

**HOUSE OF REPRESENTATIVES
COMPILATION OF PUBLIC COMMENTS**

Submitted to the Committee on Urban Affairs
For HB 2071

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Hearing Date: March 21, 2023 2:00 PM - or upon final adjourn./recess or bill referral if permission granted

Mary Nan Huffman, Council Member
City of Houston - District G
Houston, TX

On behalf of the residents of District G in the City of Houston, I want to register my strong support for House Bill 2071 by Rep. Jetton et al.

HB 2071 is an important piece of legislation which would provide much-needed oversight and accountability to Public Facility Corporations (PFCs) which incentivize the development of low-income housing through their ability to remove large properties from the tax rolls. This bill would require common-sense measures such as registration, compliance reviews, and annual audits for present and future PFC developments in order to provide a degree of transparency to a process that has become notoriously opaque.

As it stands currently, there are virtually no required accountability measures to ensure the effectiveness of PFC housing in Texas. This bill would require annual, independent audits and would create a process whereby information about Public Facility Corporation developments is made available online to the public. Such a change would be beneficial to communities as well as to individuals who are seeking quality affordable housing.

Additionally, this bill seeks to improve notification to local governments regarding proposed Public Facility Corporation developments. HB 2071 requires a 60-day notice be given to local officials and school boards prior to the acquisition by a PFC of an existing development, such as an apartment complex. Local leaders have a duty to understand the impact that PFC housing will have on their communities, and this legislation ensures that they will have an adequate period to review each proposal.

As a member of the Houston City Council, I understand the need for quality affordable housing in our city, and I believe that HB 2071 is an important step towards ensuring that this need is met in a responsible and transparent manner.

I urge the members of this committee to advance HB 2071 favorably.

Chyna Gragg
Roofing Designs / Contractor
Dallas, TX

Good afternoon. Thank you for addressing this matter. First of all, I am a former Houston Housing Authority construction vendor.

The Houston Housing Authority has been creating Public Finance Corporations (PFCs) without public knowledge, holding secret meetings, and making creative deals with developers by taking each multi family complex off the tax rolls up to 99 yrs. This is at least \$1M per property. They must be held accountable and all of these properties should pay taxes like everyone else.

Below is a video at Houston City Council where Councilwoman Nan Huffman is questioning the President/CEO David Northern and HHA Chair LaRence Snowden who became heated during the questioning. This is also evidence of HHA concealing information about the PFCs.

https://youtube.com/watch?v=H5-U2s7C_7Q&si=EnSikaIECMiOmarE

As a construction vendor, I discovered and observed some disturbing info first hand. I quickly learned that HHA doesn't care about the quality of housing for low income and seniors. Their only concern are the PFCs. Please see my examples below. If you need additional reports including lab reports, I will provide.

Telephone Road Senior Apartments- The apartments were scheduled to be renovated early 2020. HHA personnel stated all residents would be relocated. After the meeting, I approached an engineer and wanted to make sure residents would be relocated. She confirmed yes. Around November 2020, I received documentation mostly lab reports showing additional asbestos and mold was located. I also read a report about lead in the water. I made a few calls and learned HHA never evacuated the Seniors. This was the height of COVID. I then wondered how many Seniors died due to respiratory issues, COVID, or any other illnesses related to the asbestos/mold/lead contamination. In addition, there was a Covid breakout amongst the construction team. However, the Seniors remained in the facility.

In 2021, Lyerly Senior Apartments repairs were placed on hold due to Covid. My company conducted several meetings there with HHA personnel, engineers, geologist, and electricians. During one meeting with the engineer and geologist, I learned HHA was relocating all residents from the Telephone Road Apartments to Lyerly Senior Apartments. The men stated HHA is moving residents from one toxic zone to another. Lyerly Apartments has asbestos in the walls and tile flooring. In addition, HHA refuses to replace the outlawed Federal Pacific Breakers in Lyerly Senior Apartments. These breakers were outlawed in the 1980s as many buildings suffered fire damage due to these faulty breakers. If the breakers are replaced, the asbestos walls will be disturbed. Instead of evacuating the Lyerly and Telephone Road Seniors to healthy temporary living, HHA cut corners and placed our Seniors at risk. Imagine the impact of 1 fire in a senior living facility.

Chyna Gragg
Roofing Designs
Dallas, TX

800 Middle St- The Houston Housing Authority plans to develop 400 units onto lead contaminated land. It doesn't matter how much they dig, the contamination is still evident. They will of course place low income and possibly seniors in this building. The PFCs are for the middle class. The PFCs are not advertised as Affordable Housing which is unethical. HHA are using federal taxpayer dollars to develop middle class housing PFCs. The names and addresses of all PFCs are not available on their website possibly to prevent Sec 8 voucher recipients from applying. We demand transparency and demand these PFCs pay taxes.

We request HB 2071 be passed as an Act and an end to the HHA PFC public corruption. Thank you!

Molly Cook

Self

Houston, TX

I oppose this bill. I am an ER nurse, and I rent my home in Houston, TX. There are several pieces of the PFC mechanism that are deserving of reform, and I support a full repeal of 303.042(f). PFCs were opened up to private developers under the radar, and the amendment should be repealed so that the mechanism can be re-crafted from scratch. If PFCs built affordable housing, I would be open to reforming it, but according to all studies, PFCs are entirely ineffective for adding to the stock of affordable units. Reform needs to address: increased oversight by entities benefitting from and forfeiting tax dollars (including private tax payers whose taxes will go up while developers pay less and less), the percentages and cost structures, get rid of huge incentives to buy existing buildings and do basically nothing, keep market-rate units on the tax rolls, stop bad-faith actors from duping housing authorities by using multiple LLC names, avoiding the replacement of persistently public or affordable units with these projects, the possibility for corruption in elected officials approving these deals, the lack of commitment from developers who turn around and sell immediately (like NRP in San Antonio), voucher discrimination, number of rooms and size of units, etc. I have seen PFCs cause harm in Houston. The Houston Housing Authority chose to use PFCs to replace housing for people displaced from Clayton Homes by the I-45 Expansion. My friends who lived there were scattered because HHA should have just purchased nearby units. But this was "too good" of a deal, so they formed more than one PFC with out-of-state, giant developers. Repeal the amendment, or reform it more deeply than this. We are all paying the cost of removing these projects permanently from the tax rolls. Thank y'all so much!