

March 4, 1997

BILL ANALYSIS

TO: Members, Committee on Trade and Economic Development

FROM: Kenny Pittman, Research Analyst (786-7392)

RE: **HB 2189 - Creating the task force to study alternative financing techniques for the development and renovation of low-income senior housing.**

BACKGROUND:

In the 1960s, several federal programs were created to assist in the development or preservation of housing for seniors or persons with disabilities. These programs either provided direct funds or mortgage insurance to finance the construction or renovation of rental housing. Many of these developments are now in need of renovation or repair that include upgraded kitchen units, installation of sprinkler or fire suppression systems, new electrical and plumbing work, new elevators, and upgraded water and sewer systems. Reductions in federal funding have hampered efforts to finance these improvements.

SUMMARY:

The Task Force on Financing Senior Housing (task force) is created. The task force consists of 11 members with representation from public and private sector organizations involved in the provision of senior housing. The task force members include: (1) the director of the Department of Community, Trade, and Economic Development; (2) the executive director of the Washington State Investment Board; (3) the executive director of the Washington State Housing Finance Commission; (4) four representatives from organizations involved in the management of senior housing developments; (5) three representatives from financial institutions, one representative must be from an investment and banking firm involved in financing federally insured senior housing developments; and (6) one representative from a public housing authority. The director of the Department of Community, Trade, and Economic Development must appoint the

members of the task force and is the chair of the task force.

The task force is authorized to: (1) review financing needs of low-income senior housing; (2) review existing federal and state programs and incentives for the construction or renovation of senior housing; (3) review programs and techniques in other states and countries for the construction or renovation of senior housing; (4) make recommendations on possible state financing techniques to assist in the construction or renovation of senior housing; and (5) prepare and submit a report to the Senate Committee on Financial Institutions and Housing and the House of Representatives' Committee on Trade and Economic Development with its finding and recommendations by December 15, 1997.

The Department of Community, Trade, and Economic Development, the Washington State Investment Board, and the Washington State Housing Finance Commission must provide administrative and clerical assistance to the task force.

The task force expires February 1, 1998.

Appropriation: None.

Fiscal Note: Not requested.

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