresidential structures and contract with a municipality or
6 county to enforce those standards;

7 (4) establish and administer a tax increment
8 reinvestment zone or tax increment financing to fund housing
9 improvements and repairs or provide public services and public
10 facilities;

11 (5) impose and collect fees for services provided by
12 the authority;

13 (6) withhold services from and assess reasonable
14 penalties against persons who are delinquent in the payment of a fee
15 imposed by Subdivision (5); and

16 (7) consistent with the powers of a homeowners'
17 association, place a lien on real property to secure payment of fees
18 and fines.

19 (b) Before imposing a fee under Subsection (a)(5), the
20 authority shall provide information to persons subject to the fee
21 to inform them of the cost of services and consequences for failure
22 to pay fees.

23 (c) The failure of a person to satisfy a lien imposed under
24 Subsection (a)(7) is not cause to foreclose the lien.

25 (d) The authority may enter into a contract for improvements
26 and services in a district with units of government, the council,
27 private entities, and individuals. The council shall award

1 contracts for goods and services in a manner that is consistent with
2 the requirements of this chapter.

3 Sec. 394A.204. COMPREHENSIVE NEEDS ASSESSMENT AND PLANNING
4 STUDY. On establishment of a district the council shall, for each
5 colonia in the district, begin a comprehensive needs assessment and
6 planning study that employs community planners to work in
7 cooperation with residents of the district, county officials, and
8 nearby city officials to assess housing, public services, and
9 public infrastructure needs including:

- 10 (1) essential public services;
- 11 (2) transportation;
- 12 (3) solid waste disposal;
- 13 (4) drainage;
- 14 (5) land use regulation;
- 15 (6) building codes;
- 16 (7) health codes;
- 17 (8) hazardous conditions;
- 18 (9) provisions of utilities;
- 19 (10) public safety;
- 20 (11) sidewalks;
- 21 (12) elimination of blight;
- 22 (13) streetlights;
- 23 (14) energy savings and efficiencies;
- 24 (15) parks and recreational facilities; and
- 25 (16) development of underutilized or abandoned
26 property.

27 Sec. 394A.205. DISTRICT PLAN. (a) Before any improvements

1 or activities that will have a financial impact on residents of a
2 district are undertaken, the authority shall:

3 (1) prepare and approve a plan to address the needs
4 established in the assessment conducted under Section 394A.204;

5 (2) identify appropriate resources and funding
6 strategies necessary to implement the plan; and

7 (3) coordinate with county and municipal officials for
8 implementation of the plan.

9 (b) A plan shall emphasize improving the housing, public
10 services, and public infrastructure within a colonia to a level
11 that will facilitate the annexation of a colonia into adjacent
12 municipalities when appropriate.

13 (c) The authority shall ensure that, taking into account the
14 household incomes of residents of a colonia, the financial impacts
15 of the plan do not constitute an excessive or unreasonable
16 financial burden. The authority shall develop a method for
17 determining excessive financial burden that takes into account
18 housing costs, property taxes, utilities, and payments and fees
19 paid to the district. The authority shall hold public hearings
20 regarding the calculation of excessive financial burden under this
21 section.

22 Sec. 394A.206. EXPANSION OF DISTRICT. On receipt of a
23 petition from 51 percent of the households residing in a colonia
24 desiring inclusion in an existing district, the authority may
25 expand the district to include the colonia.

26 Sec. 394A.207. ANNEXATION OF COLONIA BY MUNICIPALITY. (a)
27 In order to provide and maintain public services, the council shall

1 coordinate with residents of a district and adjacent municipalities
2 to provide planning and financial assistance to encourage the
3 annexation of a colonia by a municipality as appropriate and when
4 consistent with the interests and desires of the residents of the
5 district.

6 (b) When financial incentives are provided to a
7 municipality to facilitate annexation of a colonia, the authority
8 shall require the municipality to enter into a binding agreement
9 providing that not more than four years after annexation public
10 services and facilities will be fully provided to the annexed
11 colonia in a manner substantially equal to those provided to the
12 rest of the municipality.

