
HOUSE BILL 1585

State of Washington

53rd Legislature

1993 Regular Session

By Representatives Ogden, Long, Wolfe, Morris, Conway, Wineberry, Forner, Leonard, Valle, Pruitt and J. Kohl

Read first time 02/03/93. Referred to Committee on Trade, Economic Development & Housing.

1 AN ACT Relating to housing policies and program coordination;
2 amending RCW 43.185.110 and 43.185A.020; adding new sections to chapter
3 43.63A RCW; and adding a new chapter to Title 43 RCW.

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

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

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

8 (b) Decent housing is an essential motivating force in helping
9 people achieve self-sufficiency;

10 (c) A healthy housing market is one in which residents of this
11 state have a choice of housing opportunities and one in which the
12 housing consumer may effectively choose within the free market;

13 (d) A healthy housing market is fundamentally related to a healthy
14 state economy and can contribute significantly to the employment factor
15 in Washington;

16 (e) Housing is an integral component of any comprehensive community
17 and economic development strategy;

1 (f) Restrictive, obsolete, conflicting, duplicating, and
2 unnecessary regulations and requirements can increase the cost of
3 housing;

4 (g) State involvement in the provision of affordable housing has
5 increased;

6 (h) Public and private sector activity in the provision of
7 affordable housing has increased;

8 (i) The lack of a coherent state housing policy has hindered the
9 effective delivery of housing and supportive services to very low-
10 income and low-income households, and special needs populations;

11 (j) The state has a vital interest in ensuring that resources for
12 housing exist; and

13 (k) It is in the public interest to adopt a statement of housing
14 policy objectives.

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

17 (a) Provide policy direction to the public and private sector in
18 their attempts to meet the shelter needs of Washington residents;

19 (b) Reevaluate housing-related activities affected by legislation
20 in order to ensure proper coordination of those activities to meet the
21 shelter needs of Washington residents;

22 (c) Expand and improve the delivery of state services and
23 assistance to very low-income and low-income households and special
24 needs populations;

25 (d) Strengthen partnerships among all levels of government, and the
26 public and private sector, including for-profit and nonprofit
27 organizations, in the production, operation, and equitable distribution
28 of housing that is affordable to very low-income, low-income, and
29 moderate-income households, and special needs populations;

30 (e) Increase the supply of housing with necessary supportive
31 services needed to enable persons with special needs to live with
32 dignity and independence;

33 (f) Lower the regulatory cost of housing through research and the
34 development of regulatory barrier removal strategies at the state and
35 local level;

36 (g) Preserve the existing housing stock through weatherization and
37 rehabilitation, activities;

38 (h) Encourage the development of innovative pilot programs to meet
39 the unique housing needs of local jurisdictions;

1 (i) Help maintain a healthy and stable mortgage financing
2 environment so that the housing market can effectively meet rental and
3 home ownership demand; and

4 (j) Coordinate housing into comprehensive community and economic
5 development strategies at the state and local level.

6 NEW SECTION. **Sec. 2.** It is the goal of the state of Washington to
7 coordinate, encourage, and direct, when necessary, the efforts of the
8 public and private sectors of the state and to cooperate and
9 participate, when necessary, in the attainment of a decent home in a
10 healthy and safe environment for every resident of the state. The
11 legislature declares that attainment of that goal is a state priority.

12 NEW SECTION. **Sec. 3.** The objectives of the Washington housing
13 policy act shall be to attain the state's goal of a decent home in a
14 suitable environment for every resident of the state by strengthening
15 public and private institutions that are able to:

16 (1) Develop an adequate and affordable supply of housing for all
17 economic segments of the population;

18 (2) Assist very low-income, low-income, and special needs
19 households that cannot obtain affordable, suitable, and adequate
20 shelter in the private market;

21 (3) Encourage and support home ownership opportunities;

22 (4) Reduce life cycle housing costs while preserving public health
23 and safety;

24 (5) Preserve the supply of existing affordable housing;

25 (6) Provide housing and necessary supportive services for special
26 needs populations;

27 (7) Ensure fair and equal access to the housing market;

28 (8) Increase the availability of mortgage credit at affordable
29 interest rates; and

30 (9) Coordinate and be consistent with the goals and objectives of
31 the state's growth management act.

32 NEW SECTION. **Sec. 4.** Unless the context clearly requires
33 otherwise, the definitions in this section apply throughout this
34 chapter.

