

**Intro:**

In the Civil Rights Act of 1968, America does move forward. And the bell of freedom rings out a little louder.

**Christina:**

This is A Little Louder, a podcast for wonks, housers, and rabble rousers, where we talk about Fair Housing, Community Development, and how we can use these issues to build people power and work toward equity justice. I'm Christina Rosales

**John:**

And I'm John Henneberger.

**Christina**

And this is episode 6.

**John:**

We've sustained this thing, that's nice.

**Christina:**

Yeah, we're even getting pitches now, John. So it looks like you have a full stack of notes. Are we sitting here with the Professor today?

**John:**

I'm loaded and dangerous today, Christina. The news out of Washington with the HUD budget cuts. The insanity that is HUD's crazy going back to failed ideas about mandatory work requirements and tripling the rent on assisted housing residents and chopping off subsidy for housing has got me "mad as hell" as Howard Beale said on the movie Network, and I know you're very familiar with that movie being a journalist, right, Christina?

**Christina:**

I'm also 29 years old and haven't heard of it.

**John:**

Well, you must check it out. Howard Beale was a TV newscaster who had an emotional breakdown over the inanity of broadcast journalism and launched a very popular TV show that was sort of pseudo journalism in the movie, in which he started just ranting and railing against the TV station in the news media and his famous line was telling all his listeners to throw open their windows, stick their heads out of the windows and yell together "I'm mad as hell, and I'm not going to take it anymore." And that's kind of how I feel right now about this administration's policies in regard to affordable housing.

**Christina:**

I can't disagree with the sentiment. But if you rant too long, I have the audio control board in front of me, and I'm prepared to use it.

**John:**

You are all powerful.

**Christina:**

So we have a good show for you, John and I will do the usual talk about what we're reading and then we'll bring on our advocacy director Charlie Duncan to talk about the good, bad and the ugly of the Texas Legislature, which is now more than two months in.

**John:**

Another subject to which one can become mad as hell about.

**Christina:**

Yeah. So John, what are you reading?

**John:**

So I'm going to talk about corruption in state housing programs. Last week, Carolyn Davis, the former chair of the City of Dallas Housing Committee, she pled guilty to an accusation that she took a \$40,000 bribe for promoting a affordable housing developer's deals in her district. And for agreeing to come lobby, the Texas Department of Housing and Community Affairs to get his low income housing tax credit development funded in her low income African American South Dallas district.

**Christina:**

That's disheartening.

**John:**

And it's not the first time it's happened. The Dallas Senate's former Mayor Pro Tem went to jail on federal corruption charges for taking bribes from a low income housing tax credit developer who himself went to jail over the bribes a few years back. So this is our second go around with with bribery and the tax credit program. And the bottom line is the tax credit system in the state of Texas is a corrupt system that allows tax credits to be manipulated by corrupt developers and public officials, while consigning low income families to live in high poverty and low opportunity neighborhoods.

These developers and these corrupt politicians together -- this is a system that the legislature has created and only the Texas legislature can fix. People take money, people give campaign contributions, people give bribes. And people get deals done where the land is cheap, where the developer wants to build, but nobody bothers to ask the low income tenants where they want their kids to grow up. Nobody bothers to ask tenants if they want decent schools or they want a safe neighborhood or they want good parks.

**Christina:**

Yeah, and in fact, not only do they not ask where low income tenants want to live, what they want to be near, but this system also actively keeps out low income people from opportunity neighborhoods.

**John:**

Which we saw play out in Houston this last week when a group of neighborhoods in the predominantly white neighborhoods of the Heights, a highly desirable neighborhood located near the city, with good schools and access to jobs and transportation, managed to block a developer from building a low income housing tax credit development in the area. What was, in the end, like a 65 unit apartment development that they claimed would "increased traffic too much" and would "tax the city's water system." You know, I attribute this to racism. I really believe that racism underlies the opposition to affordable housing in these white, middle and upper middle income neighborhoods. This is the second high profile project in recent years that's been blocked by a white neighborhood organization, the previous one being the Fountain View development that we supported and which Mayor Turner pulled the plug on, which was located near the Galleria, which would have been the first affordable housing development funded outside of a high poverty, racially segregated neighborhood.

