

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5609 SB	<b>Title:</b> Housing approval
-----------------------------	--------------------------------

## Estimated Cash Receipts

NONE

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	Fiscal note not available					
Local Gov. Total						

## Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Commerce	1.2	545,554	545,554	545,554	.6	171,486	171,486	171,486	.6	173,886	173,886	173,886
<b>Total \$</b>	<b>1.2</b>	<b>545,554</b>	<b>545,554</b>	<b>545,554</b>	<b>0.6</b>	<b>171,486</b>	<b>171,486</b>	<b>171,486</b>	<b>0.6</b>	<b>173,886</b>	<b>173,886</b>	<b>173,886</b>

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Fiscal note not available								
Local Gov. Total									

## Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Fiscal note not available								
Local Gov. Total									

## Estimated Capital Budget Breakout

NONE

<b>Prepared by:</b> Gwen Stamey, OFM	<b>Phone:</b> (360) 790-1166	<b>Date Published:</b> Preliminary
--------------------------------------	---------------------------------	---------------------------------------

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5609 SB	<b>Title:</b> Housing approval	<b>Agency:</b> 103-Department of Commerce
-----------------------------	--------------------------------	---

## Part I: Estimates

No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.8	0.6	1.2	0.6	0.6
<b>Account</b>					
General Fund-State 001-1	459,811	85,743	545,554	171,486	173,886
<b>Total \$</b>	459,811	85,743	545,554	171,486	173,886

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Melissa Van Gorkom	Phone: 360-786-7491	Date: 01/27/2023
Agency Preparation: Buck Lucas	Phone: 360-725-3180	Date: 02/04/2023
Agency Approval: Jason Davidson	Phone: 360-725-5080	Date: 02/04/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/06/2023

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

This bill creates a new requirement for the Department of Commerce (department) to create a housing production allocation for counties, cities, and towns to correct historic underproduction by 2033.

Section 2(2) requires the department to establish each county, city, and town's proportional share of the state's total housing shortage using the best available data. The department must complete its calculation no later than December 1, 2023, and shall report the number of new homes that must be created in each county, city, and town through 2033, and it must post the same information on the department website no later than December 31, 2023.

Section 2(4) requires when a county, city, or town identifies a state-enacted requirement that will impede its ability to approve the construction of a sufficient number of new homes under Section 2, the jurisdiction must report its findings to the department. The department shall regularly forward such reports to the governor, lieutenant governor, chief clerk of the house of representatives, and secretary of the senate.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

### II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

#### Assumptions:

- The department assumes staff time and a professional consultant to develop the new program for calculating housing shortages statewide, collection of local reports, and for collating them into a department report which is then provided regularly to the governor and legislature. This includes the assumption of significant administrative impact in FY24, to meet the December 1, 2023 deadline, and publication of the housing unit allocations by December 31, 2023.
- A professional consultant would be required with expertise in statewide housing data for establishing the proportional share of housing shortage outlined under Section 2(2) by December 1, 2023.
- The department assumes minor rulemaking would be needed for establishing procedures for the county, city and town reporting requirements under Section 2(4) by FY25.

#### Section 2:

1.0 FTE Commerce Specialist 3 (2088 hours) in FY24 and 0.5 FTE Commerce Specialist 3 (1044 hours) in FY25-FY29, for overall program management, including establishment of the housing data project management, establishing the process and guidance for local reporting requirements, report preparation in 2023, and ongoing reporting review, data management and regular reports under Section 2.

0.5 FTE Management Analyst 4 (1044 hours) in FY24, for coordinating guidance, data work and report support, and rulemaking updates for the reporting management and immediate support for this program under Section 2.

#### Salaries and Benefits:

FY24: \$169,044

FY25-FY29: \$57,423 per fiscal year

Professional Services Contract:

The department assumes a professional consultant for establishing the housing shortage data statewide and developing the initial report in FY24 (Section 2) at 1,000 hours in FY24 with a billable rate of \$200 per hour.

FY24: \$200,000

Goods and Services:

FY24: \$26,597

FY25-FY29: \$9,428 per fiscal year

Travel:

Travel costs includes outreach to communities across the state to provide information and resources for the department calculations prepared under Section 2, consisting of 10 days of outreach and engagement, with half of them requiring lodging.

FY24: \$3,555

Equipment:

The department assumes standard workstations in FY24 and a replacement computer based on the department's five-year replacement schedule.

FY24: \$5,000

FY28: \$2,400

Intra-agency Reimbursements:

FY24: \$55,615

FY25-FY29: \$18,892 per fiscal year

Note: Standard goods and services costs include supplies and materials, employee development and training, Attorney General costs, central services charges and agency administration. Agency administration costs (e.g., payroll, HR, IT) are funded under a federally approved cost allocation plan.

=====

Total Costs:

FY24: \$459,811

FY25-FY27: \$85,743 per fiscal year

FY28: \$88,143

FY29: \$85,743

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	459,811	85,743	545,554	171,486	173,886
<b>Total \$</b>			459,811	85,743	545,554	171,486	173,886

### III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.8	0.6	1.2	0.6	0.6
A-Salaries and Wages	125,162	42,259	167,421	84,518	84,518
B-Employee Benefits	43,882	15,164	59,046	30,328	30,328
C-Professional Service Contracts	200,000		200,000		
E-Goods and Other Services	26,597	9,428	36,025	18,856	18,856
G-Travel	3,555		3,555		
J-Capital Outlays	5,000		5,000		2,400
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	55,615	18,892	74,507	37,784	37,784
9-					
<b>Total \$</b>	459,811	85,743	545,554	171,486	173,886

### III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Services - Indirect	111,168	0.3	0.1	0.2	0.1	0.1
Commerce Specialist 3	82,056	1.0	0.5	0.8	0.5	0.5
Management Analyst 4	86,212	0.5		0.3		
<b>Total FTEs</b>		1.8	0.6	1.2	0.6	0.6

### III. D - Expenditures By Program (optional)

NONE

## Part IV: Capital Budget Impact

### IV. A - Capital Budget Expenditures

NONE

### IV. B - Expenditures by Object Or Purpose

NONE

### IV. C - Capital Budget Breakout

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

### IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

**Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

Section 2: Minor rulemaking may be required under Title 365 WAC to provide guidance on calculating and reporting.