

Multiple Agency Fiscal Note Summary

Bill Number: 2270 S HB	Title: Department of housing
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Estimated Cash Receipts

NONE

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts	Fiscal note not available					
Loc School dist-SPI						
Local Gov. Other	No fiscal impact					
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
Administrative Office of the Courts	Fiscal note not available											
Office of Civil Legal Aid	Fiscal note not available											
Office of the Governor	Fiscal note not available											
Office of State Treasurer	Fiscal note not available											
Office of Attorney General	Fiscal note not available											
Department of Commerce	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Financial Management	Fiscal note not available											
Washington State Health Care Authority	Fiscal note not available											
Housing Finance Commission	Fiscal note not available											
Department of Social and Health Services	Fiscal note not available											
Total \$	0.0	0	0	0	0.0	0	0	0	0.0	0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	Fiscal note not available								
Loc School dist-SPI									
Local Gov. Other	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Administrative Office of the Courts	Fiscal note not available								
Office of Civil Legal Aid	Fiscal note not available								
Office of the Governor	Fiscal note not available								
Office of State Treasurer	Fiscal note not available								
Office of Attorney General	Fiscal note not available								
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Office of Financial Management	Fiscal note not available								
Washington State Health Care Authority	Fiscal note not available								
Housing Finance Commission	Fiscal note not available								
Department of Social and Health Services	Fiscal note not available								
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	Fiscal note not available								
Loc School dist-SPI									
Local Gov. Other	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Breakout

NONE

Prepared by: Val Terre, OFM	Phone: (360) 280-3973	Date Published: Preliminary 2/ 5/2024
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Individual State Agency Fiscal Note

Bill Number: 2270 S HB	Title: Department of housing	Agency: 103-Department of Commerce
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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	0.0	0.6	0.3	0.0	0.0
Account					
General Fund-State 001-1	0	117,292	117,292	0	0
Total \$	0	117,292	117,292	0	0

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: Jessica Van Horne	Phone: 360-786-7288	Date: 02/02/2024
Agency Preparation: Hayley Tresenriter	Phone: 360-725-3042	Date: 02/03/2024
Agency Approval: Hayley Tresenriter	Phone: 360-725-3042	Date: 02/03/2024
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/03/2024

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.

Comparison of SHB 2270 to the original bill:

Section 1: The July 2025 launch date was removed from the bill.

Section 2: The requirement for OFM to facilitate the study is removed, but they are still responsible for contracting with the consultant.

Section 2(1)(d): The scope of work has been updated.

Section 2(4): Contracting restrictions have been added to exclude any contractor who has lobbied for this study.

Summary of SHB 2270:

Section 1: contains findings including that affordable housing and homelessness have reached an unprecedented crisis level in Washington State, and that there needs to be a more holistic approach to better align housing policy across state agencies, local jurisdictions, and community-based programs. The substitute removes the statement of intention to establish a new State Department of Housing by July 2025.

Section 2 would require the Office of Financial Management to contract with an external consultant to study the transition of state housing programs to a new agency, and identify gaps in current state housing programs. The previous version also required the external consultant to help facilitate transition of housing programs to a new agency.

A final report from the consultant containing findings and recommendations would be due by July 1, 2025 (report was December 1, 2024 in the previous version), developed in consultation representatives from 22 stakeholder groups (20 in the previous version).

The report would be required to include: a mission and vision for the new agency, an organizational structure including what parts of state government should be included in the new agency, costs to create a new agency (more detail in substitute regarding the costs to be estimated), a process to manage the reorganization, and benchmarks to measure the effectiveness of the new agency. In addition, the report must include an analysis of potential gaps in existing housing efforts including: the potential of state-owned affordable housing, eviction prevention, emergency housing for natural disasters, educational programs for renters and landlords, accountability of landlords to repair rental housing, the creation of mitigation sites when homelessness increases, and state subsidies for federal vouchers that are inadequate.

The substitute bill prohibits the OFM from awarding the contract to an external consultant or entity that has lobbied or publicly testified on matters related to the scope of the study, including affordable housing, homelessness, tenant protections, and social services for people at risk of homelessness, and exempts the contract from competitive procurement requirements.

The substitute bill extends the due date for the consultant's findings and recommendations from December 1, 2024, to July 1, 2025.

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.

Section 2 requires the Office of Financial Management to contract with an external consultant to study the transition of state housing programs to a new state agency. Engaging the consultant to provide information and feedback as requested is estimated to take an average of 2 hours per week for each of the nine members of the Commerce Housing Division Management Team from July 2024 through June 2025: 0.1 FTE EMS4, 0.05 EMS3, 0.3 WMS3. Which will cost the department roughly \$117,292.

Because engagement with the consultant could not be delegated to newly hired staff, work by the Housing Division's management team members regarding the potential creation of a new housing agency would defer some of their current tasks and duties. As a result, no staff would be hired, and there would be no direct fiscal impact.

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	0	117,292	117,292	0	0
Total \$			0	117,292	117,292	0	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.6	0.3		
A-Salaries and Wages		66,391	66,391		
B-Employee Benefits		19,419	19,419		
C-Professional Service Contracts					
E-Goods and Other Services		3,251	3,251		
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		28,231	28,231		
9-					
Total \$	0	117,292	117,292	0	0

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	111,168		0.1	0.1		
EMS Band 3	165,117		0.1	0.1		
EMS Band 4	142,511		0.1	0.1		
WMS Band 3	142,511		0.3	0.2		
Total FTEs			0.6	0.3		0.0

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.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 2270 S HB

Title: Department of housing

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- Cities:
- Counties:
- Special Districts:
- Specific jurisdictions only:
- Variance occurs due to:

Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs:
- Legislation provides local option:
- Key variables cannot be estimated with certainty at this time:

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

None

Part III: Preparation and Approval

Fiscal Note Analyst: Alice Zillah	Phone: 360-725-5035	Date: 02/02/2024
Leg. Committee Contact: Jessica Van Horne	Phone: 360-786-7288	Date: 02/02/2024
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 02/02/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 02/02/2024

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

CHANGES BETWEEN THIS VERSION AND PRIOR VERSION OF THE BILL:

The substitute bill makes a number of changes, including extending the due date for the consultant's findings and recommendations from December 1, 2024, to July 1, 2025. These changes do not create fiscal impacts for local governments.

SUMMARY OF THE BILL:

The Office of Financial Management must contract with an external consultant to study the transition of state housing programs to a new state agency and identify gaps in current state housing programs. The contract must require the external consultant to submit a report with its findings and recommendations to the governor and the appropriate committees of the legislature by July 1, 2025.

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

The legislation would have no expenditure impacts for local governments.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

The legislation would have no revenue impacts for local governments.

SOURCES:

Washington State Association of Counties
Association of Washington Cities