

Multiple Agency Fiscal Note Summary

Bill Number: 6152 S SB	Title: Housing needs gap
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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						
Loc School dist-SPI						
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.					
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	.0	38,159	38,159	38,159	.1	76,318	76,318	76,318	.1	76,318	76,318	76,318
Total \$	0.0	38,159	38,159	38,159	0.1	76,318	76,318	76,318	0.1	76,318	76,318	76,318

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	Non-zero but indeterminate cost and/or savings. Please see discussion.								
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
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									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Cheri Keller, OFM	Phone: (360) 584-2207	Date Published: Final 2/ 5/2024
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Individual State Agency Fiscal Note

Bill Number: 6152 S SB	Title: Housing needs gap	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	0.1	0.0	0.1	0.1
Account					
General Fund-State 001-1	0	38,159	38,159	76,318	76,318
Total \$	0	38,159	38,159	76,318	76,318

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: Maggie Douglas	Phone: 3607867279	Date: 01/31/2024
Agency Preparation: Buck Lucas	Phone: 360-725-3180	Date: 02/01/2024
Agency Approval: Pouth Ing	Phone: 360-725-2715	Date: 02/01/2024
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/01/2024

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.

Difference between SSB 6152 and the original SB 6152:

Section 1 amends RCW 36.70A.610, instead of adding a new section to Chapter 36.70A RCW, the Growth Management Act (GMA), removing the data collection and reporting requirements for the Department of Commerce (department) in SB 6152. The Washington Center for Real Estate Research (WCRER), at the University of Washington, is to collect the data instead of Buildable Lands counties. It further expands the analysis for WCRER and adds a reporting requirement.

Summary of SSB 6152:

Section 1(e) amends RCW 36.70A.610, requiring additional reporting and analysis by WCRER, including analysis of data on existing housing units and housing unit needs within each county; and the progress of each county in closing the gap on specified housing needs and progress in providing emergency and permanent housing needs.

Section 2 amends RCW 43.155.070 to add prioritization criteria for the public works boards regarding infill development and projects that lead to the development of affordable housing to consider during grant and loan review of public works projects submitted by local governments.

Section 3 this section titles this act the “affordable housing action act.”

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.

Agency assumptions:

- The Department of Commerce (department) would have a minimal and ongoing administrative impact. Based on coordination with WCRER, it is assumed this bill would add \$60,000 per biennium to the funding that WCRER receives to complete the other data collection in RCW 36.70A.610. Currently, WCRER receives \$300,000 per biennium for the work they complete under RCW 36.70A.610, from surcharge provisions in RCW 36.22.240.
- The department assumes funding for work under RCW 36.70A.610 to WCRER would be additive to the pass through contract that the department has with WCRER currently. The department would continue to manage the contract with WCRER and advise on the data collection.

0.05 FTE Commerce Specialist 3 (104 hours) in FY25-FY29, to managing the additional technical assistance for the pass-through funding contract and monitoring workload (Section 1).

Salaries and Benefits:

FY25-FY29: \$5,778 per fiscal year

Goods and Services:

FY25-FY29: \$480 per fiscal year

Professional Service Contracts:

FY25-FY29: \$30,000 per fiscal year

Intra-agency Reimbursements:

FY25-FY29: \$1,901 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. Intra-agency-administration costs (e.g. payroll, HR, IT) are funded under a federally approved cost allocation plan.

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Total Costs:

FY26-FY29: \$38,159 per fiscal year

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	38,159	38,159	76,318	76,318
Total \$			0	38,159	38,159	76,318	76,318

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.1	0.0	0.1	0.1
A-Salaries and Wages		4,226	4,226	8,452	8,452
B-Employee Benefits		1,552	1,552	3,104	3,104
C-Professional Service Contracts		30,000	30,000	60,000	60,000
E-Goods and Other Services		480	480	960	960
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		1,901	1,901	3,802	3,802
9-					
Total \$	0	38,159	38,159	76,318	76,318

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		0.0	0.0	0.0	0.0
Commerce Specialist 3	84,518		0.1	0.0	0.1	0.1
Total FTEs			0.1	0.0	0.1	0.1

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: 6152 S SB

Title: Housing needs gap

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

Legislation Impacts:

- Cities:
- Counties:
- Special Districts:
- Specific jurisdictions only: Only jurisdiction's that fully plan under the Growth Management Act that meet certain criteria can apply for financial from the Public Works Board.
- Variance occurs due to:

Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs:
- Legislation provides local option: Applying for infill development construction loans from the Public Works Board.
- Key variables cannot be estimated with certainty at this time: Number of applications and financial awards of infill development construction loans.