**Christina:**

And we are where we started back then.

**John:**

We are.

**Christina:**

Well I have more depressing news for you, John, you ready?

**John:**

I'm ready.

**Christina:**

The National Low Income Housing Coalition, of which we are a member, released its GAP Report this week. And the GAP Report highlights the shortage of affordable homes in the United States. And the big macro issue is that we can't leave affordable housing to the market. There are a lot of people out there who will say "well it's supply and demand. It's economics one on one, you know? You just build more housing and the rest fixes itself. The market will do what's best for us." And what the report to me really highlighted was that that's not necessarily so. There are millions of people who are paying more than half their incomes on rent and utilities. A lot of those are people of color. A lot of these people are very low income. And a lot of these people are working, their wages simply will not cover what the market provides.

**John:**

And we had to point out that if you're poor, and you're paying more than half of your income on rent, it's a lot more serious consequence than if you're wealthy or middle class and paying half of your income on rent, because in that case, you've got a little extra money in your pocket anyway.

**Christina:**

Right. Exactly. And there aren't sufficient incentives for landlords to provide homes at rates that people can afford. The biggest provider of affordable housing is what you were just about, the low income housing tax credits. And we've seen that that system is incredibly flawed and is an important provider of affordable housing, but it's not enough. And we do need to change that.

The other highlight is that three Texas cities fall into the list of the 10 most severe metropolitan areas of shortages.

**John:**

Oh, we're up from last year.

**Christina:**

So it's Houston, Dallas and Austin. And I just want to say that only one in four people who qualify for housing assistance in this country actually get it.

**John:**

It's probably more like one in six or one or eight in Texas.

**Christina:**

Right, exactly, because people shouldn't be spending half of their incomes on housing, period, end of story. I think in the report, it said that the most vulnerable and most impoverished families can afford you a home that's 600 and something dollars, \$660. And the average rent in this country is about for a modest two bedroom apartment is \$1249. So, again, this is not something that the market is going to fix. People make the this economic argument that "well, if you build luxury housing, then then the older housing stock will get filled by the next person." So it's like, "trickle down" or filtering that maybe the next income bracket will move up to for the luxury housing of yesterday. And that's not the case. And it's very problematic that we are relying on a system like that, when older housing stock might not necessarily be in the best condition for people to live in, especially, you know, low income families with kids with health issues, and older housing might make those issues worse.

**John:**

And if you wanted an example of a city that has adopted a deregulatory environment, it would be Houston. So if we believe we could solve this with simple deregulation, removal of zoning requirements, removal of environmental conditions, density requirements and other things, then Houston is already done that and Houston's on this list of one of the three cities that has the

greatest deficit of affordable housing. So this is a problem of supply. And the supply problem, as you say, is never going to be solved without public subsidy into creating more housing.

**Christina:**

That's right. Let's not put a damper on this depressing stuff over here. Let's go deeper into the dark, the good, the bad, the ugly with the 2019 Texas legislative session.

**Christina:**

Alright, we have Charlie Duncan, the Texas Housers Advocacy Director on the show. Thanks for being with us, Charlie.

**Charlie:**

Great to be here, Christina.

**Christina:**

Good. So I see you've got all prepped, we're going to talk about the Texas Legislature. You're the man in the capital for us.

**John:**

You're the man.

**Charlie:**

That is me. Among many.

**Christina:**

Strutting around telling people what's right and wrong.

**Charlie:**

Basically, there's a lot of ideas people can come up with and you know, some of them are great, some of them are questionable.

**Christina:**

All right.

**John:**

And given Texas, we know what the ratio of questionable to good is.

**Christina:**

All right, well, let's get into it. So you know, I'd like to end on a high note. Let's save the good for last.

**John:**

Okay. You don't need to save much time for that.

