

2 **SB 5584 - H COMM AMD ADOPTED 4-18-93**

3 By Committee on Trade, Economic Development & Housing

4

5 Strike everything after the enacting clause and insert the
6 following:

7 "NEW SECTION. **Sec. 1.** (1) The legislature finds that:

8 (a) Housing is of vital state-wide importance to the health,
9 safety, and welfare of the residents of the state;

10 (b) Safe, affordable housing is an essential factor in stabilizing
11 communities;

12 (c) Residents must have a choice of housing opportunities within
13 the community where they choose to live;

14 (d) Housing markets are linked to a healthy economy and can
15 contribute to the state's economy;

16 (e) Land supply is a major contributor to the cost of housing;

17 (f) Housing must be an integral component of any comprehensive
18 community and economic development strategy;

19 (g) State and local government must continue working cooperatively
20 toward the enhancement of increased housing units by reviewing,
21 updating, and removing conflicting regulatory language;

22 (h) State and local government should work together in developing
23 creative ways to reduce the shortage of housing;

24 (i) The lack of a coordinated state housing policy inhibits the
25 effective delivery of housing for some of the state's most vulnerable
26 citizens and those with limited incomes; and

27 (j) It is in the public interest to adopt a statement of housing
28 policy objectives.

29 (2) The legislature declares that the purposes of the Washington
30 housing policy act are to:

31 (a) Provide policy direction to the public and private sectors in
32 their attempt to meet the shelter needs of Washington residents;

33 (b) Reevaluate housing and housing-related programs and policies in
34 order to ensure proper coordination of those programs and policies to
35 meet the housing needs of Washington residents;

- 1 (c) Improve the delivery of state services and assistance to very
2 low-income and low-income households and special needs populations;
3 (d) Strengthen partnerships among all levels of government, and the
4 public and private sectors, including for-profit and nonprofit
5 organizations, in the production and operation of housing to targeted
6 populations including low-income and moderate-income households;
7 (e) Increase the supply of housing for persons with special needs;
8 (f) Encourage collaborative planning with social service providers;
9 (g) Encourage financial institutions to increase residential
10 mortgage lending; and
11 (h) Coordinate housing into comprehensive community and economic
12 development strategies at the state and local level.

13 NEW SECTION. **Sec. 2.** It is the goal of the state of Washington to
14 coordinate, encourage, and direct, when necessary, the efforts of the
15 public and private sectors of the state and to cooperate and
16 participate, when necessary, in the attainment of a decent home in a
17 healthy, safe environment for every resident of the state. The
18 legislature declares that attainment of that goal is a state priority.

19 NEW SECTION. **Sec. 3.** The objectives of the Washington housing
20 policy act shall be to attain the state's goal of a decent home in a
21 healthy, safe environment for every resident of the state by
22 strengthening public and private institutions that are able to:

- 23 (1) Develop an adequate and affordable supply of housing for all
24 economic segments of the population;
25 (2) Assist very low-income and special needs households who cannot
26 obtain affordable, safe, and adequate housing in the private market;
27 (3) Encourage and maintain home ownership opportunities;
28 (4) Reduce life cycle housing costs while preserving public health
29 and safety;
30 (5) Preserve the supply of existing affordable housing;
31 (6) Provide housing for special needs populations;
32 (7) Ensure fair and equal access to the housing market;
33 (8) Increase the availability of mortgage credit at low interest
34 rates; and
35 (9) Coordinate and be consistent with the goals, objectives, and
36 required housing element of the comprehensive plan in the state's
37 growth management act in RCW 36.70A.070.

1 NEW SECTION. **Sec. 4.** Unless the context clearly requires
2 otherwise, the definitions in this section apply throughout this
3 chapter.

4 (1) "Affordable housing" means residential housing that is rented
5 or owned by a person or household whose monthly housing costs,
6 including utilities other than telephone, do not exceed thirty percent
7 of the household's monthly income.

8 (2) "Department" means the department of community development.

9 (3) "Director" means the director of community development.

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

17 (5) "Tenant-based organization" means a nonprofit organization
18 whose governing body includes a majority of members who reside in the
19 housing development and are considered low-income households.

20 NEW SECTION. **Sec. 5.** (1) The department shall establish the
21 affordable housing advisory board to consist of twenty-one members.

