

CERTIFICATION OF ENROLLMENT

ENGROSSED SECOND SUBSTITUTE HOUSE BILL 2418

Chapter 349, Laws of 2006

(partial veto)

59th Legislature
2006 Regular Session

AFFORDABLE HOUSING

EFFECTIVE DATE: 6/7/06

Passed by the House March 6, 2006
Yeas 74 Nays 24

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate March 3, 2006
Yeas 48 Nays 1

BRAD OWEN

President of the Senate

Approved March 30, 2006, with the
exception of sections 9, 10, and 14,
which are vetoed.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Richard Nafziger, Chief Clerk
of the House of Representatives of
the State of Washington, do hereby
certify that the attached is
**ENGROSSED SECOND SUBSTITUTE HOUSE
BILL 2418** as passed by the House
of Representatives and the Senate
on the dates hereon set forth.

RICHARD NAFZIGER

Chief Clerk

FILED

March 30, 2006 - 3:14 p.m.

**Secretary of State
State of Washington**

ENGROSSED SECOND SUBSTITUTE HOUSE BILL 2418

AS AMENDED BY THE SENATE

Passed Legislature - 2006 Regular Session

State of Washington 59th Legislature 2006 Regular Session

By House Committee on Capital Budget (originally sponsored by Representatives Springer, Miloscia, Chase, Morrell, Hasegawa, Darneille, Santos, P. Sullivan, Kagi, Green, Sells, Ormsby and O'Brien)

READ FIRST TIME 02/08/06.

1 AN ACT Relating to affordable housing; amending RCW 43.185C.010 and
2 43.63A.655; adding new sections to chapter 43.185 RCW; adding new
3 sections to chapter 43.185A RCW; adding new sections to chapter 43.185C
4 RCW; adding a new section to chapter 35.82 RCW; creating new sections;
5 recodifying RCW 43.63A.655; and providing an expiration date.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.185 RCW
8 to read as follows:

9 The legislature finds that Washington is experiencing an affordable
10 housing crisis and that this crisis is growing exponentially every year
11 as the population of the state expands and housing values increase at
12 a rate that far exceeds most households' proportionate increase in
13 income.

14 The fiscal and societal costs of the lack of adequate affordable
15 housing are high for both the public and private sectors. Current
16 levels of funding for affordable housing programs are inadequate to
17 meet the housing needs of many low-income Washington households.

1 NEW SECTION. **Sec. 2.** The legislature may authorize a transfer of
2 up to twenty-five million dollars for the fiscal year ending June 30,
3 2006, into the Washington housing trust fund created in RCW 43.185.030.
4 Any portion of this act that is appropriated to the department shall be
5 included in the calculation of annual funds available for determining
6 the administrative costs of the department, which shall not exceed five
7 percent of the annual funds available for the housing assistance
8 program and the affordable housing program as authorized under RCW
9 43.185.030 and 43.185A.030.

10 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.185 RCW
11 to read as follows:

12 The application process and distribution procedure for the
13 allocation of funds are the same as the competitive application process
14 and distribution procedure for the housing trust fund, described in
15 this chapter and chapter 43.185A RCW, except for the funds applied to
16 the homeless families services fund created in RCW 43.330.167, dollars
17 appropriated to weatherization administered through the energy
18 matchmaker program, dollars appropriated for housing vouchers for
19 homeless persons, victims of domestic violence, and low-income persons
20 or seasonal farm workers, and dollars appropriated to any program to
21 provide financial assistance for grower-provided on-farm housing for
22 low-income migrant or seasonal farm workers.

23 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.185A
24 RCW to read as follows:

25 The application process and distribution procedure for the
26 allocation of funds are the same as the competitive application process
27 and distribution procedure described in section 3 of this act.

28 NEW SECTION. **Sec. 5.** The department must report to the
29 appropriate committees of the legislature how appropriated funds were
30 utilized on a county or city specific basis no later than December 31,
31 2007.

