

SENATE BILL REPORT

SB 6546

As of February 4, 2020

Title: An act relating to incentivizing shared housing.

Brief Description: Incentivizing shared housing.

Sponsors: Senators Zeiger, Fortunato and Warnick.

Brief History:

Committee Activity: Housing Stability & Affordability: 1/29/20, 2/03/20.

Brief Summary of Bill

- Adds projects proposing a shared housing model to the list of preference criteria used by the Department of Commerce to evaluate Housing Trust Fund applications.

SENATE COMMITTEE ON HOUSING STABILITY & AFFORDABILITY

Staff: Brandon Popovac (786-7465)

Background: The Department of Commerce (Commerce) administers the Housing Assistance Program and the Affordable Housing Program. Both of these programs, commonly referred to as the Housing Trust Fund (HTF), provide loan and grant monies to eligible organizations to provide housing for low-income and special needs populations. The HTF is available to fund acquisition, new construction, and rehabilitation of low-income housing units. Since 1986, the HTF has awarded over \$1 billion in funding and helped build or preserve nearly 47,000 units of affordable housing statewide.

Housing Assistance Program. The Housing Assistance Program, administered by Commerce, uses the HTF and other appropriations to finance loans and grant projects that provide housing for households with special housing needs and low-income households. At least 30 percent of funds in any cycle must benefit projects located in rural parts of the state. Organizations eligible to receive funding include local governments, local housing authorities, regional support networks, nonprofit community or neighborhood-based organizations, federally recognized Indian tribes, and regional or statewide nonprofit housing assistance organizations.

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.

Commerce must announce an HTF grant and loan application period of at least 90 days. When awarding funds, Commerce must provide for statewide geographic distribution. Commerce must give first priority to projects using privately-owned housing stock, including privately-owned housing purchased by a public housing authority or nonprofit public development authority. A second priority must be given to projects using publicly owned housing. Within these priorities, Commerce must give preference to projects based on some or all of the 14 criteria. Criteria examples include:

- the degree of leveraging of other funds;
- the degree of commitment from programs focusing on special needs populations;
- local government project contributions;
- projects demonstrating a strong probability of serving the original target group or income level for at least 25 years;
- projects serving the greatest need;
- projects providing housing for persons and families with the lowest income; and
- project location and access to area employment centers and public transportation services.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (Proposed Substitute): Projects proposing a shared housing model that increases the number of unrelated persons able to reside within a home is added to the list of preference criteria Commerce must use to evaluate HTF grant and loan applications.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony on Proposed Substitute: PRO: Shared housing programs are doing great work in our communities but do not generate a lot of attention at the state level. Shared housing programs are a very cost-effective way to provide affordable housing. Some programs provide transitional housing, some provide case management, and some simply match people with other individuals who have a spare bedroom available. This bill only creates a new preference within the HTF and does not set aside any specific HTF moneys.

Shared housing is a type of rental property somewhere between a single-family home and a boardinghouse. The bill addresses and hopes to increase the number of people allowed to live under the same household. Shared housing may consist of homes with five or six bedrooms with some families in need of only a single room to live in. However, occupancy limits on the number of unrelated persons in certain jurisdictions makes it difficult to house multiple families together in one home. Expanding occupancy limits of unrelated persons to eight or more people in the same home would allow shared housing developers to be able to lower the average cost per room and to lower the number of families turned away.

OTHER: HTF grants and loans tend to focus on specific populations. In the last funding cycle, approximately \$10 million went to projects classified as a shared housing-type model. The bill would prioritize shared housing as a point of emphasis within HTF awards, which would likely exclude for-profit developers.

Persons Testifying: PRO: Senator Hans Zeiger, Prime Sponsor; Mike Leybourne, Domatac Housing

OTHER: Dave Pringle, Department of Commerce

Persons Signed In To Testify But Not Testifying: No one.