

BILL ANALYSIS

Senate Research Center
86R28990 JAM-F

C.S.S.B. 2002
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Intergovernmental Relations
4/23/2019
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law allows public-private partnerships to be utilized in the creation of projects for which there is a public purpose or need. Public-private partnerships are agreements drawn between an agency of the government and a private entity relating to the creation or operation of public services. However, "affordable housing" is not currently included on the list of qualifying projects in those provisions. This omission has caused a shortage of affordable housing following a natural disaster.

After a natural disasters, such as Hurricane Harvey, damaged affordable housing is difficult to replace due to the limited availability and government purchasing power for tracts of new land. The inclusion of affordable housing under the public-private partnership qualifying code would expedite the recovery process from disasters such as Hurricane Harvey. The addition of these affordable housing projects to qualifying public-private partnerships will allow local entities to spend funds in order to contract private entities in aiding with affordable housing builds.

C.S.S.B. 2002 seeks to address the lack of affordable housing following a disaster via the use of public-private partnerships to create this needed housing in counties with a population of more than 3.3 million. The needs of the public will be better served by allowing the use of public-private partnerships to expand financial opportunities in purchasing land for affordable housing. Within a public-private partnership, more funds will be made available between both parties, resulting in an increased ability to purchase needed tracts of land in order to build affordable housing units that have been damaged or destroyed.

C.S.S.B. 2002 also amends current law to clarify that there is a public need for affordable housing, and that there are currently inadequate resources available to develop affordable housing to meet the state's need. The bill specifically references a lack of financial resources available to purchase land tracts needed to fill the public need of affordable housing constructions.

C.S.S.B. 2002 amends current law relating to the inclusion of affordable housing as a qualifying project for public-private partnerships.

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 Section 2267.001(10), Government Code, to include affordable housing in the definition of "qualifying project."

SECTION 2. Amends Section 2267.002(a), Government Code, as follows:

(a) Provides that the legislature finds that:

(1) there is a public need for certain projects, including affordable housing;

(2) makes no changes to this subdivision;

(3) there are inadequate resources to develop certain facilities, including affordable housing, and there is demonstrated evidence that partnerships between public and private entities or other persons can meet these needs by improving the schedule for delivery, lowering cost, and providing other benefits to the public; and

(4)–(5) makes no changes to these subdivisions.

SECTION 3. Amends Section 2267.003, Government Code, as follows:

Sec. 2267.003. APPLICABILITY. (a) Creates this subsection from existing text and makes no further changes.

(b) Authorizes a qualifying project for affordable housing to be developed or operated only in a county with a population of more than 3.3 million.

SECTION 4. Makes application of Section 2267.001(10), Government Code, as amended by this Act, prospective.

SECTION 5. Effective date: September 1, 2019.