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**SENATE BILL 6422**

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**State of Washington 64th Legislature 2016 Regular Session**

**By** Senators Miloscia and Chase

AN ACT Relating to providing affordable housing for all; amending RCW 43.185B.040, 36.22.178, and 43.185A.100; reenacting and amending RCW 43.185.070; adding new sections to chapter 43.185C RCW; adding a new chapter to Title 43 RCW; creating a new section; and recodifying RCW 36.22.179, 36.22.1791, 43.20A.790, 36.22.178, 43.185A.100, 43.185B.020, and 43.185B.040.

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

NEW SECTION. **Sec.**  (1) The legislature finds that there is a large, unmet need for affordable housing in the state of Washington. The legislature declares that a decent, appropriate, and affordable home in a healthy, safe environment for every household should be a state goal. Furthermore, this goal includes increasing the percentage of low-income households who are able to obtain and retain housing without government subsidies or other public support.

(2) The legislature finds that there are many root causes of the affordable housing shortage and declares that it is critical that such causes be analyzed, effective solutions be developed, implemented, monitored, and evaluated, and that these causal factors be eliminated. The legislature also finds that there is a taxpayer and societal cost associated with a lack of jobs that pay self-sufficiency standard wages and a shortage of affordable housing, and that the state must identify and quantify that cost. The legislature finds that family structure and stability impacts a family's ability to earn a living wage and the ability to secure affordable housing; therefore, it is in the state's interest to encourage such family structure and stability.

(3) The legislature finds that the support and commitment of all sectors of the statewide community is critical to accomplishing the state's affordable housing for all goal. The legislature finds that the provision of housing and housing-related services should be administered at the local level. However, the state should play a primary role in: Providing financial resources to achieve the goal at all levels of government; researching, evaluating, benchmarking, and implementing best practices; continually updating and evaluating statewide housing data; developing a state plan that integrates the strategies, goals, objectives, and performance measures of all other state housing plans and programs; coordinating and supporting county government plans and activities; and directing quality management practices by monitoring both state and county government performance towards achieving interim and ultimate goals.

(4) The legislature declares that the systematic and comprehensive performance measurement and evaluation of progress toward interim goals and the immediate state affordable housing goal of a decent, appropriate, and affordable home in a healthy, safe environment for every household in the state by 2026 is a necessary component of the statewide effort to end the affordable housing crisis.

NEW SECTION. **Sec.**  This chapter may be known and cited as the Washington affordable housing for all act.

NEW SECTION. **Sec.**  There is created within the department the state affordable housing for all program. The goal of the program is a decent, appropriate, and affordable home in a healthy, safe environment for every very low-income household in the state by 2026. A priority must be placed upon achieving this goal for extremely low-income households. This goal includes increasing the percentage of households who access housing that is affordable for their income or wage level without government assistance by increasing the number of previously very low-income households who achieve self-sufficiency and economic independence. The goal also includes implementing strategies to keep the rising cost of housing below the relative rise in wages. The department shall develop and administer the affordable housing for all program. Each county shall participate in the affordable housing for all program except as provided in section 8 of this act; however, in the development and implementation of the program scope and requirements at the county level, the department shall consider: The funding level to counties, number of county staff available to implement the program, and competency of each county to meet the goals of the program; and establish program guidelines, performance measures, and reporting requirements appropriate to the existing capacity of the participating counties.

NEW SECTION. **Sec.**  Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Affordable housing" means housing that has a sales price or rental amount that is within the means of a household that may occupy low, very low, and extremely low-income housing. The department shall adopt policies for residential rental and homeownership housing, occupied by extremely low, very low, and low-income households, that specify the percentage of household income that may be spent on monthly housing costs, including utilities other than telephone, to qualify as affordable housing.

(2) "Affordable housing for all program" means the program authorized under this chapter, as administered by the department at the state level and by each county at the local level.

(3) "Authority" or "housing authority" means any of the public corporations created in RCW 35.82.030.

(4) "County" means a county government in the state of Washington or, except under RCW 36.22.178 (as recodified by this act), a city government or collaborative of city governments within that county if (a) the county government declines to participate in the affordable housing program and (b) as described under section 8 of this act, a city or collaborative of city governments elects to participate in the program.