22 (a) The following eighteen members shall be appointed by the
23 governor:

24 (i) Two representatives of the residential construction industry;

25 (ii) Two representatives of the home mortgage lending profession;

26 (iii) One representative of the real estate sales profession;

27 (iv) One representative of the apartment management and operation
28 industry;

29 (v) One representative of the for-profit housing development
30 industry;

31 (vi) One representative of the nonprofit housing development
32 industry;

33 (vii) One representative of homeless shelter operators;

34 (viii) One representative of lower-income persons;

35 (ix) One representative of special needs populations;

36 (x) One representative of public housing authorities as created
37 under chapter 35.82 RCW;

1 (xi) Two representatives of the Washington association of counties,
2 one representative shall be from a county that is located east of the
3 crest of the Cascade mountains;

4 (xii) Two representatives of the association of Washington cities,
5 one representative shall be from a city that is located east of the
6 crest of the Cascade mountains;

7 (xiii) One representative to serve as chair of the affordable
8 housing advisory board;

9 (xiv) One representative at large.

10 (b) The following three members shall serve as ex officio,
11 nonvoting members:

12 (i) The director or the director's designee;

13 (ii) The executive director of the Washington state housing finance
14 commission or the executive director's designee; and

15 (iii) The secretary of social and health services or the
16 secretary's designee.

17 (2)(a) The members of the affordable housing advisory board
18 appointed by the governor shall be appointed for four-year terms,
19 except that the chair shall be appointed to serve a two-year term. The
20 terms of five of the initial appointees shall be for two years from the
21 date of appointment and the terms of six of the initial appointees
22 shall be for three years from the date of appointment. The governor
23 shall designate the appointees who will serve the two-year and three-
24 year terms. The members of the advisory board shall serve without
25 compensation, but shall be reimbursed for travel expenses as provided
26 in RCW 43.03.050 and 43.03.060.

27 (b) The governor, when making appointments to the affordable
28 housing advisory board, shall make appointments that reflect the
29 cultural diversity of the state of Washington.

30 (3) The affordable housing advisory board shall serve as the
31 department's principal advisory body on housing and housing-related
32 issues, and replaces the department's existing boards and task forces
33 on housing and housing-related issues.

34 (4) The affordable housing advisory board shall meet regularly and
35 may appoint technical advisory committees, which may include members
36 of the affordable housing advisory board, as needed to address specific
37 issues and concerns.

38 (5) The department, in conjunction with the Washington state
39 housing finance commission and the department of social and health

1 services, shall supply such information and assistance as are deemed
2 necessary for the advisory board to carry out its duties under this
3 section.

4 (6) The department shall provide administrative and clerical
5 assistance to the affordable housing advisory board.

6 NEW SECTION. **Sec. 6.** The affordable housing advisory board shall:

7 (1) Analyze those solutions and programs that could begin to
8 address the state's need for housing that is affordable for all
9 economic segments of the state, and special needs populations,
10 including but not limited to programs or proposals which provide for:

11 (a) Financing for the acquisition, rehabilitation, preservation, or
12 construction of housing;

13 (b) Use of publicly owned land and buildings as sites for
14 affordable housing;

15 (c) Coordination of state initiatives with federal initiatives and
16 financing programs that are referenced in the Cranston-Gonzalez
17 national affordable housing act (42 U.S.C. Sec. 12701 et seq.), as
18 amended, and development of an approved housing strategy as required in
19 the Cranston-Gonzalez national affordable housing act (42 U.S.C. Sec.
20 12701 et seq.), as amended;

21 (d) Streamlining, where appropriate and not detrimental to the
22 public health, safety, and welfare, of the various state and local
23 regulations, and building codes governing the housing industry;

24 (e) Stimulating public and private sector cooperation in the
25 development of affordable housing; and

26 (f) Development of solutions and programs affecting housing,
27 including the equitable geographic distribution of housing for all
28 economic segments, as the advisory board deems necessary;

29 (2) Consider both homeownership and rental housing as viable
30 options for the provision of housing. The advisory board shall give
31 consideration to various types of residential construction and
32 innovative housing options, including but not limited to manufactured
33 housing;

34 (3) Review, evaluate, and make recommendations regarding existing
35 and proposed housing programs and initiatives including but not limited
36 to tax policies, land use policies, and financing programs. The
37 advisory board shall provide recommendations to the director, along

1 with the department's response in the annual housing report to the
2 legislature required in section 12 of this act; and

3 (4) Prepare and submit to the director, by each December 1st,
4 beginning December 1, 1993, a report detailing its findings and make
5 specific program, legislative, and funding recommendations and any
6 other recommendations it deems appropriate.

