



# CITY OF HOUSTON

**Sylvester Turner**

Mayor

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May 24, 2019

The Honorable Greg Abbott  
Governor  
P.O. Box 12428  
Austin, Texas 78711

***RE: SB 493 Two Mile Rule***

Dear Governor Abbott,

I write today to respectfully request that you sign into law Senate Bill 493 by Senator Carol Alvarado and Representative Senfronia Thompson. SB 493 will allow the City of Houston to expeditiously rebuild its multifamily housing stock that was severely damaged or destroyed by Hurricane Harvey. Moreover, this legislation will facilitate Houston spending its federal disaster recovery funds by the 2024 deadline.

My team worked closely with your staff on the language contained in SB 493. Both SB 493 and HB 1839 were originally bracketed to counties with populations exceeding one million, consistent with existing law. After receiving feedback, we decided to bracket both bills to only the City of Houston.

After incorporating their feedback, as well as House Republicans, I am pleased that SB 493 received overwhelming bipartisan support in both chambers of the Texas legislature, 30-1 and 107-26.

Current law prohibits the Texas Department of Housing and Community Affairs (TDHCA) from awarding more than one 9% tax credit in the same calendar year if the projects are within two linear miles of one other. The purpose of the law is to limit the concentration of affordable housing developments in minority communities and direct developers to build affordable housing in high-opportunity neighborhoods. Accordingly, these projects can only be constructed within two linear miles in different calendar years.

SB 493 (incorporating HB 1839) grants the Houston City Council authority to waive the two-mile rule after taking an affirmative vote on a project-by-project basis. SB 493 will assist the City of Houston in replacing its severely damaged — and in some cases destroyed — affordable housing stock rather than concentrating affordable housing in minority neighborhoods.

If the City is required to operate under current law, it will slow the rebuilding process and delay displaced families from returning to their neighborhoods. Further, staggering the construction of multifamily projects financed with tax-credit dollars could put the City in jeopardy of not spending the \$1.17 billion granted by the General Land Office by 2024, thereby possibly triggering a retraction of funding and reallocation to other states.

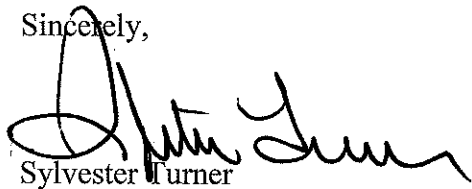
The City of Houston, under its Complete Communities initiative, identified five neighborhoods which sustained major damage from Hurricane Harvey: Acres Homes, Gulfton, Near Northside, Second Ward and Third Ward. Many boundaries of these neighborhoods are within two miles of each other. We designed and implemented planning processes that align with each community's needs. Out of the hundreds of engagement meetings involving all sectors of the community, an action plan was developed in each area.

Approval and implementation of SB 493 would allow the City to facilitate projects as outlined in the plans and rebuild Houston for the residents who need it most. By making this change in law, we will be able to recover faster and replace the damaged and destroyed housing stock. Moreover, the City won't have to unnecessarily stagger rebuilding much-needed multifamily housing developments, particularly in these identified communities.

Finally, the Houston City Council is comprised of members who are elected from at-large and single-member districts. Accordingly, council members representing single-member districts will know when neighborhoods in their districts have been rebuilt. At that point, the Council will resume observing the two-mile rule. I can affirmatively state that the City Council supports HUD's policy of de-concentrating subsidized, affordable housing in low-income neighborhoods. Further, the Council believes affordable housing should be dispersed throughout the city.

On behalf of Houstonians who have been displaced and want to return to their beloved neighborhoods, I request your approval of SB 493. If you or your staff have any questions about SB 493 and how it will be implemented, please feel free to contact me, Bill Kelly or Jamaal Smith on my staff. Your favorable consideration is greatly appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Sylvester Turner". The signature is fluid and cursive, with a large initial "S" and "T".

Sylvester Turner  
Mayor