

CERTIFICATION OF ENROLLMENT

ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1359

Chapter 427, Laws of 2007

60th Legislature
2007 Regular Session

AFFORDABLE HOUSING

EFFECTIVE DATE: 07/22/07

Passed by the House April 20, 2007
Yeas 60 Nays 37

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate April 20, 2007
Yeas 28 Nays 21

BRAD OWEN

President of the Senate

Approved May 11, 2007, 10:50 a.m.

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 1359** as passed by the House of Representatives and the Senate on the dates hereon set forth.

RICHARD NAFZIGER

Chief Clerk

FILED

May 11, 2007

**Secretary of State
State of Washington**

ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1359

AS AMENDED BY THE SENATE

Passed Legislature - 2007 Regular Session

State of Washington **60th Legislature** **2007 Regular Session**

By House Committee on Appropriations (originally sponsored by Representatives Miloscia, Chase, Hasegawa, Pettigrew, Springer, Ormsby, Roberts, Darneille, Goodman and Santos)

READ FIRST TIME 03/05/07.

1 AN ACT Relating to providing affordable housing for all; amending
2 RCW 36.22.178, 43.185C.010, 36.22.179, and 43.185C.060; and adding new
3 sections to chapter 43.185C RCW.

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

5 **Sec. 1.** RCW 36.22.178 and 2005 c 484 s 18 are each amended to read
6 as follows:

7 The surcharge provided for in this section shall be named the
8 affordable housing for all surcharge.

9 (1) Except as provided in subsection (~~(2)~~) (3) of this section,
10 a surcharge of ten dollars per instrument shall be charged by the
11 county auditor for each document recorded, which will be in addition to
12 any other charge authorized by law. The county may retain up to five
13 percent of these funds collected solely for the collection,
14 administration, and local distribution of these funds. Of the
15 remaining funds, forty percent of the revenue generated through this
16 surcharge will be transmitted monthly to the state treasurer who will
17 deposit the funds into the (~~Washington housing trust account~~)
18 affordable housing for all account created in section 2 of this act.
19 (~~The office of community development of the department of community,~~

1 ~~trade, and economic development will develop guidelines for the use of~~
2 ~~these funds to support))~~ The department of community, trade, and
3 economic development must use these funds to provide housing and
4 shelter for extremely low-income households, including but not limited
5 to grants for building operation and maintenance costs of housing
6 projects or units within housing projects that are affordable to
7 extremely low-income ((~~persons~~)) households with incomes at or below
8 thirty percent of the area median income, and that require a supplement
9 to rent income to cover ongoing operating expenses.

10 (2) All of the remaining funds generated by this surcharge will be
11 retained by the county and be deposited into a fund that must be used
12 by the county and its cities and towns for eligible housing ((~~projects~~
13 ~~or units within housing projects that are affordable to~~)) activities as
14 described in this subsection that serve very low-income ((~~persons~~))
15 households with incomes at or below fifty percent of the area median
16 income. The portion of the surcharge retained by a county shall be
17 allocated to eligible housing activities that serve extremely low and
18 very low-income ((~~housing projects or units within such housing~~
19 ~~projects~~)) households in the county and the cities within a county
20 according to an interlocal agreement between the county and the cities
21 within the county consistent with countywide and local housing needs
22 and policies. ((~~The funds generated with this surcharge shall not be~~
23 ~~used for construction of new housing if at any time the vacancy rate~~
24 ~~for available low income housing within the county rises above ten~~
25 ~~percent. The vacancy rate for each county shall be developed using the~~
26 ~~state low income vacancy rate standard developed under subsection (3)~~
27 ~~of this section. Uses of~~)) A priority must be given to eligible
28 housing activities that serve extremely low-income households with
29 incomes at or below thirty percent of the area median income. Eligible
30 housing activities to be funded by these ((~~local~~)) county funds are
31 limited to:

