

AN ACT  
relating to housing authorities established by municipalities and counties.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Sections 392.005(c) and (d), Local Government Code, are amended to read as follows:

(c) An exemption under this section for a multifamily residential development which is owned by [~~i~~] a public facility corporation created by a housing authority under Chapter 303, owned by [~~iii~~] a housing development corporation, or owned by [~~iii~~] a similar entity created by a housing authority and which does not have at least 20 percent of its units reserved for public housing units, rent-restricted units subsidized by a housing authority, or a combination of public housing and rent-restricted units, applies only if:

(1) the authority holds a public hearing, at a regular meeting of the authority's governing body, to approve the development; and

(2) at least 50 percent of the units in the multifamily residential development are reserved for occupancy by individuals and families earning less than 80 percent of the area median family income.

(d) For the purposes of Subsection (c), a "public housing unit":

(1) is a dwelling unit for which the owner:

(A) receives a public housing operating subsidy;  
or

(B) received a public housing operating subsidy, if the dwelling unit was subsequently converted through the Rental Assistance Demonstration program administered by the United States Department of Housing and Urban Development as specified by the Consolidated and Further Continuing Appropriations Act of 2012 (Pub. L. No. 112-55) and its subsequent amendments; and

(2) [.-It] does not include a unit for which payments are made to the landlord under the federal Section 8 Housing Choice Voucher Program unless the unit was converted under the Rental Assistance Demonstration program.

SECTION 2. Section 392.031(b), Local Government Code, is amended to read as follows:

(b) A commissioner may not be an officer or employee of the municipality. A commissioner may be:

(1) a tenant of a public project over which the housing authority has jurisdiction; or

(2) a [person who is a] recipient of housing assistance administered through the authority's housing choice voucher program or project-based rental assistance program.

SECTION 3. Section 392.0331, Local Government Code, is amended by amending Subsections (b), (b-2), (g), and (h-1) and adding Subsection (b-3) to read as follows:

(b) Except as provided by Subsections [Subsection] (b-1) and (b-2), in appointing commissioners under Section 392.031, a municipality with a municipal housing authority composed of five commissioners shall appoint at least one commissioner to the authority who is a tenant of a public housing project over which the authority has jurisdiction or who is a recipient of housing assistance administered through the authority's housing choice voucher program or project-based rental assistance program. Except as provided by Subsection (b-3) [~~b-2~~], in appointing

commissioners under Section 392.031, a municipality with a municipal housing authority composed of seven or more commissioners shall appoint at least two commissioners to the authority who are tenants of a public housing project over which the authority has jurisdiction or who are recipients of housing assistance administered through the authority's housing choice voucher program or project-based rental assistance program.

(b-2) This subsection applies only to a municipality that has a population over 600,000 and is located adjacent to the international border of this state. In appointing commissioners under Section 392.031, a municipality described by this subsection that has a municipal housing authority composed of five commissioners shall appoint at least one commissioner to the authority who is:

- (1) a tenant of a public housing project over which the authority has jurisdiction; or
- (2) a recipient of housing assistance administered through the authority's housing choice voucher program or project-based rental assistance program.

(b-3) In appointing commissioners under Section 392.031, a municipality that has a population over two million and a municipal housing authority composed of seven or more commissioners shall appoint at least two commissioners to the authority who are:

- (1) tenants of a public housing project over which the authority has jurisdiction; or
- (2) recipients of housing assistance administered through the authority's housing choice voucher program.

(g) A commissioner appointed under this section may not participate:

- (1) in any vote or discussion concerning the termination of:
  - (A) the commissioner's occupancy rights in public housing;
  - (B) the commissioner's rights to housing assistance administered through a housing choice voucher program or a project-based rental assistance program; or
  - (C) the rights of any person related in the first degree by consanguinity to the commissioner with respect to the person's occupancy rights in public housing or right to receive housing assistance administered through a housing choice voucher program or a project-based rental assistance program; or
- (2) in a grievance or administrative hearing in which the commissioner or a person related in the first degree by consanguinity to the commissioner is a party.

(h-1) If a commissioner appointed under this section as a recipient of housing assistance administered through the authority's housing choice voucher program or project-based rental assistance program ceases to receive that assistance, a majority of the other commissioners shall decide whether to request that a new commissioner be appointed. A majority of the commissioners may decide to allow the commissioner to serve the remaining portion of the commissioner's term.

SECTION 4. This Act takes effect September 1, 2017.

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President of the Senate

Speaker of the House

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I certify that H.B. No. 2792 was passed by the House on April 27, 2017, by the following vote: Yeas 139, Nays 6, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 2792 on May 25, 2017, by the following vote: Yeas 133, Nays 11, 3 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 2792 was passed by the Senate, with amendments, on May 23, 2017, by the following vote: Yeas 20, Nays 11.

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Secretary of the Senate

APPROVED: \_\_\_\_\_  
Date

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Governor