

# HOUSE BILL REPORT

## EHB 1633

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### As Passed Legislature

**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:**

##### **Committee Activity:**

Capital Budget: 2/6/15, 2/10/15 [DP].

##### **Floor Activity:**

Passed House: 3/4/15, 92-6.

Passed Senate: 4/13/15, 47-1.

Passed Legislature.

#### **Brief Summary of Engrossed Bill**

- Adds a preference criterion for Housing Trust Fund project applications that involve partnerships between school districts and public housing authorities or nonprofit housing providers that help children of low-income families succeed in school.

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### HOUSE COMMITTEE ON CAPITAL BUDGET

**Majority Report:** Do pass. Signed by 8 members: Representatives Dunshee, Chair; Stanford, Vice Chair; DeBolt, Ranking Minority Member; Kilduff, Kochmar, Peterson, Riccelli and Walsh.

**Minority Report:** Without recommendation. Signed by 1 member: Representative Smith, Assistant Ranking Minority Member.

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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.*

**Staff:** Meg VanSchoorl (786-7105).

**Background:**

Housing Assistance Program.

Established by the Legislature in 1987 and administered by the Department of Commerce (Commerce), the Housing Assistance Program (HAP), also commonly referred to as the Housing Trust Fund, provides loans and grants for construction, acquisition, and rehabilitation of low-income, multi-family and single-family housing. Housing units supported by the HAP may only serve people with special housing needs and whose incomes are at 50 percent or below a local area's median income. At least 30 percent of the HAP resources in a funding cycle must benefit projects in rural communities. 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. Since 1989, the HAP has invested \$976 million in 41,257 housing units statewide for people with low incomes, persons with special needs, farm workers, homeless individuals and families, seniors, and other target populations. Over the last six biennia, the Legislature has funded the HAP at the following levels:

- 2003-2005: \$81 million;
- 2005-2007: \$100 million;
- 2007-2009: \$200 million;
- 2009-2011: \$130 million;
- 2011-2013: \$117 million; and
- 2013-2015: \$51.5 million.

In awarding funds, Commerce must provide for statewide geographic distribution. 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 13 criteria listed in the statute. Examples of the criteria are:

- 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;
- local government contributions, including infrastructure improvements;
- projects that demonstrate a strong probability of serving the original target group or income level for at least 25 years;
- an applicant's demonstrated ability to implement the project; and
- project location and access to area employment centers and to available public transportation services.

Local School Districts.

There are 295 school districts in Washington. Each district administers the public school system in its jurisdiction and elects a board to direct policies and operate the school program. Local school boards have broad authority to manage and oversee the education programs in their districts.

### Public Housing Authorities.

Housing authorities are public nonprofit corporations created by cities and counties that provide affordable housing opportunities within a community. Housing authorities have broad powers, including purchasing and disposing of property to create housing, leasing or renting property, operating housing projects, and administering low-income housing programs.

### Nonprofit Housing Providers.

Nonprofit housing providers are private not-for-profit organizations, including community development corporations, that provide affordable housing opportunities within a community. Nonprofit housing providers may finance, build, and/or manage affordable housing projects. Examples of nonprofit housing providers in Washington include Mercy Housing, Interim Community Development Association, and Spokane Housing Ventures.

### **Summary of Engrossed Bill:**

In addition to existing preference criteria, project applications involving collaborative partnerships between local school districts and either public housing authorities or nonprofit housing providers that help children of low-income families succeed in school must be given preference by Commerce. 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.

**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:**

(In support) Parental involvement in their children's education is critical but difficult to achieve when families are challenged with unstable housing and poverty. Housing authorities want their real estate investments to result in housing stability for families, success at school for children, and success for schools that serve low-income communities. Because of the partnership in Tacoma between the housing authority, the school district, and families at McCarver Elementary, student turnover has decreased from 179 percent to 75 percent overall, and to 10 percent for the children of families directly involved. Reading scores are up 22 percent, three times higher than for other children. Parents' earned incomes are doubling and they are making progress in education and employment. This is a model that should be encouraged and expanded.

(Opposed) None.

**Persons Testifying:** Representative Zeiger, prime sponsor; Michael Mirra, Tacoma Housing Authority; Kim Herman, Housing Finance Commission; and Connie Brown, Affordable Housing Consortium.

**Persons Signed In To Testify But Not Testifying:** None.