
SUBSTITUTE HOUSE BILL 2649

State of Washington 59th Legislature 2006 Regular Session

By House Committee on Housing (originally sponsored by Representatives Miloscia, Hasegawa, Upthegrove and Ormsby)

READ FIRST TIME 01/30/06.

1 AN ACT Relating to providing affordable housing for all; amending
2 RCW 43.185B.030, 43.185B.040, 36.22.178, 43.185A.020, 43.185A.070,
3 35.82.080, 35.21.685, 35.82.230, 43.63A.505, 43.63A.640, 43.63A.645,
4 43.330.110, 43.330.165, 43.330.170, 59.28.010, 70.114A.010,
5 70.114A.040, 70.114A.085, 70.164.010, 43.63A.115, 43.185B.020,
6 43.185.015, 43.185.110, and 43.63A.650; reenacting and amending RCW
7 36.18.010; adding a new section to chapter 36.70A RCW; adding a new
8 section to chapter 43.185 RCW; adding new sections to chapter 35.82
9 RCW; adding a new chapter to Title 43 RCW; creating a new section;
10 recodifying RCW 36.22.178, 43.185B.020, 43.185B.030, and 43.185B.040;
11 repealing RCW 43.185B.010; making an appropriation; and providing an
12 expiration date.

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

14 NEW SECTION. **Sec. 1.** (1) The legislature finds that there is a
15 large, unmet need for affordable housing in the state of Washington.
16 The legislature declares that a decent, appropriate, and affordable
17 home in a healthy, safe environment for every low-income household by
18 2020 is a goal for state and local governments and all housing
19 organizations and related subcontractors. Furthermore, this goal

1 includes increasing the percentage of low-income households who are
2 able to obtain and retain housing without government subsidies or other
3 public support.

4 (2) The legislature finds that the continual systematic collection
5 and rigorous evaluation of comprehensive data regarding the state's
6 affordable housing stock and persons requiring affordable housing is
7 critical to planning for and achieving the state's affordable housing
8 goal.

9 (3) The legislature finds that there are many root causes of the
10 affordable housing shortage and declares that it is critical that such
11 causes be analyzed, effective solutions be developed, implemented,
12 monitored, and evaluated, and that these causal factors be eliminated.
13 The legislature also finds that there is a taxpayer and societal cost
14 associated with a lack of living wage jobs and affordable housing and
15 that state and local governments must identify and quantify that cost.

16 (4) The legislature finds that the support and commitment of all
17 sectors of the statewide community is critical to accomplishing the
18 state's affordable housing for all goal. The legislature finds that
19 the provision of housing and housing-related services should be
20 administered at the local level. However, the state should play a
21 primary role in: Researching, evaluating, benchmarking, and
22 implementing best practices; continually updating and evaluating
23 statewide housing data; developing a statewide plan to achieve the
24 affordable housing for all goal; coordinating and supporting local
25 government plans and activities; and encouraging quality management
26 practices by monitoring both state and local government performance
27 towards achieving interim and ultimate goals.

28 (5) The legislature declares that the systematic and comprehensive
29 performance measurement and evaluation of progress toward interim goals
30 and the ultimate state affordable housing goal of a decent,
31 appropriate, and affordable home in a healthy, safe environment for
32 every low-income household in the state by 2020 is a necessary
33 component of the statewide effort to end the lack of affordable housing
34 crisis.

35 NEW SECTION. **Sec. 2.** This chapter may be known and cited as the
36 Washington affordable housing for all act.

1 NEW SECTION. **Sec. 3.** There is created within the department the
2 state affordable housing for all program. The goal of the program is
3 a decent, appropriate, and affordable home in a healthy, safe
4 environment for every low-income household in the state by 2020. A
5 priority shall be placed upon achieving this goal for very low-income
6 households. This goal includes increasing the percentage of very low
7 and low-income households who access affordable housing without
8 government assistance by increasing the number of households who
9 achieve self-sufficiency and economic independence. The goal also
10 includes implementing strategies to slow the rising cost of new
11 housing. The program shall be developed and administered by the
12 department.

13 NEW SECTION. **Sec. 4.** Unless the context clearly requires
14 otherwise, the definitions in this section apply throughout this
15 chapter.

16 (1) "Affordable housing" means housing that has a sales price or
17 rental amount that is within the means of a household that may occupy
18 moderate-income or low-income housing. In the case of dwelling units
19 for rent, affordable housing means housing for which the affordable
20 rent and utilities do not exceed thirty percent of the gross annual
21 household income for a household below median income of the household
22 size that may occupy the particular unit. In the case of dwelling
23 units for sale, affordable housing means housing in which annual
24 housing costs do not exceed thirty percent of the gross annual
25 household income for a household below the median income of the
26 household size that may occupy the particular unit. The department
27 shall adopt policies for residential homeownership housing, occupied by
28 low-income households, that specify the percentage of household income
29 that may be spent on monthly housing costs, including utilities other
30 than telephone, to qualify as affordable housing.

31 (2) "Department" means the department of community, trade, and
32 economic development.

33 (3) "Director" means the director of the department of community,
34 trade, and economic development.

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

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

8 (6) "Regulatory barriers to affordable housing" and "regulatory
9 barriers" mean any public policies, including those embodied in
10 statutes, ordinances, regulations, or administrative procedures or
11 processes, required to be identified by the state or local government
12 in connection with its strategy under section 105(b)(4) of the
13 Cranston-Gonzalez national affordable housing act (42 U.S.C. Sec. 12701
14 et seq.).

15 (7) "Affordable housing for all account" means the state treasury
16 account receiving the state's portion of income from the revenue of
17 sources established by section 19 of this act.

18 (8) "Local affordable housing task force" means a local committee,
19 as described in section 10 of this act, created to prepare and
20 recommend to its local government legislative authority an affordable
21 housing for all plan and also to decide upon expenditures of the funds
22 for the local affordable housing for all program.

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

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

31 (11) "Quality management program" means a nationally recognized
32 program similar or equivalent to the Baldrige criteria. All local
33 governments receiving over two hundred thousand dollars from the
34 affordable housing for all program in RCW 36.22.178 (as recodified by
35 this act) and from the surcharge in RCW 36.22.179 shall implement a
36 quality management program and shall apply to the Washington state
37 quality award program once every three years.

1 (12) "Affordable housing for all program" means the program
2 authorized under this chapter as administered by the department at the
3 state level and by the local government or its designated subcontractor
4 at the local level.

5 (13) "Affordable housing data base" means a master data base
6 created or purchased, implemented, and maintained by the department of
7 all existing housing stock which has received federal, state, or local
8 funds, funds from another nonprofit organization, or financing through
9 the Washington housing finance commission meeting the conditions of
10 section 6 of this act, and which is affordable to households whose
11 adjusted income is less than eighty percent of the median household
12 income, adjusted for household size for the county where the project is
13 located. The data base shall also include information on privately
14 owned rental units provided voluntarily by owners and landlords.

15 (14) "State affordable housing for all plan" means the plan
16 developed by the department in collaboration with the affordable
17 housing advisory board with the goal of ensuring every low-income
18 household in Washington has a decent, appropriate, and affordable home
19 in a healthy, safe environment by 2020.

20 (15) "Local affordable housing for all plan" means the plan
21 developed by each participating local government with the goal of
22 ensuring every low-income household in the local jurisdiction has a
23 decent, appropriate, and affordable home in a healthy, safe environment
24 by 2020.

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

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

34 (18) "Local government" means a county government in the state of
35 Washington, or a city government, if the legislative authority of the
36 city affirmatively elects to accept the responsibility for reaching the
37 goals of the affordable housing for all program within its borders.

1 (19) "Authority" or "housing authority" means any of the public
2 corporations created by RCW 35.82.030.

3 NEW SECTION. **Sec. 5.** The department of labor and industries shall
4 annually determine a specific living wage, based upon the cost of
5 living, including housing costs, for each county in the state. The
6 department of labor and industries shall deliver a report to the
7 department of community, trade, and economic development regarding the
8 number and percentage of individuals and households statewide and in
9 each county, who are not earning a living wage. The affordable housing
10 advisory committee shall discuss in its annual report to the
11 legislature, starting in 2007, the measurable relationship between
12 living wage jobs and housing affordability.

