

LEGISLATIVE ISSUES

Dear Texas Legislator:

Thank you for welcoming members of the Texas Association of Builders (TAB) who have traveled from across the state to attend our Legislative Rally Day to deliver TAB's legislative agenda directly to you. We appreciate the opportunity to visit with you and your staff on the important issues facing Texas' residential housing and land development industry.

Founded in 1946 and comprised of almost 10,000 builders, remodelers, developers, associates, and their related companies statewide, TAB is committed to addressing the housing needs of the people of Texas by advocating for housing attainability for all. Our members strive to provide quality and affordable housing for their fellow Texans, allowing them to achieve the goal of homeownership.

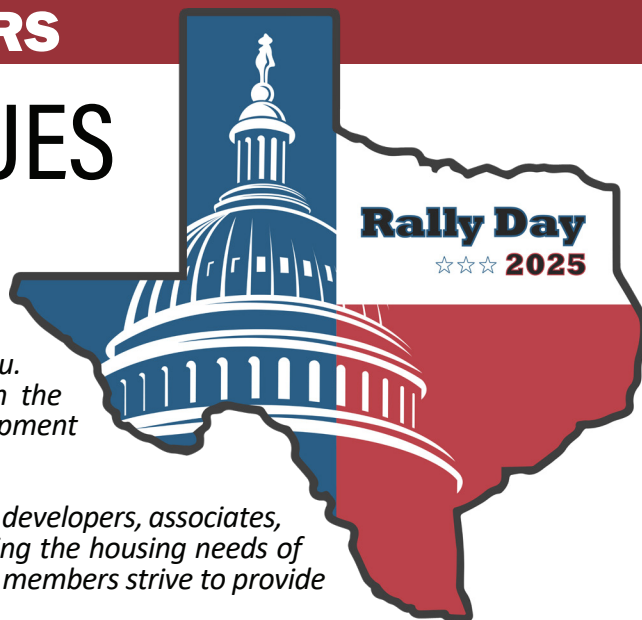
On behalf of the leadership of TAB and our members who represent hundreds of thousands of residential construction, development and related jobs statewide, thank you for your commitment to public service. We look forward to continuing to work with you and your staff during the remainder of the 89th Legislative Session to address the housing needs of Texans. Please do not hesitate to contact TAB if we can provide you with additional information or assistance on any issue.

Sincerely,



Brett Martin
President

M. Scott Norman, Jr.
CEO



Top Priority: Housing Affordability/Attainability

With our state's population growing at an unprecedented rate, the corresponding increase in the demand for housing, infrastructure, and a workforce to meet that growth must be carefully considered by policy makers. As we move forward, proven market-driven approaches coupled with reasonable and less burdensome regulations will be an essential part in maintaining the housing industry as a leading economic driver for our great state. Every issue the Texas Association of Builders advocates for or against is done so with housing affordability/attainability in mind.

Simply put, if it makes the cost of homes to Texans more affordable, we are generally **FOR** it. If it makes the cost of housing more expensive, we are **AGAINST** it.

TAB SENIOR LEADERSHIP

Brett Martin
President (Houston)

Chris Lyons
First Vice President (Amarillo)

Justin Webb
Vice President/Secretary (Rockwall)

Don Allen
Immediate Past President (Fort Worth)

Justin MacDonald
Treasurer (Kerrville)

LEGISLATIVE & GOVERNMENTAL AFFAIRS STAFF

M. Scott Norman, Jr.
CEO

Frances Blake
VP of Regulatory Affairs and
General Counsel

J.D. Hale
Director of Government Affairs

Blair Kirkpatrick
Executive Administrative Assistant



Texas Association of Builders

Work to Enhance Texas Reputation as the #1 State for the American Dream

Since 2008, Texas has been the number one state for new building permits for privately owned housing units. The state's population, however, is growing at a quicker pace than homes being built, i.e. a supply-side problem. Nationwide and across the state, homeownership has become increasingly inaccessible since 2020 due to the shortage of available homes and building materials, inflation, rising insurance and property taxes, and high interest rates. While bipartisan support for housing affordability exists, the housing crisis in Texas is one of the biggest threats to the Texas Miracle. Texas' housing boom has been supported for decades by the Texas Legislature with the passage of numerous bills that reduced government regulations, lowered property taxes, and increased efficiency in local governments and this work should continue.

