

SENATE BILL REPORT

SB 6422

As of January 29, 2016

Title: An act relating to providing affordable housing for all.

Brief Description: Creating an affordable housing for all program.

Sponsors: Senators Miloscia and Chase.

Brief History:

Committee Activity: Human Services, Mental Health & Housing: 2/01/16.

SENATE COMMITTEE ON HUMAN SERVICES, MENTAL HEALTH & HOUSING

Staff: Alison Mendiola (786-7444)

Background: County auditors are required by statute to record deeds and other instruments that are filed and recorded. A \$10 surcharge, authorized by the Legislature in 2002, is charged for recording certain documents to support low-income housing projects. The 2007 Legislature named this surcharge the "Affordable Housing for All Surcharge."

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 Affordable Housing for All Account administered by the Department of Commerce (Commerce) to be used to provide housing and shelter for extremely low-income households, meaning households that make up to 30 percent of the area median income. The remainder of the revenue generated is retained by the counties for low-income housing programs and projects which serve households making at or below 50 percent of the area median income.

Summary of Bill: The Affordable Housing for All Program (AHFA). The AHFA program is created with a goal to ensure a decent, appropriate, and affordable home in a healthy, safe environment for every very low-income household by 2026. The priority is reaching this goal for extremely low income individuals and there is a program focus on promoting self-sufficiency and economic independence.

Commerce AHFA Requirements.

- State AHFA plan: Commerce is required to produce and annually update a state AHFA plan which may be combined with the state Homeless Housing and Assistance

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Plan and incorporate the strategies, objectives, goals, and performance measures of all other housing-related state plans to create one state housing plan - first due December 31, 2017. Commerce must make recommendations for performance measures and information to be reported in the plan.

- Annual performance evaluations of county plans: Commerce is required to evaluate county AHFA plans.
- Annual performance evaluations of counties: Commerce is required to evaluate county performance in relation to the stated goals in county plans.
- Annual presentation to the Legislature: beginning in 2018, Commerce must present the results of county performance evaluations annually to the Legislature.

County AHFA Requirements.

- County AHFA plans: all counties are required to produce a county AHFA plan by June 30, 2018, and update the plan annually. Plans may be the same as the county Homeless Housing and Assistance Plan, the county Growth Management Act comprehensive plan or other county housing plan. County plan requirements are consistent with the state AHFA plan requirements.
- County taskforces: counties must convene a county taskforce - which may be the same as the county's Homeless taskforce - to create the county plan and recommend expenditures of AHFA surcharge funds.
- Report on use of funds: counties must report to Commerce on the uses of the AHFA surcharge funds.

Counties may opt out of the AHFA program.

Other Significant AHFA Bill Components.

- Quality management: beginning in 2019, all local governments receiving over \$500,000 per year from the state housing-related funding sources and local housing-related surcharges must apply to the Washington State Quality Award (WSQA) program every three years.
- Self-sufficiency standard: the Employment Security Department is directed to determine a "self-sufficiency standard" for the state and for each county.
- Housing trust fund (HTF) funding preferences: The Housing Finance Commission (HFC) is directed to give preference to applications of organizations who are committed to quality improvement and who have submitted an application to the WSQA program within the previous three years.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: Each county must convene a county affordable housing task force.

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