

CHAPTER 643

H.B. No. 2269

AN ACT

relating to the activities that may be included in a municipality's community development program; containing other provisions relating to the subject.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Section 4, Texas Community Development Act of 1975 (Article 12691-4, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 4. POWERS OF MUNICIPALITIES; LIMITATIONS. (a) Any municipality is hereby authorized to implement a community development program upon adoption by the governing body of an ordinance or resolution enacting the same.

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(b) A community development program implemented by any municipality may include the following activities:

(1) the acquisition of real property, including air rights, water rights, and other interests therein which is blighted, deteriorated, deteriorating, undeveloped, or inappropriately developed from the standpoint of sound community development and growth; appropriate for rehabilitation or conservation activities; appropriate for the preservation or restoration of historic sites, the beautification of urban land, the conservation of open spaces, natural resources, and scenic areas, the provision of recreational opportunities or the guidance of urban development; to be used for the provision of public works, facilities, and improvements eligible for assistance under this Act, or to be used for other public purposes;

(2) the acquisition, construction, reconstruction, or installation (*including design features and improvements with respect to such construction, reconstruction, or installation that promote energy efficiency*) of public works, facilities, and sites or other improvements [~~including neighborhood facilities, senior centers, historic properties, utilities, streets, street lights, water and sewer facilities, foundations and platforms for air rights sites, pedestrian malls and walkways and parks, playgrounds, and recreation facilities, flood and drainage facilities, and parking facilities, solid waste disposal facilities, and fire protection services and facilities which are located in or which serve designated community development areas~~];

(3) code enforcement in deteriorated or deteriorating areas in which such enforcement, together with public improvements and services to be provided, may be expected to arrest the decline of the area;

(4) clearance, demolition, removal, and rehabilitation (*including rehabilitation that promotes energy efficiency*) of buildings and improvements, including assistance and financing public or private acquisition for rehabilitation and the rehabilitation of privately owned properties *and including the renovation of closed school buildings* [~~when incidental to other activities~~];

(5) special projects directed to the removal of material and architectural barriers which restrict the mobility and accessibility of elderly and handicapped persons;

(6) payments to housing owners for losses of rental income incurred in holding for temporary periods housing units to be utilized for the relocation of individuals and families displaced by program activities under this Act;

(7) disposition, through sale, lease, donation or otherwise, of any real property acquired pursuant to this Act or its retention for public purposes;

(8) provision of public services not otherwise available [~~in areas where other activities authorized under this Act are being carried out, if such services are determined to be necessary or appropriate to support such other activities, and/or~~] if such services are directed toward improving the community's public services and facilities, including those concerned with the employment, economic development, crime prevention, child care, health, drug abuse, education, welfare, or recreation needs of persons residing in such areas, and coordinating public and private development programs;

(9) payment of the nonfederal share required in connection with a federal grant-in-aid program undertaken as part of a local community development program;

(10) payment of the cost of completing a project funded under Title I of the federal Housing Act of 1949 or federally assisted new communities assisted in the form of loan guarantees under Title X of the National Housing Act and a portion of the federally assisted area has received grants under Section 107(A)(1) of the Housing and Community Development Act of 1974, as amended;

(11) relocation payments and assistance for individuals, families, businesses, organizations, and farm operations *when determined by the municipality to be appropriate* [~~displaced by activities assisted under this Act~~];

(12) activities necessary to develop a comprehensive community development plan, and to develop a policy-planning-management capacity, so that recipients of assistance under this Act may more rationally and effectively determine their needs, set long-term goals

and *short-term* objectives, devise programs and activities to meet these goals and objectives, evaluate the progress of such programs in accomplishing these goals and objectives, and carry out management, coordination, and monitoring of activities necessary for effective planning implementation;

(13) payment of reasonable administrative costs and carrying charges related to the planning and execution of community development and housing activities, including the provisions of information and resources to residents of areas in which community development and housing activities are to be concentrated with respect to the planning and execution of such activities; *and including the carrying out of activities described in Section 701(e) of the Housing Act of 1954 on the date prior to the date of enactment of the federal Housing and Community Development Amendments of 1981;*

(14) activities that are carried out by public or private entities if the activities are necessary or appropriate to meet the needs and objectives of the community development plan, including:

(A) acquisition of real property;

(B) acquisition, construction, reconstruction, rehabilitation, or installation of public facilities, site improvements, utilities, commercial or industrial buildings or structures, or other commercial or industrial real property improvements; and

(C) planning; ~~and~~

(15) grants to neighborhood-based nonprofit organizations, local development corporations, or entities organized to carry out neighborhood revitalization or community economic development projects or *energy conservation projects; grants to federally assisted new communities; and grants to neighborhood-based nonprofit organizations, or other private or public nonprofit organizations for the purpose of assisting, as part of neighborhood revitalization or other community development, the development of shared housing opportunities in which elderly families benefit as a result of living in a dwelling in which facilities are shared with others in a manner that effectively and efficiently meets the housing needs of the residents and thereby reduces their cost of housing;*

(16) provision of assistance to private, for-profit entities, when the assistance is necessary or appropriate to carry out an economic development project; and

(17) the rehabilitation or development of housing assisted under Section 17 of the United States Housing Act of 1937.

(c) Any municipality may provide for and implement programs to provide financing for the acquisition, construction, improvement, or rehabilitation of privately owned buildings and improvements *or to assist private, for-profit entities when the assistance is necessary or appropriate to carry out an economic development project*, through the use of loans and grants from federal money remitted to a municipality at interest rates and on the terms and conditions as the municipality shall determine; except that municipalities are prohibited from providing municipal property or municipal funds for private purposes. *The [the] programs or financing shall be in keeping with an approved community development plan that has been determined by the municipality to be a public purpose. Any program established for financing the acquisition, construction, improvement, or rehabilitation of buildings and improvements, or for financing economic development projects, from federal funds may prescribe procedures under which the owner(s) of such building(s), [or] improvement(s), or economic development project(s) shall agree to partially or fully reimburse the municipality for the cost of such acquisition, construction, improvement, [or] rehabilitation, or economic development.*

SECTION 2. If any provision of this Act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are declared to be severable.

SECTION 3. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be

suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed by the House on May 22, 1987, by the following vote: Yeas 148, Nays 0, 1 present, not voting. Passed by the Senate on May 30, 1987, by the following vote: Yeas 30, Nays 0.

Approved June 19, 1987.

Effective June 19, 1987.