32 (a) Acquisition, construction, or rehabilitation of housing
33 projects or units within housing projects that are affordable to very
34 low-income ((~~persons~~)) households with incomes at or below fifty
35 percent of the area median income, including units for homeownership,
36 rental units, seasonal and permanent farm worker housing units, and
37 single room occupancy units;

1 (b) Supporting building operation and maintenance costs of housing
2 projects or units within housing projects eligible to receive housing
3 trust funds, that are affordable to very low-income (~~persons~~)
4 households with incomes at or below fifty percent of the area median
5 income, and that require a supplement to rent income to cover ongoing
6 operating expenses;

7 (c) Rental assistance vouchers for housing (~~projects or~~) units
8 (~~within housing projects~~) that are affordable to very low-income
9 (~~persons~~) households with incomes at or below fifty percent of the
10 area median income, to be administered by a local public housing
11 authority or other local organization that has an existing rental
12 assistance voucher program, consistent with or similar to the United
13 States department of housing and urban development's section 8 rental
14 assistance voucher program standards; and

15 (d) Operating costs for emergency shelters and licensed overnight
16 youth shelters.

17 ~~((+2))~~ (3) The surcharge imposed in this section does not apply to
18 assignments or substitutions of previously recorded deeds of trust.

19 ~~((3) The real estate research center at Washington State
20 University shall develop a vacancy rate standard for low income housing
21 in the state as described in RCW 18.85.540(1)(i)).~~

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

24 The affordable housing for all account is created in the state
25 treasury, subject to appropriation. The state's portion of the
26 surcharges established in RCW 36.22.178 shall be deposited in the
27 account. Expenditures from the account may only be used for affordable
28 housing programs.

29 **Sec. 3.** RCW 43.185C.010 and 2006 c 349 s 6 are each amended to
30 read as follows:

31 The definitions in this section apply throughout this chapter
32 unless the context clearly requires otherwise.

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

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

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

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

13 (5) "~~Homeless housing~~) Home security fund account" means the
14 state treasury account receiving the state's portion of income from
15 revenue from the sources established by RCW 36.22.179, section 5 of
16 this act, and all other sources directed to the homeless housing and
17 assistance program.

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

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

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

32 (9) "Local homeless housing task force" means a voluntary local
33 committee created to advise a local government on the creation of a
34 local homeless housing plan and participate in a local homeless housing
35 program. It must include a representative of the county, a
36 representative of the largest city located within the county, at least
37 one homeless or formerly homeless person, such other members as may be

1 required to maintain eligibility for federal funding related to housing
2 programs and services and if feasible, a representative of a private
3 nonprofit organization with experience in low-income housing.

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

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

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

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

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

19 (15) "Homeless housing program" means the program authorized under
20 this chapter as administered by the department at the state level and
21 by the local government or its designated subcontractor at the local
22 level.

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

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

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

35 **Sec. 4.** RCW 36.22.179 and 2005 c 484 s 9 are each amended to read
36 as follows:

37 (1) In addition to the surcharge authorized in RCW 36.22.178, and

1 except as provided in subsection (2) of this section, an additional
2 surcharge of ten dollars shall be charged by the county auditor for
3 each document recorded, which will be in addition to any other charge
4 allowed by law. The funds collected pursuant to this section are to be
5 distributed and used as follows:

6 (a) The auditor shall retain two percent for collection of the fee,
7 and of the remainder shall remit sixty percent to the county to be
8 deposited into a fund that must be used by the county and its cities
9 and towns to accomplish the purposes of this chapter (~~(484, Laws of~~
10 ~~2005)~~), six percent of which may be used by the county for
11 administrative costs related to its homeless housing plan, and the
12 remainder for programs which directly accomplish the goals of the
13 county's local homeless housing plan, except that for each city in the
14 county which elects as authorized in RCW 43.185C.080 to operate its own
15 local homeless housing program, a percentage of the surcharge assessed
16 under this section equal to the percentage of the city's local portion
17 of the real estate excise tax collected by the county shall be
18 transmitted at least quarterly to the city treasurer, without any
19 deduction for county administrative costs, for use by the city for
20 program costs which directly contribute to the goals of the city's
21 local homeless housing plan; of the funds received by the city, it may
22 use six percent for administrative costs for its homeless housing
23 program.

