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**SENATE BILL 5747**

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**State of Washington**

**54th Legislature**

**1995 Regular Session**

**By** Senators Sheldon, Roach, Sellar and Fraser

Read first time 02/03/95. Referred to Committee on Financial Institutions & Housing.

1 AN ACT Relating to housing authorities; and amending RCW 35.82.070.

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

3 **Sec. 1.** RCW 35.82.070 and 1993 c 478 s 17 are each amended to read  
4 as follows:

5 An authority shall constitute a public body corporate and politic,  
6 exercising public and essential governmental functions, and having all  
7 the powers necessary or convenient to carry out and effectuate the  
8 purposes and provisions of this chapter, including the following powers  
9 in addition to others herein granted:

10 (1) To sue and be sued; to have a seal and to alter the same at  
11 pleasure; to have perpetual succession; to make and execute contracts  
12 and other instruments, including but not limited to partnership  
13 agreements and joint venture agreements, necessary or convenient to the  
14 exercise of the powers of the authority; to participate in the  
15 organization or the operation of a nonprofit corporation which has as  
16 one of its purposes to provide or assist in the provision of housing  
17 for persons of low income; and to make and from time to time amend and  
18 repeal bylaws, rules and regulations, not inconsistent with this  
19 chapter, to carry into effect the powers and purposes of the authority.

1           (2) Within its area of operation: To prepare, carry out, acquire,  
2 lease and operate housing projects; to provide for the construction,  
3 reconstruction, improvement, alteration or repair of any housing  
4 project or any part thereof; to agree to rent or sell dwellings forming  
5 part of the projects to or for persons of low income. Where an  
6 agreement or option is made to sell a dwelling to a person of low  
7 income, the authority may convey the dwelling to the person upon  
8 fulfillment of the agreement irrespective of whether the person is at  
9 the time of the conveyance a person of low income. Leases, options,  
10 agreements, or conveyances may include such covenants as the authority  
11 deems appropriate to assure the achievement of the objectives of this  
12 chapter.

13           (3) To acquire, lease, rent, sell, or otherwise dispose of any  
14 commercial space located in buildings or structures containing a  
15 housing project or projects.

16           (4) To arrange or contract for the furnishing by any person or  
17 agency, public or private, of services, privileges, works, or  
18 facilities for, or in connection with, a housing project or the  
19 occupants thereof; and (notwithstanding anything to the contrary  
20 contained in this chapter or in any other provision of law) to include  
21 in any contract let in connection with a project, stipulations  
22 requiring that the contractor and any subcontractors comply with  
23 requirements as to minimum wages and maximum hours of labor, and comply  
24 with any conditions which the federal government may have attached to  
25 its financial aid of the project.

26           (5) To lease or rent any dwellings, houses, accommodations, lands,  
27 buildings, structures or facilities embraced in any housing project and  
28 (subject to the limitations contained in this chapter) to establish and  
29 revise the rents or charges therefor; to own or manage buildings  
30 containing a housing project or projects as well as commercial space or  
31 other dwelling units that do not constitute a housing project as that  
32 term is defined in this chapter: PROVIDED, That notwithstanding the  
33 provisions under subsection (1) of this section, dwelling units made  
34 available or sold to persons of low income, together with functionally  
35 related and subordinate facilities, shall occupy at least fifty percent  
36 of the interior space in the total development owned by the authority  
37 or at least fifty percent of the total number of units in the  
38 development owned by the authority, whichever produces the greater  
39 number of units for persons of low income, and for mobile home parks,

