

By: Eckhardt

S.B. No. 337

A BILL TO BE ENTITLED

AN ACT

relating to the establishment and implementation by the Texas Department of Housing and Community Affairs of the Texas Tenant Readiness and Landlord Incentive Pilot Program.

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

SECTION 1. Subchapter K, Chapter 2306, Government Code, is amended by adding Section 2306.254 to read as follows:

Sec. 2306.254. TEXAS TENANT READINESS AND LANDLORD INCENTIVE PILOT PROGRAM. (a) In this section:

(1) "Program" means the Texas Tenant Readiness and Landlord Incentive Pilot Program.

(2) "Program participant" means an individual or family who receives assistance under the program.

(b) The department shall establish and implement the Texas Tenant Readiness and Landlord Incentive Pilot Program to enable the department to contract with and provide funding to local governmental entities, including county and municipal housing authorities, and nonprofit organizations for the purpose of assisting, and providing incentives to landlords with respect to, individuals and families who:

(1) are currently experiencing homelessness, including newly homeless individuals and families for whom providing assistance will prevent further homelessness and housing instability;

1 (2) are fleeing, or attempting to flee, domestic
2 violence, dating violence, sexual assault, stalking, or human
3 trafficking; or

4 (3) were recently homeless or otherwise have a high
5 risk of housing instability, including persons experiencing
6 chronic homelessness and persons with disabilities.

7 (c) To identify local governmental entities to administer
8 the program, the department shall:

9 (1) issue a notice of funding availability; and

10 (2) establish an application and selection process as
11 described by Subsection (d).

12 (d) The application process established under Subsection
13 (c)(2) must require a local governmental entity to submit to the
14 department a housing search assistance plan that demonstrates the
15 entity's ability to help individuals and families obtain housing in
16 the area served by the entity. In selecting local governmental
17 entities to administer the program, the department shall consider
18 an applicant's:

19 (1) ability to serve:

20 (A) rural areas; and

21 (B) a variety of populations as differentiated by
22 age, gender, race, or ethnicity; and

23 (2) existing partnerships with other relevant local
24 entities, including landlords, direct service providers, and
25 housing authorities.

26 (e) A local governmental entity selected by the department
27 to administer the program may provide financial and other forms of

1 assistance, not to exceed a total value of \$3,500 per household, to
2 cover the qualified costs of individuals and families described by
3 Subsection (b) who are recipients of assistance provided through
4 the housing choice voucher program authorized under Section 8,
5 United States Housing Act of 1937 (42 U.S.C. Section 1437f), or
6 another federal, state, or local housing voucher program.

7 (f) Qualified costs under Subsection (e):

8 (1) must include costs associated with a program
9 participant's initial housing search, including:

10 (A) the identification and visitation of
11 residential units that meet the participant's needs, including any
12 disability-related needs; and

13 (B) assistance with the completion of rental
14 applications and forms;

15 (2) may include other tenant-related costs associated
16 with obtaining housing, including:

17 (A) the payment of a holding fee required by a
18 landlord after a tenant's application has been accepted but before
19 the tenant's lease is signed;

20 (B) the provision of security deposit
21 assistance, provided that the deposit does not exceed the lesser
22 of:

23 (i) two months' rent;

24 (ii) the maximum security deposit allowed
25 under applicable state or local law; or

26 (iii) the actual security deposit required
27 by the landlord;

1 (C) assistance in obtaining utility services,
2 including any required deposit or the payment of arrears owed to a
3 utility service provider;

4 (D) the payment of initial moving expenses;

5 (E) the purchase of essential household items;

6 (F) renter's insurance; and

7 (G) the creation of a customized plan to address
8 or mitigate barriers a program participant may encounter in
9 attempting to obtain housing; and

10 (3) may include landlord-related incentives,
11 including:

12 (A) payments to a landlord who provides housing
13 under the program; and

14 (B) the payment of a landlord's costs associated
15 with any inspection or pre-inspection necessary to allow a
16 residential unit to be used in the program.

17 (g) Not later than January 1, 2030, the department shall
18 submit to the legislature a report documenting the outcomes of the
19 pilot program. The report must include:

20 (1) demographic information relating to program
21 participants, including identifiable demographic trends;

22 (2) a summary of the use of the financial assistance
23 provided under the program;

24 (3) an analysis of housing outcomes for program
25 participants, including:

26 (A) the period for which a program participant
27 remained in the residential unit that was the focus of the initial

assistance provided under the program; and

(B) any other known housing outcomes associated with program participants;

(4) a summary of the experiences of the local governmental entities that administered the program, and those entities' suggested improvements to the program; and

(5) an analysis of the program's success in serving individuals and families living in rural areas of the state.

(h) The department shall adopt rules necessary to administer the pilot program. Rules adopted under this section must establish eligibility requirements for participation in the program.

(i) This section expires September 1, 2030.

SECTION 2. Section 394.003(13), Local Government Code, is amended to read as follows:

(13) "Residential development" means the acquisition, construction, reconstruction, rehabilitation, repair, alteration, improvement, or extension of any of the following items or any combination of the following items for the purpose of providing decent, safe, and sanitary housing and nonhousing facilities that are an integral part of or are functionally related to any affordable housing project, whether in one or multiple locations, including any facilities used for the purpose of delivering tenant services~~[, as defined by Section 2306.254, Government Code]~~:

(A) land, an interest in land, a building or other structure, facility, system, fixture, improvement, addition, appurtenance, or machinery or other equipment;

1 (B) real or personal property considered
2 necessary in connection with an item described by Paragraph (A); or

3 (C) real or personal property or improvements
4 functionally related and subordinate to an item described by
5 Paragraph (A).

6 SECTION 3. This Act takes effect September 1, 2025.