

# SENATE BILL REPORT

## EHB 1633

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As of March 17, 2015

**Title:** An act relating to giving preferences to housing trust fund projects that involve collaboration between local school districts and housing authorities or nonprofit housing providers to help children of low-income families succeed in school.

**Brief Description:** Giving preferences to housing trust fund projects that involve collaboration between local school districts and housing authorities or nonprofit housing providers to help children of low-income families succeed in school.

**Sponsors:** Representatives Zeiger, Jinkins, Young, Fey, Appleton, Hargrove, Sawyer, Walsh, Stanford, Johnson, Riccelli, Kochmar, Muri, Pollet, Kagi and Wylie.

**Brief History:** Passed House: 3/04/15, 92-6.

**Committee Activity:** Human Services, Mental Health & Housing: 3/12/15.

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### SENATE COMMITTEE ON HUMAN SERVICES, MENTAL HEALTH & HOUSING

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**Staff:** Alison Mendiola (786-7444)

**Background:** Washington State Housing Trust Fund (Housing Trust Fund). Established at the Department of Commerce (Commerce) in 1987 and funded beginning in 1989, the Housing Trust Fund helps communities meet the housing needs of low-income and special needs populations. A majority of households served are below 50 percent and 30 percent of area median income in the county where the housing is located.

Capital Budget Appropriations for Housing 2003-05 through 2013-15 Biennium.

Biennium	2003-05	2005-07	2007-09	2009-11	2011-13	2013-15
Appropriations (millions)	\$81	\$121	\$200	\$130	\$117	\$51.5

Housing Assistance Program. The Housing Assistance Program, administered by Commerce, uses the Housing Trust Fund and other appropriations to finance loans and grant projects that provide housing for households with special housing needs and with incomes at or below 50 percent of the project area's median family income. At least 30 percent of funds in any cycle must benefit projects located in rural parts of the state.

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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.*

Organizations eligible to receive funding include the following: 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.

Commerce must grant as many applications as available funding allows. In awarding funds, Commerce must provide for geographic distribution statewide. Commerce must give first priority to projects that use privately owned housing purchased by a public housing authority or nonprofit public development authority. A second priority must be given to projects that use publicly owned housing. Within these priorities, Commerce must give preference to projects based on some or all of the following criteria:

- the degree of leveraging of other funds;
- the degree of commitment from programs focusing on special needs populations that provide necessary habilitation and support services;
- contributions from recipients to total project costs, including allied contributions from other sources such as professional, craft and trade services, and lender interest rate subsidies;
- local government project contributions, including infrastructure improvements;
- projects that encourage ownership, management, and other project-related responsibility opportunities;
- projects that demonstrate a strong probability of serving the original target group or income level for a period of at least 25 years;
- an applicant's demonstrated ability, stability, and resources to implement the project;
- projects which demonstrate serving the greatest need;
- projects that provide housing for persons and families with the lowest incomes;
- projects serving special needs populations which are under statutory mandate to develop community housing;
- project location and access to employment centers in the region or area;
- projects that provide certain employment and training opportunities for disadvantaged youth; and
- project location and access to available public transportation services.

Applications for projects that serve persons with mental illnesses must be consistent with a regional support network six-year capital and operating plan.

**Summary of Bill:** Preference is given to Housing Trust Fund projects involving collaborative partnerships between local school districts and either public housing authorities or nonprofit housing providers that help low-income children succeed in school. To receive this preference, a local school district must provide community members an opportunity to offer input on the proposed project.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Section 1 of the bill takes effect 90 days after adjournment of the session in which the bill is passed, and expires April 1, 2016. Section 2 of the bill takes effect April 1, 2016.

**Staff Summary of Public Testimony:** PRO: This bill was inspired by visiting McCarver Elementary School in Tacoma which has an impressive partnership with the Tacoma Housing Authority. Parents commit to keeping their kids in school, participating in school with their kids, while also working on their own education or employment. Math and reading scores have increased and among this cohort, the turnover rate has gone from 179 percent to 75 percent, and while 75 percent is still high, this is an impressive change. A floor amendment was added stating that a local school district must provide community members with an opportunity to offer input on a proposed project.

**Persons Testifying:** PRO: Representative Zeiger, prime sponsor.