(5) "County affordable housing for all plan" or "county plan" means the plan developed by each county with the goal of ensuring that every very low-income household in the county has a decent, appropriate, and affordable home in a healthy, safe environment by 2026.

(6) "County affordable housing task force" means a county committee, as described in section 6 of this act, created to prepare and recommend to its county legislative authority a county affordable housing for all plan, and also to recommend expenditures of the funds from the affordable housing for all program surcharge in RCW 36.22.178 (as recodified by this act) and all other sources directed to the county's affordable housing for all program.

(7) "Department" means the department of commerce.

(8) "Director" means the director of the department of commerce.

(9) "Extremely low-income household" means a single person, family, or unrelated persons living together whose adjusted income is less than thirty percent of the median family income, adjusted for household size for the county where the project is located.

(10) "First-time home buyer" means an individual or his or her spouse who have not owned a home during the three-year period prior to purchase of a home.

(11) "Good family-wage job" means a job that pays at or above one of the two self-sufficiency income standards established under section 13 of this act which for an individual means enough income to support one adult individual, and for a family means enough income to support two adult individuals, one preschool-aged child, and one school-aged child.

(12) "Local government" means a county or city government in the state of Washington or, except under RCW 36.22.178 (as recodified by this act), a city government or collaborative of city governments within that county if (a) the county government declines to participate in the affordable housing program and (b) as described under section 8 of this act, a city or collaborative of city governments elects to participate in the program.

(13) "Low-income household," for the purposes of the affordable housing for all program, means a single person, family, or unrelated persons living together whose adjusted income is less than eighty percent of the median household income, adjusted for household size for the county where the project is located.

(14) "Nonprofit organization" means any public or private nonprofit organization that: (a) Is organized under federal, state, or local laws; (b) has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual; and (c) has among its purposes, significant activities related to the provision of decent housing that is affordable to extremely low-income, very low-income, low-income, or moderate-income households and special needs populations.

(15) "Performance evaluation" means the process of evaluating the performance by established objective, measurable criteria according to the achievement of outlined goals, measures, targets, standards, or other outcomes using a ranked scorecard from highest to lowest performance which employs a scale of one to one hundred, one hundred being the optimal score.

(16) "Performance measurement" means the process of comparing specific measures of success with ultimate and interim goals.

(17) "Quality management program" means a nationally recognized program using criteria similar or equivalent to the Baldridge criteria. Beginning in 2018, all cities, towns, and counties receiving over five hundred thousand dollars a year during the previous calendar year from (a) state housing-related funding sources, including the housing trust fund, (b) the affordable housing for all program surcharge in RCW 36.22.178 (as recodified by this act), (c) the home security fund surcharges in RCW 36.22.179 and 36.22.1791 (as recodified by this act), and (d) any other surcharge charged under chapter 36.22 or 43.185C RCW to fund homelessness or other housing programs must apply to the full examination Washington state quality award program once every three years beginning by January 1, 2019.

(18) "Regulatory barriers to affordable housing" and "regulatory barriers" mean any public policies, including those embodied in statutes, ordinances, regulations, or administrative procedures or processes, required to be identified by the state, cities, towns, or counties in connection with strategies under section 105(b)(4) of the Cranston-Gonzalez national affordable housing act (42 U.S.C. Sec. 12701 et seq.).

(19) "State affordable housing for all plan" or "state plan" means the plan developed by the department in collaboration with the affordable housing advisory board with the goal of ensuring that every very low-income household in Washington has a decent, appropriate, and affordable home in a healthy, safe environment by 2026.

(20) "Very low-income household" means a single person, family, or unrelated persons living together whose adjusted income is less than fifty percent of the median family income, adjusted for household size for the county where the project is located.

**Sec.**  RCW 43.185B.040 and 1993 c 478 s 12 are each amended to read as follows:

(1) The department shall, in consultation with the affordable housing advisory board created in RCW 43.185B.020 (as recodified by this act), prepare and ((~~from time to time amend a five-year~~)) annually update a state affordable housing ((~~advisory~~)) for all plan. The state plan must incorporate the strategies, objectives, goals, and performance measures of all other housing-related state plans, including the state homeless housing strategic plan required under RCW 43.185C.040 and all state housing programs. The state affordable housing for all plan may be combined with the state homeless housing strategic plan required under RCW 43.185C.040 or any other existing state housing plan as long as the requirements of all of the plans to be merged are met.