13 NEW SECTION. **Sec. 6.** (1) The department shall create or purchase,
14 and implement a master affordable housing data base that includes
15 specific information about existing affordable housing stock in the
16 state of Washington by December 31, 2009. The data base shall be
17 maintained and continually updated by the department, and the
18 department may cross-reference and exchange information between this
19 data base and other existing state housing data bases.

20 (2) The data base shall include information on all units which meet
21 the affordable housing definition and have received or continue to
22 receive funding from the federal, state, or local government, or other
23 nonprofit organization or financing through the Washington housing
24 finance commission. The department shall encourage private landlords
25 to voluntarily submit information about private rental units that are
26 affordable for low-income households to be included in the data base.

27 (3) The data base shall include information about rental units that
28 shall be determined by the department; however, it must include, at a
29 minimum, measures for quality, cost, safety, and size. In addition to
30 other data points to be determined by the department, the following
31 data points may be collected for units entered into the data base:

32 (a) Identification of the owner and manager of the unit;

33 (b) Cost of the housing unit that, in the case of rental units, may
34 include rent, average utility costs, security deposits, and any other
35 fees required of tenants;

1 (c) Size of the housing unit, including square footage, number of
2 bedrooms, and number of bathrooms;

3 (d) Specific target populations for the unit, if applicable,
4 including, units designed to serve or limited to serving the disabled,
5 the elderly, victims of domestic violence, families, individuals, or a
6 specific number of persons; and

7 (e) The current availability of the unit.

8 (4) Other state agencies, local governments, local public agencies,
9 including water and sewer districts, housing authorities, and other
10 housing organizations shall cooperate with the department to create and
11 update the affordable housing data base by providing to the department
12 any requested existing information about housing units within the
13 jurisdiction.

14 (5) The data base shall be searchable by the department, local
15 governments, community housing organizations, including housing
16 authorities, and the public, according to housing characteristics
17 determined by the department including, at a minimum, location, cost,
18 and size. The data base will be utilized for data collection about
19 Washington's affordable housing stock and will also serve as a low-
20 income housing referral system to connect low-income households seeking
21 housing with appropriate and available units.

22 (6) A summary of collected performance measurement data regarding
23 the existing rental housing stock and a corresponding analysis shall be
24 presented annually in the statewide plan required in RCW 43.185B.040
25 (as recodified by this act). Local data shall also be included in the
26 local governments' updated affordable housing for all plans under
27 section 12 of this act. Information shall include, at a minimum, the
28 following:

29 (a) An inventory of the supply and geographic, including political
30 geography, distribution of affordable housing units for specific income
31 groups, including households making at or below living wage levels, as
32 defined by the department of labor and industries, and those making at
33 or below eighty percent, fifty percent, and thirty percent of the
34 median household income adjusted for household size for the county
35 where the project is located, and other specific target populations;

36 (b) A calculation reflecting the increase or decrease in affordable
37 housing units from the previous twelve-month period; and

1 (c) The average current market cost per square foot of units,
2 statewide, in each county, and for each major metropolitan area.

3 NEW SECTION. **Sec. 7.** (1) The department shall conduct a study to
4 evaluate the potential development of a statewide, low-income
5 household, housing waiting list data base which would include
6 information on all low-income households requesting housing assistance
7 for the purpose of connecting such households with appropriate housing
8 opportunities. The study shall investigate and evaluate the following:

9 (a) The anticipated benefits of such a statewide waiting list to
10 low-income households and low-income housing providers;

11 (b) The cost of implementing and maintaining the data base; and

12 (c) Best practices from other states or from counties in other
13 states which currently have a similar data base.

14 The department shall report the results of this study to the
15 appropriate committees of the legislature by December 31, 2007.

16 (2) This section expires December 31, 2007.

17 **Sec. 8.** RCW 43.185B.030 and 1993 c 478 s 6 are each amended to
18 read as follows:

19 The affordable housing advisory board shall:

20 (1) Analyze those solutions and programs that (~~could begin to~~)
21 address the state's need for housing that is affordable for all
22 economic segments of the state, with an emphasis on very low and low-
23 income populations and special needs populations, including, but not
24 limited to, initiatives, programs, or proposals which include
25 recommendations about or provide for:

26 (a) Financing for the acquisition, rehabilitation, preservation, or
27 construction of affordable housing in order to meet the state's
28 affordable housing and homelessness goals;

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

31 (c) Coordination of state initiatives with federal initiatives and
32 financing programs that are referenced in the Cranston-Gonzalez
33 national affordable housing act (42 U.S.C. Sec. 12701 et seq.), as
34 amended, and development of an approved housing strategy as required in
35 the Cranston-Gonzalez national affordable housing act (42 U.S.C. Sec.
36 12701 et seq.), as amended;

1 (d) Identification and removal, where appropriate and not
2 detrimental to the public health and safety, or environment, of state
3 and local regulatory barriers to the development and placement of
4 affordable housing;

5 (e) Goals and performance measures for stimulating public and
6 private sector cooperation in the development of affordable housing and
7 public and private sector support to reach affordable housing and
8 homelessness goals; and

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

12 (2) Consider both homeownership and rental housing as viable
13 options for the provision of housing. The advisory board shall give
14 consideration to various types of residential construction and
15 innovative housing options, including, but not limited to, manufactured
16 housing, and make annual recommendations related to the appropriate
17 type of housing given a variety of situations and needs;

18 (3) Review, evaluate, and make recommendations regarding existing
19 and proposed housing programs and initiatives including but not limited
20 to tax policies, land use policies, and financing programs(~~(.—The~~
21 ~~advisory board shall provide recommendations to the director, along~~
22 ~~with the department's response in the annual housing report to the~~
23 ~~legislature required in RCW 43.185B.040~~; and

24 ~~(4) Prepare and submit to the director, by each December 1st,~~
25 ~~beginning December 1, 1993, a report detailing its findings and make~~
26 ~~specific program, legislative, and funding recommendations and any~~
27 ~~other recommendations it deems appropriate));~~

28 (4) Annually evaluate the department's statewide affordable housing
29 for all plan; and

30 (5) Present annual reports of its findings and recommendations to
31 the department and appropriate committees of the legislature by October
32 31, 2007, and present annual updated reports by October 31st of each
33 subsequent year.

34 **Sec. 9.** RCW 43.185B.040 and 1993 c 478 s 12 are each amended to
35 read as follows:

36 (1) The department shall, in consultation with the affordable
37 housing advisory board created in RCW 43.185B.020 (as recodified by

1 this act), prepare and (~~from time to time amend a five year~~) update
2 annually an affordable housing (~~advisory~~) for all plan. The plan
3 includes the recommendations of the affordable housing advisory board
4 annual report required in RCW 43.185B.030 (as recodified by this act)
5 and must be coordinated with the state homeless housing strategic plan
6 required under RCW 43.185C.040. The plan shall be created by December
7 31, 2007, and updated by December 31st of each subsequent year. The
8 purpose of the plan is to document the need for affordable housing in
9 the state and the extent to which that need is being met through public
10 and private sector programs, to outline the development of sound
11 strategies and programs for affordable housing, to establish, evaluate,
12 and report upon performance measures for the state and local
13 governments, and to facilitate state and local planning to meet the
14 state affordable housing (~~needs of the state, and to enable the~~
15 ~~development of sound strategies and programs for affordable housing~~)
16 goal of ensuring a decent, appropriate, and affordable home in a
17 healthy, safe environment for every low-income household in the state
18 by 2020.