**Christina:**

So let's start with maybe what is one of the weirdest things you've seen out of the legislature so far?

**Charlie:**

You know, one of we have a program called the Low Income Housing Tax Credit program that produces the most affordable housing today in Texas and there's a lot of ways for political support to be included in the administration of that program. One of the ways this is done is through state representatives providing their opinions about whether or not affordable housing should be built in their districts.

A lot of representatives, I think, aren't crazy about this and would rather not be included. However, there is one representative who would like her input to be weighed even more heavily, along with other representatives, and that would be House Bill 59, filed by Representative Valerie Swanson, who's in northwest Harris County.

**John:**

And Valerie Swanson is famous as the state representative who ran on a campaign platform of doing away with all government subsidized housing,

**Charlie:**

Right. Yeah, that was one of her priorities.

**John:**

So we kind of know where she's going to land on this "I get to have my say over what's going to happen in my district."

**Charlie:**

That's right. But in any case, this bill would would make the letters worth more, be a much more consequential criterion in the tax credit program scoring.

**John:**

So let me get this right, Charlie, the Texas Legislature has seen fit to assign itself the role of collectively scoring points for where affordable housing developments will be built over, what is it, a couple of hundred state legislators. Most of whom don't even know what low income housing tax credits are really all about, are the ones making the determinate decisions, in many cases, as to whether a project will be built in location A or location B

**Charlie:**

Yes, they effectively hold veto power and, normally, the way this works is that the legislature creates the laws and then the administrative branch or the executive branch, so all the state

agencies, take that law and write rules. It is peculiar to have an opportunity for an elected official to go back and also provide an administrative role in a program like this.

**John:**

Charlie, talk about representative Johnson's bill that would fix this, though.

**Charlie:**

Sure. Yeah. So representative Eric Johnson of Dallas recently had a press conference on this issue in the aftermath of a corruption scandal, which came out about certain city officials receiving bribes in order to support affordable housing deals. Eric Johnson filed House Bill 4370, which would remove both state representative letters of support and City Council resolutions of support from the scoring criteria, which would effectively remove a lot of the politically motivated criteria.

**Christina:**

So let's move on to some bad bills. What are you calling out?

**Charlie:**

One issue here is the issue of late fees which are charged to tenants when rent is paid late. There's several bills around this issue. House Bill 1519 from representative Dade Phelan, and its rough companion Senate Bill 1414 from Senator Kelly Hancock. Both of these bills were brought by the Texas Apartment Association, the landlord lobby. And right now, one of their largest members of their organization is being sued right now over just this issue: charging unreasonable late fees to its tenants. So this legislation seeks to not address the issue, the core issue of unreasonable fees being charged to tenants, but rather, effectively allows landlords to continue to do what they are doing.

So if you're late, rent is due on the first, you pay it, you're allowed one full day after the due date before a rent fee can be incurred. So on the 3rd, you could get charged \$150 upfront where this bill to pass.

**John:**

Now responsible landlords, of course, would not want to do that. I wouldn't assume normally, although it's a potentially lucrative thing to do. Why in the world would the landlord lobby want to preserve this right to this huge abuse on the behalf of those really handful of bad actors in the landlord community?

**Charlie:**

It's my understanding that some apartments collect a lot of late fees, like you said, it's it can be a lucrative thing for how much late fees can be collected in a given month or year by just one apartment operator.

**John:**

It's a second source of money besides rent.

**Charlie:**

Exactly. And the issue here among many is that if you're charging an unreasonable late fee, you're effectively causing the damage, you are burdening that tenant to the point where he or she cannot meet their obligations to you. Whereas, if you were to charge a much more reasonable fee, something akin to what utilities might charge or cable company might charge, it's often a one time fee that's very small. You're not you're not precluding the abilities of that tended to be able to meet their obligations. When you use the tenant make a payment, that payment can be applied to fees first before the rent and so there's any remainder rent left unpaid, the landlord can justify continuing to charge you a fee, without notice that they've done this, into perpetuity.