(2) The purpose of the state affordable housing for all plan is to:

(a) Document the need for affordable housing in the state and the extent to which that need is being met through public and private sector programs((~~, to~~));

(b) Outline the development of sound strategies and programs to promote affordable housing;

(c) Establish, evaluate, and report upon performance measures, goals, and timelines that are determined by the department for the affordable housing for all program as well as for all federal, state, and local housing programs operated or coordinated by the department, including federal block grant programs, the Washington housing trust fund, and all local surcharge funds collected with the purpose of addressing homelessness and affordable housing; and

(d) Facilitate state and county government planning to meet the state affordable housing ((~~needs of the state, and to enable the development of sound strategies and programs for affordable housing~~)) for all goal.

((~~The information in the five-year housing advisory plan must include:~~

~~(a) An assessment of the state's housing market trends;~~

~~(b) An assessment of the housing needs for all economic segments of the state and special needs populations;~~

~~(c) An inventory of the supply and geographic distribution of affordable housing units made available through public and private sector programs;~~

~~(d) A status report on the degree of progress made by the public and private sector toward meeting the housing needs of the state;~~

~~(e) An identification of state and local regulatory barriers to affordable housing and proposed regulatory and administrative techniques designed to remove barriers to the development and placement of affordable housing; and~~

~~(f) Specific recommendations, policies, or proposals for meeting the affordable housing needs of the state.~~

~~(2)~~)) (3)(a) The department, in consultation with the affordable housing advisory board, must develop recommendations for affordable housing for all program performance measures, short-term and long-term goals, and timelines, as well as information to be collected, analyzed, and reported upon in the state and local affordable housing for all plans. The department must present its recommendations to the appropriate committees of the legislature by December 31, 2016.

(b) Performance measures and other required plan components must be reviewed annually by the department after soliciting feedback from the affordable housing advisory board, appropriate committees of the legislature, and all county affordable housing for all task forces.

(c) The department may determine a timeline to implement and measure each performance measure for the state and county affordable housing for all programs, except that the state and all counties participating in the affordable housing for all program must implement and respond to all performance measures by January 1, 2019, unless the department determines that a performance measure is not applicable to a specific county based on parameters and thresholds established by the department.

(4) The ((~~five-year~~)) state affordable housing ((~~advisory~~)) for all plan required under ((~~subsection (1) of~~)) this section must be submitted to the appropriate committees of the legislature on or before ((~~February 1, 1994~~)) December 31, 2017, and subsequent updated plans must be submitted ((~~every five years~~)) by December 31st each year thereafter.

((~~(b) Each February 1st, beginning February 1, 1995, the department shall submit an annual progress report, to the legislature, detailing the extent to which the state's affordable housing needs were met during the preceding year and recommendations for meeting those needs~~))

(5) To guide counties in preparation of county affordable housing for all plans required under section 7 of this act, the department must issue, by December 31, 2017, guidelines for preparing county plans consistent with this chapter. County plans must include, at a minimum, the same information reporting and analysis on a local level and the same performance measures as the state plan.

(6) Each year, beginning in 2018, the department must:

(a) Summarize key information from county plans, including a summary of local city and county housing program activities and a summary of legislative recommendations;

(b) Conduct annual performance evaluations of county plans; and

(c) Conduct annual performance evaluations of all counties according to their performance in achieving affordable housing goals stated in their plans.

(7) The department must include a summary of county affordable housing for all plans and the results of performance evaluations in the state affordable housing for all plan beginning in 2010.

(8) Based on changes to the general population and in the housing market, the department may revise the performance measures and goals of the state affordable housing for all plan and set goals for years following December 31, 2026.

NEW SECTION. **Sec.**  Each county must convene a county affordable housing task force. The task force must be a committee, made up of volunteers, created to prepare and recommend to the county legislative authority a county affordable housing for all plan and also to recommend appropriate expenditures of the affordable housing for all program funds provided for in RCW 36.22.178 (as recodified by this act) and any other sources directed to the county program. The county affordable housing task force must include a representative of the county, a representative from the city with the highest population in the county, a representative from all other cities in the county with a population of more than fifty thousand, a member representing beneficiaries of affordable housing programs, other members as may be required to maintain eligibility for federal funding related to housing programs and services, and a representative from both a private nonprofit organization and a private for-profit organization with experience in very low-income housing. The task force may be the same as the homeless housing task force created in RCW 43.185C.160 or the same as another existing task force or other formal committee that meets the requirements of this section.