13 (c) The authority may enter into an agreement with a
14 municipality to extend the time an annexing municipality is
15 required to provide full public services to a colonia as necessary
16 to provide incentives for annexation. In entering into an
17 agreement to delay the provision of services to an annexed colonia,
18 the authority shall require that any municipal taxes imposed on the
19 newly annexed colonia be reduced during the period when full public
20 services are not provided.

21 Sec. 394A.208. DISTRICT SAFETY PROGRAM. The council shall
22 cooperate with the appropriate regional engineers of the Texas
23 Department of Transportation and the Texas Department of Public
24 Safety to develop, identify, and secure funding for a public safety
25 program for a district. A program developed under this section
26 shall coordinate the provision of street lighting utilizing money
27 allocated for that purpose.

1 Sec. 394A.209. COORDINATION OF COLONIA SELF-HELP CENTER
2 ACTIVITIES IN DISTRICT. The council and the Texas Department of
3 Housing and Community Affairs shall cooperate to direct the
4 activities of colonia self-help centers to target districts
5 established under this subchapter.

6 SUBCHAPTER F. ENHANCED URBAN RESIDENTIAL DEVELOPMENT DISTRICTS

7 Sec. 394A.251. ENHANCED URBAN RESIDENTIAL DEVELOPMENT
8 DISTRICT. On application by a municipality accompanied by a
9 petition bearing the signature of not less than 51 percent of the
10 residents of the proposed enhanced urban residential development
11 district, the authority may designate one or more areas within the
12 extraterritorial jurisdiction of the municipality as an enhanced
13 urban residential development district to:

14 (1) prevent the proliferation of substandard colonias
15 and suburban sprawl in unincorporated areas; and

16 (2) promote quality, affordable, and orderly
17 residential development through building standards, land use
18 planning, and financial incentives for public improvements and
19 housing assistance.

20 Sec. 394A.252. CONSIDERATION AND APPROVAL OF APPLICATION.

21 (a) In considering an application for the establishment of a
22 development district, the authority shall apply criteria developed
23 and adopted by the authority.

24 (b) The authority shall grant or deny preliminary approval
25 for the establishment of a development district not later than the
26 180th day after receipt of a valid application and petition.

27 (c) Not later than the 30th day after preliminary approval

1 by the authority, the applying municipality shall establish a
2 citizen participation plan acceptable to the authority to permit
3 residents and property owners within the proposed development
4 district to participate in the production of a comprehensive plan
5 for the development district. The terms of the public
6 participation process must comply with the requirements provided
7 for the establishment of a colonia improvement district in
8 Subchapter E.

9 (d) Not later than the 180th day after preliminary approval
10 by the authority, the applying municipality shall file with the
11 authority a final application that contains:

12 (1) a comprehensive public improvement and housing
13 plan that:

14 (A) complies with Section 394A.253; and

15 (B) identifies in detail the powers the
16 municipality proposes to exercise within the development district;

17 (2) the detailed financing plan for public
18 improvements and housing assistance and the funding sources;

19 (3) if zoning or land use controls are proposed, a
20 detailed zoning map and description of the land use controls filed
21 by the municipality with the authority; and

22 (4) a binding legal commitment on the part of the
23 municipality to provide the services and housing assistance set
24 forth in the plan with an accompanying timeline stating the date
25 that annexation of the development district will occur.

26 (e) The authority may not approve an application that does
27 not demonstrate an achievable financial plan with committed

1 financial resources.

2 Sec. 394A.253. DEVELOPMENT DISTRICT PUBLIC IMPROVEMENT AND
3 HOUSING PLAN. A comprehensive public improvement and housing plan
4 for a proposed development district must provide that:

5 (1) not less than 25 percent of the owner and renter
6 occupied residential units developed in the development district
7 are affordable to households of extremely low, very low, and low
8 incomes in the proportions identified in the regional affordable
9 housing plan; and

10 (2) any public incentives provided will provide
11 diversity of housing types and costs with adequate provision of
12 housing affordability for low-income homeowners and renters in the
13 development district.

