

# FINAL BILL REPORT

## SHB 2640

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Synopsis as Enacted

**Brief Description:** Emphasizing cost-effectiveness in the housing trust fund.

**Sponsors:** House Committee on Community & Economic Development & Housing (originally sponsored by Representatives Smith, Kenney, Warnick, Finn, Walsh, Orcutt and Kelley).

**House Committee on Community & Economic Development & Housing**  
**House Committee on Capital Budget**  
**Senate Committee on Financial Institutions, Housing & Insurance**

**Background:**

Established by the Department of Commerce (Department) in 1987 and funded beginning in 1989, the Washington State Housing Trust Fund (Housing Trust Fund) provides loans and grants to help communities meet the housing needs of low-income and special needs populations.

The Housing Trust Fund portfolio is approximately \$820 million. The Housing Trust Fund appropriations from the omnibus capital appropriations act have supported the development of 1,200 projects and 36,763 single and multifamily units in 38 counties. Ninety-three percent of households served through the Housing Trust Fund are below 50 percent of area median income, with 72 percent below 30 percent of area median income. Fifty-eight percent of the units serve general low-income populations, 14 percent serve elderly populations, 11 percent serve special needs populations, and the rest serve homeless households, farm workers, and others.

In awarding grants and loans from the Housing Trust Fund, the Department must provide for a statewide geographic distribution. The Department is required to give preference for applications based on some or all of the following criteria:

- the degree of leveraging of other funds;
- the degree of commitment from programs to provide necessary habilitation and support services for projects focusing on special needs populations;
- recipient and local government project contributions;
- projects that encourage ownership, management, and other project-related responsibility opportunities;

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

- projects that demonstrate a strong probability of serving the original target group or income level for a period of at least 25 years;
- the applicant has the demonstrated ability, stability, and resources to implement the project;
- projects which demonstrate serving the greatest need, persons and families with the lowest incomes, and special needs populations;
- project location and access to employment centers and public transportation; and
- projects that provide employment and training opportunities for disadvantaged youth.

**Summary:**

The Department is required to consider total project cost and per-unit cost compared to similar housing projects constructed or renovated within the same geographic area for the Housing Trust Fund applications it reviews through June 30, 2013. The scope of projects for which cost will be considered is limited to those involving housing construction, rehabilitation, or acquisition.

The Department, with input from the Affordable Housing Advisory Board (Board), or a subcommittee of the Board, is required to report to the Legislature by December 1, 2012, with recommendations for awarding funds from the Housing Trust Fund in a cost-effective manner.

**Votes on Final Passage:**

House	95	0	
Senate	48	0	(Senate amended)
House			(House refused to concur)
Senate	48	0	(Senate receded)

**Effective:** June 7, 2012