NEW SECTION. **Sec.**  (1) Each county must direct its affordable housing task force to prepare and recommend to its county legislative authority a county affordable housing for all plan for its jurisdictional area. Each county must adopt a county plan by June 30, 2018, and update the plan annually by June 30th thereafter. All plans must be forwarded to the department by the date of adoption. County affordable housing for all plans may be combined with the local homeless housing plans required under RCW 43.185C.040, county comprehensive plans required under RCW 36.70A.040, or any other existing plan addressing housing within a county as long as the requirements of all of the plans to be merged are met. For counties required or choosing to plan under RCW 36.70A.040, county affordable housing for all plans must be consistent with the housing elements of comprehensive plans described in RCW 36.70A.070(2). County plans must also be consistent with any existing local homeless housing plan required in RCW 43.185C.050.

(2) County affordable housing for all plans must be primarily focused on (a) ensuring that every very low-income household in the county jurisdictional area has a decent, appropriate, and affordable home in a healthy, safe environment by 2026 with a priority placed on achieving this goal for extremely low-income households and (b) increasing the percentage of very low-income households that access affordable housing without government assistance. County affordable housing for all plans must include:

(a) At a minimum, the same information, analysis, and performance measures as the state affordable housing for all plan, including information and performance measurement data, where available, on all city and county housing programs, including local housing-related levy initiatives, housing-related tax exemption programs, and federally funded programs operated or coordinated by local governments;

(b) Information on the uses of the affordable housing for all surcharge as required in RCW 36.22.178(4) (as recodified by this act);

(c) Timelines for the accomplishment of interim goals and targets, and for the acquisition of projected financing that is appropriate for outlined goals and targets;

(d) An identification of challenges to reaching the affordable housing for all goal;

(e) A total estimated amount of funds needed to reach the local affordable housing for all goal and an identification of potential funding sources; and

(f) State legislative recommendations to enable the county to achieve its affordable housing for all goals. Legislative recommendations must be specific and, if necessary, include an estimated amount of funding required and suggestions of an appropriate funding source.

NEW SECTION. **Sec.**  (1) Any county may decline to participate in the affordable housing for all program authorized in this chapter by forwarding to the department a resolution adopted by the county legislative authority stating the intention not to participate. A copy of the resolution must also be transmitted to the county auditor and treasurer. Counties that decline to participate are not required to establish an affordable housing task force or create a county affordable housing for all plan. Counties declining to participate in the affordable housing for all program must continue to collect and utilize the affordable housing for all surcharge for the purposes described in RCW 36.22.178 (as recodified by this act); however, such counties may not be allocated any additional affordable housing for all program funding. Counties may opt back into the affordable housing for all program authorized in this chapter at a later date through a process and timeline to be determined by the department.

(2) If a county declines to participate in the affordable housing for all program authorized in this chapter, a city or formally organized collaborative of cities within that county may forward a resolution to the department stating its intention and willingness to operate an affordable housing for all program within its jurisdictional limits. The department must establish procedures to choose amongst cities or collaboratives of cities if more than one city or collaborative of cities express an interest in participating in the program. Participating cities or collaboratives of cities must fulfill the same requirements as counties participating in the affordable housing for all program.

NEW SECTION. **Sec.**  A county may subcontract with any other county, city, town, housing authority, community action agency, or other nonprofit organization for the execution of programs contributing to the affordable housing for all goal. All subcontracts must be: Consistent with the county affordable housing for all plan adopted by the legislative authority of the county; time limited; and filed with the department, and must have specific performance terms as specified by the county. County governments must strongly encourage all subcontractors under the affordable housing for all program to apply to the full examination Washington state quality award program. This authority to subcontract with other entities does not affect participating counties' ultimate responsibility for meeting the requirements of the affordable housing for all program.