14 Sec. 394A.254. MUNICIPAL POWERS IN DEVELOPMENT DISTRICT.

15 (a) A municipality establishing a development district may:

16 (1) enact and enforce building, use, and zoning
17 restrictions in the development district in the same manner as in
18 the municipality's corporate limits provided that in enforcing
19 building standards on properties within a development district a
20 municipality may not assess a fine against a property owner of an
21 existing owner-occupied residential structure for a building code
22 violation the remedy for which would result in an excessive housing
23 cost financial burden to the owner occupant;

24 (2) assess a fine against a homeowner in the
25 development district who refuses to remedy a building code
26 violation if the municipality offers financial assistance to remedy
27 the building code violation provided the cost of the financial

1 assistance does not cause a household to suffer an excessive
2 housing cost financial burden;

3 (3) in a manner otherwise consistent with other state
4 and federal law, apply for grants and other financial assistance;

5 (4) expend funds for public improvements and housing
6 assistance; and

7 (5) as a condition of receipt of public improvements,
8 direct or indirect benefits of public improvements, or housing
9 assistance, require a builder or developer to provide a portion of
10 housing constructed in the development district to be affordable in
11 a manner that meets the affordable housing requirements of the
12 development district.

13 (b) On application of a municipality, the authority may:

14 (1) grant the municipality the authority to establish
15 and operate municipal utility districts, management districts, tax
16 increment reinvestment zones, and tax increment financing in a
17 development district to provide for property acquisition, public
18 infrastructure, affordable housing, and the enforcement of
19 standards in a district; and

20 (2) develop and provide incentives to developers to
21 acquire property and provide affordable housing in the development
22 district to make use of existing public infrastructure and
23 services, minimize transportation costs, and preserve agricultural
24 land and open spaces.

25 (c) The establishment and operation of an entity authorized
26 under Subsection (b)(1) is subject to the same governance and
27 restrictions as is provided regarding these activities in a

1 district established under Subchapter E, including the
2 requirements that 51 percent of the residents of the area approve
3 the establishment of the district and citizens are represented on a
4 board controlling assessments and activities.

5 (d) For purposes of Subsection (a)(1), "excessive housing
6 cost financial burden" means a housing cost, including property
7 taxes, utilities, house payments, fees for services paid to the
8 development district, and the cost of repairs to comply with
9 building standards, that exceeds 30 percent of the household's
10 adjusted gross income.

11 Sec. 394A.255. ANNEXATION OF DEVELOPMENT DISTRICT. A
12 municipality must agree to annex and provide all public services to
13 a development district not more than 12 years after the designation
14 of the development district.

15 SUBCHAPTER G. OTHER PROGRAMS

16 Sec. 394A.301. COLONIA LAND BANK. (a) The council may
17 establish a colonia land bank to provide affordable housing in any
18 part of the region served by the council.

19 (b) A land bank established under this section shall be
20 operated by the authority subject to the provisions applicable to
21 the operation of a land bank established under Chapter 379C.

22 (c) The council shall prioritize the acquisition of
23 abandoned or tax foreclosed property in colonias to encourage the
24 orderly and complete development of those communities.

25 Sec. 394A.302. REGIONAL COLONIA DRAINAGE PLAN. The council
26 shall enter into an agreement with the Texas Water Development
27 Board to:

1 (1) establish reasonable and appropriate standards
2 for storm water protection for colonias and development districts;

3 (2) examine and consider low-impact and alternative
4 approaches to storm water protection to reduce costs and speed the
5 provision of protection to colonias;

6 (3) develop a comprehensive regional colonia storm
7 water drainage plan to mitigate storm water flooding within
8 colonias;

9 (4) develop cost estimates for each colonia in the
10 region for the provision of recommended storm water protection in
11 the colonia including appropriately engineered storm water
12 drainage that connects with the regional drainage system; and

13 (5) identify, apply for, secure, and administer grants
14 and other funding to carry out the plan developed under this
15 section.

16 Sec. 394A.303. ENERGY SELF-SUFFICIENCY PROGRAM. (a) The
17 council shall:

18 (1) cooperate with the Public Utility Commission of
19 Texas, local public housing authorities, affordable housing
20 providers, and homeowners to establish, evaluate, and report on an
21 energy self-sufficiency program;

22 (2) develop an agreement with an energy systems
23 provider to administer a distributed renewable generation energy
24 system; and

25 (3) ensure the greatest proportion of the economic
26 benefits of the program accrue to the benefit of colonia residents
27 by encouraging competition among applicant energy systems

1 providers.

