

# HOUSE BILL REPORT

## HB 1547

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### As Reported by House Committee On: Housing

**Title:** An act relating to housing assistance grants and loans.

**Brief Description:** Expanding programs eligible for housing assistance grants and loans.

**Sponsors:** Representatives Miloscia, Sells, Pettigrew, Campbell, Hasegawa, McCoy, Darneille, Chase, Schual-Berke and Kenney.

#### **Brief History:**

##### **Committee Activity:**

Housing: 2/8/05, 2/17/05 [DPA].

#### **Brief Summary of Amended Bill**

- Preference for Housing Trust Fund grants is extended to applicant projects which include employment and training opportunities in Washington apprenticeship programs.
- Requires that organizations receiving assistance from the Housing Trust Fund:  
(a) establish an organizational quality management system by July 2007; and  
(b) pay employees 50 cents above the current minimum wage during 2005 and raise that wage by 50 cents for each subsequent year until 2015.

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### HOUSE COMMITTEE ON HOUSING

**Majority Report:** Do pass as amended. Signed by 5 members: Representatives Miloscia, Chair; Springer, Vice Chair; Ormsby, Pettigrew and Sells.

**Minority Report:** Do not pass. Signed by 4 members: Representatives Holmquist, Ranking Minority Member; Dunn, Assistant Ranking Minority Member; McCune and Schindler.

**Staff:** Robyn Dupuis (786-7166).

#### **Background:**

Current statute defines organizations that may receive assistance from the Department of Community, Trade, and Economic Development (DCTED) Housing Trust Fund as including local governments, local housing authorities, regional support networks, non-profit organizations and others. There exists in statute no additional qualifying criteria.

Preference for Housing Trust Fund assistance is given to organizations whose projects leverage other funds, provide housing for persons with the lowest incomes, and provide employment and training opportunities for disadvantaged youth, among other preferred qualifying criteria.

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**Summary of Amended Bill:**

Organizations receiving Housing Trust Fund assistance must have an organizational quality management system equivalent to the Malcolm Baldrige National Quality Program in place by July 2007.

Organizations and their identified subcontractors receiving assistance from the Housing Trust Fund must pay employees 50 cents above the current minimum wage during 2005 and raise that wage by 50 cents for each subsequent year until 2015. After 2015, hourly wages will be computed by determining the annual percentage wage increase for the preceding year and increasing the wage paid in the preceding year by that amount. This requirement applies to years during which the organization receives Housing Trust Fund assistance.

Criteria for applications to be given preference for funding by the Housing Trust Fund is expanded to include applicant projects that provide employment and training opportunities in Washington certified apprenticeship programs.

**Amended Bill Compared to Original Bill:**

Adds criteria for organizations eligible to receive assistance from the Housing Trust Fund to include the provisions that:

- (a) organizations must establish a quality management system by July 2007; and
  - (b) organizations must pay employees 50 cents above the current minimum wage during 2005 and raise that wage by 50 cents for each subsequent year until 2015. After 2015 wages must be raised based upon the annual percentage wage increase for the preceding year.
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**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date of Amended Bill:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Testimony For:** Apprenticeship programs provide outstanding opportunities for many individuals to gain work experience so that they can have a better career and make a higher wage to support themselves and their families. The development of low income housing, through the support of the Housing Trust Fund, should provide opportunities for low-income individuals participating in apprenticeship programs to gain valuable work experience. This bill is an effort to do as much good as possible with public money. While developers are

building housing, it is the best use of public money to also provide opportunities for job training for low-income individuals who will benefit from that housing. This legislation simply adds an additional criteria for consideration of projects, it doesn't penalize any project that doesn't include an apprentice component.

**Testimony Against:** None.

**Persons Testifying:** Representative Miloscia, prime sponsor; Jose Padilla, Reynaldo Iturbide, Rocky Marshall and Eric Franklin, North West Carpenters; and Bob Markholt, Seattle Vocational Institute.

**Persons Signed In To Testify But Not Testifying:** None.