**Sec.**  RCW 36.22.178 and 2011 c 110 s 1 are each amended to read as follows:

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

(1) Except as provided in subsection (3) of this section, a surcharge of ten dollars per instrument shall be charged by the county auditor for each document recorded, which will be in addition to any other charge authorized by law. The county may retain up to five percent of these funds collected solely for the collection, administration, and local distribution of these funds. Of the remaining funds, forty percent of the revenue generated through this surcharge will be transmitted monthly to the state treasurer who will deposit the funds into the affordable housing for all account created in RCW 43.185C.190. The department of commerce must use these funds to provide housing and shelter for extremely low-income households, including but not limited to housing for victims of human trafficking and their families and grants for building operation and maintenance costs of housing projects or units within housing projects that are affordable to extremely low-income households with incomes at or below thirty percent of the area median income, and that require a supplement to rent income to cover ongoing operating expenses.

(2) All of the remaining funds generated by this surcharge will be retained by the county and be deposited into a fund that must be used by the county and its cities and towns for eligible housing activities as described in this subsection that serve very low-income households with incomes at or below fifty percent of the area median income. The portion of the surcharge retained by a county shall be allocated to eligible housing activities that serve extremely low and very low-income households in the county and the cities within a county according to an interlocal agreement between the county and the cities within the county consistent with countywide and local housing needs and policies. A priority must be given to eligible housing activities that serve extremely low-income households with incomes at or below thirty percent of the area median income. Eligible housing activities to be funded by these county funds are limited to:

(a) Acquisition, construction, or rehabilitation of housing projects or units within housing projects that are affordable to very low-income households with incomes at or below fifty percent of the area median income, including units for homeownership, rental units, seasonal and permanent farmworker housing units, units reserved for victims of human trafficking and their families, and single room occupancy units;

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

(c) Rental assistance vouchers for housing units that are affordable to very low-income households with incomes at or below fifty percent of the area median income, including rental housing vouchers for victims of human trafficking and their families, to be administered by a local public housing authority or other local organization that has an existing rental assistance voucher program, consistent with or similar to the United States department of housing and urban development's section 8 rental assistance voucher program standards; and

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

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

(4) All counties must report at least annually upon receipts and expenditures of the affordable housing for all surcharge funds created in this section to the department. The department may require more frequent reports. The report must include: The amount of funding generated by the surcharge; the total amount of funding distributed to date; the amount of funding allocated to each eligible housing activity; a description of each eligible housing activity funded, including information on the income or wage level and numbers of extremely low, very low, and low-income households the eligible housing activity is intended to serve; and the outcome or anticipated outcome of each eligible housing activity.

NEW SECTION. **Sec.**  This chapter does not require either the department or any local government to expend any funds to accomplish the goals of this chapter other than the revenues authorized in this act and other revenue that may be appropriated by the legislature for these purposes. However, neither the department nor any local government may use any funds authorized in this act to supplant or reduce any existing expenditures of public money to address the affordable housing shortage.

**Sec.**  RCW 43.185A.100 and 2006 c 349 s 11 are each amended to read as follows:

The department((~~,~~)) must collaborate with the housing finance commission, the affordable housing advisory board, and all local governments, housing authorities, and other nonprofits receiving state housing funds, affordable housing for all funds, home security funds, or financing through the housing finance commission ((~~shall, by December 31, 2006, and annually thereafter, review current housing reporting requirements related to housing programs and services and give~~)) to include in the state affordable housing for all plan, by December 31, 2017, recommendations, where possible:

(1) To streamline and simplify all housing planning, application, and reporting requirements ((~~to the department of community, trade, and economic development, which will compile and present the recommendations annually to the legislature. The entities listed in this section shall also give recommendations for additional~~)); and

(2) For legislative actions that could promote the affordable housing for all goal and the state goal to end homelessness.

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

The department must contract with the employment security department to annually establish two self-sufficiency income standards based upon the cost of living, including housing costs, which include mortgage or rent payments and utilities other than telephone, for each county in the state. The self-sufficiency income standards must be based upon the costs needed to support: (1) One adult individual; and (2) two adult individuals and one preschool-aged child and one school-aged child. These income standards must be translated into an equivalent hourly wage rate assuming one full-year, full-time earner for the self-sufficiency income standards for each county. The self- sufficiency income standards must be presented to the legislature by December 31, 2017. The employment security department must spend no more than one hundred ten thousand dollars in creating the initial self-sufficiency income standards and no more than fifty-five thousand dollars annually to update the standards. The employment security department must deliver a report to the department and the appropriate committees of the legislature that details the number and percentage of individuals statewide and in each county who do not have a good family wage job and, as a result, earn less than the self-sufficiency income standards, as well as the number and percentage of individuals statewide and in each county who have a good family wage job and, as a result, earn an amount equivalent to or more than the self-sufficiency income standards.