19 (2) The information in the (~~five-year~~) affordable housing
20 (~~advisory~~) for all plan must include:

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

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

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

27 (d) A status report on the degree of progress made by the public
28 and private sector toward meeting the housing needs of the state and
29 each county and major city in the state;

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

34 (f) An annual review, statewide and within each county and major
35 city, of the primary contributors to the cost of housing;

36 (g) Specific recommendations, policies, or proposals for meeting
37 the affordable housing needs of the state, including the
38 recommendations of the affordable housing advisory board annual report;

1 (h) Identification of key root causal factors of the affordable
2 housing shortage and the inability of low-income households to obtain
3 and retain appropriate housing, and identification of possible
4 preventative strategies and related performance measures. The list of
5 root causes shall include the cost of construction, other development
6 costs, the inadequacy of wages to enable low-income households to
7 obtain and retain housing, and financial management skills;

8 (i) A determination, in collaboration with the department of labor
9 and industries, of the state cost of the affordable housing shortage
10 and the lack of living wage jobs;

11 (j) Interim goals and timelines that are determined by the
12 department and by which the state and local governments' performances
13 may be measured;

14 (k) Detailed timelines to accomplish the goal of a decent,
15 appropriate, and affordable home in a healthy, safe environment for
16 every low-income household in the state by 2020; and

17 (l) Performance measures that are determined by the department with
18 input required from the appropriate committees of the legislature,
19 which include, at a minimum, the following:

20 (i) Percentage increase of affordable housing needs being met
21 within each twelve-month period;

22 (ii) Percentage increase of families reaching self-sufficiency or
23 economic independence as defined by the department of labor and
24 industries;

25 (iii) A measure of future sustainability of the affordable housing
26 stock;

27 (iv) A measure of increased collaboration and coordination among
28 public bodies and community stakeholders, and the level of community
29 support and participation;

30 (v) Percentage increase of living wage jobs, as defined by the
31 department of labor and industries; and

32 (vi) Implementation of local quality management programs.

33 ~~((+2)(a+))~~ (3) The ~~((five-year))~~ state affordable housing
34 ~~((advisory))~~ for all plan required under subsection (1) of this section
35 must be submitted to the appropriate committees of the legislature on
36 or before ~~((February 1, 1994))~~ December 31, 2007, and subsequent
37 updated plans must be submitted ~~((every five years))~~ annually by

1 December 31st thereafter, which shall include an annual progress report
2 detailing the extent to which the state's affordable housing needs were
3 met during the preceding year.

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

8 (4) To guide local governments in preparation for their first local
9 affordable housing for all plan required under section 12 of this act,
10 the department shall issue, by December 31, 2007, guidelines for
11 preparing local affordable housing for all plans consistent with this
12 chapter. Local affordable housing for all plans shall be substantially
13 consistent with the goals and program recommendations of the state
14 affordable housing for all plan and shall include, at a minimum, the
15 same performance measures as described in subsection (2) of this
16 section.

17 (5) Based on the performance of local affordable housing for all
18 programs in meeting their interim goals and on changes to the general
19 population and in the housing market, the department may revise the
20 performance measures and goals of the state affordable housing for all
21 plan, set goals for years following December 31, 2020, and recommend
22 changes in local affordable housing for all plans.

23 NEW SECTION. Sec. 10. Each participating local government shall
24 convene an affordable housing task force. The task force shall be a
25 local committee, made up of volunteers, created to prepare and
26 recommend to its local government legislative authority an affordable
27 housing for all plan and also to decide upon expenditures of the funds
28 created in this chapter. The affordable housing task force shall
29 include a representative of the county, a representative of the largest
30 city located within the county, other members as may be required to
31 maintain eligibility for federal funding related to housing programs
32 and services, and a representative of a private nonprofit organization
33 with experience in low-income housing. The task force may be the same
34 as the homeless housing task force created in RCW 43.185C.160.

35 NEW SECTION. Sec. 11. (1) Each local affordable housing task
36 force shall prepare and recommend to its local government legislative

1 authority an affordable housing for all plan for its jurisdictional
2 area which must be consistent with the department's local plan
3 guidelines and the department's state affordable housing for all plan.
4 For local governments required or choosing to plan under RCW
5 36.70A.040, affordable housing for all plans must be consistent with
6 housing elements of comprehensive plans described in RCW 36.70A.070(2).
7 Local plans must also be consistent with any existing local homeless
8 housing plan required in RCW 43.185C.050. Local affordable housing for
9 all plans shall be primarily focused on ensuring that every low-income
10 household in the local jurisdictional area has a decent, appropriate,
11 and affordable home in a healthy, safe environment by 2020 and on
12 increasing the percentage of low-income households that access
13 affordable housing without government assistance. The local affordable
14 housing for all plan shall include performance measures, including, at
15 a minimum, the same performance measures required of the state
16 affordable housing for all plan outlined in RCW 43.185B.040(2)(1) (as
17 recodified by this act), timelines for the accomplishment of interim
18 goals, targets, and projected estimated financing appropriate for
19 outlined goals. Annual local plan updates shall include legislative
20 recommendations. Local governments shall adopt a plan by April 30,
21 2008, and update the plan annually on or before April 30th. All plans
22 must be forwarded to the department on or before the date of adoption.

23 (2) The department shall conduct an annual performance evaluation
24 of local affordable housing for all plans. The department shall
25 present its performance evaluations to the appropriate committees of
26 the legislature on or before December 31st of each year beginning in
27 2008.

28 NEW SECTION. **Sec. 12.** Local governments shall report on
29 achievements, according to stated performance measures in the local
30 affordable housing for all plans, to the department annually by
31 December 1st. The department shall conduct an annual performance
32 evaluation of local governments according to their performance in
33 achieving stated affordable housing goals. The department shall
34 present the results of the performance evaluation in its annually
35 updated state affordable housing for all plan.

1 NEW SECTION. **Sec. 13.** (1) A county may decline to participate in
2 the program authorized in this chapter by forwarding to the department
3 a resolution adopted by the county legislative authority stating its
4 intention not to participate. A copy of the resolution shall be
5 transmitted to the county auditor and treasurer. If a resolution is
6 adopted, all of the funds otherwise due to the county under RCW
7 36.22.178 (as recodified by this act) shall be remitted monthly to the
8 state treasurer for deposit in the affordable housing for all account,
9 except as provided in subsection (4) of this section, without any
10 reduction by the county for collecting or administering the funds.
11 Upon receipt of the resolution, the department shall promptly begin to
12 identify and contract with one or more entities to create and execute
13 a local affordable housing for all plan for the county meeting the
14 requirements of this chapter. The department shall utilize the
15 county's portion of the funds provided under section 17 of this act for
16 this purpose. The department shall expend all of the funds received
17 from the county to carry out the purposes of this chapter in the
18 county, except that the department may retain six percent of these
19 funds to offset the cost of managing the county's program.

20 (2) A resolution by the county declining to participate in the
21 program has no effect on the ability of each city in the county to
22 assert its right to manage its own program under this chapter, as
23 provided in section 14 of this act, and the county shall transmit to
24 the city, every month, the portion of funds due to the city, as
25 provided in section 14 of this act, which are collected pursuant to RCW
26 36.18.010.

27 (3) A county that has declined to participate may, at a later date,
28 participate in the program authorized by this chapter by forwarding to
29 the department a resolution adopted by the county legislative authority
30 stating the intention to participate. The department shall determine
31 a procedure and appropriate timeline for the transfer of the program
32 from any existing third-party contractor to the county.

33 (4) The funding reduction required under subsection (1) of this
34 section does not apply to counties which have made funding commitments
35 to projects prior to the effective date of this act. Such projects may
36 be awarded the funds that were not committed prior to the effective
37 date of this act.

1 NEW SECTION. **Sec. 14.** Any city may assert responsibility for
2 reaching the goals of the affordable housing for all program within its
3 borders, if it so chooses, by forwarding a resolution to the
4 legislative authority of the county stating its intention and its
5 commitment to operate a separate affordable housing for all program.
6 If it so chooses, the city shall receive the portion of the funds
7 attributable to document recordings involving transactions within the
8 city. A city choosing to operate a separate affordable housing for all
9 program is responsible for complying with all of the same requirements
10 as counties and shall adopt an affordable housing for all plan meeting
11 the requirements of this chapter for local affordable housing for all
12 plans. The city may, by resolution of its legislative authority,
13 accept an appropriate portion of the county's affordable housing for
14 all plan as its own.