35 (1) "Affordable housing" means residential housing that is rented
36 or owned by a person who qualifies as an extremely low-income, very

1 low-income, low-income, moderate-income, or middle-income household,
2 and special needs populations, and whose monthly housing costs,
3 including utilities other than telephone, do not exceed thirty percent
4 of the household's monthly income.

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

13 (3) "Tenant-based organization" means a nonprofit organization
14 whose governing body includes a majority of members who reside in the
15 housing development and are considered low-income households.

16 (4) "Extremely low-income household" means a single person, family,
17 or unrelated persons living together whose income is at or below thirty
18 percent of the median income, adjusted for household size, for the
19 county where the housing is located.

20 (5) "Very low-income household" means a single person, family, or
21 unrelated persons living together whose income is more than thirty
22 percent but is at or below fifty percent of the median income, adjusted
23 for household size, for the county where the housing is located.

24 (6) "Low-income household" means a single person, family, or
25 unrelated persons living together whose income is more than fifty
26 percent but is at or below eighty percent of the median income,
27 adjusted for household size, for the county where the housing is
28 located.

29 (7) "Moderate-income household" means a single person, family, or
30 unrelated persons living together whose income is more than eighty
31 percent but is at or below ninety-five percent of the median income,
32 adjusted for household size, for the county where the housing is
33 located.

34 (8) "Middle-income household" means a single person, family, or
35 unrelated persons living together whose income is more than ninety-five
36 percent but is at or below one hundred twenty percent of the median
37 income, adjusted for household size, for the county where the housing
38 is located.

1 NEW SECTION. **Sec. 5.** A new section is added to chapter 43.63A RCW
2 to read as follows:

3 (1) The department shall establish the affordable housing advisory
4 board to consist of twenty-one members.

5 (a) The following eighteen members shall be appointed by the
6 governor:

7 (i) One representative of the residential homebuilding industry;

8 (ii) One representative of the home mortgage lending profession;

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

10 (iv) One representative of the apartment development industry;

11 (v) One representative of the apartment management and operation
12 industry;

13 (vi) One representative of the nonprofit housing development
14 industry;

15 (vii) One representative of the for-profit housing development
16 industry;

17 (viii) Two representatives of very low-income and low-income
18 persons;

19 (ix) One representative of special needs populations;

20 (x) One representative of a public housing authority as created
21 under chapter 35.82 RCW;

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

25 (xii) Two representatives of the association of Washington cities,
26 one representative shall be from a city or town that is located east of
27 the crest of the Cascade mountains;

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

30 (xiv) Two representatives at large;

31 (b) The following three members shall serve as ex officio,
32 nonvoting members:

33 (i) The director of community development or the director's
34 designee;

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

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

1 (2) The members of the affordable housing advisory board appointed
2 by the governor shall be appointed for four-year terms, except that the
3 chair shall be appointed to serve a two-year term. The terms of five
4 of the initial appointees shall be for two years from the date of
5 appointment and the terms of six of the initial appointees shall be for
6 three years from the date of appointment. The governor shall designate
7 the appointees who will serve the two-year and three-year terms. The
8 members of the advisory board shall serve without compensation, but
9 shall be reimbursed for travel expenses as provided in RCW 43.03.050
10 and 43.03.060.

11 (3) The affordable housing advisory board shall serve as the
12 department's principal advisory body on housing and housing-related
13 issues, and replaces the department's existing boards and task forces
14 on housing and housing-related issues.

15 (4) The affordable housing advisory board shall meet regularly and
16 may create subcommittees as needed to deal with specific issues and
17 concerns.

18 (5) The department, in conjunction with the Washington state
19 housing finance commission and the department of social and health
20 services, shall supply such information and assistance as are deemed
21 necessary for the advisory board to carry out its duties under this
22 section.

