

HOUSE BILL REPORT

HB 1108

As Reported by House Committee On:

Housing
Appropriations

Title: An act relating to creating a task force on housing cost driver analysis.

Brief Description: Creating a task force on housing cost driver analysis.

Sponsors: Representatives Klicker, Peterson, Barkis, Ybarra, Low, Leavitt, Schmidt, Eslick, Penner, Connors, Paul, Ramel, Jacobsen, Shavers, Burnett, Rude, Keaton, Obras, Timmons, Wylie, Caldier, Barnard, Rule, Nance, Berg and Bernbaum.

Brief History:

Committee Activity:

Housing: 1/14/25, 1/23/25 [DPS];

Appropriations: 2/25/25, 2/27/25 [DP2S(w/o sub HOUS)].

Brief Summary of Second Substitute Bill

- Creates a legislative task force to analyze housing cost drivers.

HOUSE COMMITTEE ON HOUSING

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 16 members: Representatives Peterson, Chair; Hill, Vice Chair; Richards, Vice Chair; Low, Ranking Minority Member; Jacobsen, Assistant Ranking Minority Member; Manjarrez, Assistant Ranking Minority Member; Barkis, Connors, Cortes, Dufault, Engell, Entenman, Gregerson, Lekanoff, Reed and Timmons.

Staff: Serena Dolly (786-7150).

Background:

The Affordable Housing Advisory Board (AHAB) advises the Department of Commerce on

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housing and housing-related issues. The AHAB has 25 members representing public entities, local governments, housing industries, and other stakeholders.

Summary of Substitute Bill:

A legislative task force to research, analyze, and determine the primary cost drivers for homeownership and rental housing in Washington is established with the following members:

- one member from each of the two largest caucuses of the Senate;
- one member from each of the two largest caucuses of the House of Representatives;
- two economists with expertise in the most relevant economic disciplines;
- one member representing developers of rental housing;
- one member representing developers of housing for homeownership;
- one member representing for-profit housing developers;
- one member representing builders;
- one member representing a statewide organization for building trades labor;
- one member representing realtors;
- one member representing cities;
- one member representing counties;
- one member representing tenants;
- one member representing landlords who provide at least 10 rental housing units;
- one member representing landlords who provide no more than two rental housing units;
- one member representing a statewide association of real estate appraisers;
- one member representing home mortgage lenders;
- one member representing multifamily lenders;
- one member representing utility providers;
- one member representing public housing authorities;
- one member representing the Washington State Housing Finance Commission;
- one member from a statewide association representing business; and
- one member from an organization representing architects.

The legislative membership must convene the initial meeting of the task force, and the task force must choose its cochairs from among its legislative membership. The task force must solicit and consider information and perspectives provided by the AHAB and other entities and persons with relevant interest and expertise. Staff support for the task force must be provided by Senate Committee Services and the House of Representatives Office of Program Research. The task force must report its findings and recommendations to the appropriate committees of the Legislature by December 1, 2026.

Substitute Bill Compared to Original Bill:

The substitute bill modifies the task force membership and specifies that the housing for

which the task force must research, analyze, and determine the primary cost drivers includes both homeownership and rental housing.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: 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 has a housing crisis. This bill brings the housing industry and community members together to take a good look at why housing is so unaffordable. Everyone has an opinion, and legislation has been introduced to increase the housing stock as quickly and affordably as possible. The task force will allow different interests to hear from each other. Some of the cost drivers are known, but the goal of the task force is to develop a report that really shows the root of the problem. The bill should direct the task force to look at rental costs in addition to homeownership costs.

(Opposed) None.

(Other) Task forces will not solve the housing crisis. The most significant housing cost driver is government. Utility costs, property taxes, and insurance rates are all impacted by government actions. Land use restrictions further increase costs and depress supply. Legislative actions have consequences and impact home prices, affordability, and the ability of people to stay in homes they already own. The task force should include tenant representatives.

Persons Testifying: (In support) Representative Mark Klicker, prime sponsor; Elisicher Smith; Ryan Donohue, Habitat for Humanity Seattle-King and Kittitas Counties; Bill Stauffacher, Building Industry Association of Washington; Morgan Irwin, Association of Washington Business; and Mary Hull-Drury, Washington Realtors.

(Other) Erin Frasier, Washington State Building and Construction Trades Council; Jeff Pack; and Lauren Bisplinghoff.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Housing. Signed

by 31 members: Representatives Ormsby, Chair; Gregerson, Vice Chair; Macri, Vice Chair; Couture, Ranking Minority Member; Connors, Assistant Ranking Minority Member; Penner, Assistant Ranking Minority Member; Schmick, Assistant Ranking Minority Member; Berg, Bergquist, Burnett, Caldier, Callan, Corry, Cortes, Doglio, Dye, Fitzgibbon, Keaton, Leavitt, Lekanoff, Manjarrez, Marshall, Peterson, Pollet, Rude, Ryu, Springer, Stonier, Street, Thai and Tharinger.

Staff: Jessica Van Horne (786-7288).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Housing:

The second substitute bill requires the task force to meet virtually and limits the task force to meeting no more than three times. A null and void clause is added, making the bill null and void unless funded in the operating budget.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Second Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed. However, the bill is null and void unless funded in the budget.

Staff Summary of Public Testimony:

(In support) There have been various efforts to identify methods to drive down the costs of housing in Washington. This task force will help identify other actions and strategies to most effectively reduce the cost of housing. Housing and homeownership are important tools for economic mobility. Many families are currently locked out of homeownership, especially members of marginalized communities. It is key to get good data. The state must take action. Carpenters wish to have a representative on the task force, as they have expertise in various areas related to residential construction.

(Opposed) None.

Persons Testifying: Paula Sardinas, WBBA/FMS GlobalStrategies.com; Morgan Irwin, Association of Washington Business; and Nora Palattao Burnes, Western States Regional Council of Carpenters.

Persons Signed In To Testify But Not Testifying: None.