24 (b) The auditor shall remit the remaining funds to the state
25 treasurer for deposit in the (~~(homeless housing)~~) home security fund
26 account. The department may use twelve and one-half percent of this
27 amount for administration of the program established in RCW
28 43.185C.020, including the costs of creating the statewide homeless
29 housing strategic plan, measuring performance, providing technical
30 assistance to local governments, and managing the homeless housing
31 grant program. The remaining eighty-seven and one-half percent is to
32 be (~~(distributed by the department to local governments through the~~
33 ~~homeless housing grant program)~~) used by the department to:

34 (i) Provide housing and shelter for homeless people including, but
35 not limited to: Grants to operate, repair, and staff shelters; grants
36 to operate transitional housing; partial payments for rental
37 assistance; consolidated emergency assistance; overnight youth
38 shelters; and emergency shelter assistance; and

1 (ii) Fund the homeless housing grant program.

2 (2) The surcharge imposed in this section does not apply to
3 assignments or substitutions of previously recorded deeds of trust.

4 NEW SECTION. Sec. 5. A new section is added to chapter 43.185C
5 RCW to read as follows:

6 (1) In addition to the surcharges authorized in RCW 36.22.178 and
7 36.22.179, and except as provided in subsection (2) of this section,
8 the county auditor shall charge an additional surcharge of eight
9 dollars for each document recorded, which is in addition to any other
10 charge allowed by law. The funds collected under this section are to
11 be distributed and used as follows:

12 (a) The auditor shall remit ninety percent to the county to be
13 deposited into a fund six percent of which may be used by the county
14 for administrative costs related to its homeless housing plan, and the
15 remainder for programs that directly accomplish the goals of the
16 county's local homeless housing plan, except that for each city in the
17 county that elects, as authorized in RCW 43.185C.080, to operate its
18 own homeless housing program, a percentage of the surcharge assessed
19 under this section equal to the percentage of the city's local portion
20 of the real estate excise tax collected by the county must be
21 transmitted at least quarterly to the city treasurer for use by the
22 city for program costs that directly contribute to the goals of the
23 city's homeless housing plan.

24 (b) The auditor shall remit the remaining funds to the state
25 treasurer for deposit in the home security fund account. The
26 department may use the funds for administering the program established
27 in RCW 43.185C.020, including the costs of creating and updating the
28 statewide homeless housing strategic plan, measuring performance,
29 providing technical assistance to local governments, and managing the
30 homeless housing grant program. Remaining funds may also be used to:

31 (i) Provide housing and shelter for homeless people including, but
32 not limited to: Grants to operate, repair, and staff shelters; grants
33 to operate transitional housing; partial payments for rental
34 assistance; consolidated emergency assistance; overnight youth
35 shelters; and emergency shelter assistance; and

36 (ii) Fund the homeless housing grant program.

1 (2) The surcharge imposed in this section does not apply to
2 assignments or substitutions of previously recorded deeds of trust.

3 **Sec. 6.** RCW 43.185C.060 and 2005 c 484 s 10 are each amended to
4 read as follows:

5 The ~~((homeless housing))~~ home security fund account is created in
6 the ~~((custody of the))~~ state ~~((treasurer))~~ treasury, subject to
7 appropriation. The state's portion of the surcharge established in RCW
8 36.22.179 and section 5 of this act must be deposited in the account.
9 Expenditures from the account may be used only for ~~((the))~~ homeless
10 housing programs as described in this chapter. ~~((Only the director or~~
11 ~~the director's designee may authorize expenditures from the account.~~
12 ~~The account is subject to allotment procedures under chapter 43.88 RCW,~~
13 ~~but an appropriation is not required for expenditures.))~~

Passed by the House April 20, 2007.
Passed by the Senate April 20, 2007.
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