

SENATE BILL REPORT

SHB 2189

As Reported By Senate Committee On:
Financial Institutions, Insurance & Housing, April 1, 1997

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 developments.

Sponsors: House Committee on Trade & Economic Development (originally sponsored by Representatives McDonald, Van Luven, Veloria and Cooke).

Brief History:

Committee Activity: Financial Institutions, Insurance & Housing: 3/26/97, 4/1/97 [DPA].

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, INSURANCE & HOUSING

Majority Report: Do pass as amended.

Signed by Senators Winsley, Chair; Benton, Vice Chair; Finkbeiner, Hale, Heavey and Kline.

Staff: Dave Cheal (786-7576)

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 housing 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 Amended Bill: The Task Force on Financing Senior Housing and housing for persons with disabilities is created. The task force consists of 13 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; (7) one representative from a mobile home park owners' association; and (8) 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 and persons with disabilities housing; (2) review existing federal and state programs and incentives for the construction or renovation of senior housing and housing for persons with disabilities; (3) review programs and techniques in other states and countries for the construction or renovation of senior housing and housing for persons with disabilities; (4) make recommendations on possible state financing techniques to assist in the construction or renovation of senior housing and housing for persons with disabilities; and (5) prepare and submit a report to the Senate Committee on Financial Institutions, Insurance 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.

Amended Bill Compared to Substitute Bill: The amended bill adds the consideration of financing housing for persons with disability to the work of the task force. The original bill dealt with senior housing only.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: The combination on reductions in federal funds and deferred maintenance on many affordable senior housing facilities requires a creative search for new financing methods.

Testimony Against: None.

Testified: Representative McDonald, prime sponsor (pro).