7 NEW SECTION. **Sec. 7.** A new section is added to chapter 43.63A RCW
8 to read as follows:

9 (1) The department shall, in consultation with the affordable
10 housing advisory board created in section 5 of this act, report to the
11 legislature on the development and placement of accessory apartments.
12 The department shall produce a written report by December 15, 1993,
13 which:

14 (a) Identifies local governments that allow the siting of accessory
15 apartments in areas zoned for single-family residential use; and

16 (b) Makes recommendations to the legislature designed to encourage
17 the development and placement of accessory apartments in areas zoned
18 for single-family residential use.

19 (2) The recommendations made under subsection (1) of this section
20 shall not take effect before ninety days following adjournment of the
21 1994 regular legislative session.

22 (3) Unless provided otherwise by the legislature, by December 31,
23 1994, local governments shall incorporate in their development
24 regulations, zoning regulations, or official controls the
25 recommendations contained in subsection (1) of this section. The
26 accessory apartment provisions shall be part of the local government's
27 development regulation, zoning regulation, or official control. To
28 allow local flexibility, the recommendations shall be subject to such
29 regulations, conditions, procedures, and limitations as determined by
30 the local legislative authority.

31 (4) As used in this section, "local government" means:

32 (a) A city or code city with a population that exceeds twenty
33 thousand;

34 (b) A county that is required to or has elected to plan under the
35 state growth management act; and

36 (c) A county with a population that exceeds one hundred twenty-five
37 thousand.

1 NEW SECTION. **Sec. 8.** A new section is added to chapter 35.63 RCW
2 to read as follows:

3 Any local government, as defined in section 7 of this act, that is
4 planning under this chapter shall comply with section 7(3) of this act.

5 NEW SECTION. **Sec. 9.** A new section is added to chapter 35A.63 RCW
6 to read as follows:

7 Any local government, as defined in section 7 of this act, that is
8 planning under this chapter shall comply with section 7(3) of this act.

9 NEW SECTION. **Sec. 10.** A new section is added to chapter 36.70 RCW
10 to read as follows:

11 Any local government, as defined in section 7 of this act, that is
12 planning under this chapter shall comply with section 7(3) of this act.

13 NEW SECTION. **Sec. 11.** A new section is added to chapter 36.70A
14 RCW to read as follows:

15 Any local government, as defined in section 7 of this act, that is
16 planning under this chapter shall comply with section 7(3) of this act.

17 NEW SECTION. **Sec. 12.** (1) The department shall, in consultation
18 with the affordable housing advisory board created in section 5 of this
19 act, prepare and from time to time amend a five-year housing advisory
20 plan. The purpose of the plan is to document the need for affordable
21 housing in the state and the extent to which that need is being met
22 through public and private sector programs, to facilitate planning to
23 meet the affordable housing needs of the state, and to enable the
24 development of sound strategies and programs for affordable housing.
25 The information in the five-year housing advisory plan must include:

- 26 (a) An assessment of the state's housing market trends;
- 27 (b) An assessment of the housing needs for all economic segments of
28 the state and special needs populations;
- 29 (c) An inventory of the supply and geographic distribution of
30 affordable housing units made available through public and private
31 sector programs;
- 32 (d) A status report on the degree of progress made by the public
33 and private sector toward meeting the housing needs of the state;
- 34 (e) An identification of state and local regulatory barriers to
35 affordable housing and proposed regulatory and administrative

1 techniques designed to remove barriers to the development and placement
2 of affordable housing; and

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

5 (2)(a) The five-year housing advisory plan required under
6 subsection (1) of this section must be submitted to the legislature on
7 or before February 1, 1994, and subsequent plans must be submitted
8 every five years thereafter.

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

13 NEW SECTION. **Sec. 13.** A new section is added to chapter 43.63A
14 RCW to read as follows:

15 (1) The department shall be the principal state department
16 responsible for coordinating federal and state resources and activities
17 in housing, except for programs administered by the Washington state
18 housing finance commission under chapter 43.180 RCW, and for evaluating
19 the operations and accomplishments of other state departments and
20 agencies as they affect housing.