32 **Sec. 6.** RCW 43.185C.010 and 2005 c 484 s 3 are each amended to
33 read as follows:

1 The definitions in this section apply throughout this chapter
2 unless the context clearly requires otherwise.

3 (1) "Department" means the department of community, trade, and
4 economic development.

5 (2) "Director" means the director of the department of community,
6 trade, and economic development.

7 (3) "Homeless person" means an individual living outside or in a
8 building not meant for human habitation or which they have no legal
9 right to occupy, in an emergency shelter, or in a temporary housing
10 program which may include a transitional and supportive housing program
11 if habitation time limits exist. This definition includes substance
12 abusers, mentally ill people, and sex offenders who are homeless.

13 (4) "Washington homeless census" means an annual statewide census
14 conducted as a collaborative effort by towns, cities, counties,
15 community-based organizations, and state agencies, with the technical
16 support and coordination of the department, to count and collect data
17 on all homeless individuals in Washington.

18 (5) "Homeless housing account" means the state treasury account
19 receiving the state's portion of income from revenue from the sources
20 established by RCW 36.22.179.

21 (6) "Homeless housing grant program" means the vehicle by which
22 competitive grants are awarded by the department, utilizing moneys from
23 the homeless housing account, to local governments for programs
24 directly related to housing homeless individuals and families,
25 addressing the root causes of homelessness, preventing homelessness,
26 collecting data on homeless individuals, and other efforts directly
27 related to housing homeless persons.

28 (7) "Local government" means a county government in the state of
29 Washington or a city government, if the legislative authority of the
30 city affirmatively elects to accept the responsibility for housing
31 homeless persons within its borders.

32 (8) "Housing continuum" means the progression of individuals along
33 a housing-focused continuum with homelessness at one end and
34 homeownership at the other.

35 (9) "Local homeless housing task force" means a voluntary local
36 committee created to advise a local government on the creation of a
37 local homeless housing plan and participate in a local homeless housing
38 program. It must include a representative of the county, a

1 representative of the largest city located within the county, at least
2 one homeless or formerly homeless person, such other members as may be
3 required to maintain eligibility for federal funding related to housing
4 programs and services and if feasible, a representative of a private
5 nonprofit organization with experience in low-income housing.

6 (10) "Long-term private or public housing" means subsidized and
7 unsubsidized rental or owner-occupied housing in which there is no
8 established time limit for habitation of less than two years.

9 (11) "Interagency council on homelessness" means a committee
10 appointed by the governor and consisting of, at least, (~~the director~~
11 ~~of~~) policy level representatives of the following entities: (a) The
12 department of community, trade, and economic development; (b) the
13 (~~secretary of the~~) department of corrections; (c) the (~~secretary of~~
14 ~~the~~) department of social and health services; (d) the (~~director of~~
15 ~~the~~) department of veterans affairs; and (e) the (~~secretary of the~~)
16 department of health.

17 (12) "Performance measurement" means the process of comparing
18 specific measures of success against ultimate and interim goals.

19 (13) "Community action agency" means a nonprofit private or public
20 organization established under the economic opportunity act of 1964.

21 (14) "Housing authority" means any of the public corporations
22 created by chapter 35.82 RCW.

23 (15) "Homeless housing program" means the program authorized under
24 this chapter as administered by the department at the state level and
25 by the local government or its designated subcontractor at the local
26 level.

27 (16) "Homeless housing plan" means the ten-year plan developed by
28 the county or other local government to address housing for homeless
29 persons.

30 (17) "Homeless housing strategic plan" means the ten-year plan
31 developed by the department, in consultation with the interagency
32 council on homelessness and the affordable housing advisory board.

33 (18) "Washington homeless client management information system"
34 means a data base of information about homeless individuals in the
35 state used to coordinate resources to assist homeless clients to obtain
36 and retain housing and reach greater levels of self-sufficiency or
37 economic independence when appropriate, depending upon their individual
38 situations.

