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**SENATE BILL 5361**

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**State of Washington 66th Legislature 2019 Regular Session**

**By** Senators Zeiger, Kuderer, Warnick, and Das

AN ACT Relating to enacting the recommendations of the joint legislative audit and review committee's report analyzing development costs for low-income housing; amending RCW 43.185.090; and adding new sections to chapter 43.180 RCW.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec.**  A new section is added to chapter 43.180 RCW to read as follows:

The commission must identify and evaluate options for increasing the involvement of for-profit participants in the Washington state portion of the federal nine percent low-income housing tax credit program that it administers. Such evaluation must include best practices, policies, and procedures developed within the Washington state portion of the federal four percent low-income housing tax credit program. By December 1, 2019, the commission must report the results of the evaluation to the appropriate committees of the legislature.

NEW SECTION. **Sec.**  A new section is added to chapter 43.180 RCW to read as follows:

(1) The commission, in cooperation with the department of commerce, must develop and implement a process for the collection of certified final development cost data from each recipient under the federal low-income housing credit program that it administers. The commission must use this data as part of its cost containment policy.

(2) Beginning December 1, 2019, and continuing annually, the commission must provide the legislature with a report of its final cost data collected under this section for each project completed within the past year. Such cost data must, at a minimum, include total development cost per unit for each project, descriptive statistics such as average and median per unit costs, regional cost variation, and other costs that the commission deems necessary to improve cost controls and enhance understanding of development costs. The commission must coordinate with the department of commerce to identify relevant development costs data and ensure that the measures are consistent across relevant agencies.

**Sec.**  RCW 43.185.090 and 1986 c 298 s 10 are each amended to read as follows:

(1) The director shall monitor the activities of recipients of grants and loans under this chapter to determine compliance with the terms and conditions set forth in its application or stated by the department in connection with the grant or loan.

(2)(a) The department, in cooperation with the housing finance commission, must develop and implement a process for the collection of certified final development cost data from each grant or loan recipient under this chapter. The department must use this data as part of its cost containment policy.

(b) Beginning December 1, 2019, and continuing annually, the department must provide the legislature with a report of its final cost data for each project under this section. Such cost data must, at a minimum, include total development cost per unit for each project completed within the past year, descriptive statistics such as average and median per unit costs, regional cost variation, and other costs that the department deems necessary to improve cost controls and enhance understanding of development costs. The department must coordinate with the housing finance commission to identify relevant development costs data and ensure that the measures are consistent across relevant agencies.

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