
SUBSTITUTE SENATE BILL 5108

State of Washington

59th Legislature

2005 Regular Session

By Senate Committee on Financial Institutions, Housing & Consumer Protection (originally sponsored by Senators Fraser, Berkey, Fairley and Kline; by request of Department of Community, Trade, and Economic Development)

READ FIRST TIME 03/01/05.

1 AN ACT Relating to increasing the administrative cap on the housing
2 assistance program and the affordable housing program; and amending RCW
3 43.185.050, 43.185.070, and 43.185A.030.

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

5 **Sec. 1.** RCW 43.185.050 and 2002 c 294 s 6 are each amended to read
6 as follows:

7 (1) The department shall use moneys from the housing trust fund and
8 other legislative appropriations to finance in whole or in part any
9 loans or grant projects that will provide housing for persons and
10 families with special housing needs and with incomes at or below fifty
11 percent of the median family income for the county or standard
12 metropolitan statistical area where the project is located. At least
13 thirty percent of these moneys used in any given funding cycle shall be
14 for the benefit of projects located in rural areas of the state as
15 defined by the department. If the department determines that it has
16 not received an adequate number of suitable applications for rural
17 projects during any given funding cycle, the department may allocate
18 unused moneys for projects in nonrural areas of the state.

1 (2) Activities eligible for assistance from the housing trust fund
2 and other legislative appropriations include, but are not limited to:

3 (a) New construction, rehabilitation, or acquisition of low and
4 very low-income housing units;

5 (b) Rent subsidies;

6 (c) Matching funds for social services directly related to
7 providing housing for special-need tenants in assisted projects;

8 (d) Technical assistance, design and finance services and
9 consultation, and administrative costs for eligible nonprofit community
10 or neighborhood-based organizations;

11 (e) Administrative costs for housing assistance groups or
12 organizations when such grant or loan will substantially increase the
13 recipient's access to housing funds other than those available under
14 this chapter;

15 (f) Shelters and related services for the homeless, including
16 emergency shelters and overnight youth shelters;

17 (g) Mortgage subsidies, including temporary rental and mortgage
18 payment subsidies to prevent homelessness;

19 (h) Mortgage insurance guarantee or payments for eligible projects;

20 (i) Down payment or closing cost assistance for eligible first-time
21 home buyers;

22 (j) Acquisition of housing units for the purpose of preservation as
23 low-income or very low-income housing; and

24 (k) Projects making housing more accessible to families with
25 members who have disabilities.

26 (3) Legislative appropriations from capital bond proceeds may be
27 used only for the costs of projects authorized under subsection (2)(a),
28 (i), and (j) of this section, and not for the administrative costs of
29 the department.

30 (4) Moneys from repayment of loans from appropriations from capital
31 bond proceeds may be used for all activities necessary for the proper
32 functioning of the housing assistance program except for activities
33 authorized under subsection (2)(b) and (c) of this section.

34 (5) Administrative costs of the department shall not exceed
35 (~~four~~) five percent of the annual funds available for the housing
36 assistance program.

1 **Sec. 2.** RCW 43.185.070 and 1994 sp.s. c 3 s 9 are each amended to
2 read as follows:

3 (1) During each calendar year in which funds from the housing trust
4 fund or other legislative appropriations are available for use by the
5 department for the housing assistance program, the department shall
6 announce to all known interested parties, and through major media
7 throughout the state, a grant and loan application period of at least
8 ninety days' duration. This announcement shall be made as often as the
9 director deems appropriate for proper utilization of resources. The
10 department shall then promptly grant as many applications as will
11 utilize available funds less appropriate administrative costs of the
12 department. Administrative costs paid out of the housing trust fund
13 may not exceed (~~four~~) five percent of annual revenues available for
14 distribution to housing trust fund projects. In awarding funds under
15 this chapter, the department shall provide for a geographic
16 distribution on a statewide basis.

17 (2) The department shall give first priority to applications for
18 projects and activities which utilize existing privately owned housing
19 stock including privately owned housing stock purchased by nonprofit
20 public development authorities and public housing authorities as
21 created in chapter 35.82 RCW. As used in this subsection, privately
22 owned housing stock includes housing that is acquired by a federal
23 agency through a default on the mortgage by the private owner. Such
24 projects and activities shall be evaluated under subsection (3) of this
25 section. Second priority shall be given to activities and projects
26 which utilize existing publicly owned housing stock. All projects and
27 activities shall be evaluated by some or all of the criteria under
28 subsection (3) of this section, and similar projects and activities
29 shall be evaluated under the same criteria.

30 (3) The department shall give preference for applications based on
31 some or all of the criteria under this subsection, and similar projects
32 and activities shall be evaluated under the same criteria:

33 (a) The degree of leveraging of other funds that will occur;

34 (b) The degree of commitment from programs to provide necessary
35 habilitation and support services for projects focusing on special
36 needs populations;

37 (c) Recipient contributions to total project costs, including

1 allied contributions from other sources such as professional, craft and
2 trade services, and lender interest rate subsidies;

3 (d) Local government project contributions in the form of
4 infrastructure improvements, and others;

5 (e) Projects that encourage ownership, management, and other
6 project-related responsibility opportunities;

7 (f) Projects that demonstrate a strong probability of serving the
8 original target group or income level for a period of at least twenty-
9 five years;

10 (g) The applicant has the demonstrated ability, stability and
11 resources to implement the project;

12 (h) Projects which demonstrate serving the greatest need;

13 (i) Projects that provide housing for persons and families with the
14 lowest incomes;

15 (j) Projects serving special needs populations which are under
16 statutory mandate to develop community housing;

17 (k) Project location and access to employment centers in the region
18 or area;

19 (l) Projects that provide employment and training opportunities for
20 disadvantaged youth under a youthbuild or youthbuild-type program as
21 defined in RCW 50.72.020; and

22 (m) Project location and access to available public transportation
23 services.

24 (4) The department shall only approve applications for projects for
25 mentally ill persons that are consistent with a regional support
26 network six-year capital and operating plan.

27 **Sec. 3.** RCW 43.185A.030 and 1994 c 160 s 3 are each amended to
28 read as follows:

29 (1) Using moneys specifically appropriated for such purpose, the
30 department shall finance in whole or in part projects that will provide
31 housing for low-income households.

32 (2) Activities eligible for assistance include, but are not limited
33 to:

34 (a) New construction, rehabilitation, or acquisition of housing for
35 low-income households;

36 (b) Rent subsidies in new construction or rehabilitated multifamily
37 units;

1 (c) Down payment or closing costs assistance for first-time home
2 buyers;

3 (d) Mortgage subsidies for new construction or rehabilitation of
4 eligible multifamily units; and

5 (e) Mortgage insurance guarantee or payments for eligible projects.

6 (3) Legislative appropriations from capital bond proceeds may be
7 used only for the costs of projects authorized under subsection (2)
8 (a), (c), (d), and (e) of this section, and not for the administrative
9 costs of the department.

10 (4) Moneys from repayment of loans from appropriations from capital
11 bond proceeds may be used for all activities necessary for the proper
12 functioning of the affordable housing program except for activities
13 authorized under subsection (2)(b) of this section.

14 (5) Administrative costs of the department shall not exceed
15 (~~four~~) five percent of the annual funds available for the affordable
16 housing program.

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