1 NEW SECTION. **Sec. 7.** A new section is added to chapter 43.185C
2 RCW to read as follows:

3 (1) The interagency council on homelessness, as defined in RCW
4 43.185C.010, shall be convened not later than August 31, 2006, and
5 shall meet at least two times each year and report to the appropriate
6 committees of the legislature annually by December 31st on its
7 activities.

8 (2) The interagency council on homelessness shall work to create
9 greater levels of interagency coordination and to coordinate state
10 agency efforts with the efforts of state and local entities addressing
11 homelessness.

12 (3) The interagency council shall seek to:

13 (a) Align homeless-related housing and supportive service policies
14 among state agencies;

15 (b) Identify ways in which providing housing with appropriate
16 services can contribute to cost savings for state agencies;

17 (c) Identify policies and actions that may contribute to
18 homelessness or interfere with its reduction;

19 (d) Review and improve strategies for discharge from state
20 institutions that contribute to homelessness;

21 (e) Recommend policies to either improve practices or align
22 resources, or both, including those policies requested by the
23 affordable housing advisory board or through state and local housing
24 plans; and

25 (f) Ensure that the housing status of people served by state
26 programs is collected in consistent formats available for analysis.

27 **Sec. 8.** RCW 43.63A.655 and 1999 c 267 s 4 are each amended to read
28 as follows:

29 (1) In order to improve services for the homeless, the department,
30 within amounts appropriated by the legislature for this specific
31 purpose, shall implement ((a)) the Washington homeless client
32 management information system for the ongoing collection and ((analysis
33 ef)) updates of information about all homeless individuals in the
34 state.

35 (2) Information about homeless individuals for the Washington
36 homeless client management information system shall come from the
37 Washington homeless census and from state agencies and community

1 organizations providing services to homeless individuals and families.
2 Personally identifying information about homeless individuals for the
3 Washington homeless client management system may only be collected
4 after having obtained informed, reasonably time limited written consent
5 from the homeless individual to whom the information relates. Data
6 collection shall be done in a manner consistent with federally informed
7 consent guidelines regarding human research which, at a minimum,
8 require that individuals be informed about the expected duration of
9 their participation, an explanation of whom to contact for answers to
10 pertinent questions about the data collection and their rights
11 regarding their personal identifying information, an explanation
12 regarding whom to contact in the event of injury to the individual
13 related to the homeless client survey, a description of any reasonably
14 foreseeable risks to the homeless individual, and a statement
15 describing the extent to which confidentiality of records identifying
16 the individual will be maintained.

17 (3) The Washington homeless client management information system
18 shall serve as an online information and referral system to enable
19 local governments and providers to connect homeless persons in the data
20 base with available housing and other support services. Local
21 governments shall develop a capacity for continuous case management,
22 including independent living plans, when appropriate, to assist
23 homeless persons.

24 (4) The information in the Washington homeless client management
25 information system will also provide the department with the
26 information to consolidate and analyze data about the extent and nature
27 of homelessness in Washington state, giving emphasis to information
28 about the extent and nature of homelessness in Washington state among
29 families with children.

30 (5) The system may be merged with other data gathering and
31 reporting systems and shall:

32 (a) Protect the right of privacy of individuals;

33 (b) Provide for consultation and collaboration with all relevant
34 state agencies including the department of social and health services,
35 experts, and community organizations involved in the delivery of
36 services to homeless persons; and

37 (c) Include related information held or gathered by other state
38 agencies.

1 ((+2)) (6) Within amounts appropriated by the legislature, for
2 this specific purpose, the department shall evaluate the information
3 gathered and disseminate the analysis and the evaluation broadly, using
4 appropriate computer networks as well as written reports.

5 (7) The Washington homeless client management information system
6 shall be implemented by December 31, 2009, and updated with new
7 homeless client information at least annually.

8 ***NEW SECTION.** Sec. 9. (1) The department of community, trade, and
9 economic development shall conduct a study to evaluate the potential
10 development of a voluntary statewide, low-income household housing
11 waiting list data base that would include information on all low-income
12 households requesting housing assistance for the purpose of connecting
13 such households with appropriate housing opportunities. The study
14 shall investigate and evaluate the following:

15 (a) The anticipated benefits of such a statewide waiting list to
16 low-income households and low-income housing providers;

17 (b) The cost of implementing and maintaining the data base; and

18 (c) Best practices from other states or from counties in other
19 states that currently have a similar data base.

