
Housing Committee

HB 2649

Brief Description: Creating an affordable housing for all program.

Sponsors: Representatives Miloscia, Hasegawa, Upthegrove and Ormsby.

Brief Summary of Bill

- Creates the Affordable Housing For All Program.
- Establishes a state and local government goal of ensuring a decent, appropriate, and affordable home in a healthy, safe environment for every low-income household by 2020.
- Requires state and local Affordable Housing For All Plans.
- Provides for additional funding through a General Fund appropriation and the application of an existing surcharge to additional recording documents; and
- Recodifies affordable housing-related RCWs and adds performance measures.

Hearing Date: 1/19/06

Staff: Robyn Dupuis (786-7166).

Background:

Existing Low Income Housing Surcharge

County auditors are required by statute to record deeds and other instruments that are filed and recorded. Recording fees are set in statute. A \$10 surcharge is charged for recording certain documents to support low-income housing projects.

The county is allowed to keep up to 5 percent of the \$10 surcharge for the collection, administration, and local distribution of the funds. Of the remaining funds, 40 percent is transmitted into the Housing Trust Fund administered by the Department of Community, Trade, and Economic Development (DCTED). The remainder of the revenue generated is transmitted to the counties for low-income housing programs and projects; which serve households making at or below 50 percent of the area median income.

Affordable Housing Advisory Board (AHAB)

The AHAB is the principal advisory body on housing and housing-related issues. The AHAB consists of 22 members representing a variety of industries, state agencies, populations and geographic locations.

State Agency Responsibility for Affordable Housing

The DCTED is the principal agency responsible for the majority of the state's affordable housing initiatives. The Department of Health is designated as the single state agency responsible for encouraging the development of temporary worker housing (RCW 70.114A.040).

Growth Management Act Planning

Enacted in 1990 and 1991, the Growth Management Act (GMA) establishes a comprehensive land use planning framework for county and city governments in Washington. The GMA specifies numerous provisions for jurisdictions fully planning under the Act (planning jurisdictions).

Among other requirements, planning jurisdictions must adopt internally consistent comprehensive land use plans, which are generalized, coordinated land use policy statements of the governing body. Comprehensive plans must satisfy requirements for specified "elements," including a housing element.

The housing element of a comprehensive plan must ensure the vitality and character of established residential neighborhoods and must include a statement of goals, policies, and provisions for the preservation, improvement, and development of housing. The housing element also must include data collection and analysis provisions and must fulfill requirements pertaining to existing and projected housing needs for all economic segments of the community.

Comprehensive plans and development regulations must be reviewed and, if needed, revised according to a recurring seven-year statutory schedule. Planning jurisdictions are required to establish an evaluation program. Data collected through the review and evaluation program shall be evaluated every five years. If inconsistencies are found between what has occurred since the adoption of the plan and what was envisioned to occur in the plans, the planning jurisdiction must adopt and implement measures to increase consistency. The DCTED will submit to the legislature, by December 31, 2007, a report on county activities related to planning and evaluation reviews.

Copies of comprehensive plans are transmitted to the DCTED. The DCTED is not required in statute to evaluate planning jurisdiction comprehensive plans or performance.

Affordable Housing Statutes

There exist in statute numerous chapters under several titles which address affordable housing. These include chapters 43.185, 43.185 (A-C), 35.82, 35.21, 36.34, 36.70A, 43.20A, 43.63A, 43.330, 47.12, 59.28, 70.114, 70.164, 72.09 and 43.63A.

Summary of Bill:

Creates Affordable Housing For All Program

Program Goals and Target Population:

1. A decent, appropriate, and affordable home in a healthy, safe environment for every low-income household by 2020; and
2. An increased percentage of low-income households who do not rely on public support for housing.

For the purpose of the Affordable Housing For All Program, low-income households are defined as those earning 80 percent or less of the area median income, and affordable housing is defined

as housing for which the cost does not exceed thirty percent of the occupying household's gross annual income.

Participation of Local Governments

Counties may decline to participate in the Affordable Housing for All program. In such an instance, all funds due to a county will be remitted to the DCTED which will subcontract with an entity to create and execute an Affordable Housing for All plan for that county. Any city may participate in the program and shall receive the portion of the funds attributable to document recordings involving transactions within the city.

Program Funding

Document Recording Surcharge

The program is funded through an existing \$10 surcharge on document recording fees.

- The county may retain up to 5 percent for collection and distribution costs.
- 30 percent of revenues generated will be transmitted to the DCTED for planning, data system implementation and management, technical assistance, and to provide planning grants to local governments.
- The remainder, a minimum of 65 percent, is retained by the county, and participating cities, for Affordable Housing for All programs.

Appropriation of General Funds

\$2 million is appropriated from the General Fund for fiscal year 2007 for planning, data collection and program implementation activities. Local governments receive \$1 million of this funding.

Affordable Housing Database

The DCTED will implement an Affordable Housing Database which will include information on all affordable housing units which have received or are currently receiving state, federal or local funds, funds from a non-profit organization, or financing through the Washington Housing Finance Commission. This database will be searchable for housing referral purposes. The DCTED will also encourage private landlords to list their units. The database will be implemented by December 31, 2009.

State and Local Plans

The DCTED and participating local governments are required to produce annual Affordable Housing for All plans. Plans will document the need for affordable housing, identify root causes of the affordable housing crisis, and will include an activity plan to reach the goals of the Affordable Housing for All program. The state plan is due to the legislature by December 31, 2007. Local plans are due by April 30, 2008. The DCTED will annually evaluate local government plans as well as local program performance. The Affordable Housing Advisory Board (AHAB) will evaluate the state plan. JLARC will audit the Affordable Housing for All program every four years beginning on or before December 31, 2009.

Quality Management

All Local Governments receiving more than \$400,000 annually from the Affordable Housing for All program and the surcharge in RCW 36.22.179 (for homeless programs) must implement a quality management program and apply to the Washington State Quality Award program every three years.

Recodified Statutes and Performance Measures

Statutes addressing affordable housing issues are recodified into one title. All affordable-housing related statutes include performance measures where appropriate, and information regarding all affordable housing activities are required to be included in the state's annually updated Affordable Housing for All plan. In addition:

a) RCW 70.114A.040 places the DCTED in charge of encouraging the development of temporary worker housing in collaboration with the Department of Health;

b) The AHAB is the principal advisory body to the state regarding affordable housing issues and membership is limited to seventeen voting members from specific industries; and

c) For counties planning under RCW 36.70A.040, comprehensive plans will be consistent with Affordable Housing for All plans and CTED will evaluate county performance as it relates to county comprehensive plans, activities, and goals and leveraging funds to create and preserve affordable housing.

Appropriation: None.

Fiscal Note: Requested on January 10, 2006.

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