2 (b) The program established under this section must:

3 (1) evaluate appropriate technologies, including
4 solar, wind, geothermal, and fuel cell, for very low income
5 households in the Lower Rio Grande Valley and shall propose a
6 demonstration program to implement one or more of the technologies
7 in the region;

8 (2) evaluate power purchase agreements on public
9 housing authorities, affordable rental housing, and owner and
10 rental housing occupied by households of very low and extremely low
11 income; and

12 (3) prioritize households of extremely low and very
13 low income for participation in the program.

14 SECTION 3. Subchapter DD, Chapter 2306, Government Code, is
15 amended by adding Section 2306.67251 to read as follows:

16 Sec. 2306.67251. REGIONAL LOW-INCOME HOUSING TAX CREDIT
17 ENHANCEMENTS. Notwithstanding any other law, the board shall
18 provide through the qualified allocation plan regional scoring
19 incentives necessary to ensure that housing tax credits are awarded
20 to developments in the Lower Rio Grande Valley region in a manner
21 that produces housing consistent with the plan developed under
22 Section 394A.053, Local Government Code.

23 SECTION 4. (a) Not later than March 1, 2014, the executive
24 director of the Texas Workforce Commission shall adopt rules
25 necessary to implement Section 301.070, Labor Code, as added by
26 this Act.

27 (b) Not later than September 1, 2014, the Lower Rio Grande

1 Valley Development Council shall provide to the governor, the
2 lieutenant governor, the speaker of the house of representatives,
3 and the committee in each house of the legislature that has primary
4 jurisdiction over housing matters a report that details the
5 implementation of Chapter 394A, Local Government Code, as added by
6 this Act, and makes recommendations regarding additional authority
7 needed to achieve the purposes of that chapter.

8 (c) Not later than September 1, 2014, the Lower Rio Grande
9 Valley Development Council and the Texas Water Development Board
10 shall submit to the governor, the lieutenant governor, the speaker
11 of the house of representatives, and the committee in each house of
12 the legislature that has primary jurisdiction over housing matters
13 a report detailing the needs and costs identified in Section
14 394A.302, Local Government Code, as added by this Act.

15 (d) Not later than March 1, 2014, the Lower Rio Grande
16 Valley Development Council shall complete the initial housing and
17 community development inventory and market assessment required by
18 Section 394A.052, Local Government Code, as added by this Act.

19 (e) Not later than September 1, 2014, the Lower Rio Grande
20 Valley Development Council shall adopt the initial affordable
21 housing plan required by Section 394A.053, Local Government Code,
22 as added by this Act.

23 (f) Not later October 1, 2014, after the adoption by the
24 Lower Rio Grande Valley Development Council of the initial
25 affordable housing plan under Section 394A.053, Local Government
26 Code, as added by this Act, the Texas Department of Housing and
27 Community Affairs shall review the initial plan and submit to the

1 council for comment proposed modifications to the qualified
2 allocation plan to provide regional scoring incentives required
3 under Section 2306.67251, Government Code, as added by this Act.

4 (g) The change in law made by this Act in adding Section
5 2306.67251, Government Code, applies only to the allocation of
6 low-income housing tax credits for an application cycle that begins
7 on or after January 1, 2015. The allocation of low-income housing
8 tax credits for an application cycle that begins before January 1,
9 2015, is governed by the law in effect on the date the application
10 cycle began, and the former law is continued in effect for that
11 purpose.

12 (h) The board of the Texas Department of Housing and
13 Community Affairs shall adopt any rules required by Section
14 2306.67251, Government Code, as added by this Act, in conjunction
15 with the qualified allocation plan created for the 2015 application
16 cycle, and the department during that cycle shall begin allocating
17 low-income housing tax credits as provided under Section
18 2306.67251, Government Code, as added by this Act.

19 SECTION 5. This Act takes effect September 1, 2013.