Estimated revenue impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated expenditure impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Part III: Preparation and Approval

Fiscal Note Analyst: Jordan Laramie	Phone: 360-725-5044	Date: 02/05/2024
Leg. Committee Contact: Maggie Douglas	Phone: 3607867279	Date: 01/31/2024
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 02/05/2024
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/05/2024

Part IV: Analysis

A. SUMMARY OF BILL

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

This fiscal note reflects language in the proposed substitute to SB 6152, 2024 legislative session. The changes to this bill would remove the determinate fiscal impacts of the prior bill.

As a local option, fully planning cities and counties could apply for and potentially receive financial assistance from the Public Works Board.

CHANGES BETWEEN THIS VERSION AND PREVIOUS BILL VERSION:

This substitute legislation would remove the requirements of counties, and the cities within them, that fully plan under the Growth Management Act from certain housing reporting requirements. These reporting requirements were a requirement of all jurisdictions in affected by chapter 36.70A.215 RCW.

The bill removes the prior Sec. 1 and replaces it with an amended chapter 36.70A.610 RCW which directs the Washington Center for Real Estate Research to report on each county's existing housing needs and their progress on closing the housing gap.

SUMMARY OF CURRENT BILL:

This act would create financing eligibility from the Public Works Board for projects that support residential infill development for affordable housing.

Sec. 2 would amend public works project statute so that the types of projects that are eligible for financial assistance from the Public Works Board (PWB) now include those that encourage infill development. Other infrastructure or clean water projects that would increase the availability of affordable housing at various income levels within a county would also be eligible for financial assistance from the PWB.

This act would take effect 90 days after the adjournment of the session in which it is passed.

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.

CHANGES IN EXPENDITURE IMPACTS BETWEEN THIS VERSION AND PREVIOUS BILL VERSION:

This proposed substitute act removes local government expenditure impact for annual reporting costs from the prior bill. Accordingly, this removes approximately \$1,466,500 over four fiscal years, from the prior fiscal analysis.

The local option from the prior bill would still remain in this substitute bill. The costs for cities and counties that take the local option would range from de minimis to more substantive and would apply only to any fully planning jurisdictions that applies for infrastructure financial assistance from the Public Works Board.

SUMMARY OF CURRENT BILL VERSION:

Applying for Financial Assistance from the Public Works Assistance Account

For counties and cities that comply with these requirements of Sec. 2(1) this act would create financing eligibility from the Public Works Board for projects that support residential infill development for affordable housing goals. Cities and counties could apply for grants or loans from the Public Works Board as a local option.

Local government's staff time commitment and other potential costs are unknown. However, based on similar grant programs through the Public Works Board at the Department of Commerce, the application process generally takes 1-2 hours to complete. Most local governments have a person on staff that completes financing applications as part of their

normal duties, so expenditures of this type are likely minimal. There may be de minimis to more substantive costs associated with filing an application depending on the jurisdiction's familiarity with the Public Works Assistance Account application process.

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.

CHANGES IN REVENUE IMPACTS BETWEEN THIS VERSION AND PREVIOUS BILL VERSION:

The changes made to the proposed substitute bill would not change the revenue impact of the prior bill.

SUMMARY OF CURRENT BILL VERSION:

This proposed substitute legislation would open up new financing opportunities to cities and counties who are attempting to receive infrastructure grant or loans to support infill development and affordable housing goals.

Cities and counties could apply to the Public Works Board (PWB) for grants or loans as a local option. The number of successful applications and the amount of financial assistance awarded would differ each year. Therefore, the revenue impact of this act is indeterminate, but non-zero. As illustrated in the example below, hundreds of millions of dollars are appropriated each biennium to the PWB for infrastructure grants and loans. Dozens of local governments apply to a range of financial assistance programs that the PWB offers in a competitive process for state dollars.

Example of PWB Construction Award Funding Level:

For the 2023-2025 biennium, the Washington State Legislature appropriated \$400 million to the Public Works Board. Approximately \$370 million of the biennial funding was appropriated to the Construction program, "with 60% of the funding available in FY24 and 40% available in FY25."

Additionally, the PWB state that, "84 applications ultimately met the eligibility threshold. After rating and ranking, the PWB conditionally awarded funds at their September 8, 2023, meeting to 61 projects in 51 communities for a total of \$221,469,551."

SOURCES:

Department of Commerce, Public Works Board

Local Government Fiscal Note Program, FN HB 1263 (2021)

Local Government Fiscal Note Program, FN PL.2SSB 5290 (2023)

Senate Bill Report, S SB 6152 (2024)