

SENATE BILL REPORT

SB 6527

As Reported By Senate Committee On:
Education, January 31, 2000
Ways & Means, February 8, 2000

Title: An act relating to housing assistance for school district employees.

Brief Description: Providing housing assistance for school district employees.

Sponsors: Senators Jacobsen and Kline.

Brief History:

Committee Activity: Education: 1/31/2000 [DP].
Ways & Means: 2/7/2000, 2/8/2000 [DPS, DNP].

SENATE COMMITTEE ON EDUCATION

Majority Report: Do pass.

Signed by Senators McAuliffe, Chair; Eide, Vice Chair; Bauer, Brown, Goings, Kohl-Welles and Rasmussen.

Minority Report: Do not pass.

Signed by Senators Benton, Finkbeiner and Hochstatter.

Staff: Susan Mielke (786-7422)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6527 be substituted therefor, and the substitute bill do pass.

Signed by Senators Loveland, Chair; Bauer, Vice Chair; Brown, Vice Chair; Fraser, Kline, Long, McDonald, Rasmussen, Snyder, West, Winsley, Wojahn and Zarelli.

Minority Report: Do not pass.

Signed by Senator Fairley.

Staff: Michael Groesch (786-7434)

Background: There are state and private programs in Washington providing home-buying down payment assistance for qualified buyers. However, these programs are not specifically designed to assist school employees.

Summary of Substitute Bill: A statewide pilot program providing home-buying down payment loans to eligible school employees must be developed by the Department of Community, Trade, and Economic Development and the Housing Finance Commission. To

be eligible for a loan, a school employee must have a median family income less than that in the area of the home or the state, whichever is higher. The loans must be used to buy the school employee's primary residence in the school district where the employee works. The fund source for the appropriation is changed to the housing trust fund.

Substitute Bill Compared to Original Bill: An expiration date of 2002 is added to the pilot program. Legislative direction is provided for the deposit of funds remaining in the collateral account after the loans are repaid.

Appropriation: \$500,000.

Fiscal Note: Available.

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

Testimony For (Education): Some school district employees cannot afford the down payment on a home in the areas in which they work, especially in the Puget Sound area. If there was a program providing housing assistance for school district employees, it would help school districts recruit and retain employees by helping the employee live in the same communities as the students. This is one way to provide additional financial support to school employees.

Testimony Against (Education): None.

Testified (Education): PRO: Senator Jacobsen, prime sponsor; Kim Herman, WA St. Housing Finance Commission; Dee Taylor, WA St. Housing Finance Commission; Doug Nelson, PSE; Bob Maier, WEA; Barbara Mertens, WASA.

Testimony For (Ways & Means): The Housing Finance Commission administers several similar programs and will support the implementation of this pilot with \$500,000 of Housing Finance Commission funds. State money will be used in a financing collateral account, to buy down interest rates and to pay the costs of financing. Funds for the down payment loans will be financed through taxable bonds secured through Fannie Mae, the federal housing finance authority. An estimated 530 down payment loans will be made available through the pilot.

Testimony Against (Ways & Means): None.

Testified (Ways & Means): PRO: Kim Herman, WA St. Housing Finance Commission; Karen Davis, WEA; Doug Nelson, PSE.