

HOUSE BILL REPORT

HB 2189

As Reported By House Committee On:

Trade & Economic Development

Title: An act relating to financing needs for senior housing.

Brief Description: Creating a task force to study alternative financing techniques for the development and renovation of low-income senior housing development.

Sponsors: Representatives McDonald, Van Luven, Veloria and Cooke.

Brief History:

Committee Activity:

Trade & Economic Development: 3/4/97, 3/5/97 [DPS].

HOUSE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Van Luven, Chairman; Dunn, Vice Chairman; Veloria, Ranking Minority Member; Sheldon, Assistant Ranking Minority Member; Alexander; Ballasiotes; Mason; McDonald and Morris.

Staff: Kenny Pittman (786-7392).

Background: In the 1960s, several federal programs were created to assist in the development or preservation of housing for seniors or persons with disabilities. These programs either provided direct funds or mortgage insurance to finance the construction or renovation of rental housing. Many of these developments are now in need of renovation or repair that include upgraded kitchen units, installation of sprinkler or fire suppression systems, new electrical and plumbing work, new elevators, and upgraded water and sewer systems. Reductions in federal funding have hampered efforts to finance these improvements.

Summary of Substitute Bill: The Task Force on Financing Senior Housing is created. The task force consists of 12 members with representation from public and private sector organizations involved in the provision of senior housing. The task force members include: (1) the director of the Department of Community, Trade and Economic Development; (2) the executive director of the Washington State Investment Board; (3) the executive director of the Washington State Housing Finance Commission; (4) four representatives from organizations involved in the management of senior housing

developments, one representative from owners of senior housing developments; (5) three representatives from financial institutions, one representative must be from an investment and banking firm involved in financing federally insured senior housing developments; (6) one representative of a mobile home owners association that represents seniors; and (7) one representative from a public housing authority. The director of the Department of Community, Trade, and Economic Development must appoint the members of the task force and is the chair of the task force.

The task force is authorized to: (1) review financing needs of low income senior housing; (2) review existing federal and state programs and incentives for the construction or renovation of senior housing; (3) review programs and techniques in other states and countries for the construction or renovation of senior housing; (4) make recommendations on possible state financing techniques to assist in the construction or renovation of senior housing; and (5) prepare and submit a report to the Senate Committee on Financial Institutions and Housing and the House of Representatives' Committee on Trade and Economic Development with its finding and recommendations by December 15, 1997.

The Department of Community, Trade and Economic Development, the Washington State Investment Board, and the Washington State Housing Finance Commission must provide administrative and clerical assistance to the task force. The task force expires February 1, 1998.

Substitute Bill Compared to Original Bill: The substitute bill increases the size of the task force from 11 to 12 members. A representative of a mobile home owners association that represents seniors is added to the task force. The representatives from the senior housing management organizations must be from an organization that represents owners of senior housing developments.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: As the federal government reduces its role in housing, the public and private sector will have to develop new financing techniques to meet the development and renovation needs of senior housing. This study will help identify what is working in other states and countries and what could work here. Bringing everyone together on the task force will be an important first step as we work to solve these important problems.

Testimony Against: None.

Testified: Kim Herman, Washington Housing Finance Commission (pro); Majken Ryherd-Kiera, Washington Low-Income Housing Congress (pro); Daniel Smerkens, Sisters of Providence (pro); Karen Tynes, Washington Association of Homes for the Aged (pro); Roberta Sherwood, Hilltop House, Inc. (pro); Coyle Jefferson, Archdiocese Housing Authority (pro); and Enid Buchanan, Washington Department of Community, Trade and Economic Development (pro).