

SENATE BILL REPORT

SB 5247

As Reported By Senate Committee On:
Commerce, Trade, Housing & Financial Institutions, February 16, 1999

Title: An act relating to affordable housing.

Brief Description: Providing affordable housing to certain low-income individuals.

Sponsors: Senators Kline, Costa, Winsley, Goings and Rasmussen.

Brief History:

Committee Activity: Commerce, Trade, Housing & Financial Institutions: 2/2/99, 2/16/99 [DPS].

SENATE COMMITTEE ON COMMERCE, TRADE, HOUSING & FINANCIAL INSTITUTIONS

Majority Report: That Substitute Senate Bill No. 5247 be substituted therefor, and the substitute bill do pass.

Signed by Senators Prentice, Chair; Shin, Vice Chair; Benton, Gardner, Hale, Rasmussen, T. Sheldon, West and Winsley.

Staff: Dave Cheal (786-7576)

Background: The Seniors and Persons with Disabilities Task Force was created by the Legislature in 1997 and extended in the 1998 session. The task force included a diverse group of government and private nonprofit developers, and private sector financial leaders in the housing field. The charge to the task force was to develop and recommend new financing strategies and techniques for housing facilities and services for these two groups. Federal assistance cutbacks have severely impacted seniors and persons with disabilities, at a time when these two populations are growing rapidly.

One of the task force recommendations involves the sale of business and occupation tax credits. The Washington State Housing Finance Commission has several years of experience in the sale of federal tax credits, and use of sale proceeds to finance affordable housing development.

Summary of Substitute Bill: The Housing Finance Commission (HFC) is authorized to auction up to \$10,000,000 worth of business and occupation or utility tax credits per biennium. Purchasers of the credits may use them to pay either business and occupation taxes or public utility taxes due during the biennium in which they are purchased. Bids for less than 50 percent of the value of the credit may not be accepted, and the HFC may establish a higher minimum bid. Proceeds of the auctions are placed in a trust account established by the HFC, and disbursed to projects benefitting low income seniors and low-income persons with disability.

Funds are awarded according to recommendations of the advisory board that is established, subject to the approval of the HFC and the Director of the Department of Community, Trade, and Economic Development. Eligible types of projects are: (a) new construction; (b) rehabilitation; (c) maintenance; (d) infrastructure; and (e) a rental assistance voucher program. The Departments of Revenue and Community, Trade, and Economic Development, the HFC, and the advisory board must evaluate the results of all projects funded by the trust account and report to the Governor and Legislature by December 1, 2001, according to certain specified criteria.

Substitute Bill Compared to Original Bill: The substitute bill adds detail to the definition of "persons with disability" and makes it clear that the low-income modifier applies to both seniors and persons with disabilities.

Appropriation: None.

Fiscal Note: Requested on January 22, 1999.

Effective Date: July 1, 1999.

Testimony For: Among those in need of housing assistance, seniors and persons with a disability face unique housing problems. Their ability to improve or maintain their housing situation will not improve and may worsen. Without safe and affordable housing, low-income seniors and persons with disabilities who need support services will need to relocate to institutional facilities. That would mean a deterioration of their quality of life and a greater public expense than housing assistance that would extend independent living.

Testimony Against: None.

Testified: PRO: Joe Whaley, citizen; Ray Munson, MHOA; Kim Herman, WSHFC; Margaret Lee Thompson, King County Parent Coalition for DD; Donna Patrick, Disabilities Council; Karen L. Tynes, Washington Association of Housing and Services for the Aging; Patty Van Den Brock.