20 The department shall report the results of this study to the
21 appropriate committees of the legislature by December 31, 2007.

22 (2) This section expires December 31, 2007.

*Sec. 9 was vetoed. See message at end of chapter.

23 ***NEW SECTION.** Sec. 10. A new section is added to chapter 43.185A
24 RCW to read as follows:

25 (1) The department shall create or purchase, and implement by
26 December 31, 2009, a master affordable housing data base that includes
27 specific information about existing affordable rental housing stock in
28 the state of Washington. The data base shall be maintained and
29 continually updated by the department, and the department may
30 cross-reference and exchange information between this data base and
31 other existing state housing data bases.

32 (2) The data base shall include information on all rental units
33 that meet the affordable housing definition and have received or
34 continue to receive funding from the federal, state, or local
35 government, or other nonprofit organization or financing through the
36 Washington housing finance commission. The department shall encourage

1 private landlords to voluntarily submit information about private
2 rental units that are affordable for low-income households to be
3 included in the data base.

4 (3) The data base shall include information about rental units that
5 shall be determined by the department. However, the data base must
6 include, at a minimum, measures for quality, cost, safety, and size.

7 (4) Other state agencies, local governments, local public agencies,
8 including water and sewer districts, housing authorities, and other
9 housing organizations shall cooperate with the department to create and
10 update the affordable housing data base by providing to the department
11 any requested existing information about rental housing units within
12 the jurisdiction.

13 (5) The data base shall be searchable by the department, local
14 governments, community housing organizations, including housing
15 authorities, and the public according to housing characteristics
16 determined by the department including, at a minimum, location, cost,
17 and size. The data base will be utilized for data collection about
18 Washington's affordable rental housing stock and will also serve as a
19 low-income housing referral system to connect low-income households
20 seeking housing with appropriate and available units.

**Sec. 10 was vetoed. See message at end of chapter.*

21 NEW SECTION. **Sec. 11.** A new section is added to chapter 43.185A
22 RCW to read as follows:

23 The department, the housing finance commission, the affordable
24 housing advisory board, and all local governments, housing authorities,
25 and other nonprofits receiving state housing funds or financing through
26 the housing finance commission shall, by December 31, 2006, and
27 annually thereafter, review current housing reporting requirements
28 related to housing programs and services and give recommendations to
29 streamline and simplify all planning and reporting requirements to the
30 department of community, trade, and economic development, which will
31 compile and present the recommendations annually to the legislature.
32 The entities listed in this section shall also give recommendations for
33 additional legislative actions that could promote affordable housing
34 and end homelessness.

35 NEW SECTION. **Sec. 12.** A new section is added to chapter 35.82 RCW
36 to read as follows:

1 A joint housing authority may be dissolved pursuant to
2 substantially identical resolutions or ordinances of the legislative
3 authority of each of the counties or cities that previously authorized
4 that joint housing authority. These resolutions or ordinances may
5 authorize the execution of an agreement among the counties, cities, and
6 the joint housing authority that provides for the timing, distribution
7 of assets, obligations and liabilities, and other matters deemed
8 necessary or appropriate by the legislative authorities.

9 (2) Each resolution or ordinance dissolving a joint housing
10 authority shall provide for the following:

11 (a) Activation or reactivation of a housing authority or joint
12 housing authority by each of the cities and counties that previously
13 authorized the joint housing authority and any additional cities or
14 counties that are then to be added. This activation or reactivation
15 takes effect upon the dissolution of the joint housing authority or at
16 an earlier time provided in the resolutions or ordinances dissolving
17 the joint housing authority; and

18 (b) Distribution of all assets, obligations, and liabilities of the
19 joint housing authority to the housing authorities activated or
20 reactivated under (a) of this subsection. Distribution of assets,
21 obligations, and liabilities may be based on any, or a combination of
22 any of, the following considerations:

