

SUBJECT: Requiring CDBG street improvement projects in colonias to fund lighting

COMMITTEE: Border and International Affairs —favorable, as amended

VOTE: 4 ayes — Chavez, Griggs, Castro, J. Moreno

0 nays

3 absent — Alonzo, Merritt, Vo

WITNESSES: For — Rebecca Flores, Lourdes Prado, United Farm Workers / La Union del Pueblo Entero; (*Registered but did not testify*: James O. "Jim" Manley, on behalf of El Paso County Judge Dolores Briones)

Against — None

On — Charlie Stone, Office of Rural Community Affairs; Michael Jewell, CPL Retail Energy

BACKGROUND: The Office of Rural Community Affairs receives federal Community Development Block Grant (CDBG) funds to develop viable communities by promoting decent housing, suitable living environments, and expanded economic opportunities in small cities and rural areas for persons of low and moderate income.

Federal regulations require that 10 percent of those funds be set aside for colonias meeting objective criteria, including lack of a potable water supply, inadequate sewage systems, and a shortage of decent, safe, and sanitary housing. To be eligible for these CDBG colonia funds, a colonia must be located within 150 miles of the U.S.-Mexico border. Colonias are not limited to these set-aside funds and may apply for other CDBG funds from ORCA.

Local Government Code, sec. 43.907, says that a colonia annexed by a municipality remains eligible for five years after that annexation to receive any form of assistance for which it would have been eligible had it not been annexed.

DIGEST:

HB 775, as amended, would direct ORCA to adopt a rule requiring political subdivisions receiving CDBG funds for street improvement projects to allocate between 5 and 15 percent of the targeted funds to providing financial assistance to colonias in the political subdivision to install street lights.

The bill would define a colonia as a community:

- that is not incorporated or that is eligible for assistance under Local Government Code, sec. 43.907;
- determined by ORCA to be a colonia due to inadequate water and sewage systems and a lack of decent housing;
- located in a county eligible to receive assistance from the community development block grant colonia fund from ORCA; and
- was generally recognized as a colonia before November 28, 1990.

The bill's provisions would apply only to projects that applied for funding during an application cycle that began on or after the bill's effective date. ORCA would be required to adopt a rule implementing the bill's provisions by November 1, 2005.

The bill would take effect September 1, 2005.

SUPPORTERS  
SAY:

HB 775 would increase safety and improve the quality of life for people living in colonias by setting aside for street lights a portion of CDBG funds used for street improvements in colonias.

Residents of many colonias have reported high and increasing crime rates in their communities because of the ease with which burglars can move about unseen in the absence of street lights. Precious minutes often are lost when emergency medical service personnel are unable to find a home because they can not see the number. Children playing outside are placed in danger because drivers can not see them. In one recent tragic incident, a child was killed. Providing colonias with street lights would reduce these problems and increase the safety of colonia residents.

A mandatory set-aside for street lighting within colonia street improvement projects is necessary because little attention has been paid to the problem of adequate street lighting. While the road itself is important, street lighting significantly improves a road's utility to local residents. The bill would not reduce the flexibility of local governments to set project

priorities because they still could choose to set aside for lighting as little as 5 percent.

HB 775 would not redirect money from other city or county projects to colonias. The bill instructs ORCA to require political subdivisions to set aside a portion of their CDBG funds already intended for colonia street projects to pay for street lighting. Funds for projects located outside of colonias would not be affected.

The additional cost to a county that installed street lights in colonias would be minor. Electricity and maintenance for a street light costs only a few dollars per month, and a city or county would incur this cost only if it chose to apply for CDBG funding for street improvements. However, local governments could potentially save money if the street lighting led to lower crime and associated police costs, as well as less wear and tear on police and emergency vehicles that would be able to see and avoid poor sections of the road. A related bill, HB 3448 by Solis, would allow counties to pass the cost of street light service on to county residents.

HB 775 would restrict eligibility to colonias in existence prior to November 28, 1990, in order to conform with other state and federal statutes providing assistance to colonias. The cutoff date, which comes from the Cranston-Gonzalez National Affordable Housing Act, enacted in 1990, is necessary to discourage the proliferation of additional colonias.

**OPPONENTS  
SAY:**

The language in HB 775 is unclear and could require cities and counties receiving CDBG funds from ORCA for any street improvement project in their jurisdiction to redirect a portion of those funds to colonias. While the needs of colonias residents are important, the state should not take money from one low-income group to assist another. The bill should be clarified so that its provisions would apply only to money already intended for colonias.

HB 775 would restrict the flexibility of cities and counties to set their own project priorities and best respond to the needs of their residents. While street lights are important, colonias already have the ability to use their CDBG funds for this purpose. Instead, many communities have prioritized road construction and improvement because inadequate roads pose an equal, if not greater, problem of public safety. Without decent roads, not only do people have difficulty going to work and getting their children to school, but police and emergency services vehicles may be

unable to reach a house at all. HB 775 would reduce the already limited amount of money available for essential road construction and improvement by redirecting a portion of those funds to lighting. Local governments and communities should be able to decide how they want to spend their street improvement project funds based on the specific circumstances of their communities.

HB 775 could create an unintended financial hardship on local communities or governments, who would have to find additional funding for electricity for the new street lights the bill would install. While the cost of electricity of each individual street light may be small, the collective cost of electricity for several street lights month after month could be high. Impoverished colonia residents are unlikely to be able to afford this cost, which would then fall to local governments to cover. The state should not mandate projects without providing money to maintain them.

OTHER  
OPPONENTS  
SAY:

Although the committee amendment would remove a provision from the original bill that would explicitly limit eligibility to colonias within 150 miles of the Texas-Mexico border, the requirement in sec. 487.354(a)(1) that a colonia be located in a county that is eligible to receive financial assistance from the CDBG colonia fund – which under federal guidelines must be within 150 miles of the border – would continue to restrict the bill's applicability to the border region. Colonias outside the border region suffer from the same street lighting problems as those near the border and should have the same opportunity to receive funding for lighting improvements.

NOTES:

The committee amendment would remove a requirement in the original bill that a colonia be within 150 miles of the Texas-Mexico border to be covered by the bill's provisions.

The companion bill, SB 647 by Lucio, has been referred to the Senate International Relations and Trade Committee.