And we've heard of folks going months before realizing that they've been incurring late fees over the course of two or three months, adding up to \$1,000 or more and they'd be might be facing eviction for that when that could have been addressed had they been in the know.

**John:**

So the landlord charges late fees on late fees?

**Charlie:**

Yes, effectively here we're charging late fees on late fees. Another issue that's near and dear to our hearts as fair housing advocates is ensuring that folks who rely on the assistance of affordable housing, have access to good areas, have access to good schools, to amenities, to safe spaces where they can enjoy life to the fullest like everybody else who has access to the regular housing market. One bill that's infringing on this ability to provide the best quality housing for low income tenants is House Bill 1215 from representative Nicole Collier. This is an issue that came up last session where school quality has been removed from the criteria for the low income housing tax program which we talked about earlier. School quality no longer can be used by the agency as a scoring criteria. Now, I would argue that virtually every parent out there when they're looking for a home for their family, one of the top criteria, if not the top criteria, for where they live is going to be "what's the quality of the schools."

And lower income folks who rely on affordable rental housing are no different and there's no reason to think otherwise. However, this bill prohibited the agency from using it as a scoring criteria and therefore could not use it to or encourage applicants to the program to seek out those areas where the best schools were available.

**John:**

And so what we have here is the same state representatives who exercise effective veto power in many cases, with their letters of approval in the tax credit program, they're keeping the projects out of their district. And now Rep. Collier is coming in and saying to the state agency who's making the final decision over where the developments will get built: "you may not give



credit to a developer who seeks to put a property near a school where the children who live in that property will be able to go to school and get a good education."

**Christina:**

This is all very upsetting. Let's move on to the good stuff. What are we backing? What are we excited about?

**Charlie:**

You know, this is an exciting session in that there's a lot of great opportunities for good stuff to happen in the housing world. A couple things that we're working on that we think are great issues to take on are :

1) Currently, it's the law that if you sell a piece of property to someone, you have to notify that buyer if the property is in a floodplain. However, that same notification requirement does not exist for landlords to tenants. So while tenants move around their city and move around the state, they are left completely unaware of what flooding risks may exist in that home that they've moved into.

**John:**

All we need to do is look at the TV pictures that we saw after Hurricane Harvey to know that it's tenants very often who lose all of their stuff. They lose their cars, they lose their furniture.

**Charlie:**

That's right. And so they move into a place, they don't have a lot of familiarity with the area or with the geography. And so they're going in blind here about what the risks are. So House Bill 970, which has been filed by Rep. Armando Walle and its companion Senate Bill 640 from Sen. Joan Huffman, both of Houston. Both of these bills would require that a landlord provide a notification to the tenant in writing prior to the signing of the lease, that a housing unit is located in a floodplain, the type of floodplain that it's in -- so what's the level of risk, what areas are located in it.

So whether it be the parking area, the unit itself, or a storage area for personal property, which of those areas are at risk? And then notify them that most rental insurance policies do not cover flooding, that they recommend getting flood insurance, should they choose to live there, and then have the notice be signed by both parties. And this is just a common sense basic notification that would provide a tenant to make an informed decision.

**John:**

And one of our great champions for housing in the state is state Sen. Eddie Lucio from Brownsville. I know he's carrying a bill that you worked on regarding making sure that hurricane survivors aren't driven out of their houses by rapid tax increases. Could you tell us a little bit about that one?

**Charlie:**

Sure thing, Senate Bill 812 would make sure that any recipients of the disaster recovery CBDG-DR program are not subjected to big tax increases in their property taxes should they receive assistance that replaces their home. So if you were in a home that was maybe valued at \$50,000, and that home was destroyed by a disaster, the CDBG-DR program, if you qualify, will provide you the funding to rebuild your home. That home is going to be built to new standards with new materials, and it's likely going to get appraised maybe two or three times what your previous home was worth. Most families, period, cannot suddenly take on a two or three times increase in their property taxes. This bill would ensure that that doesn't happen by moderating those increases over time.

