

# HOUSE BILL REPORT

## SSB 5747

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### As Reported By House Committee On:

Trade & Economic Development

**Title:** An act relating to housing authorities.

**Brief Description:** Regulating housing authorities.

**Sponsors:** Senate Committee on Financial Institutions & Housing (originally sponsored by Senators Sheldon, Roach, Sellar and Fraser).

### Brief History:

#### Committee Activity:

Trade & Economic Development: 3/29/95, 3/30/95 [DPA].

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## HOUSE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

**Majority Report:** Do pass as amended. Signed by 11 members: Representatives Van Luven, Chairman; Radcliff, Vice Chairman; D. Schmidt, Vice Chairman; Sheldon, Ranking Minority Member; Backlund; Ballasiotes; Hatfield; Hickel; Sherstad; Skinner and Valle.

**Staff:** Kenny Pittman (786-7392).

**Background:** Housing authorities are created as public corporations for the purpose of providing housing for persons of low income. Housing authorities use the public works process for the design, construction, rehabilitation or repair of housing projects. Under this process, a firm is retained to compete the design phase of the project. After the design and construction documents are complete, the construction phase of the project is put out for competitive bid. The construction contract is awarded to the lowest, responsible bidder.

In 1994, the Legislature authorized certain state agencies and local governments to use, under specified conditions, alternative public works contracting procedures. The state law now allows the use of the "design-build" process and the "general contractor/construction manager" (GC/CM) method for public works projects.

Under the "design-build" process, an agency enters into a single contract for both design and construction services from one contractor, and design is performed simultaneously with construction on earlier stages of the project. Under the GC/CM

method, an agency enters into two contracts - one with an architectural firm to design the facility, and one with a GC/CM firm to assist in developing and evaluating the facility design and to manage the construction. Most of the actual work under the GC/CM is broken into parts and competitively bid to subcontractors using the public bid process. In GC/CM, the design and construction phases of a project are merged into one, allowing design and construction to occur simultaneously throughout the life of the project.

Housing authorities are not statutorily authorized to use the state's alternative public works procedures for its housing projects.

**Summary of Amended Bill:** Housing authorities are authorized to use the state's alternative public works contracting procedures for the design, construction, reconstruction, improvement, alteration, repair, or rehabilitation of its housing projects.

Housing authorities are prohibited from operating their own solid waste/garbage collection system. An exemption is provided for a housing authority located in a city with a population of more than 400,000 that have existing contracts or agreements for solid waste/garbage collection.

**Amended Bill Compared to Substitute Bill:** The amended bill prohibits housing authorities from operating their own solid waste/garbage collection system. An exemption is provided for a housing authority located in a city with a population of more than 400,000 that has existing contracts or agreements for solid waste/garbage collection.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date of Amended Bill:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** The use of the alternative contracting process will speed up the development of housing projects. This has been used successfully for larger construction projects in the public and private sector. It would give housing authorities an alternative when developing housing for lower-income households.

**Testimony Against:** None.

**Testified:** (Pro) Senator Betti Sheldon, Sponsor; and Norman McLoughlin, Kitsap County Consolidated Housing Authority. (Concerns) Patty Vandebroek, Washington Apartment Association.