TAB OPPOSES efforts that negatively affect housing affordability and attainability through unnecessary and burdensome land-use/housing policies, overreach by government in the free market, increased liability on landowners/builders/developers and excessive energy or other building code updates.



The legislature should reject proposals that drive up housing costs and slow housing growth and harm the state's economy and focus on proposals to increase the ability of Texans to achieve the American Dream of home ownership.

Update Residential Building Moratorium Statutes

State law provides a process for cities to impose a moratorium on building or development in their jurisdictions if they can demonstrate there are inadequate facilities (water, sewer, drainage, streets, etc.) that cannot support additional residential or commercial projects. If a moratorium is enacted, the city must provide notice and written findings to support the decision. The statute was not intended to be used as an anti-growth tool by those who oppose new housing or commercial development.

TAB SUPPORTS legislation that requires cities to provide more notice and opportunities for input from citizens and stakeholders and requires a higher threshold for adoption before imposing the draconian step of shutting down development and construction and the jobs and growth that it provides.

A moratorium is a drastic imposition by a government on its citizens and should only be used in times of necessity and emergency. If a city is going to use this unprecedented tool, they should provide adequate notice and information that supports these decisions. The use of moratoriums should be limited in duration and justified before they are imposed or renewed.



Improve Transparency and Timely Disclosure for Impact Fees

Impact fees are a one-time charge or assessment authorized by statute and imposed by a city or certain other political subdivisions against new development to generate revenue for funding or recouping the cost of capital improvements (water lines, sewer lines, drainage, streets, etc.) attributable to new development. Before a city may adopt impact fees, it must first establish an advisory committee, a capital improvements plan (CIP), and land use assumptions (LUA). While the city must make information about the proposed CIP and LUA publicly available and publish notice of the hearings to establish the CIP and LUA and adopt impact fees, additional transparency provisions are needed to ensure accountability and fairness. The CIP and LUA are complex and extensive reports and current law does not provide the public with sufficient time to review the proposals and prepare comments for the public hearing.

TAB SUPPORTS legislation that extends public notice and disclosure times, creates a higher threshold for adoption or fee increases and prohibits a city from increasing impact fees on an annual basis.

Impact fees directly drive up future housing costs and decisions to adopt or raise them should be carefully considered. Before these costly housing supply costs are imposed or increased by a city on future homeowners, the public should have the opportunity to adequately review and comment before any vote is taken.



2025 Legislative Issues

Career and Technical Education and Workforce Training



In order to supply the quality of homes families want at an affordable price, the residential construction industry needs access to a trained, educated and reliable workforce. Our industry continues to experience extreme labor shortages in all the skilled trades. These shortages are contributing to the increasing costs of housing across the state.

TAB SUPPORTS policies that help our industry address labor shortages in skilled trades. Texas State Technical College (TSTC) has been a valuable partner in working towards addressing these issues. We SUPPORT their legislative agenda which includes: changing their bill pattern and formula funding, three exceptional items in the budget for expanded campuses and improving commercial driver testing facilities. Finally, we support legislation that would create a permanent endowment for their system.

Legislative Priorities of the Lone Star Economic Alliance

Unfair verdicts are causing large settlements against Texas businesses. These verdicts are severely impacting businesses across Texas and companies are closing their doors as commercial liability insurers leave the state due the unsustainable cost of covering these settlements.

TAB SUPPORTS the efforts of the Lone Star Economic Alliance to advocate for policies that ensure employers can continue to create jobs and safely provide the goods and services that are essential to Texas families.



Support Municipal Utility Districts

Texas's rapid growth demands a steady supply of affordable housing and quality infrastructure. Municipal Utility Districts (MUDs) and other special districts are crucial tools for developers to provide essential services in new developments. As the state's population expands, protecting these tools is vital for ensuring continued quality infrastructure and maintaining housing affordability. We believe MUDs are good for Texas because they:

- Serve a limited purpose: to finance the construction of and maintenance of public utility infrastructure that is a user-only tax imposed on the residents who live and use the district facilities;
- Use ad valorem taxes primarily for debt service, with rates decreasing as bonds are paid off; and
- Allow growth to pay for itself, supporting sustainable development.

Addressing Housing Shortages

By focusing on legislation targeting the supply of housing, Texas can address its housing shortage while supporting diverse community needs.