15 NEW SECTION. **Sec. 15.** Local governments may subcontract with any
16 other local government, housing authority, community action agency, or
17 other nonprofit organization for the execution of programs contributing
18 to the goal of ensuring a decent, appropriate, and affordable home in
19 a healthy, safe environment for every low-income household in the local
20 jurisdiction by 2020. All subcontracts must be: Consistent with the
21 local affordable housing for all plan adopted by the legislative
22 authority of the local government; time limited; and filed with the
23 department, and must have specific performance terms as specified by
24 the local government. This authority to subcontract with other
25 entities does not affect the local governments' ultimate responsibility
26 for the affordable housing for all program within its borders.

27 **Sec. 16.** RCW 36.22.178 and 2005 c 484 s 18 are each amended to
28 read as follows:

29 (1) Except as provided in subsection (~~((2))~~) (3) of this section,
30 a surcharge of ten dollars per instrument shall be charged by the
31 county auditor for each document recorded, which will be in addition to
32 any other charge authorized by law. The county may retain up to five
33 percent of these funds collected solely for the collection,
34 administration, and local distribution of these funds. Of the
35 remaining funds, forty percent of the revenue generated through this
36 surcharge will be transmitted monthly to the state treasurer who will

1 deposit the funds into the (~~Washington housing trust account.~~ The
2 office of community development of the department of community, trade,
3 and economic development will develop guidelines for the use of these
4 funds to support)) affordable housing for all account established in
5 section 19 of this act. The department may use these funds for the
6 following purposes:

7 (a) To provide planning grants to local governments that receive
8 less than twenty thousand dollars annually through revenue created by
9 this chapter for the purpose of the creation of local affordable
10 housing for all plans;

11 (b) To fund building operation and maintenance costs of housing
12 projects or units within housing projects that are affordable to
13 extremely low-income (~~persons~~) households with incomes at or below
14 thirty percent of the area median income, and that require a supplement
15 to rent income to cover ongoing operating expenses; and

16 (c) To provide technical assistance to any participating local
17 government that requests assistance. Technical assistance activities
18 may include:

19 (i) Assisting in identifying best practices from other areas;

20 (ii) Assisting in identifying additional funding sources for
21 specific projects;

22 (iii) Assisting local governments to identify appropriate service
23 providers with which the local government may subcontract for service
24 provision and development activities when necessary; and

25 (iv) Assisting local governments to implement a quality management
26 program.

27 (2) All of the remaining funds generated by this surcharge will be
28 retained by the county and be deposited into a fund that must be used
29 by the county and its cities and towns for programs and activities
30 outlined in the local affordable housing for all plan. Housing
31 projects or units within housing projects (~~that are~~) shall be
32 affordable to (~~very~~) low-income (~~persons~~) households with incomes
33 at or below (~~fifty~~) eighty percent of the area median income. The
34 portion of the surcharge retained by a county (~~shall~~) may be
35 allocated to (~~very~~) low-income housing projects or units within such
36 housing projects in the county and the cities within a county
37 (~~according to an interlocal agreement between the county and the~~
38 ~~cities within the county~~), or for programs and services, consistent

1 with countywide and local housing needs and policies. A priority shall
2 be given to projects or units within projects, or programs and services
3 that are affordable to very low-income households with incomes at or
4 below fifty percent of the area median income. Local governments shall
5 report upon performance measures established by the department in an
6 annual report to the department as required in section 12 of this act.
7 The funds generated with this surcharge shall not be used for
8 construction of new housing if at any time the vacancy rate for
9 available low-income housing within the county rises above ten percent.
10 The vacancy rate for each county shall be developed using the state
11 low-income vacancy rate standard developed under subsection ~~((+3))~~ (5)
12 of this section. Uses of these local funds are limited to:
13 (a) Acquisition, construction, or rehabilitation of housing
14 projects or units within housing projects that are affordable to
15 ~~((very))~~ low-income ~~((persons))~~ households with incomes at or below
16 ~~((fifty))~~ eighty percent of the area median income, including units for
17 homeownership, rental units, and single room occupancy units;
18 (b) Supporting building operation and maintenance costs of housing
19 projects or units within housing projects eligible to receive housing
20 trust funds, that are affordable to very low-income ~~((persons))~~
21 households with incomes at or below fifty percent of the area median
22 income, and that require a supplement to rent income to cover ongoing
23 operating expenses;
24 (c) Rental assistance vouchers for housing ~~((projects or))~~ units
25 ~~((within housing projects))~~ that are affordable to very low-income
26 ~~((persons))~~ households with incomes at or below fifty percent of the
27 area median income, to be administered by a local public housing
28 authority or other local organization that has an existing rental
29 assistance voucher program~~((, consistent with the United States~~
30 ~~department of housing and urban development's section 8 rental~~
31 ~~assistance voucher program standards)).~~ The department shall develop
32 statewide guidelines for a rental assistance program by 2007; ~~((and))~~
33 (d) Operating costs for emergency shelters and licensed overnight
34 youth shelters;
35 (e) Housing programs and projects or housing services specifically
36 referenced in the current local affordable housing for all plan; and
37 (f) Activities eligible under chapter 43.185C RCW.

1 ~~((+2))~~ (3) The surcharge imposed in this section does not apply to
2 assignments or substitutions of previously recorded deeds of trust.

3 ~~((+3))~~ (4) Local governments shall report upon expenditures of
4 funds created by this chapter to the department. The report shall
5 include the amount of funding allocated, a description of the projects
6 funded, and the outcome or anticipated outcome of each project. The
7 department shall create an electronic reporting system.

8 (5) The real estate research center at Washington State University
9 shall develop a vacancy rate standard for low-income housing in the
10 state as described in RCW 18.85.540(1)(i).

11 NEW SECTION. **Sec. 17.** The sum of two million dollars, or as much
12 thereof as may be necessary, is appropriated for the fiscal year ending
13 June 30, 2007, from the general fund to the affordable housing for all
14 account established in section 19 of this act, for the purposes of
15 accomplishing the planning, data system creation, data collection, and
16 program implementation activities of this act. Of the two million
17 dollars appropriated, the department of community, trade, and economic
18 development shall distribute one million dollars to the participating
19 local governments using a formula to be determined by the department
20 and to be used for local planning, data system creation, data
21 collection, and program implementation purposes.

22 NEW SECTION. **Sec. 18.** The department, the housing finance
23 commission, the affordable housing advisory board, and all
24 participating local governments, housing authorities, and other
25 nonprofits receiving state funds or financing through the housing
26 finance commission, shall, by December 31, 2006, and annually
27 thereafter, review current housing reporting requirements related to
28 housing programs and services and give recommendations to the
29 legislature to streamline and simplify all planning and reporting
30 requirements. The entities listed in this section shall also give
31 recommendations for additional legislative actions that could promote
32 the affordable housing for all goal.

33 NEW SECTION. **Sec. 19.** The affordable housing for all account is
34 created in the custody of the state treasurer. The state's portion of
35 the surcharge established in RCW 36.22.178 (as recodified by this act)

1 shall be deposited in the account. Expenditures from the account may
2 only be used for the affordable housing for all program as described in
3 this chapter. Only the director or the director's designee may
4 authorize expenditures from the account. The account is subject to
5 allotment procedures under chapter 43.88 RCW, but an appropriation is
6 not required for expenditures.

