
Local Government Committee

HB 2694

Brief Description: Revising distribution of funds for operating and maintenance of very low-income housing projects.

Sponsors: Representatives Santos, Jarrett, Morrell, McDonald, McIntire, Kenney, Chase, Edwards and Darneille.

Brief Summary of Bill

- Eliminates prohibition on using specific funds on construction of new housing for very low-income persons in certain circumstances;
- And allows specific funds to be used for payment of first and last months' rent and security and other deposits.
- Eliminates requirement that the Real Estate Research Center at Washington State University develop a vacancy rate standard for low-income housing within the state.

Hearing Date: 1/28/04

Staff: Kiki Keizer (786-7109).

Background:

County auditors must charge a surcharge of ten dollars per instrument to be recorded. The auditor may retain up to five percent of these funds to administer collection of the funds. The remaining funds are divided between (1) the State Treasurer, who is directed to deposit the funds that he receives into the Washington Housing Trust Account, and (2) the county and its cities and towns, which are to use the funds that they receive for housing projects or units within housing projects that are affordable to very low-income persons.

Permissible uses of the local funds include:

- Acquisition, construction, or rehabilitation of housing projects or units within housing projects;
- Supporting building operation and maintenance costs of housing projects built with Housing Trust funds;

- Rental assistance vouchers for housing projects or units within housing projects administered by a local public housing authority or other local organization that has an existing rental assistance voucher program consistent with the U.S. Department of Housing and Urban Development's (HUD) Section 8 rental assistance voucher programs; and
- Operating costs for emergency shelters and licensed overnight youth shelters.

Funds generated by the surcharge must not be used for construction of new housing if at any time the vacancy rate for available low-income housing within the county rises above 10%. The Real Estate Research Center at Washington State University is directed to develop a vacancy rate standard for low-income housing in the state.

Summary of Bill:

Authorizes the county, rather than the auditor, to retain 5% (rather than up to 5%) of the funds collected for the collection, administration, and local distribution of the funds.

Eliminates prohibition on using funds generated with the surcharge on construction of new housing if at any time the vacancy rate for available low-income housing within the county exceeds 10%.

Eliminates requirement that the Real Estate Research Center at Washington State University develop a vacancy rate standard for low-income housing in the state.

Includes as a permissible use of local funds: rental assistance or vouchers for payment of first and last months' rent and security and other deposits.

Eliminates requirement that rental assistance vouchers be used for housing projects that are administered by a local public housing authority or other local organization that has an existing rental assistance voucher program.

Allows providing building operation and maintenance costs of housing projects that are eligible to receive Housing Trust funds.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.