

HB 1996 - S COMM AMD

By Committee on Financial Services, Insurance & Housing

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature recognizes housing
4 affordability has become a significant problem for a large portion of
5 society in many parts of the state in recent years. To address this
6 problem, there is a need to allocate funding from the surcharge of ten
7 dollars per instrument charged by the county auditor for each document
8 recorded as established under RCW 36.22.178, to provide low-income
9 persons with rent vouchers to pay for permanent multifamily and single-
10 family, private, for-profit, market rate rental housing.

11 **Sec. 2.** RCW 36.22.178 and 2002 c 294 s 2 are each amended to read
12 as follows:

13 (1) Except as provided in subsection (~~((2))~~) (3) of this section,
14 a surcharge of ten dollars per instrument shall be charged by the
15 county auditor for each document recorded, which will be in addition to
16 any other charge authorized by law. The auditor may retain up to five
17 percent of these funds collected to administer the collection of these
18 funds. Of the remaining funds, forty percent of the revenue generated
19 through this surcharge will be transmitted monthly to the state
20 treasurer who will deposit the funds into the Washington housing trust
21 account. The office of community development of the department of
22 community, trade, and economic development will develop guidelines for
23 the use of these funds to support building operation and maintenance
24 costs of housing projects or units within housing projects that are
25 affordable to extremely low-income persons with incomes at or below
26 thirty percent of the area median income, and that require a supplement
27 to rent income to cover ongoing operating expenses.

28 (2) Sixty percent of the revenue generated by this surcharge will
29 be retained by the county and be deposited into a fund that must be

1 used by the county and its cities and towns for housing projects or
2 units within housing projects that are affordable to very low-income
3 persons with incomes at or below fifty percent of the area median
4 income. The portion of the surcharge retained by a county shall be
5 allocated to very low-income housing projects or units within such
6 housing projects in the county and the cities within a county according
7 to an interlocal agreement between the county and the cities within the
8 county, consistent with countywide and local housing needs and
9 policies. The funds generated with this surcharge shall not be used
10 for construction of new housing if at any time the vacancy rate for
11 available low-income housing within the county rises above (~~ten~~)
12 seven percent. The vacancy rate for each county shall be developed
13 using the state low-income vacancy rate standard developed under
14 subsection (~~(+3)~~) (4) of this section. Permissible uses of these
15 local funds are limited to:

16 (a) Acquisition, construction, or rehabilitation of housing
17 projects or units within housing projects that are affordable to very
18 low-income persons with incomes at or below fifty percent of the area
19 median income;

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

26 (c) Rental assistance vouchers for housing projects or units within
27 housing projects that are affordable to very low-income persons with
28 incomes at or below fifty percent of the area median income, to be
29 administered by a local public housing authority or other local
30 organization that has an existing rental assistance voucher program,
31 consistent with the United States department of housing and urban
32 development's section 8 rental assistance voucher program standards;
33 (~~and~~)

34 (d) Operating costs for emergency shelters and licensed overnight
35 youth shelters; and

36 (e) Rental assistance or vouchers for payment of first and last
37 month's rent and security and other deposits required by a landlord,

1 payable directly to the landlord by the agency administering the county
2 funds, for housing that is affordable to very low-income persons with
3 incomes at or below fifty percent of the area median income. If a very
4 low-income person uses rental assistance or a voucher, and remains in
5 the same rental unit for twelve consecutive months, the landlord shall
6 return the amount collected as security and other deposits and last
7 month's rent to the county fund. Upon the termination of the tenant's
8 tenancy, should the landlord need to collect the security and other
9 deposits, or the last month's rent, the landlord may then collect that
10 money, pursuant to chapter 59.18 RCW, from the county fund holding the
11 money.

12 ((+2)) (3) The surcharge imposed in this section does not apply to
13 assignments or substitutions of previously recorded deeds of trust.

14 ((+3)) (4) The real estate research center at Washington State
15 University shall develop a vacancy rate standard for low-income housing
16 in the state as described in RCW 18.85.540(1)(i)."

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17 On page 1, line 5 of the title, after "funds;" strike the remainder
18 of the title and insert "amending RCW 36.22.178; and creating a new
19 section."

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