

# SENATE BILL REPORT

## E2SHB 2418

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As Reported By Senate Committee On:  
Ways & Means, February 27, 2006

**Title:** An act relating to affordable housing.

**Brief Description:** Increasing the availability of affordable housing.

**Sponsors:** House Committee on Capital Budget (originally sponsored by Representatives Springer, Miloscia, Chase, Morrell, Hasegawa, Darneille, Santos, P. Sullivan, Kagi, Green, Sells, Ormsby and O'Brien).

**Brief History:** Passed House: 2/11/06, 72-24.

**Committee Activity:** Ways & Means: 2/22/06, 2/27/06 [DPA, w/oRec].

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass as amended.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Doumit, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Fairley, Kohl-Welles, Parlette, Pflug, Pridemore, Rasmussen, Regala, Roach, Rockefeller and Thibaudeau.

**Minority Report:** That it be referred without recommendation.

Signed by Senator Schoesler.

**Staff:** Kirstan Arestad (786-7708)

**Background:** The state of Washington distributes funding for housing programs through the Department of Community, Trade and Economic Development's (CTED) Housing Trust Fund. Housing (HTF) projects must serve low-income and special needs populations. Grants and loans are awarded on a competitive basis.

The 2005-2007 budget includes a total appropriation of \$100 million for the HTF. Of this amount, \$33 million is designated for specific set asides.

Energy Matchmakers	\$ 9,000,000
Housing for Developmental Disabilities	\$ 5,000,000
Self-Help Housing Programs	\$ 2,500,000
Housing for Domestic Violence Victims	\$ 1,000,000
Emergency Shelters/Transitional Housing	\$ 5,000,000
Farm Worker Housing	\$ 8,000,000
<u>On-farm Infrastructure Loan Programs</u>	<u>\$ 2,500,000</u>

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Total

\$33,000,000

According to the CTED, housing projects representing requests for over \$45 million in HTF assistance are currently deemed eligible and await the availability of funding. These projects represent the potential development of approximately 2,300 units of affordable housing.

The Homeless Families Services Fund (also referred to as the Washington Families Fund) was established by the Legislature in 2004 with an initial one-time appropriation of \$2 million. This program leverages private dollars to provide long-term, stable sources of funding for homeless services.

**Summary of Amended Bill:** Up to \$25 million is authorized to be transferred from the State General Fund into the Housing Trust Fund (HTF) for the fiscal year ending June 30, 2006. Distribution of funds are the same as the competitive application and distribution procedures for the HTF, except for funds applied to the Homeless Families Services Fund which are specifically appropriated to weatherization projects, housing vouchers for homeless persons, victims of domestic violence, and low-income persons or seasonal farm workers, and dollars appropriated to any program that provides financial assistance for grower-provided on-farm housing for low-income migrant or seasonal farm workers.

CTED is required to report to the Legislature how appropriated funds were utilized on a county or city specific basis no later than December 31, 2007, as well as implement the Washington homeless client management information system by December 31, 2009, for the ongoing collection and updates of information about all homeless individuals in the state. The Washington homeless client management information system must serve as an online information and referral system to enable local governments and providers to connect homeless persons in the database with available housing and other support services. The bill also requires that local governments develop a capacity for continuous case management, including independent living plans, when appropriate, to assist homeless persons.

CTED is also required to conduct a study to evaluate the potential development of a voluntary statewide, low-income housing waiting list database for the purpose of connecting households with appropriate housing opportunities. The department must also implement by December 31, 2009, a master affordable housing database for use by the department, local governments, community housing organizations, housing authorities, and the public. Together with the Housing Finance Commission, and other housing entities, CTED will review current housing reporting requirements and make recommendations annually on ways to streamline and simplify planning and reporting requirements to the legislature.

The bill allows for the dissolution of a joint housing authority and contains a null and void provision.

**Amended Bill Compared to Original Bill:** The amendment deletes references to the real estate excise tax; corrects inconsistencies to reflect that funding is optional and is one-time; removes specific reference to how the money should be distributed; adds language that requires that data collected is kept confidential in a manner consistent with federal guidelines; adds a process for the dissolution of joint housing authorities; and makes a technical correction clarifying that if specific funding is not transferred by June 30, 2006, the bill is null and void.

**Appropriation:** None.

**Fiscal Note:** Requested – Not Available.

**Committee/Commission/Task Force Created:** No.

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

**Testimony For:** The state is experiencing a housing boom that is not yet over. This is providing the state with additional revenue. However, the housing market rise is leaving people on the lower income stream out of the housing market. The bill targets this additional revenue to assist individuals in need.

**Testimony Against:** None.

**Who Testified:** PRO: Larry Springer, state representative.