

BILL ANALYSIS

C.S.H.B. 2792
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Urban Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties note that rental assistance demonstration conversions provide public housing agencies with a stable source of funding needed to make improvements to properties and these parties contend that the rental assistance demonstration program would benefit from certain statutory changes. C.S.H.B. 2792 seeks to address this issue by amending the Housing Authorities Law.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

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

ANALYSIS

C.S.H.B. 2792 amends the Local Government Code to extend the exemption from taxes and special assessments under the Housing Authorities Law for a multifamily residential development that does not have at least 20 percent of its units reserved for public housing units to, subject to the same conditions, a multifamily residential development that does not have at least 20 percent of its units reserved for rent-restricted units subsidized by a housing authority or for a combination of public housing and rent-restricted units. The bill includes as a public housing unit for purposes of the exemption a dwelling unit for which the owner received a public housing operating subsidy if the dwelling unit was subsequently converted through the rental assistance demonstration program administered by the U.S. Department of Housing and Urban Development as specified by the federal Consolidated and Further Continuing Appropriations Act of 2012 and its subsequent amendments. The bill also includes as a public housing unit for purposes of the exemption a unit for which payments are made to the landlord under the federal Section 8 housing choice voucher program that was converted under the rental assistance demonstration program.

C.S.H.B. 2792 gives a municipality with a municipal housing authority composed of at least five commissioners the option to appoint to the authority as a commissioner a recipient of housing assistance administered through the authority's housing choice voucher program as an alternative to appointing a tenant of a public housing project over which the authority has jurisdiction.

EFFECTIVE DATE

September 1, 2017.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 2792 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Amend Sec. 2306.6711, Local Government Code, by inserting a new subsection (i) to read as:

(i) For an at risk development as defined by Sec. 2306.6702(a)(5), Local Government Code, a concerted plan of revitalization shall include without limitation an approved demolition, disposition, or Rental Assistance Demonstration (RAD) conversion of public housing by the U.S. Department of Housing & Urban Development.

SECTION 2. Amend Sec. 392.005, Local Government Code, to read as follows: Sec. 392.005. TAX EXEMPTION.

(a) The property of an authority is public property used for essential public and governmental purposes. The authority and the authority's property are exempt from all taxes and special assessments of a municipality, a county, another political subdivision, or the state.

(b) If a municipality, county, or political subdivision furnishes improvements, services, or facilities for a housing project, an authority may, in lieu of paying taxes or special assessments, agree to reimburse in payments to the municipality, county, or political subdivision an amount not greater than the estimated cost to the municipality, county, or political subdivision for the improvements, services, or facilities.

(c) An exemption under this section for a multifamily residential development which is owned by (i) a public facility corporation created by a housing authority under Chapter 303, (ii) a housing development corporation, or (iii) a similar entity created by a housing authority and which does not have at least 20 percent of its units either (i)

rent restricted units subsidized by a public housing authority applies only if:

HOUSE COMMITTEE SUBSTITUTE

No equivalent provision.

SECTION 1. Sections 392.005(c) and (d), Local Government Code, are amended to read as follows:

No equivalent provision.

No equivalent provision.

(c) An exemption under this section for a multifamily residential development which is owned by ~~[(i)]~~ a public facility corporation created by a housing authority under Chapter 303, owned by ~~[(ii)]~~ a housing development corporation, or owned by ~~[(iii)]~~ a similar entity created by a housing authority and which does not have at least 20 percent of its units reserved for public housing units, rent-restricted units subsidized by a housing authority, or a combination of public

- (1) the authority holds a public hearing, at a regular meeting of the authority's governing body, to approve the development; and
- (2) at least 50 percent of the units in the multifamily residential development are reserved for occupancy by individuals and families earning less than 80 percent of the area median family income.

(d) For the purposes of Subsection (c), a "public housing unit" is a dwelling unit for which the owner receives a public housing operating subsidy or a dwelling unit for which the owner received public housing operating subsidy but has been approved for conversion through the Rental Assistance Demonstration Program.

It does not include a unit or units for which payments are made to the landlord under the federal Section 8 Housing Choice Voucher Program, unless the unit or units were converted through the Rental Assistance Demonstration (RAD) program.

SECTION 3. Sec. 392.0031, Local Government Code, is amended to read as follows:

Sec. 392.0331. APPOINTMENT OF TENANT REPRESENTATIVE AS COMMISSIONER OF MUNICIPAL, COUNTY, OR REGIONAL HOUSING AUTHORITY.

- (a) This section applies only to:
 - (1) a municipality; or
 - (2) a county that has a county housing authority or is a member of regional housing authority and the total number of units in the authority is more than 750.
- (b) Except as provided by Subsection (b-1), in appointing commissioners under Section 392.031, a municipality with a municipal housing authority composed of five commissioners shall appoint at least one

housing and rent-restricted units, applies only if:

- (1) the authority holds a public hearing, at a regular meeting of the authority's governing body, to approve the development; and
- (2) at least 50 percent of the units in the multifamily residential development are reserved for occupancy by individuals and families earning less than 80 percent of the area median family income.

(d) For the purposes of Subsection (c), a "public housing unit":

(1) is a dwelling unit for which the owner:

(A) receives a public housing operating subsidy; or

(B) received a public housing operating subsidy, if the dwelling unit was subsequently converted through the Rental Assistance Demonstration program administered by the United States Department of Housing and Urban Development as specified by the Consolidated and Further Continuing Appropriations Act of 2012 (Pub. L. No. 112-55) and its subsequent amendments; and

(2) [~~It~~] does not include a unit for which payments are made to the landlord under the federal Section 8 Housing Choice Voucher Program unless the unit was converted under the Rental Assistance Demonstration program.

SECTION 2. Section 392.0331(b), Local Government Code, is amended to read as follows:

No equivalent provision.

No equivalent provision.

- (b) Except as provided by Subsection (b-1), in appointing commissioners under Section 392.031, a municipality with a municipal housing authority composed of five commissioners shall appoint at least one

commissioner to the authority who is a tenant of a public housing project over which the authority has jurisdiction, or is a recipient of housing assistance administered through the authority's housing choice voucher program who are residing in a unit owned by the housing authority that was converted through the Rental Assistance Demonstration (RAD) program.

In appointing commissioners under Section 392.031, a municipality with a municipal housing authority composed of seven or more commissioners shall appoint at least two commissioners to the authority who are tenants of a public housing project over which the authority has jurisdiction, or are recipients of housing assistance administered through the authority's housing choice voucher program who are residing in a unit owned by the housing authority that was converted through the Rental Assistance Demonstration (RAD) program.

(b-1) The presiding officer of the governing body of a municipality that has a municipal housing authority in which the total number of units is 150 or fewer is not required to appoint a tenant to the position of commissioner as otherwise required by Subsection (b) if the presiding officer has provided timely notice of a vacancy in the position to all eligible tenants and is unable to fill the position with an eligible tenant before the 60th day after the date the position becomes vacant.

SECTION 4. This Act takes effect September 1, 2017.

commissioner to the authority who is a tenant of a public housing project over which the authority has jurisdiction or who is a recipient of housing assistance administered through the authority's housing choice voucher program.

Except as provided by Subsection (b-2), in appointing commissioners under Section 392.031, a municipality with a municipal housing authority composed of seven or more commissioners shall appoint at least two commissioners to the authority who are tenants of a public housing project over which the authority has jurisdiction or who are recipients of housing assistance administered through the authority's housing choice voucher program.

No equivalent provision.

SECTION 3. Same as introduced version.