

HOUSE BILL REPORT

HB 1585

As Reported By House Committee On:
Trade, Economic Development, and Housing

Title: An act relating to housing policies and program coordination.

Brief Description: Creating the Washington housing policy act.

Sponsors: Representatives Ogden, Long, Wolfe, Morris, Conway, Wineberry, Forner, Leonard, Valle, Pruitt and J. Kohl.

Brief History:

Reported by House Committee on:
Trade, Economic Development, and Housing, February 22,
1993, DPS.

HOUSE COMMITTEE ON TRADE, ECONOMIC DEVELOPMENT, AND HOUSING

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives Wineberry, Chair; Shin, Vice Chair; Forner, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Campbell; Casada; Conway; Morris; Schoesler; Sheldon; Springer; Valle; and Wood.

Staff: Kenny Pittman (786-7392).

Background: The state of Washington has been involved in providing assistance for housing since 1970. What has evolved during the past 20 years is a system of direct spending programs and housing-related tax provisions that are used to meet the goal of reducing the cost and improving the quality of the housing stock.

While the state's involvement in housing has increased over the years, there has been concern expressed over the lack of a clearly articulated state policy on housing. This concern was evident during state-wide public hearings to receive input on the state's Comprehensive Housing Affordability Strategy. The state Department of Community Development reported that participants identified the need for better coordination of existing resources and public and private organizations that play a role in the provision of housing as a major goal.

Summary of Substitute Bill: The Washington Housing Policy act (act) provides a statement of public policy on state financial and technical assistance, and encourages partnerships between the public and private sectors to meet the housing needs of Washington's residents.

The objectives of the act are to strengthen public and private institutions that are able to: (1) develop an adequate and affordable supply of housing for all economic segments of the population; (2) assist very low-income and special needs households who cannot obtain affordable, safe, and adequate housing in the private sector; (3) encourage and maintain home ownership opportunities; (4) reduce life cycle housing costs while preserving public health and safety; (5) preserve the supply of existing affordable housing; (6) provide housing for special needs populations; (7) ensure fair and equal access to the housing market; (8) increase the availability of mortgage credit at low interest rates; and (9) coordinate and be consistent with the goals and objectives of the state's growth management act.

An Affordable Housing Advisory Board is established within the Department of Community Development (DCD) to analyze solutions and programs and make recommendations that address the state's need for affordable housing, assist in the preparation of a 5-year housing advisory plan, and advise and provide policy direction to DCD on housing and housing-related issues. Beginning December 1, 1993, the Affordable Housing Advisory Board must prepare an annual report to DCD on specific program, legislative, and funding issues.

The advisory board is made up of 21 members, 18 of whom will be voting members. The voting members are appointed by the governor for 4-year terms, except the chair who is appointed for a 2-year term. The voting members of the advisory board include representatives from the homebuilding industry, home mortgage lending profession, for-profit and non-profit developers, local government, special needs populations, apartment industry, and lower-income people. The three ex-officio, non-voting members are the director of the Department of Community Development, the executive director of the Washington State Housing Finance Commission, and the secretary of the Department of Social and Health Services.

The Department of Community Development is directed, in consultation with the Affordable Housing Advisory Board, to prepare a 5-year housing advisory plan. The purpose of the advisory plan is to document the affordable housing needs in the state and the extent to which public and private sector programs are meeting those needs, and facilitate planning and strategies to meet the state's affordable housing needs. The initial 5-year housing advisory plan is to be submitted

to the Legislature by February 1, 1994. Annual progress reports to the Legislature are required each February 1, beginning in 1995.

The Department of Community Development is designated as the principal state department for coordinating and evaluating the use of federal and state resources and activities for housing and is directed to work with local governments and nonprofit organizations to coordinate its resources with local resources for housing. The coordination of resources does not include the programs administered by the Washington State Housing Finance Commission. The Low-Income Housing Assistance Committee is abolished.

Substitute Bill Compared to Original Bill: The substitute bill acknowledges that land supply is a major factor in housing costs; requires that one of the objectives is to coordinate and be consistent with the state's Growth Management act; increases the residential construction industry representation from one to two on the advisory board and reduces the at-large representation from two to one; and requires the governor to make appointments to the advisory board that reflect the cultural diversity of the state.

Fiscal Note: Requested February 5, 1993.

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

Testimony For: What is needed besides a statement on public policy is a state-wide advisory board and a 5-year advisory plan. This plan will provide a guide to the governor and Legislature on meeting the state's housing needs. The Department of Community Development will receive input on the operations of its programs and where the needs exist. This approach will lead to increased coordination of state housing programs by replacing the various task forces and boards with one advisory board.

Testimony Against: None.

Witnesses: Representative Ogden, Prime Sponsor (Pro).