7 **Sec. 20.** RCW 36.18.010 and 2005 c 484 s 19 and 2005 c 374 s 1 are
8 each reenacted and amended to read as follows:

9 County auditors or recording officers shall collect the following
10 fees for their official services:

11 (1) For recording instruments, for the first page eight and one-
12 half by fourteen inches or less, five dollars; for each additional page
13 eight and one-half by fourteen inches or less, one dollar. The fee for
14 recording multiple transactions contained in one instrument will be
15 calculated for each transaction requiring separate indexing as required
16 under RCW 65.04.050 as follows: The fee for each title or transaction
17 is the same fee as the first page of any additional recorded document;
18 the fee for additional pages is the same fee as for any additional
19 pages for any recorded document; the fee for the additional pages may
20 be collected only once and may not be collected for each title or
21 transaction;

22 (2) For preparing and certifying copies, for the first page eight
23 and one-half by fourteen inches or less, three dollars; for each
24 additional page eight and one-half by fourteen inches or less, one
25 dollar;

26 (3) For preparing noncertified copies, for each page eight and one-
27 half by fourteen inches or less, one dollar;

28 (4) For administering an oath or taking an affidavit, with or
29 without seal, two dollars;

30 (5) For issuing a marriage license, eight dollars, (this fee
31 includes taking necessary affidavits, filing returns, indexing, and
32 transmittal of a record of the marriage to the state registrar of vital
33 statistics) plus an additional five-dollar fee for use and support of
34 the prevention of child abuse and neglect activities to be transmitted
35 monthly to the state treasurer and deposited in the state general fund
36 plus an additional ten-dollar fee to be transmitted monthly to the
37 state treasurer and deposited in the state general fund. The

1 legislature intends to appropriate an amount at least equal to the
2 revenue generated by this fee for the purposes of the displaced
3 homemaker act, chapter 28B.04 RCW;

4 (6) For searching records per hour, eight dollars;

5 (7) For recording plats, fifty cents for each lot except cemetery
6 plats for which the charge shall be twenty-five cents per lot; also one
7 dollar for each acknowledgment, dedication, and description: PROVIDED,
8 That there shall be a minimum fee of twenty-five dollars per plat;

9 (8) For recording of miscellaneous records not listed above, for
10 the first page eight and one-half by fourteen inches or less, five
11 dollars; for each additional page eight and one-half by fourteen inches
12 or less, one dollar;

13 (9) For modernization and improvement of the recording and indexing
14 system, a surcharge as provided in RCW 36.22.170;

15 (10) For recording an emergency nonstandard document as provided in
16 RCW 65.04.047, fifty dollars, in addition to all other applicable
17 recording fees;

18 (11) For recording instruments, a surcharge as provided in RCW
19 36.22.178 (as recodified by this act); and

20 (~~{(12)}~~) (12) For recording instruments, except for documents
21 recording a birth, marriage, divorce, or death or any documents
22 otherwise exempted from a recording fee under state law, a surcharge as
23 provided in RCW 36.22.179.

24 NEW SECTION. Sec. 21. This chapter does not require either the
25 department or any local government to expend any funds to accomplish
26 the goals of this chapter other than the revenues authorized in this
27 act. However, neither the department nor any local government may use
28 any funds authorized in this act to supplant or reduce any existing
29 expenditures of public money to address the affordable housing
30 shortage.

31 NEW SECTION. Sec. 22. The joint legislative audit and review
32 committee shall conduct a performance audit of the affordable housing
33 for all programs every four years. The first audit shall be conducted
34 on or before December 31, 2009. Each audit shall take no longer than
35 six months or fifty thousand dollars to complete.

1 NEW SECTION. **Sec. 23.** A new section is added to chapter 36.70A
2 RCW to read as follows:

3 (1) The department shall report annually on counties and cities
4 planning under RCW 36.70A.040 to satisfy the affordable housing
5 requirements of this chapter.

6 (2) The report shall include:

7 (a) A performance evaluation of county and city compliance and
8 results in implementing adopted policies, the housing element of
9 comprehensive plans, and development regulations pertaining to
10 affordable housing; and

11 (b) A performance evaluation of county and city efforts in
12 leveraging public and private funds or other resources to provide,
13 develop, and preserve affordable housing to all. Consideration will be
14 given to factors, which include county size, population, and economic
15 conditions.

16 (3) The report shall be included in the state affordable housing
17 for all plan.

18 NEW SECTION. **Sec. 24.** A new section is added to chapter 43.185
19 RCW to read as follows:

20 (1) The department, in collaboration with the affordable housing
21 advisory board, shall establish performance measures for the housing
22 assistance program. Performance measures shall, at a minimum, include
23 the following:

24 (a) Percentage of the affordable housing need met within the last
25 twelve-month period;

26 (b) Reduction of cost per unit developed;

27 (c) Percent increase in affordable units preserved; and

28 (d) Percent increase in other public and private funds leveraged.

29 (2) The department, in collaboration with the affordable housing
30 advisory board, shall establish individual performance measures for
31 housing assistance program grantees.

32 (3) The department shall include a summary of the performance
33 evaluations of programs and projects financed by the housing assistance
34 program in the annual state affordable housing for all plan.

35 **Sec. 25.** RCW 43.185A.020 and 1995 c 399 s 103 are each amended to
36 read as follows:

1 The affordable housing program is created in the department for the
2 purpose of developing and coordinating public and private resources
3 targeted to meet the affordable housing needs of low-income households
4 in the state of Washington. The program shall be developed and
5 administered by the department with advice and input from the
6 affordable housing advisory board established in RCW 43.185B.020 (as
7 recodified by this act). The program shall operate in coordination
8 with the state affordable housing for all program established in
9 section 3 of this act. Funding decisions made through the affordable
10 housing program shall be consistent with the recommendations of the
11 state affordable housing for all plan.

12 **Sec. 26.** RCW 43.185A.070 and 1991 c 356 s 16 are each amended to
13 read as follows:

14 The director shall monitor the activities of recipients of grants
15 and loans under this chapter to determine compliance with the terms and
16 conditions set forth in its application or stated by the department in
17 connection with the grant or loan. The department shall establish
18 performance measures upon which each grant or loan recipient must
19 report. The department shall conduct, at a minimum, annual performance
20 evaluations of all projects receiving affordable housing program
21 assistance. The department shall report on performance evaluations
22 annually in the updated state affordable housing for all plan.

23 **Sec. 27.** RCW 35.82.080 and 1989 c 363 s 3 are each amended to read
24 as follows:

25 It is hereby declared to be the policy of this state that each
26 housing authority shall manage and operate its housing projects in an
27 efficient manner so as to enable it to fix the rentals for low-income
28 dwelling accommodations at the lowest possible rates consistent with
29 its providing decent, safe and sanitary dwelling accommodations, and
30 that no housing authority shall construct or operate any such project
31 for profit, or as a source of revenue to the city or the county. Each
32 housing authority shall annually provide to the department of
33 community, trade, and economic development performance measurement data
34 on the attainment of these policy goals. To this end, an authority
35 shall fix the rentals for rental units for persons of low income in
36 projects owned or leased by the authority at no higher rates than it

1 shall find to be necessary in order to produce revenues which (together
2 with all other available moneys, revenues, income and receipts of the
3 authority from whatever sources derived) will be sufficient (1) to pay,
4 as the same become due, the principal and interest on the bonds or
5 other obligations of the authority issued or incurred to finance the
6 projects; (2) to meet the cost of, and to provide for, maintaining and
7 operating the projects (including the cost of any insurance) and the
8 administrative expenses of the authority; and (3) to create (during not
9 less than the six years immediately succeeding its issuance of any such
10 bonds) a reserve sufficient to meet the largest principal and interest
11 payments which will be due on such bonds in any one year thereafter and
12 to maintain such reserve. Nothing contained in this section shall be
13 construed to limit an authority's power to rent commercial space
14 located in buildings containing housing projects or non low-income
15 units owned, acquired, financed, or constructed under RCW 35.82.070
16 (5), (~~((+16))~~) (18), or (~~((+17))~~) (19) at profitable rates and to use any
17 profit realized from such rentals in carrying into effect the powers
18 and purposes provided to housing authorities under this chapter.

19 **Sec. 28.** RCW 35.21.685 and 1986 c 248 s 1 are each amended to read
20 as follows:

21 (1) A city or town may assist in the development or preservation of
22 publicly or privately owned housing for (~~((persons))~~) households of low
23 income by providing loans or grants of general municipal funds to the
24 owners or developers of the housing. The loans or grants shall be
25 authorized by the legislative authority of the city or town. They may
26 be made to finance all or a portion of the cost of construction,
27 reconstruction, acquisition, or rehabilitation of housing that will be
28 occupied by a (~~((person or family))~~) household of low income. As used in
29 this section, "low income" means income that does not exceed eighty
30 percent of the median income for the standard metropolitan statistical
31 area in which the city or town is located.