**Sec.**  RCW 43.185.070 and 2015 c 155 s 2 are each amended to read as follows:

(1) During each calendar year in which funds from the housing trust fund or other legislative appropriations are available for use by the department for the housing assistance program, the department must announce to all known interested parties, and through major media throughout the state, a grant and loan application period of at least ninety days' duration. This announcement must be made as often as the director deems appropriate for proper utilization of resources. The department must then promptly grant as many applications as will utilize available funds less appropriate administrative costs of the department as provided in RCW 43.185.050.

(2) In awarding funds under this chapter, the department must:

(a) Provide for a geographic distribution on a statewide basis; and

(b) Until June 30, 2013, consider the total cost and per-unit cost of each project for which an application is submitted for funding under RCW 43.185.050(2) (a) and (j), as compared to similar housing projects constructed or renovated within the same geographic area.

(3) The department, with advice and input from the affordable housing advisory board established in RCW 43.185B.020, or a subcommittee of the affordable housing advisory board, must report recommendations for awarding funds in a cost-effective manner. The report must include an implementation plan, timeline, and any other items the department identifies as important to consider to the legislature by December 1, 2012.

(4) The department must give first priority to applications for projects and activities which utilize existing privately owned housing stock including privately owned housing stock purchased by nonprofit public development authorities and public housing authorities as created in chapter 35.82 RCW. As used in this subsection, privately owned housing stock includes housing that is acquired by a federal agency through a default on the mortgage by the private owner. Such projects and activities must be evaluated under subsection (5) of this section. Second priority must be given to activities and projects which utilize existing publicly owned housing stock. All projects and activities must be evaluated by some or all of the criteria under subsection (5) of this section, and similar projects and activities shall be evaluated under the same criteria.

(5) The department must give preference for applications based on some or all of the criteria under this subsection, and similar projects and activities must be evaluated under the same criteria:

(a) The degree of leveraging of other funds that will occur;

(b) The degree of commitment from programs to provide necessary habilitation and support services for projects focusing on special needs populations;

(c) Recipient contributions to total project costs, including allied contributions from other sources such as professional, craft and trade services, and lender interest rate subsidies;

(d) Local government project contributions in the form of infrastructure improvements, and others;

(e) Projects that encourage ownership, management, and other project-related responsibility opportunities;

(f) Projects that demonstrate a strong probability of serving the original target group or income level for a period of at least twenty-five years;

(g) The applicant has the demonstrated ability, stability and resources to implement the project;

(h) The applicant has committed to quality improvement and submitted an application to the Washington state quality award program within the previous three years;

(i) Projects which demonstrate serving the greatest need;

((~~(i)~~)) (j) Projects that provide housing for persons and families with the lowest incomes;

((~~(j)~~)) (k) Projects serving special needs populations which are under statutory mandate to develop community housing;

((~~(k)~~)) (l) Project location and access to employment centers in the region or area;

((~~(l)~~)) (m) Projects that provide employment and training opportunities for disadvantaged youth under a youthbuild or youthbuild-type program as defined in RCW 50.72.020;

((~~(m)~~)) (n) Project location and access to available public transportation services; and

((~~(n)~~)) (o) Projects involving collaborative partnerships between local school districts and either public housing authorities or nonprofit housing providers, that help children of low-income families succeed in school. To receive this preference, the local school district must provide an opportunity for community members to offer input on the proposed project at the first scheduled school board meeting following submission of the grant application to the department.

(6) The department may only approve applications for projects for persons with mental illness that are consistent with a behavioral health organization six-year capital and operating plan.

NEW SECTION. **Sec.**  RCW 36.22.179, 36.22.1791, and 43.20A.790 are each recodified as sections in chapter 43.185C RCW.

NEW SECTION. **Sec.**  RCW 36.22.178, 43.185A.100, 43.185B.020, and 43.185B.040 are each recodified as sections in chapter 43.--- RCW (the new chapter created in section 17 of this act).

NEW SECTION. **Sec.**  Sections 1 through 4, 6 through 9, and 11 of this act constitute a new chapter in Title 43 RCW.

NEW SECTION. **Sec.**  If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2016, in the omnibus appropriations act, this act is null and void.

**--- END ---**