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

25 NEW SECTION. **Sec. 6.** A new section is added to chapter 43.63A RCW
26 to read as follows:

27 The affordable housing advisory board shall:

28 (1) Analyze those solutions and programs that could begin to
29 address the state's need for affordable housing for extremely low-
30 income, very low-income, low-income, moderate-income, and middle-income
31 households, as defined in section 4 of this act, and special needs
32 populations, including, but not limited to programs or proposals which
33 provide for:

34 (a) Financing for the acquisition, rehabilitation, preservation, or
35 construction of housing;

36 (b) Use of publicly owned lands and buildings as sites for
37 affordable housing as defined in section 4 of this act;

1 (c) Coordination of state initiatives with federal initiatives and
2 financing programs that are referenced in the Cranston-Gonzales
3 national affordable housing act (42 U.S.C. Sec. 12701 et seq.), as
4 amended, and development of an approved housing strategy as required in
5 the Cranston-Gonzalez national affordable housing act (42 U.S.C. Sec.
6 12701 et seq.), as amended;

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

10 (e) Stimulating public and private sector cooperation in the
11 development of affordable housing as defined in section 4 of this act;
12 and

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

16 (2) Consider both homeownership and rental housing as viable
17 options for the provision of housing. The advisory board shall give
18 consideration to various types of residential construction and
19 innovative housing options, including but not limited to manufactured
20 housing;

21 (3) Review, evaluate, and make recommendations regarding existing
22 and proposed housing programs and initiatives including but not limited
23 to tax policies, land use policies, and financing programs. The
24 advisory board shall provide recommendations to the director of
25 community development, along with the department's response in the
26 annual housing report to the legislature required in section 7 of this
27 act; and

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

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

34 (1) The department shall, in consultation with the affordable
35 housing advisory board created in section 5 of this act, prepare and
36 from time to time amend a five-year housing advisory plan. The purpose
37 of the plan is to document the need for affordable housing in the state
38 and the extent to which that need is being met through public and

1 private sector programs, to facilitate planning to meet the affordable
2 housing needs of the state, and to enable the development of sound
3 strategies and programs for affordable housing. The information in the
4 five-year housing advisory plan must include:

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

6 (b) An assessment of the housing needs of extremely low-income,
7 very low-income, low-income, moderate-income, and middle-income
8 households as defined in section 4 of this act, and special needs
9 populations;

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

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

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

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

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

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

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

31 (1) The department shall be the principal state department
32 responsible for coordinating federal and state resources and activities
33 in housing, except for programs administered by the Washington state
34 housing finance commission under chapter 43.180 RCW, and for evaluating
35 the operations and accomplishments of other state departments and
36 agencies as they affect housing.

37 (2) The department shall work with local governments, local housing
38 authorities, nonprofit community or neighborhood-based organizations,

1 and regional or state-wide nonprofit housing assistance organizations,
2 for the purpose of coordinating federal and state resources with local
3 resources for housing.

4 **Sec. 9.** RCW 43.185.110 and 1991 c 204 s 4 are each amended to read
5 as follows:

6 The director shall prepare an annual report and shall send copies
7 to the (~~chair of the house of representatives committee on housing,~~
8 ~~the chair of the senate committee on commerce and labor, and one copy~~
9 ~~to the staff of each committee~~)) appropriate committees of the
10 legislature that summarizes the housing trust fund's income, grants and
11 operating expenses, implementation of its program, and any problems
12 arising in the administration thereof. (~~The director shall promptly~~
13 ~~appoint a low-income housing assistance advisory committee composed of~~
14 ~~a representative from each of the following groups: Apartment owners,~~
15 ~~realtors, mortgage lending or servicing institutions, private nonprofit~~
16 ~~housing assistance programs, tenant associations, and public housing~~
17 ~~assistance programs.~~)) The affordable housing advisory ((group)) board
18 established in section 5 of this act shall advise the director on
19 housing needs in this state, including housing needs for persons who
20 are mentally ill or developmentally disabled or youth who are blind or
21 deaf or otherwise disabled, operational aspects of the grant and loan
22 program or revenue collection programs established by this chapter, and
23 implementation of the policy and goals of this chapter. Such advice
24 shall be consistent with policies and plans developed by regional
25 support networks according to chapter 71.24 RCW for the mentally ill
26 and the developmental disabilities planning council for the
27 developmentally disabled.

28 **Sec. 10.** RCW 43.185A.020 and 1991 c 356 s 11 are each amended to
29 read as follows:

30 The affordable housing program is created in the department of
31 community development for the purpose of developing and coordinating
32 public and private resources targeted to meet the affordable housing
33 needs of low-income households in the state of Washington. The program
34 shall be developed and administered by the department with advice and
35 input from the (~~low-income [housing] assistance advisory committee~~
36 ~~established in RCW 43.185.110~~)) affordable housing advisory board
37 established in section 5 of this act.

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

3 NEW SECTION. **Sec. 12.** Sections 1 through 4 and 11 of this act
4 shall constitute a new chapter in Title 43 RCW.

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