

SENATE BILL REPORT

SB 5729

As Reported By Senate Committee On:
Financial Institutions & Housing, February 23, 1995

Title: An act relating to affordable housing eligibility criteria.

Brief Description: Modifying the affordable housing eligibility criteria.

Sponsors: Senators Prentice, Sellar and Winsley; by request of Department of Community, Trade, and Economic Development.

Brief History:

Committee Activity: Financial Institutions & Housing: 2/14/95, 2/23/95 [DP].

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & HOUSING

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair; Hale, Roach, Sellar and Sutherland.

Staff: David Cheal (786-7576)

Background: In 1991, the Legislature enacted the Affordable Housing Program. It is administered by the Department of Community, Trade, and Economic Development. The purpose is to develop and coordinate public and private resources targeted to meet the affordable housing needs of low-income households. For the purposes of this program, low-income households are those with incomes of less than 80 percent of the median family income for the county where any assistance project is located.

The housing trust fund, established in 1986, has much the same purpose, but eligible activities must benefit households with a lower income level, 50 percent of the median income for the county where the assistance project is located.

For the purposes of the Affordable Housing Program, "affordable housing" is defined as the payment of monthly housing costs, including utilities of no more than 30 percent of household income.

Summary of Bill: The definition of "affordable housing" for the purposes of the Affordable Housing Program is changed. For private individual home ownership projects with multiple funding sources, housing costs can be as high as 35 percent of household income.

Appropriation: None.

Fiscal Note: Requested.

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

Testimony For: The adjustment in the definition of "affordable housing" to 35 percent of household income reflects the reality that families spend a higher percentage of their income on housing now than when the 30 percent standard was adopted more than a decade ago. It will help first-time home buyers qualify for assisted home ownership programs.

Testimony Against: None.

Testified: Enid Buchanan, CTED; Majken Ryherd Keira, WA Low-Income Housing Congress; Kim Herman, Housing Finance Commission.