

- SUBJECT:** Allowing nonborder colonias to apply for water assistance funds
- COMMITTEE:** Urban Affairs — committee substitute recommended
- VOTE:** 8 ayes — Carter, Bailey, Burnam, Callegari, Edwards, Hill, E. Jones, Najera
0 nays
1 absent — Ehrhardt
- WITNESSES:** For — *Registered but did not testify:* Jessica Balladares for Ron Davis, Travis County Commissioner

Against — None

On — Homero Cabello, Jr., Texas Department of Housing and Community Affairs; Reymundo Ocañas, Texas Association of Community Development Corporations; Jonathan Steinberg, Ignacio Madera, Jr., and Craig Pedersen, Texas Water Development Board; John Henneberger, Texas Low Income Housing Information Service; *Registered but did not testify:* Scott Storment, Secretary of State
- BACKGROUND:** The Texas Water Development Board (TWDB) maintains a water loan assistance fund to provide loans to political subdivisions or federal agencies for a wide variety of water accessibility and improvement projects. The fund also may provide grants for projects that supply water or wastewater services in an economically-distressed area, which is an area in which water supplies or sewer services are inadequate and the financial resources of the area are inadequate to meet those needs. These areas must be in an “affected county” that has a per capita income at least 25 percent below the state average and is adjacent to the international border.
- DIGEST:** CSHB 829 would allow nonborder colonias to apply for grants or loans from the water assistance fund to provide water or wastewater services. The bill would define a nonborder colonia as a residential community that was located in a county at least 150 miles from the Texas-Mexico border, in

which the average household income was less than the average household income for the county, and that had inadequate water or wastewater services.

The bill would exempt contracts for an economically-distressed area or nonborder colonia from the Uniform Grant and Contract Management Act (Government Code, ch. 783). The bill also would authorize the board to make loans to economically-distressed areas for this purpose.

The bill would direct the colonia initiatives coordinator to coordinate state outreach efforts to nonborder colonias and to political subdivisions capable of providing water and wastewater services to them.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2001.

**SUPPORTERS
SAY:**

CSHB 829 would provide much-needed water and wastewater services to nonborder communities that lack these basic services by allowing TWDB to make loans and grants available to them through the water assistance fund. These communities — such as Sand Branch in Dallas County or parts of Fort Bend County — face substantially the same problems as colonias, but because they are not located near the border are ineligible for state assistance. While attention and funding have increased for the border colonias, the needs of these nonborder communities have been ignored. CSHB 829 would enable the TWDB to use money in the water assistance fund to help these communities and draw attention to the needs of these nonborder colonias.

CSHB 829 would not take any money away from current colonia programs. Nonborder colonias would be eligible only for money in the water assistance fund, not for any other programs designated for colonias. The only money currently available in this fund is for loans, and if the demand for these loans were to exceed the money in the fund, TWDB would have the authority to issue bonds to raise more money for loans from the program. Moreover, the Legislature could limit any appropriations it chose to make in the future to the water assistance fund to nonborder colonias through a rider. The author also has placed a request before the conference committee on SB 1 by Ellis, the general appropriations act, for a contingency rider in Art. 11 for \$18

million for TWDB for water and wastewater service projects in nonborder colonias.

**OPPONENTS
SAY:**

CSHB 829 potentially could dilute the amount of money available for water and wastewater projects in border colonias by allowing colonias in nonborder areas to compete for these funds. Finding adequate funding to help border colonias has been difficult enough without allowing these funds to be spent on other areas. Although these other areas also are needy, these funds should remain focused on the most impoverished area of the state.

NOTES:

As filed, the bill would have amended the Government Code to remove the restriction in the definition of colonia that limited the definition to counties of which some part is within 150 miles of the Texas-Mexico border, making nonborder areas that fit the other requirements of colonias eligible for all colonia-dedicated programs. The committee substitute removed that provision and added new provisions defining a nonborder colonia for the purpose of receiving funds from the water assistance fund at the TWDB.