

BILL ANALYSIS

Senate Research Center
84R24831 JAM-F

S.B. 2063
By: Lucio
Intergovernmental Relations
4/24/2015
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Deplorably a number of Texan children have been killed or injured in fires caused by substandard conditions in manufactured homes. In just the past six months alone, in different parts of the state, nine children have died and two more have been badly burned in accidents in manufactured homes. The tragedies occurred in the middle of the night without any warning. Thousands of other Texan families live in unsafe manufactured homes with faulty wiring, water damage, and other factors that can cause fires.

S.B. 2063 addresses this problem by establishing a demonstration program, the Texas Safe Home Program. S.B. 2063 would help local officials identify homes that are considered life threatening and work through the program to try to repair the homes or help low-income families move into other homes that meet all fire and safety codes. The Texas Department of Housing and Community Affairs will work with the Councils of Government (COGs) to administer the program. It is anticipated that the COGs would establish a process that would allow local fire marshals and elected officials prioritize the unsafe, life-threatening homes of low-income families in their community that could potentially receive assistance.

As proposed, S.B. 2063 amends current law relating to the establishment and administration of the Texas Safe Home Program.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the governing board of the Texas Department of Housing and Community Affairs in SECTION 3 (Section 2306.10001, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends the heading to Section 2306.188, Government Code, to read as follows:

Sec. 2306.188. ESTABLISHING HOME OWNERSHIP IN DISASTER AREA OR UNDER TEXAS SAFE HOME PROGRAM.

SECTION 2. Amends Section 2306.188(a), Government Code, as follows:

(a) Authorizes an applicant for federally provided financial assistance administered by the Texas Department of Housing and Community Affairs (TDHCA) to repair or rebuild a home damaged by a natural disaster or an applicant for assistance under the Texas Safe Home Program established under Subchapter OO to establish ownership of the home through nontraditional documentation of title. Requires TDHCA to process an application for that assistance as if the applicant is the record title holder of the affected real property if the applicant provides to TDHCA:

- (1) Makes no change to this subdivision; and
- (2) other documentation, including tax receipts, utility bills, or evidence of insurance for the home, that indicates that the applicant exercised ownership over

the property for the period claimed by the applicant, rather than at the time of the natural disaster.

SECTION 3. Amends Chapter 2306, Government Code, by adding Subchapter OO, as follows:

SUBCHAPTER OO. TEXAS SAFE HOME PROGRAM

Sec. 2306.10001. TEXAS SAFE HOME PROGRAM. (a) Requires TDHCA to establish and administer a program to provide financial assistance for the repair of or the demolition and replacement of owner-occupied single-family homes that are in a condition that poses a risk to the health and safety of the occupants.

(b) Requires the governing board of TDHCA (board) to adopt rules to implement the program described by this section. Requires that rules adopted under this section establish:

(1) a formula that distributes to each uniform state service region appropriated funds by considering publicly available data regarding levels of poverty, levels of substandard housing, and population, including the percentage of population composed of persons with disabilities, elderly persons, and households with children, in each region;

(2) detailed criteria for regional administrators to use in determining whether a homeowner is eligible for participation in the program, including a process for documenting the condition of a home in a written report after a physical inspection of the home;

(3) requirements for regional administrators to develop and administer priority waitlists for participation in the program;

(4) standards for assessing the real property on which a home is located;

(5) procedures to ensure compliance with federal national flood insurance program requirements; and

(6) extended owner occupancy requirements for new or repaired homes.

Sec. 2306.10002. REGIONAL ADMINISTRATOR. Requires TDHCA, in each uniform state service region to attempt to identify a single governmental administrator, including a consortium of councils of government or other governmental entities, or a nonprofit entity to administer the program in all portions of that region. Provides that, in a uniform state service region in which no administrator is identified, the funds may be awarded to the councils of government in that region pro rata based on population.

Sec. 2306.10003. HOMEOWNER ELIGIBILITY. Provides that, to be eligible for assistance under the program, a homeowner:

(1) may not have an annual income that, as determined by TDHCA and when combined with the income of all persons who reside with the homeowner, exceeds 50 percent of the greater of the state or local median household income; and

(2) must own and occupy a home, including a manufactured home:

(A) as a primary residence for a period of not less than the 180 days preceding the date of the homeowner's application for assistance under this subchapter; and

(B) that has, after inspection by the regional administrator, been identified as substandard, in need of repair or replacement, and posing a potential risk to the health and safety of the occupants.

Sec. 2306.10004. TEMPORARY RELOCATION. Requires the regional administrator, if a homeowner is approved for participation in the program, to promptly assist the occupants of the home in relocating to temporary housing for a period not to exceed two years pending the repair or replacement of the home. Provides that funds appropriated to the program may be used to provide assistance under this section. Requires that priority waitlists assign the highest priority to households receiving temporary housing assistance using program funds.

Sec. 2306.10005. INSURANCE PROCEEDS. Requires any proceeds from the claim, if a homeowner has filed a claim for insurance proceeds associated with damage to the home, to first be used to pay for any covered repair or replacement costs of the home.

Sec. 2306.10006. ADMINISTRATIVE COSTS. Authorizes TDHCA to reserve for payment of administrative expenses not more than 10 percent of money received for the program under this subchapter. Requires TDHCA, to determine an appropriate allocation of the 10 percent to cover the administrative expenses of regional administrators.

SECTION 4. Effective date: September 1, 2015.