32 (2) Participating cities and towns shall annually report their
33 efforts to the department of community, trade, and economic development
34 housing division. Information from the report shall be included in the
35 state and local affordable housing for all plans.

36 (3) Housing constructed with loans or grants made under this
37 section shall not be considered public works or improvements subject to

1 competitive bidding or a purchase of services subject to the
2 prohibition against advance payment for services: PROVIDED, That
3 whenever feasible the borrower or grantee shall make every reasonable
4 and practicable effort to utilize a competitive public bidding process.

5 **Sec. 29.** RCW 35.82.230 and 1965 c 7 s 35.82.230 are each amended
6 to read as follows:

7 At least once a year, an authority shall file with the clerk a
8 report of its activities for the preceding year, and shall make
9 recommendations with reference to such additional legislation or other
10 action as it deems necessary in order to carry out the purposes of this
11 chapter. Each city or county for which a particular housing authority
12 exists shall conduct an annual performance evaluation of the housing
13 authority, utilizing performance measures determined by the local
14 governing body. The annual performance evaluation shall be submitted
15 annually to the department of community, trade, and economic
16 development. The report shall be integrated into the local affordable
17 housing for all plan as required under section 12 of this act.

18 NEW SECTION. **Sec. 30.** A new section is added to chapter 35.82 RCW
19 to read as follows:

20 All housing authorities receiving over two hundred thousand dollars
21 from the state or financing through the Washington housing finance
22 commission for housing projects during the previous twenty-four months
23 must implement a quality management program and must apply to the
24 Washington state quality award program once every three years. Every
25 year, beginning in 2007, the department of community, trade, and
26 economic development shall conduct a performance evaluation, using
27 predetermined criteria, of housing authorities that have received
28 funding from the state or financing through the Washington housing
29 finance commission for housing projects during the previous twenty-four
30 months.

31 **Sec. 31.** RCW 43.63A.505 and 1999 c 164 s 202 are each amended to
32 read as follows:

33 (1) The department shall establish and administer a "one-stop
34 clearinghouse" to coordinate state assistance for growers and nonprofit
35 organizations in developing housing for agricultural employees.

1 Growers, housing authorities, and nonprofit organizations shall have
2 direct access to the one-stop clearinghouse. The department one-stop
3 clearinghouse shall provide assistance on planning and design, building
4 codes, temporary worker housing regulations, financing options, and
5 management to growers and nonprofit organizations interested in
6 farmworker construction. The department one-stop clearinghouse shall
7 also provide educational materials and services to local government
8 authorities on Washington state law concerning farmworker housing.

9 (2) The department shall report on the performance of the one-stop
10 clearinghouse by December 31st of each year as part of its report on
11 the state affordable housing for all program and shall make
12 recommendations for improvement. Performance measures for all state-
13 supported farmworker housing activities shall be included in the state
14 affordable housing for all plan. The performance measures to be
15 included in the report are the following, at a minimum:

16 (a) Percent of farmworker housing developed within the last twelve-
17 month period that received assistance from the one-stop clearinghouse;

18 (b) Percent of farmworker housing need met in the state;

19 (c) Percent of farmworker housing developed within the last twelve-
20 month period that complies with building codes and temporary worker
21 housing regulations; and

22 (d) Amount leveraged in public and private dollars for the
23 development of farmworker housing within the last twelve-month period.

24 **Sec. 32.** RCW 43.63A.640 and 1994 c 114 s 5 are each amended to
25 read as follows:

26 The department shall carry out the following duties:

27 (1) Administer the program;

28 (2) Identify organizations eligible to receive funds to implement
29 the program;

30 (3) Develop and adopt the necessary rules and procedures for
31 implementation of the program and for dispersal of program funds to
32 eligible organizations;

33 (4) Establish performance measures for the program to include the
34 following:

35 (a) Percentage of households that retained housing due to the
36 program's intervention; and

1 (b) Percentage of on-time loan payments during the last twelve-
2 month period.

3 (5) Establish the interest rate for repayment of loans at two
4 percent below the market rate;

5 ~~((+5))~~ (6) Work with lending institutions and social service
6 providers in the eligible communities to assure that all eligible
7 persons are informed about the program;

8 ~~((+6))~~ (7) Utilize federal and state programs that complement or
9 facilitate carrying out the program;

10 ~~((+7))~~ (8) Ensure that local eligible organizations that dissolve
11 or become ineligible assign their program funds, rights to loan
12 repayments, and loan security instruments, to the government of the
13 county in which the local organization is located. If the county
14 government accepts the program assets described in this subsection, it
15 shall act as a local eligible organization under the provisions of RCW
16 ~~((43.63A.600 through))~~ 43.63A.640. If the county government declines
17 to participate, the program assets shall revert to the department;

18 (9) Include activities, performance measures, and outcomes of
19 activities of the program in the state affordable housing for all plan.

20 **Sec. 33.** RCW 43.63A.645 and 1999 c 267 s 5 are each amended to
21 read as follows:

22 The department shall, by rule, establish program standards,
23 performance measures, eligibility standards, eligibility criteria, and
24 administrative rules for emergency housing programs and specify other
25 benefits that may arise in consultation with providers.

26 **Sec. 34.** RCW 43.330.110 and 1993 c 280 s 14 are each amended to
27 read as follows:

28 (1) The department shall maintain an active effort to help
29 communities, families, and individuals build and maintain capacity to
30 meet housing needs in Washington state. The department shall
31 facilitate partnerships among the many entities related to housing
32 issues and leverage a variety of resources and services to produce
33 comprehensive, cost-effective, and innovative housing solutions.

34 (2) The department shall assist in the production, development,
35 rehabilitation, and operation of owner-occupied or rental housing for
36 very low, low, and moderate-income persons; operate programs to assist

1 home ownership, offer housing services, and provide emergency,
2 transitional, and special needs housing services; and qualify as a
3 participating state agency for all programs of the federal department
4 of housing and urban development or its successor. The department
5 shall develop or assist local governments in developing housing plans
6 required by the state or federal government.

7 (3) The department shall coordinate and administer energy
8 assistance and residential energy conservation and rehabilitation
9 programs of the federal and state government through nonprofit
10 organizations, local governments, and housing authorities.

11 (4) The department shall include information on its activities,
12 outcomes, and performance measures in the state affordable housing for
13 all plan.

14 **Sec. 35.** RCW 43.330.165 and 1998 c 37 s 8 are each amended to read
15 as follows:

16 (1) The department shall work with the advisory group established
17 in subsection (2) of this section to review proposals and make
18 prioritized funding recommendations to the department or funding
19 approval board that oversees the distribution of housing trust fund
20 grants and loans to be used for the development, maintenance, and
21 operation of housing for low-income farmworkers.

22 (2) A farmworker housing advisory group representing growers,
23 farmworkers, and other interested parties shall be formed to assist the
24 department in the review and priority funding recommendations under
25 this section.

26 (3) The department shall establish performance measures for
27 farmworker programs receiving state funding to include the following:

28 (a) Percentage of need for farmworker housing met within the last
29 twelve-month period; and

30 (b) Percentage of farmworkers who have obtained permanent housing.

31 (4) The department shall include farmworker housing performance
32 measures in its state affordable housing for all plan.

33 **Sec. 36.** RCW 43.330.170 and 2002 c 294 s 4 are each amended to
34 read as follows:

35 The office of community development of the department of community,
36 trade, and economic development is directed to conduct a statewide

1 housing market analysis by region. The purpose of the analysis is to
2 identify areas of greatest need for the appropriate investment of state
3 affordable housing funds, using vacancy data and other appropriate
4 measures of need for low-income housing. The analysis shall include
5 the number and types of projects that counties have developed using the
6 funds collected under chapter 294, Laws of 2002. The analysis shall be
7 completed by September 2003, and updated (~~every two years~~) annually
8 thereafter. The analysis shall be included in the state affordable
9 housing for all plan.