1 the mobile home lots made available to persons of low income shall be  
2 at least fifty percent of the total number of mobile home lots in the  
3 park owned by the authority; to own, hold, and improve real or personal  
4 property; to purchase, lease, obtain options upon, acquire by gift,  
5 grant, bequest, devise, or otherwise including financial assistance and  
6 other aid from the state or any public body, person or corporation, any  
7 real or personal property or any interest therein; to acquire by the  
8 exercise of the power of eminent domain any real property; to sell,  
9 lease, exchange, transfer, assign, pledge, or dispose of any real or  
10 personal property or any interest therein; to sell, lease, exchange,  
11 transfer, or dispose of any real or personal property or interest  
12 therein at less than fair market value to a governmental entity for any  
13 purpose when such action assists the housing authority in carrying out  
14 its powers and purposes under this chapter, to a low-income person or  
15 family for the purpose of providing housing for that person or family,  
16 or to a nonprofit corporation provided the nonprofit corporation agrees  
17 to sell the property to a low-income person or family or to use the  
18 property for the provision of housing for persons of low income for at  
19 least twenty years; to insure or provide for the insurance of any real  
20 or personal property or operations of the authority against any risks  
21 or hazards; to procure or agree to the procurement of insurance or  
22 guarantees from the federal government of the payment of any bonds or  
23 parts thereof issued by an authority, including the power to pay  
24 premiums on any such insurance.

25 (6) To invest any funds held in reserves or sinking funds, or any  
26 funds not required for immediate disbursement, in property or  
27 securities in which savings banks may legally invest funds subject to  
28 their control; to purchase its bonds at a price not more than the  
29 principal amount thereof and accrued interest, all bonds so purchased  
30 to be canceled.

31 (7) Within its area of operation: To investigate into living,  
32 dwelling and housing conditions and into the means and methods of  
33 improving such conditions; to determine where slum areas exist or where  
34 there is a shortage of decent, safe and sanitary dwelling  
35 accommodations for persons of low income; to make studies and  
36 recommendations relating to the problem of clearing, replanning and  
37 reconstructing of slum areas, and the problem of providing dwelling  
38 accommodations for persons of low income, and to cooperate with the  
39 city, the county, the state or any political subdivision thereof in

1 action taken in connection with such problems; and to engage in  
2 research, studies and experimentation on the subject of housing.

3 (8) Acting through one or more commissioners or other person or  
4 persons designated by the authority: To conduct examinations and  
5 investigations and to hear testimony and take proof under oath at  
6 public or private hearings on any matter material for its information;  
7 to administer oaths, issue subpoenas requiring the attendance of  
8 witnesses or the production of books and papers and to issue  
9 commissions for the examination of witnesses who are outside of the  
10 state or unable to attend before the authority, or excused from  
11 attendance; to make available to appropriate agencies (including those  
12 charged with the duty of abating or requiring the correction of  
13 nuisances or like conditions, or of demolishing unsafe or insanitary  
14 structures within its area of operation) its findings and  
15 recommendations with regard to any building or property where  
16 conditions exist which are dangerous to the public health, morals,  
17 safety or welfare.

18 (9) To initiate eviction proceedings against any tenant as provided  
19 by law. Activity occurring in any housing authority unit that  
20 constitutes a violation of chapter 69.41, 69.50 or 69.52 RCW shall  
21 constitute a nuisance for the purpose of RCW 59.12.030(5).

22 (10) To exercise all or any part or combination of powers herein  
23 granted.

24 No provisions of law with respect to the acquisition, operation or  
25 disposition of property by other public bodies shall be applicable to  
26 an authority unless the legislature shall specifically so state.

27 (11) To agree (notwithstanding the limitation contained in RCW  
28 35.82.210) to make such payments in lieu of taxes as the authority  
29 finds consistent with the achievement of the purposes of this chapter.

30 (12) Upon the request of a county or city, to exercise any powers  
31 of an urban renewal agency under chapter 35.81 RCW or a public  
32 corporation, commission, or authority under chapter 35.21 RCW.  
33 However, in the exercise of any such powers the housing authority shall  
34 be subject to any express limitations contained in this chapter.

35 (13) To exercise the powers granted in this chapter within the  
36 boundaries of any city, town, or county not included in the area in  
37 which such housing authority is originally authorized to function:  
38 PROVIDED, HOWEVER, The governing or legislative body of such city,

1 town, or county, as the case may be, adopts a resolution declaring that  
2 there is a need for the authority to function in such territory.

3 (14) To administer contracts for assistance payments to persons of  
4 low income in accordance with section 8 of the United States Housing  
5 Act of 1937, as amended by Title II, section 201 of the Housing and  
6 Community Development Act of 1974, P.L. 93-383.

7 (15) To sell at public or private sale, with or without public  
8 bidding, for fair market value, any mortgage or other obligation held  
9 by the authority.

