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SENATE BILL 5300

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State of Washington

61st Legislature

2009 Regular Session

By Senators Kauffman, Fraser, and Kohl-Welles; by request of Department of Community, Trade, and Economic Development

Read first time 01/20/09. Referred to Committee on Financial Institutions, Housing & Insurance.

1 AN ACT Relating to allowing capital appropriations for the housing  
2 trust fund to be used for project application, review, selection,  
3 contracting, and project development; amending RCW 43.185.050; and  
4 reenacting and amending RCW 43.185A.030.

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

6 **Sec. 1.** RCW 43.185.050 and 2006 c 371 s 236 are each amended to  
7 read as follows:

8 (1) The department shall use moneys from the housing trust fund and  
9 other legislative appropriations to finance in whole or in part any  
10 loans or grant projects that will provide housing for persons and  
11 families with special housing needs and with incomes at or below fifty  
12 percent of the median family income for the county or standard  
13 metropolitan statistical area where the project is located. At least  
14 thirty percent of these moneys used in any given funding cycle shall be  
15 for the benefit of projects located in rural areas of the state as  
16 defined by the department. If the department determines that it has  
17 not received an adequate number of suitable applications for rural  
18 projects during any given funding cycle, the department may allocate  
19 unused moneys for projects in nonrural areas of the state.

1 (2) Activities eligible for assistance from the housing trust fund  
2 and other legislative appropriations include, but are not limited to:

3 (a) New construction, rehabilitation, or acquisition of low and  
4 very low-income housing units;

5 (b) Rent subsidies;

6 (c) Matching funds for social services directly related to  
7 providing housing for special-need tenants in assisted projects;

8 (d) Technical assistance, design and finance services and  
9 consultation, and administrative costs for eligible nonprofit community  
10 or neighborhood-based organizations;

11 (e) Administrative costs for housing assistance groups or  
12 organizations when such grant or loan will substantially increase the  
13 recipient's access to housing funds other than those available under  
14 this chapter;

15 (f) Shelters and related services for the homeless, including  
16 emergency shelters and overnight youth shelters;

17 (g) Mortgage subsidies, including temporary rental and mortgage  
18 payment subsidies to prevent homelessness;

19 (h) Mortgage insurance guarantee or payments for eligible projects;

20 (i) Down payment or closing cost assistance for eligible first-time  
21 home buyers;

22 (j) Acquisition of housing units for the purpose of preservation as  
23 low-income or very low-income housing;

24 (k) Projects making housing more accessible to families with  
25 members who have disabilities; and

26 (l) During the 2005-2007 fiscal biennium, a manufactured/mobile  
27 home landlord-tenant ombudsman conflict resolution and park  
28 registration program.

29 (3) During the 2005-2007 fiscal biennium, revenues generated under  
30 RCW 36.22.178 may be used for the development of affordable housing  
31 projects and other activities funded in section 108, chapter 371, Laws  
32 of 2006.

33 (4) Legislative appropriations from capital bond proceeds may be  
34 used only for the costs of projects authorized under subsection (2)(a),  
35 (i), and (j) of this section, and ~~((not for the administrative costs of  
36 the department))~~ for department costs directly related to project  
37 application, review, selection, contracting, and project development.

1 (5) Moneys from repayment of loans from appropriations from capital  
2 bond proceeds may be used for all activities necessary for the proper  
3 functioning of the housing assistance program except for activities  
4 authorized under subsection (2)(b) and (c) of this section.

5 ~~((6) Administrative costs of the department shall not exceed five  
6 percent of the annual funds available for the housing assistance  
7 program.))~~

8 **Sec. 2.** RCW 43.185A.030 and 2005 c 518 s 1803 and 2005 c 219 s 3  
9 are each reenacted and amended to read as follows:

10 (1) Using moneys specifically appropriated for such purpose, the  
11 department shall finance in whole or in part projects that will provide  
12 housing for low-income households.

13 (2) Activities eligible for assistance include, but are not limited  
14 to:

15 (a) New construction, rehabilitation, or acquisition of housing for  
16 low-income households;

17 (b) Rent subsidies in new construction or rehabilitated multifamily  
18 units;

19 (c) Down payment or closing costs assistance for first-time home  
20 buyers;

21 (d) Mortgage subsidies for new construction or rehabilitation of  
22 eligible multifamily units; and

23 (e) Mortgage insurance guarantee or payments for eligible projects.

24 (3) Legislative appropriations from capital bond proceeds may be  
25 used only for the costs of projects authorized under subsection (2)  
26 (a), (c), (d), and (e) of this section, and ~~((not for the  
27 administrative costs of the department))~~ for department costs directly  
28 related to project application, review, selection, contracting, and  
29 project development.

30 (4) Moneys from repayment of loans from appropriations from capital  
31 bond proceeds may be used for all activities necessary for the proper  
32 functioning of the affordable housing program except for activities  
33 authorized under subsection (2)(b) of this section.

34 ~~((5) Administrative costs of the department shall not exceed five  
35 percent of the annual funds available for the affordable housing~~

1 program.) )

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