10 **Sec. 37.** RCW 59.28.010 and 1989 c 188 s 1 are each amended to read
11 as follows:

12 The legislature finds that:

13 (1) There is a severe shortage of federally assisted housing within
14 the state of Washington. Over one hundred seventy thousand low and
15 moderate-income households are eligible for federally assisted housing
16 but are unable to locate vacant units.

17 (2) Within the next twenty years, more than twenty-six thousand
18 existing low-income housing units may be lost as a result of the
19 prepayment of mortgages or loans by the owners, or as a result of the
20 expiration of rental assistance contracts. Over three thousand units
21 of federally assisted housing have already been lost and an additional
22 nine thousand units may be lost within the next two and one-half years.

23 (3) Recent reductions in federal housing assistance and tax
24 benefits related to low-income housing make it uncertain whether
25 additional units of federally assisted housing will be built or that
26 those lost will be replaced.

27 (4) The loss of federally assisted housing will adversely affect
28 current tenants and lead to their displacement. It will also
29 drastically reduce the supply of affordable housing in our communities.

30 It is the purpose of this chapter to preserve federally assisted
31 housing in the state of Washington and to minimize the involuntary
32 displacement of tenants currently residing in such housing. The
33 preservation of existing federally assisted housing is a critical
34 strategy in achieving the state's goal of a decent, appropriate, and
35 affordable home in a healthy, safe environment for every low-income
36 household in the state by 2020.

1 **Sec. 38.** RCW 70.114A.010 and 1995 c 220 s 1 are each amended to
2 read as follows:

3 The legislature finds that there is an inadequate supply of
4 temporary and permanent housing for migrant and seasonal workers in
5 this state. The legislature also finds that unclear, complex
6 regulations related to the development, construction, and permitting of
7 worker housing inhibit the development of this much needed housing.
8 The legislature further finds that as a result, many workers are forced
9 to obtain housing that is unsafe and unsanitary.

10 Therefore, it is the intent of the legislature to encourage the
11 development of temporary and permanent housing for workers that is safe
12 and sanitary by: Establishing a clear and concise set of regulations
13 for temporary housing; establishing a streamlined permitting and
14 administrative process that will be locally administered and encourage
15 the development of such housing; and by providing technical assistance
16 to organizations or individuals interested in the development of worker
17 housing.

18 The development of temporary and permanent worker housing is a
19 critical strategy in achieving the state's goal of a decent,
20 appropriate, and affordable home in a healthy, safe environment for
21 every low-income household in the state by 2020. Information on
22 activities, outcomes, and performance measures of the department under
23 this chapter shall be included in the state affordable housing for all
24 plan.

25 **Sec. 39.** RCW 70.114A.040 and 1995 c 220 s 4 are each amended to
26 read as follows:

27 The department (~~(is designated the single state agency responsible~~
28 ~~for encouraging)) shall collaborate with the departments of community,~~
29 ~~trade, and economic development, agriculture, and labor and industries~~
30 ~~to encourage~~ the development of additional temporary worker housing(~~(~~
31 ~~and shall be))~~). The department of community, trade, and economic
32 development is responsible for coordinating the activities of the
33 various state and local agencies to assure a seamless, nonduplicative
34 system for the development and operation of temporary worker housing.
35 Information on the performance and efforts of all state departments
36 under this chapter shall be included by the department of community,

1 trade, and economic development in the state affordable housing for all
2 plan.

3 **Sec. 40.** RCW 70.114A.085 and 1999 c 374 s 11 are each amended to
4 read as follows:

5 The department, in collaboration with the departments of community,
6 trade, and economic development, agriculture, and labor and industries,
7 shall prepare a report to the legislature on utilization of the
8 temporary worker building code authorized by RCW 70.114A.081. The
9 report shall include the number of housing units, number of families or
10 individuals housed, number of growers obtaining permits, the geographic
11 distribution of the permits, and recommendations of changes in the
12 temporary worker building code necessary to avoid health and safety
13 problems for the occupants. The report shall be (~~transmitted to the~~
14 ~~senate committee on commerce, trade, housing and financial institutions~~
15 ~~and the house of representatives committee on economic development,~~
16 ~~housing and trade by December 15, 2000, and an update shall be~~
17 ~~transmitted every two years thereafter~~) included in the department of
18 community, trade, and economic development affordable housing for all
19 plan. The department of community, trade, and economic development
20 shall report on performance measures established by the department to
21 include, at a minimum, the percentage of temporary and permanent
22 housing need met within the preceding twelve-month period.

23 **Sec. 41.** RCW 70.164.010 and 1987 c 36 s 1 are each amended to read
24 as follows:

25 The legislature finds and declares that weatherization of the
26 residences of low-income households will help conserve energy resources
27 in this state and can reduce the need to obtain energy from more costly
28 conventional energy resources. The legislature also finds that rising
29 energy costs have made it difficult for low-income citizens of the
30 state to afford adequate fuel for residential space heat.
31 Weatherization of residences will lower energy consumption, making
32 space heat more affordable for persons in low-income households.
33 Weatherization will also reduce overall household costs, which
34 increases the ability of low-income households to maintain safe,
35 quality housing and thus contributes to achieving the state's goal of
36 a decent, appropriate, and affordable home in a healthy, safe

1 environment for every low-income household in the state by 2020. It
2 will also reduce the uncollectible accounts of fuel suppliers resulting
3 from low-income customers not being able to pay fuel bills.

4 The program implementing the policy of this chapter is necessary to
5 support the poor and infirm and also to benefit the health, safety, and
6 general welfare of all citizens of the state.

7 NEW SECTION. **Sec. 42.** (1) The department shall include
8 performance measures related to the weatherization assistance program
9 in the state affordable housing for all plan. Performance measures
10 shall be established by the department; however, the measures must
11 include, at a minimum, the following information by county and major
12 city:

13 (a) Percent of low-income households requesting assistance that
14 receive assistance; and

15 (b) Percent of low-income households receiving assistance that pay
16 less than thirty percent of household income on housing costs,
17 including heating the residence.

18 (2) Performance evaluations shall be conducted for each
19 participating vendor.

20 **Sec. 43.** RCW 43.63A.115 and 1993 c 280 s 60 are each amended to
21 read as follows:

22 (1) The community action agency network, established initially
23 under the federal economic opportunity act of 1964 and subsequently
24 under the federal community services block grant program of 1981, as
25 amended, shall be a delivery system for federal and state anti-poverty
26 programs in this state, including but not limited to the community
27 services block grant program, the low-income energy assistance program,
28 and the federal department of energy weatherization program.

29 (2) Local community action agencies comprise the community action
30 agency network. The community action agency network shall serve low-
31 income persons in the counties. Each community action agency and its
32 service area shall be designated in the state federal community service
33 block grant plan as prepared by the department of community, trade, and
34 economic development.

35 (3) Funds for anti-poverty programs may be distributed to the

1 community action agencies by the department of community, trade, and
2 economic development and other state agencies in consultation with the
3 authorized representatives of community action agency networks.

4 (4) Information regarding community action agency affordable
5 housing programs and performance measures shall be included in the
6 state affordable housing for all plan required in RCW 43.185B.040 (as
7 recodified by this act).

8 (5) The department of community, trade, and economic development
9 shall conduct an annual performance evaluation of all community action
10 agency affordable housing programs.

11 **Sec. 44.** RCW 43.185B.020 and 2003 c 40 s 1 are each amended to
12 read as follows:

13 (1) The department shall establish the affordable housing advisory
14 board to consist of ~~((twenty-two))~~ seventeen members.