23 (i) The population within the boundaries of each of the housing
24 authorities activated or reactivated under (a) of this subsection;

25 (ii) The number of housing units owned by the joint housing
26 authority within the boundaries of each of the housing authorities
27 activated or reactivated under (a) of this subsection;

28 (iii) The number of low-income residents within the boundaries of
29 each of the housing authorities activated or reactivated under (a) of
30 this subsection;

31 (iv) The effect of the proposed distribution on the viability of
32 the housing authorities activated or reactivated under (a) of this
33 subsection; or

34 (v) Any other reasonable criteria to determine the distribution of
35 assets, obligations, and liabilities.

36 (3) Each activated or reactivated housing authority shall be
37 responsible for debt service on bonds or other obligations issued or
38 incurred to finance the acquisition, construction, or improvement of

1 the projects, properties, and other assets that have been distributed
2 to them under the dissolution. However, if an outstanding bond issue
3 is secured in whole or in part by the general revenues of the joint
4 housing authority being dissolved, each housing authority activated or
5 reactivated under subsection (2)(a) of this section shall remain
6 jointly and severally liable for retirement of debt service through
7 repayment of those outstanding bonds and other obligations of the joint
8 housing authority until paid or defeased, from general revenues of each
9 of the activated or reactivated housing authorities, and from any other
10 revenues and accounts that had been expressly pledged by the joint
11 housing authority to the payment of those bonds or other obligations.
12 As used in this subsection, "general revenues" means all revenues of a
13 housing authority from any source, but only to the extent that those
14 revenues are available to pay debt service on bonds or other
15 obligations and are not then or thereafter pledged or restricted by
16 law, regulation, contract, covenant, resolution, deed of trust, or
17 otherwise, solely to another particular purpose.

18 NEW SECTION. **Sec. 13.** RCW 43.63A.655 is recodified as a section
19 in chapter 43.185C RCW.

20 ****NEW SECTION. Sec. 14. If specific funding is not transferred from***
21 ***the general fund to the Washington housing trust fund for the purposes***
22 ***of this act, referencing this act by bill or chapter number, by June***
23 ***30, 2006, in the omnibus appropriations act, this act is null and void.***
**Sec. 14 was vetoed. See message at end of chapter.*

Passed by the House March 6, 2006.

Passed by the Senate March 3, 2006.

Approved by the Governor March 30, 2006, with the exception of
certain items that were vetoed.

Filed in Office of Secretary of State March 30, 2006.

Note: Governor's explanation of partial veto is as follows:

"I am returning, without my approval as to Sections 9, 10 and 14,
Grossed Second Substitute House Bill No. 2418 entitled:

"AN ACT Relating to affordable housing."

The Department of Community, Trade, and Economic Development (CTED)
is required in Section 9 of the bill to conduct a study to evaluate
the potential development of a voluntary statewide, low-income
housing waiting list database. The database would include
information on all low-income households requesting housing
assistance, for the purpose of connecting such households with
appropriate housing opportunities. CTED is also required in Section
10 to create or purchase, and implement by December 31, 2009, a
master affordable housing database that includes specific information
about existing affordable rental housing stock in the state of

Washington. The activities outlined in Sections 9 and 10 of the bill are likely to create funding pressures for future biennial budgets.

Section 14 requires specific funding to be transferred from the General Fund to the Washington Housing Trust Fund by June 30, 2006, or the Act will be null and void. However, the transfer authorized by the Legislature in the Operating Budget bill occurs after June 30, 2006.

As funding provided in the Operating Budget related to this bill is insufficient, CTED will not be able to implement all of the activities contemplated. Notwithstanding this, CTED should do all that it can with the funding available to achieve the objectives of this bill.

For these reasons, I have vetoed Sections 9, 10 and 14 of Engrossed Second Substitute House Bill No. 2418.

With the exception of Sections 9, 10 and 14, Engrossed Second Substitute House Bill No. 2418 is approved."