

HOUSE BILL REPORT

HB 2382

As Reported by House Committee On:
College & Workforce Development
Capital Budget

Title: An act relating to housing for community and technical college faculty and employees.

Brief Description: Concerning housing for community and technical college faculty and employees.

Sponsors: Representatives Leavitt, Chopp, Ryu, Thai, Senn, Slatter, Fey, Macri, Wylie, Goodman, Pollet and Appleton.

Brief History:

Committee Activity:

College & Workforce Development: 1/21/20, 1/29/20 [DP];
Capital Budget: 2/10/20 [DP].

Brief Summary of Bill

- Creates a state policy supporting affordable housing for community and technical college faculty and employees, as described in the federal Low-Income Housing Tax Credit.
- Permits a community or technical college to establish, lease, operate, equip, maintain, borrow money, and issue and sell revenue bonds for capital projects related to faculty and employee housing and boarding.

HOUSE COMMITTEE ON COLLEGE & WORKFORCE DEVELOPMENT

Majority Report: Do pass. Signed by 10 members: Representatives Hansen, Chair; Entenman, Vice Chair; Leavitt, Vice Chair; Bergquist, Mead, Paul, Pollet, Ramos, Sells and Slatter.

Minority Report: Do not pass. Signed by 7 members: Representatives Van Werven, Ranking Minority Member; Gildon, Assistant Ranking Minority Member; Graham, Assistant Ranking Minority Member; Kraft, Rude, Sutherland and Young.

Staff: Megan Mulvihill (786-7304).

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.

Background:

The Low-Income Housing Tax Credit.

The Low-Income Housing Tax Credit (LIHTC) is a federal income tax program used to incentivize private investment in affordable housing development for low-income households. The Internal Revenue Service allocates credits to the Washington State Housing Finance Commission (Commission), and the Commission then awards credits to owners of qualifying low-income housing developments through a competitive application process. Qualifying projects may include single-family or multi-family units and must serve individuals at or below 60 percent of area gross median income (AGMI) for the county in which the property is located for a 30-year period. The project must comply with the following:

- rent and utilities in a qualified low-income housing unit must not exceed 30 percent of the household income;
- at least 40 percent of the units must be rented to households earning 60 percent or less of the AMGI, or at least 20 percent of the units must be rented to households earning 50 percent or less AMGI; and
- special needs housing commitments pursuant to state laws or rules must be met.

The project must make rental units available for use to the general public in order to qualify for the LIHTC. Residential rental units are not considered general public use if the units are provided only for a social organization or provided by an employer for its employees. However, a project can be deemed a general public use requirement if it restricts occupancy or favors certain tenants, as long as those tenants either have special needs, are members of a specified group under a federal or state program or policy that supports housing for a specified group, or are involved in artistic or literary activities.

Community and Technical College Facilities Authority.

The Board of Trustees for each community and technical college has the authority to establish, lease, operate, equip, and maintain dormitories, food service facilities, bookstores, and other self-supporting facilities connected with college operations. In addition, each college has the authority, with the approval of the State Board for Community and Technical Colleges, to borrow money and issue and sell revenue bonds or other evidences of indebtedness for the construction, reconstruction, erection, equipping with permanent fixtures, demolition, and major alteration of buildings or other capital assets, and the acquisition of sites, rights-of-way, easements, improvements or appurtenances, for dormitories, food service facilities, and other self-supporting facilities connected with college operations.

Summary of Bill:

A state policy supporting affordable housing for community and technical college faculty and employees, as described in the LIHTC, is created.

Faculty and employee housing and boarding is added to the community and technical colleges' Board of Trustees' list of explicit self-supporting facilities in which it has capital authority.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) There is an affordable housing crisis. Wages are not keeping up with housing costs, and there is increasing rent, especially in some parts of the state. Seattle is the third highest in the nation behind the District of Columbia and San Francisco. When colleges try and recruit faculty, people say the salary is okay but that they cannot afford to live there. This causes community and technical college faculty to live farther away from where they work, resulting in longer commute times. This affects retention and the quality of education. When faculty live closer to the college they can spend more time and energy engaging with students. This would also help colleges locate appropriate, short-term housing for international visitors, newly hired faculty, or visiting scholars.

As a public entity, a college typically has property that they can make available for housing. This policy would make the LIHTC available for use because this population would be a set aside category of individuals. The presidents of the colleges are working together with local community partners to find ways to form a partnership to address these issues.

More input from staff and faculty who would occupy the housing would be appreciated. There should be some additional oversight.

(Opposed) None.

Persons Testifying: Representative Leavitt, prime sponsor; Seamus Petrie, Washington Public Employees Association; Sandra Toussaint, Washington Federation of State Employees; Cynthia Stewart, League of Women Voters of Washington; Jennifer Jones, Washington Education Association; Jerry Weber, Bellevue College; and Ana Bonilla, Enterprise Community Partners.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: Do pass. Signed by 13 members: Representatives Tharinger, Chair; Callan, Vice Chair; Doglio, Vice Chair; Davis, Leavitt, Lekanoff, Morgan, Pellicciotti, Peterson, Riccelli, Santos, Sells and Stonier.

Minority Report: Do not pass. Signed by 12 members: Representatives DeBolt, Ranking Minority Member; Smith, Assistant Ranking Minority Member; Steele, Assistant Ranking Minority Member; Corry, Dye, Eslick, Gildon, Harris, Irwin, Jenkin, Maycumber and Walsh.

Staff: Kelci Karl-Robinson (786-7116).

Summary of Recommendation of Committee On Capital Budget Compared to Recommendation of Committee On College & Workforce Development:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The state is experiencing an affordable housing crisis due to salaries not keeping up with housing costs and due to housing stock shortages, particularly in the Seattle area. Housing costs in the Seattle area have increased substantially in recent years. There is also concern about the availability and cost of housing in other urban and rural areas. As a result, community and technical colleges, and their employees, are experiencing issues with recruitment, retention, and long commutes.

This bill, by allowing community and technical colleges to leverage the Low-Income Housing Tax Credit, would provide flexibility to work with private partners and create affordable housing options to help with faculty and employee recruitment and retention issues. Use of public lands in conjunction with the Low-Income Housing Tax Credit would allow these colleges to construct affordable housing projects at a reduced cost in areas that would be near or on campuses. This proximity would have several benefits: (a) reducing commute times; (b) increasing student access to faculty; (c) increasing faculty ability to support students; and (d) increasing employee and faculty community engagement. The bill would create opportunities for colleges to assist employees dealing with homelessness and, potentially, to assist homeless students if there is excess capacity in any units constructed. The bill would also help these colleges locate appropriate, short-term housing for international visitors, newly hired faculty, or visiting scholars.

Everyone should have a home. Housing issues being experienced by community and technical colleges relate to income inequality and the housing crisis.

(Opposed) None.

Persons Testifying: Representative Leavitt, prime sponsor; Representative Chopp; Amy Morrison, Lake Washington Institute of Technology; Cynthia Stewart, League of Women

Voters of Washington; Dennis Eagle, Washington Federation of State Employees; and Simone Boe, Washington Education Association.

Persons Signed In To Testify But Not Testifying: None.