15 (a) ~~((The following nineteen))~~ Nine members shall be appointed by
16 the governor on the basis of geographic distribution, cultural
17 diversity, and their expertise in one or more of the following fields:

18 (i) ~~((Two representatives of the))~~ Residential construction
19 ~~((industry));~~

20 (ii) ~~((Two representatives of the))~~ Home mortgage lending
21 ~~((profession));~~

22 (iii) ~~((One representative of the))~~ Real estate sales
23 ~~((profession));~~

24 (iv) ~~((One representative of the))~~ Apartment management and
25 operations ~~((industry));~~

26 (v) ~~((One representative of the))~~ For-profit and nonprofit housing
27 development ~~((industry));~~

28 (vi) ~~((One representative of))~~ For-profit and nonprofit rental
29 housing ~~((owners));~~

30 (vii) ~~((One representative of the nonprofit housing development~~
31 ~~industry);~~

32 ~~((viii) One representative of))~~ Homeless shelter ~~((operators))~~
33 operations and services;

34 ~~((ix) One representative of lower income persons;~~

35 ~~((x) One representative of))~~ (viii) Special needs ~~((populations))~~
36 population services;

1 (~~(xi) One representative of~~) (ix) Public housing authorities (as
2 created) under chapter 35.82 RCW;

3 (~~(xii)~~) (x) Two representatives (of) shall be appointed by the
4 governor from among persons nominated by the Washington association of
5 counties, one (representative) of which shall be from a county that
6 is located east of the crest of the Cascade mountains, and one of which
7 shall be from a county that is located west of the crest of the Cascade
8 mountains;

9 (~~(xiii)~~) (xi) Two representatives (of) shall be appointed by
10 the governor from among persons nominated by the association of
11 Washington cities, one (representative) of which shall be from a city
12 that is located east of the crest of the Cascade mountains, and one of
13 which shall be from a city that is located west of the crest of the
14 Cascade mountains; and

15 (~~(xiv)~~) (xii) One representative shall be appointed by the
16 governor to serve as chair of the affordable housing advisory board(~~(~~
17 ~~(xv) One representative at large)~~).

18 (b) (~~The following~~) Three members shall serve as ex officio(~~(~~
19 ~~nonvoting members)~~):

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

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

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

25 (2)(~~(a)~~) The members of the affordable housing advisory board
26 appointed by the governor shall be appointed for four-year terms,
27 except that the chair shall be appointed to serve a two-year term.
28 (~~The terms of five of the initial appointees shall be for two years~~
29 ~~from the date of appointment and the terms of six of the initial~~
30 ~~appointees shall be for three years from the date of appointment. The~~
31 ~~governor shall designate the appointees who will serve the two-year and~~
32 ~~three-year terms.)) All members of the board serving on the effective
33 date of this act shall continue to serve through the end of the terms
34 to which they were originally appointed. As vacancies in the positions
35 are filled by the governor, the governor shall designate the length of
36 the term of each position filled, with the requirement that five of the
37 positions serve terms that overlap, by two years, the terms of the four~~

1 remaining positions. The members of the advisory board shall serve
2 without compensation, but shall be reimbursed for travel expenses as
3 provided in RCW 43.03.050 and 43.03.060.

4 ~~((b) The governor, when making appointments to the affordable
5 housing advisory board, shall make appointments that reflect the
6 cultural diversity of the state of Washington.))~~

7 (3) The affordable housing advisory board shall serve as the
8 ~~((department's))~~ state's principal advisory body on housing and
9 housing-related issues~~((, and replaces the department's existing boards
10 and task forces on housing and housing related issues))~~ and will submit
11 annual reports, consistent with RCW 43.185B.030 (as recodified by this
12 act), to the department and to the appropriate committees of the
13 legislature.

14 (4) The affordable housing advisory board shall meet regularly and
15 may appoint technical advisory committees, which may include members
16 and nonmembers of the affordable housing advisory board, as needed to
17 address specific issues and 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 **Sec. 45.** RCW 43.185.015 and 1995 c 399 s 100 are each amended to
26 read as follows:

27 There is created within the department the housing assistance
28 program to carry out the purposes of this chapter. The program shall
29 be developed and administered by the department with advice and input
30 from the affordable housing advisory board established in RCW
31 43.185B.020 (as recodified by this act). The housing assistance
32 program must operate in coordination with the state affordable housing
33 for all program established in section 3 of this act. Funding
34 decisions made through the housing assistance program must be
35 consistent with recommendations of the state affordable housing for all
36 plan.

1 **Sec. 46.** RCW 43.185.110 and 1993 c 478 s 15 are each amended to
2 read as follows:

3 The affordable housing advisory board established in RCW
4 43.185B.020 (as recodified by this act) shall advise the director on
5 housing needs in this state, including housing needs for persons who
6 are mentally ill or developmentally disabled or youth who are blind or
7 deaf or otherwise disabled, operational aspects of the grant and loan
8 program or revenue collection programs established by this chapter, and
9 implementation of the policy and goals of this chapter. Such advice
10 shall be consistent with the state affordable housing for all plan and
11 policies and plans developed by regional support networks according to
12 chapter 71.24 RCW for the mentally ill and the developmental
13 disabilities planning council for the developmentally disabled.

14 **NEW SECTION. Sec. 47.** A new section is added to chapter 35.82 RCW
15 to read as follows:

16 The primary objective of all housing authorities is to provide
17 decent, safe, and affordable housing for families who, due to economic
18 hardship or disabilities, find it difficult or impossible to obtain
19 housing in the private real estate market. A second objective is to
20 assist families in achieving self-sufficiency.

21 **Sec. 48.** RCW 43.63A.650 and 1999 c 267 s 3 are each amended to
22 read as follows:

23 (1) The department shall be the principal state department
24 responsible for coordinating federal and state resources and activities
25 in housing, except for programs administered by the Washington state
26 housing finance commission under chapter 43.180 RCW, and for evaluating
27 the operations and accomplishments of other state departments and
28 agencies as they affect housing. The department shall conduct an
29 annual evaluation of all state departments and agencies regarding their
30 housing programs and activities. The department shall provide copies
31 of the evaluation reports to the appropriate committees of the
32 legislature by December 31st of each year.

33 (2) The department shall work with local governments, tribal
34 organizations, local housing authorities, nonprofit community or
35 neighborhood-based organizations, and regional or statewide nonprofit

1 housing assistance organizations, for the purpose of coordinating
2 federal and state resources with local resources for housing.

3 (3) The department shall be the principal state department
4 responsible for providing shelter and housing services to homeless
5 families with children. The department shall have the principal
6 responsibility to coordinate, plan, and oversee the state's activities
7 for developing a coordinated and comprehensive plan to serve homeless
8 families with children. The plan shall be developed collaboratively
9 with the department of social and health services. The department
10 shall include community organizations involved in the delivery of
11 services to homeless families with children, and experts in the
12 development and ongoing evaluation of the plan. The department shall
13 follow professionally recognized standards and procedures. The plan
14 shall be implemented within amounts appropriated by the legislature for
15 that specific purpose in the operating and capital budgets. The
16 department shall submit the plan to the appropriate committees of the
17 senate and house of representatives no later than September 1, 1999,
18 and shall update the plan and submit it to the appropriate committees
19 of the legislature by January 1st of every odd-numbered year through
20 2007. The plan shall address at least the following: (a) The need for
21 prevention assistance; (b) the need for emergency shelter; (c) the need
22 for transitional assistance to aid families into permanent housing; (d)
23 the need for linking services with shelter or housing; and (e) the need
24 for ongoing monitoring of the efficiency and effectiveness of the
25 plan's design and implementation.

26 NEW SECTION. **Sec. 49.** RCW 36.22.178, 43.185B.020, 43.185B.030,
27 and 43.185B.040 are each recodified as sections in chapter 43.--- RCW
28 (created in section 50 of this act).

29 NEW SECTION. **Sec. 50.** Sections 1 through 7, 10 through 15, 18,
30 19, 21, 22, and 42 of this act constitute a new chapter in Title 43
31 RCW.

32 NEW SECTION. **Sec. 51.** If any part of this act is found to be in
33 conflict with federal requirements that are a prescribed condition to
34 the allocation of federal funds to the state, the conflicting part of
35 this act is inoperative solely to the extent of the conflict and with

1 respect to the agencies directly affected, and this finding does not
2 affect the operation of the remainder of this act in its application to
3 the agencies concerned. Rules adopted under this act must meet federal
4 requirements that are a necessary condition to the receipt of federal
5 funds by the state.

6 NEW SECTION. **Sec. 52.** RCW 43.185B.010 (Definitions) and 1995 c
7 399 s 104 & 1993 c 478 s 4 are each repealed.

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