

**HB 2002 B BUDGET REPORT and MEASURE SUMMARY**

**Carrier:** Rep. Keny-Guyer

**Joint Committee On Ways and Means**

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**Action Date:** 06/30/17

**Action:** Do pass with amendments to the A-Eng bill. (Printed B-Eng.)

**House Vote**

**Yeas:** 11 - Gomberg, Holvey, Huffman, McLane, Nathanson, Rayfield, Smith G, Smith Warner, Stark, Whisnant, Williamson

**Senate Vote**

**Yeas:** 9 - DeBoer, Devlin, Frederick, Hansell, Johnson, Manning Jr, Monroe, Roblan, Steiner Hayward

**Nays:** 3 - Girod, Thomsen, Winters

**Prepared By:** Linnea Wittetkind, Department of Administrative Services

**Reviewed By:** Michelle Deister, Legislative Fiscal Office

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**Housing and Community Services Department  
2017-19**

## **Budget Summary**

	2015-17 Legislatively Approved Budget	2017-19 Current Service Level	2017-19 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
				\$ Change	% Change
General Fund	\$ -	\$ -	\$ 453,320	\$ 453,320	100.0%
Total	\$ -	\$ -	\$ 453,320	\$ 453,320	100.0%

## **Position Summary**

Authorized Positions	0	0	2	2	
Full-time Equivalent (FTE) positions	0.00	0.00	1.84	1.84	

## **Summary of Revenue Changes**

House Bill 2002 appropriates \$453,320 General Fund in the 2017-19 biennium to the Housing and Community Services Department (HCS D) for the preservation of participating properties that are publicly supported housing.

## **Summary of Transportation and Economic Development Subcommittee Action**

House Bill 2002 requires the owner of a participating publicly supported property (participating property) with an expiring or terminating contract to provide notice to local government and HCS D two years before the contract expires or terminates or the property is withdrawn from publicly supported housing. If a property owner fails to give proper notice, the affordability restrictions must be extended based on the number of months the property owner failed to notice. The measure allows HCS D and the local government to require payment of replacement or tenant relocation fees from an owner of a participating property. Additionally, an individual is allowed to bring action to recover damages as a result of a property owner failing to provide notice.

House Bill 2002 also requires a participating property owner to provide HCS D and local government the opportunity to purchase participating property 13 months before withdrawal from publicly supported housing. Withdrawal of a participating property from publicly supported housing occurs when the primary mortgage is refinanced, recapitalization to rehabilitate or repair property, agreement to sell property to new owner or withdrawing from publicly supported housing. The measure specifies requirements and procedures for HCS D or local government to purchase participating property including appointment of a designee.

House Bill 2002 requires a property owner to provide right of first refusal to OHCS, local government or a designee when accepting a third party's offer to purchase a participating property. This applies to new contracts beginning on or after the effective date. Right of first refusal allows OHCS, the local government or designee to make an offer on the participating property on the same terms and conditions as the third

party's offer to purchase. If the offer from OHCS, local government or a designee is accepted, the property must be maintain as publicly supported housing. Additionally, the measure allows an individual to bring action to recover damages resulting from the owner of a participating property failing to: provide notice, opportunity to purchase to OHCS or local government, or offer right of first refusal. These provisions apply to participating property contracts renewed on or after the effective date.

Finally, House Bill 2002 requires OHCS to maintain a database on publicly supported housing. This includes data from local, state and federal sources concerning the status of existing affordability restrictions and rental assistance contracts at public supported housing properties.

House Bill 2002 appropriates \$453,320 General Fund to HCSD for oversight of this program, including work with external stakeholders and local governments, overseeing contracts and rulemaking. The Subcommittee also approved two permanent positions (1.84 FTE) for a Program Analyst 4 position and Research Analyst 2 position.

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

Housing and Community Services Department  
 Linnea Wittekind -- 503-378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<b>SUBCOMMITTEE ADJUSTMENTS (from CSL)</b>									
<b>SCR 91400-030 - Multifamily Rental Housing</b>									
Personal Services	\$ 199,726	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 199,726	1	0.92
Services and Supplies	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000		
Special Payments	\$ 86,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86,000		
<b>SCR 91400 - 070 - Central Services</b>									
Personal Services	\$ 142,594	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 142,594	1	0.92
<b>TOTAL ADJUSTMENTS</b>	<b>\$ 453,320</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 453,320</b>	<b>2</b>	<b>1.84</b>
<b>SUBCOMMITTEE RECOMMENDATION</b>	<b>\$ 453,320</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 453,320</b>	<b>2</b>	<b>1.84</b>