

HOUSE BILL REPORT

SB 5584

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

Title: An act relating to housing.

Brief Description: Creating the Washington housing policy act.

Sponsors: Senators Franklin, Winsley, McAuliffe, Skratek, M. Rasmussen, Hargrove, Wojahn, Niemi, Drew and Pelz.

Brief History:

Reported by House Committee on:
Trade, Economic Development & Housing, April 1, 1993,
DPA.

HOUSE COMMITTEE ON TRADE, ECONOMIC DEVELOPMENT & HOUSING

Majority Report: Do pass as amended. Signed by 13 members: Representatives Wineberry, Chair; Shin, Vice Chair; Forner, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Campbell; Casada; Conway; Morris; Quall; Schoesler; Springer; Valle; and Wood.

Staff: Kenny Pittman (786-7392).

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

Housing and housing-related programs are currently being administered by various state agencies. The Department of Community Development administers the majority of programs that provide funding for the development and preservation of housing for very low-income and special needs populations. The Washington State Housing Finance Commission administers housing programs that are funded through the issuance of tax-exempt revenue bonds and that provide financing for first-time home ownership and the construction of multifamily rental housing. The Department of Social and Health Services provides funding to assist special needs populations in meeting their unique housing and supportive

services needs. The Department of Revenue administers the housing-related tax provisions for the state.

The state's Housing Authority Law, enacted in 1939, created local public housing authorities in each county and city of the state. The purpose of a public housing authority is to provide safe and sanitary housing for persons of low-income through the administration of federal, state, or local housing programs.

Despite the wide range of housing and housing-related programs and services, concern has been expressed over the lack of a comprehensive statewide housing policy. It has been suggested that the lack of a clearly articulated state policy on housing inhibits the effective, coordinated delivery of housing and housing-related programs and services in the state.

Summary of Amended Bill: The Washington Housing Policy Act is established. The act provides a statement of public policy on state-provided financial and technical assistance for housing, and encourages public and private partnerships in meeting the housing needs of all the state's residents.

To meet the goal of a decent home in a healthy and safe environment for each resident, specific objectives are adopted whose purposes 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 five-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 four-year terms, except the chair who is appointed for a two-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 DCD, the executive director of the Washington State Housing Finance Commission, and the secretary of the Department of Social and Health Services.

The DCD is directed, in consultation with the Affordable Housing Advisory Board, to prepare a five-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 five-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 DCD is directed, in consultation with the Affordable Housing Advisory Board, to conduct a study and make recommendations concerning the development and placement of accessory apartments. The recommendations must be submitted to the Legislature by December 15, 1993, and are not effective until 90 days following adjournment of the 1994 regular legislative session. By December 31, 1994, local governments are to incorporate the recommendations in the accessory apartment study into their development or zoning regulations. Local governments are defined as: (1) cities or code cities with a population that exceeds 20,000; (2) counties that are required or elect to plan under the state's Growth Management Act; and (3) counties with a population that exceeds 125,000.

The DCD is designated as the principal state department for coordinating and evaluating the use of federal and state resources and activities for housing. The DCD 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.

The state's housing authority law is amended to allow a public housing authority to exercise any powers of an urban

renewal agency or of a public development corporation, when requested by a local government. The requirement to dedicate 30 percent of an individual building's interior space for persons of low-income is removed. Housing projects financed by a public housing authority and developed for intended sale to low- and moderate-income persons by nonprofit organizations or governmental units are not subject to the requirement that the units be dedicated to low-income occupancy for a 20-year period. The 20-year occupancy requirement does not apply to projects where the public housing authority only provides short-term financing.

Amended Bill Compared to Original Bill: The amended bill: (1) creates the affordable housing advisory board; (2) outlines the duties of the advisory board; (3) requires a study on the siting of accessory apartments in local governments; (4) designates the department of community development as the principal state department to coordinate and evaluate the use of federal and state resources for housing; and (5) amends the state's housing authority law concerning powers as a urban renewal agency and the occupancy requirements of buildings and individual units.

Fiscal Note: Available.

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

Testimony For: Clear policy direction is something that is needed. This will allow the state to work with local governments and the private sector in a comprehensive approach to housing problems. The amendment clearly strengthens the bill and complements the efforts at the local level.

Testimony Against: None.

Witnesses: Senator Franklin, Prime Sponsor (Pro); Mike Ryherd, Low Income Housing Congress (Pro to amended bill); Dave Williams, Association of Washington Cities (Pro to amended bill); and Mike Doubleday, city of Seattle (Pro to amended bill).