

Multiple Agency Fiscal Note Summary

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|-----------------------------|---|
| Bill Number: 1817 HB | Title: Housing gap voucher pilot |
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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 | 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 |
| Department of Commerce | 1.7 | 466,083 | 466,083 | 466,083 | 1.7 | 670,780 | 670,780 | 670,780 | 1.7 | 468,380 | 468,380 | 468,380 |
| Total \$ | 1.7 | 466,083 | 466,083 | 466,083 | 1.7 | 670,780 | 670,780 | 670,780 | 1.7 | 468,380 | 468,380 | 468,380 |

| 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 | 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 |
| 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 | No fiscal impact | | | | | | | | |
| Local Gov. Total | | | | | | | | | |

Estimated Capital Budget Breakout

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|--------------------------------------|---------------------------------|---|
| Prepared by: Gwen Stamey, OFM | Phone: (360) 790-1166 | Date Published: Final 2/14/2023 |
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Individual State Agency Fiscal Note

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|-----------------------------|---|---|
| Bill Number: 1817 HB | Title: Housing gap voucher pilot | 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 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 |
| Account | | | | | |
| General Fund-State 001-1 | 231,893 | 234,190 | 466,083 | 670,780 | 468,380 |
| Total \$ | 231,893 | 234,190 | 466,083 | 670,780 | 468,380 |

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.

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|-----------------------------------|-----------------------|------------------|
| Legislative Contact: Audrey Vasek | Phone: 360-786-7383 | Date: 02/13/2023 |
| Agency Preparation: Tedd Kelleher | Phone: 360-725-2930 | Date: 02/14/2023 |
| Agency Approval: Jason Davidson | Phone: 360-725-5080 | Date: 02/14/2023 |
| OFM Review: Gwen Stamey | Phone: (360) 790-1166 | Date: 02/14/2023 |

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.

Section 1 consists of findings including that there is a shortage of affordable housing and that investing in a housing gap voucher pilot program would allow the state to target rent assistance to people most in need.

Section 2 would require, subject to appropriation, that public housing authorities implement and administer a housing gap voucher program to provide rent assistance to low income households or households who are enrolled in a state assistance program. Because local governments such as housing authorities cannot directly receive state appropriations, and the RCW being amended is associated with the department of commerce (department), it is assumed the department would be appropriated funds for this effort and would contract those funds to local housing authorities.

Section 3 would require a report due to the Legislature in 2027 including the number of participants in the program, an analysis of effectiveness, recommendations to improve the program, and a recommendation regarding whether the program should be continued.

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.

None

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 would require, subject to appropriation, that public housing authorities implement and administer a housing gap voucher program to provide rent assistance to low income households or households enrolled in a state assistance program. The department of commerce (department) does not currently have contracts with housing authorities, except in a few instances with a handful of housing authorities who receive funds from existing department programs.

Staffing is based on the following assumptions: 1) the appropriation would be made to the department, 2) funds would be allocated using a simple funding formula to most of the 37 housing authorities, 3) program design and implementation would be minimal because contract terms and reporting requirements would mostly mirror existing federal housing voucher program requirements already administered by housing authorities. 1.0 Commerce Specialist 3 to work with housing authorities to develop the program, execute contracts, manage the program budget, pay vouchers, monitor contract compliance, and publish data annually on numbers served. 0.5 FTE Commerce Specialist 2 to assist with contract execution and payment of invoices.

The report required in 2027 that includes an analysis of the program outputs and effectiveness, and recommendations regarding improvement to the program, would require compilation of data, interviews and surveys of program enrollees and administrators, a facilitated recommendation development process with stakeholders, and authoring of the final report. Based on recent department experience with similar program reports, and assuming the work is primarily done by contracted consultants, the report would be estimated to cost \$200,000 in SFY 2027.

Cost Narrative

1.0 FTE Commerce Specialist 3 (2,088 hours) for FY24-FY29 work with housing authorities to develop the program,

execute contracts, manage the program budget, pay vouchers, monitor contract compliance, and publish data annually on numbers served.

0.5 FTE Commerce Specialist 2 (1,044 hours) for FY24-FY29 to assist with contract execution and payment of invoices.

Salaries and Benefits:
 FY24: \$159,922
 FY25-FY29: \$165,406 per year

Professional Service Contracts:
 FY27: \$200,000

Goods and Other Services:
 FY24: \$14,357
 FY25-FY29: \$14,365 per year

Equipment and Capital Outlays:
 FY24: \$5,000
 FY27: \$2,400

Intra-agency Reimbursements:
 FY24: \$52,614
 FY25-FY29: \$54,419 per year

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

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Summary of Total Costs:
 FY24: \$231,893
 FY25-FY26: \$234,190 per year
 FY27: \$436,590
 FY28-FY29: \$234,190 per 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 | 231,893 | 234,190 | 466,083 | 670,780 | 468,380 |
| Total \$ | | | 231,893 | 234,190 | 466,083 | 670,780 | 468,380 |

III. B - Expenditures by Object Or Purpose

| | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|
| FTE Staff Years | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 |
| A-Salaries and Wages | 117,456 | 120,979 | 238,435 | 241,958 | 241,958 |
| B-Employee Benefits | 42,466 | 44,427 | 86,893 | 88,854 | 88,854 |
| C-Professional Service Contracts | | | | 200,000 | |
| E-Goods and Other Services | 14,357 | 14,365 | 28,722 | 28,730 | 28,730 |
| G-Travel | | | | | |
| 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 | 52,614 | 54,419 | 107,033 | 108,838 | 108,838 |
| 9- | | | | | |
| Total \$ | 231,893 | 234,190 | 466,083 | 670,780 | 468,380 |

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 | | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Commerce Specialist 2 | | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Commerce Specialist 3 | | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Total FTEs | | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 |

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

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: 1817 HB

Title: Housing gap voucher pilot

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: Allan Johnson | Phone: 360-725-5033 | Date: 02/13/2023 |
| Leg. Committee Contact: Audrey Vasek | Phone: 360-786-7383 | Date: 02/13/2023 |
| Agency Approval: Alice Zillah | Phone: 360-725-5035 | Date: 02/13/2023 |
| OFM Review: Gwen Stamey | Phone: (360) 790-1166 | Date: 02/13/2023 |

Part IV: Analysis

A. SUMMARY OF BILL

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

This legislation would establish a housing gap voucher pilot program. This program would be administered by housing authorities. The housing authorities would be required to provide a report to the legislature by December 1, 2027 on the effectiveness of the program. This program would expire on June 30, 2029.

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.

There would be no fiscal impact on local government expenditures as a result of this legislation.

According to the Association of Washington Housing Authorities, housing authorities are non-profit entities governed by regulation from the United State Department of Housing and Urban Development. While chartered by cities, they are quasi-public entities and do not have elected officials. As a result, they are not considered local governments for the purposes of this analysis.

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.

This legislation would not impact local government revenues.

Housing authorities are not considered local governments for the purposes of this analysis.

SOURCES:

Association of Washington Housing Authorities
Seattle Housing Authority