

SUBJECT: Establishment of colonia self-help centers

COMMITTEE: Urban Affairs — committee substitute recommended

VOTE: 5 ayes — Hill, Bailey, Ehrhardt, Staples, Tillery
0 nays
2 present, not voting — Conley, Thompson
2 absent — Davila, Woolley

SENATE VOTE: On final passage, April 27 — 29-2 (Cain, Haywood)

WITNESSES: For — John Henneberger, Texas Low Income Housing Information Service
Against — Judy Langford-Knox, Bill Langford & Associates
On — Parisrice Robinson, Texas Department of Housing and Community Affairs; Ruth Cedillo, Texas Community Development Program

DIGEST: CSSB 1509 would require the Department of Housing and Community Affairs (DHCA) to establish colonia self-help centers in El Paso, Hidalgo, Starr and Webb counties and in Cameron County to serve Cameron and Willacy counties. The DHCA would be authorized to establish a self-help center in any county designated as economically distressed for purposes of receiving funds from the Texas Water Development Board.

CSSB 1509 would define a colonia as a geographic area in a county that is within 150 miles of the state's international border and that has a majority population of low-income individuals and families or has the physical and economic characteristics of a colonia as determined by the DHCA.

The DHCA would attempt to secure contributions, services, facilities or operating support from the commissioners court of the county in which the self-help center is located to support the self-help center.

The DHCA would designate a geographic area for the services provided by each self-help center and would designate five colonias in each service area to receive concentrated attention from the center.

The DHCA would appoint at least five colonia residents to serve on an advisory committee. The members of the advisory committee would be selected from lists of candidates submitted to the DHCA by local nonprofit organizations and the commissioners court of a county in which a self-help center is located. The DHCA would appoint one committee member to represent each of the counties in which self-help centers are located. Each committee member would have to be a resident of a colonia in the county the member represents and could not be a board member, contractor or employee of or have an ownership interest in an entity that would be awarded a contract to operate a self-help center.

The advisory committee would advise the DHCA regarding colonia residents' needs and the operation of the self-help center. The advisory committee would be required to meet at least 30 days prior to the date a contract is scheduled to be awarded for the operation of a self-help center. The committee could also meet at other times.

The center would be required to set a goal to improve the living conditions of the colonia residents within a two-year period after it was awarded a contract. The center would serve low-income individuals and families by providing services including assistance in obtaining home loans, teaching construction skills, providing construction tools and providing credit and debt counseling.

The self-help center could provide other services that the center, with the approval of the DHCA, determined necessary to assist colonia residents in improving their physical living conditions, including help in obtaining suitable alternative housing outside the colonia area and providing assistance in obtaining loans or grants to enable an individual or a family to acquire fee simple title to property that originally was purchased under a contract for a deed, contract for sale or other executory contract.

The self-help center would be prohibited from providing grants financing or mortgage loan services to purchase, build, rehabilitate or finance construction or improvements to a home in a colonia if water service and suitable wastewater disposal are not available.

The DHCA would be required to contract for the operation of a self-help center with a local nonprofit organization, local community action agency or local housing authority that has demonstrated the ability to carry out the functions of the center. The DHCA and the self-help center could apply for and receive public or private gifts or grants.

The DHCA would designate appropriate DHCA staff to act as a liaison to the self-help centers to assist the centers in obtaining funding.

The DHCA would be required to establish a colonia set-aside fund. The DHCA could use the money in this fund for specific activities that would assist the colonias. The DHCA could also approve applications for funding out of the set-aside fund to advance the state's policy and goals addressing colonia problems.

**SUPPORTERS
SAY:**

Along the Texas-Mexico border are more than 1,200 substandard rural subdivisions known as colonias. Even though colonias lack adequate water, wastewater and utility services, they still provide housing for those who cannot find affordable housing in the cities. Expanding cities face entire subdivisions of substandard housing, making it difficult for cities to annex colonias and provide service.

Nonprofit self-help centers aid the residents of colonias in constructing and maintaining decent housing. However, only three such self-help centers exist, which together have only been able to assist in the construction of fewer than 100 units a year. CSSB 1509 would provide for the establishment of five additional self-help centers, which if fully funded, would raise the number of housing units that self-help centers could assist in building to 1,000 a year and help more colonia residents enjoy a decent standard of living.

The committee substitute eliminated a Senate provision that would require a specific statutory allocation of federal block grant funds to the colonia set-aside fund. No set percentage of the grants should go to the colonias automatically without a hearing.

**OPPONENTS
SAY:**

Self-help centers exist in colonias now and are adequately funded by charities, churches and other private sources. CSSB 1509 would unnecessarily involve the state government in an area that is already addressed by the private sector.

NOTES:

The committee substitute deleted from the Senate-passed version a provision for a 12.5 percent allocation to the colonia set-aside fund of U.S. Department of Housing and Urban Development community development block grants.