**Christina:**

That sounds reasonable. There are a couple bills that we're excited about that maybe we didn't have to do with in writing or drafting. What are some of those exciting bills?

**Charlie:**

Some of those things deal with some problematic preemptions that exist in state law. Rep. Rosenthal from Houston has filed House Bill 1257, which would repeal the state's ban on source of income anti-discrimination ordinances. Back in 2015, might have been 2014 actually, the city of Austin passed an ordinance which prohibited landlords from discriminating against a tenant simply for the fact that were trying to use a Housing Choice Voucher also known as a Section 8 voucher. That ordinance was challenged by the Apartment Association. They lost in court, they lost in appeals and so they took it to the legislature and banned the practice altogether in the whole state. So this bill would undo that that prohibition, there's actually two bills which relate to this issue. There's a Eddie Rodriguez's House Bill 2187.

Another good issue that someone from the Austin delegations taken on is House Bill 3050 from a Rep. Gina Hinojosa. This bill would remove the state's ban on inclusion area zoning. This is where a city can include in a zoning ordinance that certain affordability requirements are met in order to develop on that property. So it allows the city to mix in affordable housing throughout the city and it helps for cities to meet the huge overwhelming need for affordable housing, which we've got fewer and fewer tools it seems every session to work with. This would be a really great tool to get back and use.

**Christina:**

Thank you, Charlie for being our watchdog over at the Capitol. We appreciate you coming and letting us know what's happening over there.

**John:**

You're a man of immense patience, persistence, and optimism.

**Charlie:**

Well, thank you. I'm happy to do it. And you know, we're about halfway through the game here. It's about to get real crazy here over the next couple of months.

**Christina**

Alright, in our last segment, we have our usual millennial slang and we'll make this a little bit of a competition again, what do you think, John?

**John:**

I think I might be at a distinct disadvantage.

**Christina:**

I'm an old soul.

**John:**

Yeah? Okay. All right, let's do it.

**Christina:**

So we brought our resident cool guy, Michael, our Comms Manager.

**Michael:**

Hello.

**Christina:**

Thanks for thanks for doing this.

**John:**

Resident cool guy.

**Michael:**

I really want to point out... not cool.

**Christina:**

OK, whatever. So tell us the rules of our game this time.

**Michael:**

Okay, so on an earlier podcast, you guys have been through emojis and sort of what they mean. So now I thought I would take it to your next class, next level, and putting those emojis get together to get a phrase or some sort of meaning. So the first one is a chef and a kissing face emoji. Now, what do you think that means when put together?

**Christina:**

Does it mean like when you when you cook something and you're like, \*mwah\*

**Michael:**

Yeah, that's it. It means "perfection." Basically it is like a chef's kiss. That's what that is. I promise I did not supply to Christina. John is staring daggers right through me.

**John:**

Okay, next one.

**Michael:**

So the next one is going to be a salt shaker and an emotionless face and another salt shaker. Now what do you think that that means?

**Christina:**

I have no idea. Take a guess John.

**John:**

I got nothing.

**Michael:**

It basically means that you're like salty or surly about something.

**John:**

That works. I get that.

**Christina:**

Like how John's feeling about this whole game?

**John:**

Yeah. That's how I feel about this game.

**Michael:**

Okay, okay, there's one more. What do you think this means? It's going to be a house. moneybags, and then a crying face. What do you think that means?

**John:**

The HUD budget.

**Michael:**

I mean, it's close.

**Christina:**

The rent is too darn high.

**Michael:**

Yeah, that's what it is. So you both got it right. That means the rent is too darn high. 1 in 3, or maybe 2 in 3 for you, and I think that you...

**John:**

I get a half a point.

**Michael:**

You get a half a point so you don't have to feel salty today. So that's good.

**Christina:**

All right, everybody that is our show. Find us on Twitter at [@TexasHousers](#). If you have feedback, comments, questions, email us at [Christina@Texashousing.org](mailto:Christina@Texashousing.org)

JT Harechmak, take us out.

[Outro music plays]