

Allowing the city of Austin to set maximum sales prices for certain multi-family housing near commuter rail stations

HB 2692 by Rodriguez (Watson)

[Return to
Table of
Contents](#)

DIGEST: HB 2692 would have revised the applicability of existing law that prohibits a municipality from establishing a maximum sales price for privately produced housing units or residential building lots. The bill would have excluded from the prohibition a multifamily residential development of eight or more units intended for private sale, located less than one mile from a commuter rail station, and located in a municipality with a population more than 650,000, with governing officials elected at large, and in which a commuter rail system was approved by an election after November 1, 2004 (Austin).

**GOVERNOR'S
REASON FOR
VETO:**

“House Bill No. 2692 would allow the City of Austin to set a price plan on multifamily developments located less than one mile from a commuter rail station.

“However, current law states, with very few exceptions, that a municipality may not adopt a requirement that establishes a maximum sales price for a privately owned housing unit or residential building lot. House Bill No. 2692 would also interfere with the Austin real estate market by artificially capping housing prices. The market should be allowed to thrive without unnecessary government interference.”

RESPONSE:

Rep. Eddie Rodriguez, the bill’s author, said: “If Governor Perry had not vetoed HB 2692, it would have given the City of Austin another option to create affordable housing around commuter rail stations. Affordable housing is an issue that greatly affects my district and other areas in Austin. A recent comprehensive housing study found that during the last ten years, the lack of affordable housing in Austin has resulted in many members of our workforce moving outside of city limits and being forced to commute. The downward trend is likely to continue unless the city takes action to increase the availability of affordable housing within city boundaries. Addressing this problem has become a regional task that requires innovative solutions. The development of HB 2692 was a process that took more than 7 months. Ultimately, I satisfied the concerns of the Home Builders Association of Greater Austin and earned the support of the City of Austin. I am deeply disappointed that Governor Perry has denied us the ability to explore this tool.”

Sen. Kirk Watson, the Senate sponsor, had no comment on the bill.

NOTES:

HB 2692 passed the House on the Local, Consent, and Resolutions Calendar and was not analyzed in a *Daily Floor Report*.