21 (2) The department shall work with local governments, tribal
22 organizations, local housing authorities, nonprofit community or
23 neighborhood-based organizations, and regional or state-wide nonprofit
24 housing assistance organizations, for the purpose of coordinating
25 federal and state resources with local resources for housing.

26 **Sec. 14.** RCW 43.185.110 and 1991 c 204 s 4 are each amended to
27 read as follows:

28 ~~((The director shall prepare an annual report and shall send copies
29 to the chair of the house of representatives committee on housing, the
30 chair of the senate committee on commerce and labor, and one copy to
31 the staff of each committee that summarizes the housing trust fund's
32 income, grants and operating expenses, implementation of its program,
33 and any problems arising in the administration thereof. The director
34 shall promptly appoint a low income housing assistance advisory
35 committee composed of a representative from each of the following
36 groups: Apartment owners, realtors, mortgage lending or servicing
37 institutions, private nonprofit housing assistance programs, tenant~~

1 ~~associations, and public housing assistance programs.~~) The affordable
2 housing advisory ((group)) board established in section 5 of this act
3 shall advise the director on housing needs in this state, including
4 housing needs for persons who are mentally ill or developmentally
5 disabled or youth who are blind or deaf or otherwise disabled,
6 operational aspects of the grant and loan program or revenue collection
7 programs established by this chapter, and implementation of the policy
8 and goals of this chapter. Such advice shall be consistent with
9 policies and plans developed by regional support networks according to
10 chapter 71.24 RCW for the mentally ill and the developmental
11 disabilities planning council for the developmentally disabled.

12 **Sec. 15.** RCW 43.185A.020 and 1991 c 356 s 11 are each amended to
13 read as follows:

14 The affordable housing program is created in the department of
15 community development for the purpose of developing and coordinating
16 public and private resources targeted to meet the affordable housing
17 needs of low-income households in the state of Washington. The program
18 shall be developed and administered by the department with advice and
19 input from the ~~((low-income [housing] assistance advisory committee~~
20 ~~established in RCW 43.185.110)) affordable housing advisory board~~
21 established in section 5 of this act.

22 **Sec. 16.** RCW 35.82.070 and 1991 c 167 s 1 are each amended to read
23 as follows:

24 An authority shall constitute a public body corporate and politic,
25 exercising public and essential governmental functions, and having all
26 the powers necessary or convenient to carry out and effectuate the
27 purposes and provisions of this chapter, including the following powers
28 in addition to others herein granted:

29 (1) To sue and be sued; to have a seal and to alter the same at
30 pleasure; to have perpetual succession; to make and execute contracts
31 and other instruments, including but not limited to partnership
32 agreements and joint venture agreements, necessary or convenient to the
33 exercise of the powers of the authority; to participate in the
34 organization or the operation of a nonprofit corporation which has as
35 one of its purposes to provide or assist in the provision of housing
36 for persons of low income; and to make and from time to time amend and

1 repeal bylaws, rules and regulations, not inconsistent with this
2 chapter, to carry into effect the powers and purposes of the authority.

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

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

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

28 (5) To lease or rent any dwellings, houses, accommodations, lands,
29 buildings, structures or facilities embraced in any housing project and
30 (subject to the limitations contained in this chapter) to establish and
31 revise the rents or charges therefor; to own or manage buildings
32 containing a housing project or projects as well as commercial space or
33 other dwelling units that do not constitute a housing project as that
34 term is defined in this chapter: PROVIDED, That notwithstanding the
35 provisions under subsection (1) of this section, dwelling units made
36 available or sold to persons of low income, together with functionally
37 related and subordinate facilities, shall occupy ((at least thirty
38 percent of the interior space of any individual building other than a
39 detached single family or duplex residential building or mobile or

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

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

36 (7) Within its area of operation: To investigate into living,
37 dwelling and housing conditions and into the means and methods of
38 improving such conditions; to determine where slum areas exist or where
39 there is a shortage of decent, safe and sanitary dwelling

1 accommodations for persons of low income; to make studies and
2 recommendations relating to the problem of clearing, replanning and
3 reconstructing of slum areas, and the problem of providing dwelling
4 accommodations for persons of low income, and to cooperate with the
5 city, the county, the state or any political subdivision thereof in
6 action taken in connection with such problems; and to engage in
7 research, studies and experimentation on the subject of housing.