- **Shot Clock/3rd-Party:** Support legislation that eliminates local inefficiencies and delays in development plan and plat review and building permitting/inspections. These include additional legislative efforts to address 3rd-party inspections to allow the private sector to expedite the process and get quality housing on the ground with minimal delay and cost to the homebuyer.
- **Flexible Lot Sizes:** Support legislation that allows landowners of five or more undeveloped acres to define lot sizes according to the community's need. Allows for flexible lot sizes to meet increased demand for smaller and more affordable homes.
- **Mixed-Use and Residential Housing:** Support legislation that allows office-to-residential conversions and job-centric housing development by streamlining the development of residential units on properties already zoned for commercial purposes.
- **Streamline Zoning Change Processes:** Support legislation that balances private property rights with community needs by amending certain zoning procedures. Currently, 20% of neighbors can block a zoning change unless 75% of the city council votes in favor. Raising the threshold for neighbor valid petitions to 60% reduces the potential for small groups to obstruct zoning changes.
- **Avoid Unintended Consequences:** Support efforts to enhance national security while protecting private property rights, shielding landowners/sellers from undue liability and ensuring the residential market can continue to address our housing shortage.
- **Office-to-Residential Conversions:** Support legislation that streamlines the process of repurposing empty and underutilized office spaces for residential use by allowing residential in office zones without zoning changes.
- **Earnest Money for Construction of Condominiums:** Support legislation that allows builders of condominiums to have the same tools as other residential construction projects to allow the use of earnest money towards construction costs to create more Texas housing.

STATE ECONOMIC IMPACT

\$28.7 million in local income are associated with the building of every 100 single-family homes.

- NAHB Housing Policy Department

\$71.5 billion is the annual impact to the Texas economy by the homebuilding industry.

- Realty Plus

149,860 was the # of starts in 2023 with an average value of \$271,533.

- Texas Real Estate Center at Texas A&M

JOBS IN HOMEBUILDING

4.4% was Texas' construction growth rate last year, 1.6% more than the U.S. average.

- Texas Workforce Commission

723,000 new construction workers are needed annually to keep pace with demand in the homebuilding industry.

- The Home Builders Institute

42,300 construction jobs were added in Texas Last Year.

- East Texas Workforce

HOMEOWNERSHIP

306,000 is the number of homes that Texas is short by as of 2023.

- Texas Comptroller of Public Accounts

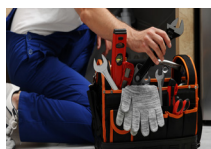
45th is Texas' national rank in homeownership.

- U.S. Economic Development

40% was the rise in median home prices in Texas between 2019 and 2023.

- Texas Comptroller of Public Accounts

DID YOU KNOW?



The home building sector creates an average of 1 permanent and 3 temporary jobs per single-family home.

- NAHB

For every \$1,000 increase in an average-priced home, approximately 22,000 households are priced out of the market.

- Texas Real Estate Center at Texas A&M University

As of 2024, Texas's population is approximately 31 million residents, reflecting a growth rate of 1.80%, which ranks third nationally.

- World Population Review

The average hourly earnings for residential building workers in the United States were \$33.51, reflecting a 9.9% increase from the previous year.

- NAHB



OUR MISSION & MEMBERS

The Texas Association of Builders (TAB) represents nearly 10,000 homebuilder, remodeler, developer, and associate members across Texas. TAB is committed to creating a positive business environment for the housing industry by addressing the housing issues of the people of Texas. Founded in 1946, TAB is an affiliate of the National Association of Home Builders with 26 local home builders associations across the state. TAB's state and local associations play a crucial role in providing housing for Texans.

26 LOCAL HOME BUILDERS ASSOCIATIONS

Big Country HBA

Central Texas HBA

Coastal Bend HBA

Crossroads BA

Dallas BA

East Texas BA

El Paso AB

Greater Fort Worth BA

Greater Brazos Valley BA

Greater Houston BA

Greater New Braunfels HBA

Greater San Antonio BA

HBA of Greater Austin

HBA of San Angelo

HBA of Southeast Texas

HBA of Texarkana

Heart of Texas BA

Hill Country BA

Laredo BA

North Texas HBA

Permian Basin BA

Rio Grande Valley HBA

Temple Area BA

Texas Panhandle BA

Tyler Area BA

West Texas HBA