

BILL ANALYSIS

Senate Research Center
87R12294 JAM-D

S.B. 1744
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Local Government
4/23/2021
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Legislature authorized the creation of colonia self-help centers (SHCs) in 1995. Specifically, it directed the Texas Department of Housing and Community Affairs (TDHCA) to establish at least five colonia SHCs in counties near the Texas-Mexico border where colonias are prevalent.

The authorizing legislation charged SHCs with offering housing assistance to colonia residents. SHC program administrators report significant success in helping persons and families in colonias to finance and implement housing improvements. Still, the majority of colonia residents have income levels significantly below the federal poverty line. Despite receiving assistance to improve and stabilize their housing situations, colonia residents face barriers to improving their economic conditions including lack of access to capital and educational opportunities. SHCs, having been present in border counties for nearly twenty years, are in a unique position to offer services related to improving economic opportunity among colonia residents.

Specifically, SHC program administrators have expressed the desire to offer services that would assist colonia residents with securing employment, establishing and growing small businesses, and managing personal finances. While such activities are allowable under the federal funding source supporting SHC activities, current state law only authorizes the SHCs to provide housing-related services. S.B. 1744 would expand the scope of allowable services offered by colonia self-help centers to include economic development-related services.

As proposed, S.B. 1744 amends current law relating to the services provided by a colonia self-help center.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Sections 2306.586(a), (b), (c), and (d), Government Code, as follows:

(a) Provides that the purpose of a colonia self-help center includes improving living conditions in the colonias' designated service area or in another area the Texas Department of Housing and Community Affairs (TDHCA) has determined is suitable.

(b) Requires a colonia self-help center to set a goal to improve the living conditions of residents in the colonias designated under Section 2306.583(b) (relating to the designation of five colonias in each service area to receive concentrated attention from that center) within a two-year period after a contract is awarded under Subchapter Z (Colonias).

(c) Authorizes a colonia self-help center to serve individuals and families of low income or very low income by providing other services that the self-help center, with the approval of TDHCA, determines are necessary to assist colonia residents in approving their living conditions, including help in performing authorized public service activities

under Title 1 of the Housing and Community Development Act of 1974 (42 U.S.C. Section 5301 et seq.), including securing employment, establishing or expanding a small business, or managing personal finances.

(d) Prohibits a colonia self-help center from providing grants, financing, or mortgage loan services to purchase, build, rehabilitate, or finance construction or improvements to a home or otherwise improve living conditions in a colonia if water service and suitable wastewater disposal are not available.

SECTION 2. Effective date: September 1, 2021.