10 (16) To the extent permitted under its contract with the holders of  
11 bonds, notes, and other obligations of the authority, to consent to any  
12 modification with respect to rate of interest, time and payment of any  
13 installment of principal or interest security, or any other term of any  
14 contract, mortgage, mortgage loan, mortgage loan commitment, contract  
15 or agreement of any kind to which the authority is a party.

16 (17) To make, purchase, participate in, invest in, take assignments  
17 of, or otherwise acquire loans to persons of low income to enable them  
18 to acquire, construct, reconstruct, rehabilitate, improve, lease, or  
19 refinance their dwellings, and to take such security therefor as is  
20 deemed necessary and prudent by the authority.

21 (18) To make, purchase, participate in, invest in, take assignments  
22 of, or otherwise acquire loans for the acquisition, construction,  
23 reconstruction, rehabilitation, improvement, leasing, or refinancing of  
24 land, buildings, or developments for housing for persons of low income.  
25 For purposes of this subsection, development shall include either land  
26 or buildings or both.

27 (a) Any development financed under this subsection shall be subject  
28 to an agreement that for at least twenty years the dwelling units made  
29 available to persons of low income together with functionally related  
30 and subordinate facilities shall occupy at least fifty percent of the  
31 interior space in the total development or at least fifty percent of  
32 the total number of units in the development, whichever produces the  
33 greater number of units for persons of low income. For mobile home  
34 parks, the mobile home lots made available to persons of low income  
35 shall be at least fifty percent of the total number of mobile home lots  
36 in the park. During the term of the agreement, the owner shall use its  
37 best efforts in good faith to maintain the dwelling units or mobile  
38 home lots required to be made available to persons of low income at  
39 rents affordable to persons of low income. The twenty-year requirement

1 under this subsection (18)(a) shall not apply when an authority  
2 finances the development by nonprofit corporations or governmental  
3 units of dwellings or mobile home lots intended for sale to persons of  
4 low and moderate income, and shall not apply to construction or other  
5 short-term financing provided to nonprofit corporations or governmental  
6 units when the financing has a repayment term of one year or less.

7 (b) In addition, if the development is owned by a for-profit  
8 entity, the dwelling units or mobile home lots required to be made  
9 available to persons of low income shall be rented to persons whose  
10 incomes do not exceed fifty percent of the area median income, adjusted  
11 for household size, and shall have unit or lot rents that do not exceed  
12 fifteen percent of area median income, adjusted for household size,  
13 unless rent subsidies are provided to make them affordable to persons  
14 of low income.

15 For purposes of this subsection (18)(b), if the development is  
16 owned directly or through a partnership by a governmental entity or a  
17 nonprofit organization, which nonprofit organization is itself not  
18 controlled by a for-profit entity or affiliated with any for-profit  
19 entity that a nonprofit organization itself does not control, it shall  
20 not be treated as being owned by a for-profit entity when the  
21 governmental entity or nonprofit organization exercises legal control  
22 of the ownership entity and in addition, (i) the dwelling units or  
23 mobile home lots required to be made available to persons of low income  
24 are rented to persons whose incomes do not exceed sixty percent of the  
25 area median income, adjusted for household size, and (ii) the  
26 development is subject to an agreement that transfers ownership to the  
27 governmental entity or nonprofit organization or extends an irrevocable  
28 right of first refusal to purchase the development under a formula for  
29 setting the acquisition price that is specified in the agreement.

30 (c) Commercial space in any building financed under this subsection  
31 that exceeds four stories in height shall not constitute more than  
32 twenty percent of the interior area of the building. Before financing  
33 any development under this subsection the authority shall make a  
34 written finding that financing is important for project feasibility or  
35 necessary to enable the authority to carry out its powers and purposes  
36 under this chapter.

37 (19) To contract with a public authority or corporation, created by  
38 a county, city, or town under RCW 35.21.730 through 35.21.755, to act

1 as the developer for new housing projects or improvement of existing  
2 housing projects.

3 (20) To use the supplemental alternative public works contracting  
4 procedures set forth in chapter 39.10 RCW in connection with the  
5 design, construction, reconstruction, improvement, alteration, repair,  
6 or rehabilitation of any if its housing projects.

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