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

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

27 (10) To exercise all or any part or combination of powers herein
28 granted.

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

32 (11) To agree (notwithstanding the limitation contained in RCW
33 35.82.210) to make such payments in lieu of taxes as the authority
34 finds consistent with the achievement of the purposes of this chapter.

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

1 (13) To exercise the powers granted in this chapter within the
2 boundaries of any city, town, or county not included in the area in
3 which such housing authority is originally authorized to function:
4 PROVIDED, HOWEVER, The governing or legislative body of such city,
5 town, or county, as the case may be, adopts a resolution declaring that
6 there is a need for the authority to function in such territory.

7 (~~(13)~~) (14) To administer contracts for assistance payments to
8 persons of low income in accordance with section 8 of the United States
9 Housing Act of 1937, as amended by Title II, section 201 of the Housing
10 and Community Development Act of 1974, P.L. 93-383.

11 (~~(14)~~) (15) To sell at public or private sale, with or without
12 public bidding, for fair market value, any mortgage or other obligation
13 held by the authority.

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

21 (~~(16)~~) (17) To make, purchase, participate in, invest in, take
22 assignments of, or otherwise acquire loans to persons of low income to
23 enable them to acquire, construct, reconstruct, rehabilitate, improve,
24 lease, or refinance their dwellings, and to take such security therefor
25 as is deemed necessary and prudent by the authority.

26 (~~(17)~~) (18) To make, purchase, participate in, invest in, take
27 assignments of, or otherwise acquire loans for the acquisition,
28 construction, reconstruction, rehabilitation, improvement, leasing, or
29 refinancing of land, buildings, or developments for housing for persons
30 of low income. For purposes of this subsection, development shall
31 include either land or buildings or both.

32 (a) Any development financed under this subsection shall be subject
33 to an agreement that for at least twenty years the dwelling units made
34 available to persons of low income together with functionally related
35 and subordinate facilities shall occupy at least (~~(thirty percent of~~
36 ~~the interior space of any individual building other than a detached~~
37 ~~single family or duplex residential building or mobile or manufactured~~
38 ~~home and shall occupy at least~~) fifty percent of the interior space in
39 the total development or at least fifty percent of the total number of

1 units in the development, whichever produces the greater number of
2 units for persons of low income. For mobile home parks, the mobile
3 home lots made available to persons of low income shall be at least
4 fifty percent of the total number of mobile home lots in the park.
5 During the term of the agreement, the owner shall use its best efforts
6 in good faith to maintain the dwelling units or mobile home lots
7 required to be made available to persons of low income at rents
8 affordable to persons of low income. The twenty-year requirement under
9 this subsection (18)(a) shall not apply when an authority finances the
10 development by nonprofit corporations or governmental units of
11 dwelling units or mobile home lots intended for sale to persons of low and
12 moderate income, and shall not apply to construction or other short-
13 term financing provided to nonprofit corporations or governmental units
14 when the financing has a repayment term of one year or less.

15 (b) In addition, if the development is owned by a for-profit
16 entity, the dwelling units or mobile home lots required to be made
17 available to persons of low income shall be rented to persons whose
18 incomes do not exceed fifty percent of the area median income, adjusted
19 for household size, and shall have unit or lot rents that do not exceed
20 fifteen percent of area median income, adjusted for household size,
21 unless rent subsidies are provided to make them affordable to persons
22 of low income.

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

38 (c) Commercial space in any building financed under this subsection
39 that exceeds four stories in height shall not constitute more than

1 twenty percent of the interior area of the building. Before financing
2 any development under this subsection the authority shall make a
3 written finding that financing is important for project feasibility or
4 necessary to enable the authority to carry out its powers and purposes
5 under this chapter.

6 (~~(18)~~) (19) To contract with a public authority or corporation,
7 created by a county, city, or town under RCW 35.21.730 through
8 35.21.755, to act as the developer for new housing projects or
9 improvement of existing housing projects.

10 NEW SECTION. **Sec. 17.** This chapter may be known and cited as the
11 "Washington housing policy act."

12 NEW SECTION. **Sec. 18.** Sections 1 through 6, 12, and 17 of this
13 act shall constitute a new chapter in Title 43 RCW."

--- END ---