

# BILL ANALYSIS: SB 840

BY **John Bonura**, Texas Public Policy Foundation

FEBRUARY 2025

## ISSUE

According to the Texas Comptroller, Texas is more than 300,000 housing units short of meeting the growth in population the state has been experiencing over the last decade. There are ways for the state government to intervene on behalf of the people to remove overburdensome regulations that have contributed to an artificial scarcity of homes. The purpose of SB 840 is to allow by right mixed-use residential and commercial zoning, which would make converting empty office spaces into housing units much easier. Converting offices into housing has a lower construction impact than new development because the structure and much of the infrastructure (e.g., electricity, plumbing, HVAC) are already in place. This, combined with other measures, would add to the housing supply and aid in bringing prices down to a more affordable range for consumers.

## ANALYSIS

Section 1 amends Chapter 211 Subchapter A of the Local Government Code by adding Section 211.0011 (a) which provides specific regulations for mixed-use residential and multifamily residential developments which are defined in Section 249.001. Subsection (b) explains that zoning regulations concerning these types of developments will be laid out in chapter 249 of the Local Government Code.

Section 2 Creates Chapter 249 of the Local Government Code entitled “regulation of mixed-use and multifamily residential use and development in certain municipalities and counties.

Section 249.001 provides definitions for mixed-use residential and multifamily residential.

As defined in this section, mixed-use residential is: “the use or development, as applicable, of a site consisting of residential and nonresidential uses in which the residential uses are at least 65 percent of the total square footage of the development.”

Multifamily residential is defined as: “three or more dwelling units within one or more buildings. The term includes the use or development of a residential condominium.”

Section 249.002 states that this chapter applies to:

- (1) a municipality with a population greater than 60,000 located in a county with a population greater than 420,000
- (2) a county with a population greater than 420,000

*continued*

Subchapter B entitled Zoning and Development Regulations begins with Section 249.101 which states that:

(a) Notwithstanding any other law a municipality or county shall allow mixed-use residential and multifamily residential in a zoning classification that allows for office, commercial, retail, warehouse or mixed-use or development.

(b) a municipality or county may not require the change of land use classification or variance to develop mixed-use residential or multifamily residential housing in an area described in (a).

Section 249.102 prohibits a municipality or country from adopting regulations that limit the density of housing units, limit building height, setback requirements, and parking space mandates.

Subchapter C waives fees for acquiring a building permit, closure of a street or sidewalk adjacent to proposed converted building, expedited permit review, or the fees related to parkland dedication.

According to this subchapter, a municipality or county may not require:

The preparation of a traffic impact analysis, the building of improvements or payment of a fee to mitigate the construction's impact on traffic, more than one parking space per dwelling unit, or impact fees unless the land that is being developed is already subject to the fee.

Section 249.207 allows for municipalities or counties to apply their current regulations regarding short term rental to the mixed-use residential and multifamily residential developments.

Subchapter D explains how to enforce this Section and how persons or non-profits can seek relief from violating entities and specifies the 15th Court of Appeals has exclusive intermediate appellate jurisdiction over actions brought under subsection (a) or (b).

## RECOMMENDATIONS

Change the county population threshold from 420,000 to 300,000.

## ABOUT THE AUTHOR



**John Bonura** is a Policy Analyst for the Taxpayer Protection Project with Texas Public Policy Foundation.

Prior to joining TPPF John served in the University system as a Graduate Assistant until he was given the opportunity to teach Principles of American Government. John holds a Master of Arts in Political Science from Texas State University and a Bachelor of Arts in Political Science from Sam Houston State University.

As a proud Eagle Scout John is an avid camper and enjoys spending time in the outdoors as well as at home with his wife.

