

SUBJECT: Authorizing colonia self-help centers to offer property ownership classes

COMMITTEE: Urban Affairs — favorable, without amendment

VOTE: 7 ayes — Hill, Burnam, Clark, Ehrhardt, Hodge, Shields, Wohlgemuth

0 nays

2 present, not voting — Bailey, Garcia

WITNESSES: None

BACKGROUND : Colonias are residential subdivisions in unincorporated areas of counties along the Texas-Mexico border. They are often characterized by substandard housing and the absence of sewers, water, utility services, and paved roads. In 1995, the Legislature passed several laws to prevent development of colonias and assist residents of existing colonias. SB 1509 by Zaffirini authorized the Texas Department of Housing and Community Affairs to establish colonia self-help centers to assist residents in financing, constructing, improving or maintaining suitable, safe homes. The centers may help residents with loan or grant processes to build homes, construction skills and tools, lot surveys or plats, credit and debt counseling, utilities, and loans to convert contracts for deed into traditional home financing.

DIGEST: HB 540 would add to the list of services colonia self-help centers may provide monthly programs to educate residents on their rights and responsibilities as property owners.

The bill would take effect September 1, 1997.

SUPPORTERS SAY: HB 540 would provide a logical next step in the the self-help programs for colonias begun last session. The focus so far has been on assisting colonia residents to become homeowners; now there is a need to help these residents properly exercise the rights and responsibilities attendant on homeownership.

Several colonia self-help centers already are providing this type of program with curricula on home maintenance, compliance with county regulations,

paying property taxes, understanding property titles and deeds, and other home ownership issues. It is particularly important to offer such classes now as many colonia residents are converting their original contracts for deed into traditional home financing. Under contracts for deed, the purchaser does not legally own the property until all payments have been made. With traditional financing, the purchaser owns the property subject to the home loan. As more colonia residents become homeowners, the programs authorized by HB 540 would help them fully understand the rights and responsibilities associated with that status.

The bill would not impose a new duty on colonia self-help centers; it would simply allow them the option of providing the programs. No new funding would be required for the programs, and the costs associated with developing a curriculum and putting on the programs would be minimal and well worth the expense if they helped colonias become self-sufficient and health communities.

OPPONENTS
SAY:

No apparent opposition.