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SENATE BILL 6044

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State of Washington

59th Legislature

2005 Regular Session

By Senators Franklin, Benton and Kohl-Welles

Read first time 02/24/2005. Referred to Committee on Financial Institutions, Housing & Consumer Protection.

1 AN ACT Relating to housing assistance for low-income persons;  
2 amending RCW 36.22.178; and adding a new chapter to Title 36 RCW.

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

4 **Sec. 1.** RCW 36.22.178 and 2002 c 294 s 2 are each amended to read  
5 as follows:

6 (1) Except as provided in subsection (2) of this section, a  
7 surcharge of ten dollars per instrument shall be charged by the county  
8 auditor for each document recorded, which will be in addition to any  
9 other charge authorized by law. The ((auditor)) county may retain up  
10 to five percent of these funds collected ((to administer)) solely for  
11 the collection, administration, and local distribution of these funds.  
12 Of the remaining funds, forty percent of the revenue generated through  
13 this surcharge will be transmitted monthly to the state treasurer who  
14 will deposit the funds into the Washington housing trust account. The  
15 office of community development of the department of community, trade,  
16 and economic development will develop guidelines for the use of these  
17 funds to support building operation and maintenance costs of housing  
18 projects or units within housing projects that are affordable to  
19 extremely low-income persons with incomes at or below thirty percent of

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

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

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

29 (c) At least twenty percent of these local funds shall be used for  
30 rental assistance vouchers (~~for housing projects or units within~~  
31 ~~housing projects that are affordable to very low income persons with~~  
32 ~~incomes at or below fifty percent of the area median income, to be~~  
33 ~~administered by a local public housing authority or other local~~  
34 ~~organization that has an existing rental assistance voucher program,~~  
35 ~~consistent with the United States department of housing and urban~~  
36 ~~development's section 8 rental assistance voucher program standards;~~  
37 ~~and~~), as set forth in chapter 36.-- RCW (sections 2 through 5 of this  
38 act);

1       (d) Supporting building operation and maintenance costs of housing  
2 projects or units within housing projects eligible to receive, but not  
3 built with, housing trust funds, that are affordable to very low-income  
4 persons with incomes at or below thirty percent of the area median  
5 income, and that require a supplement to rent income to cover ongoing  
6 operating expenses; and

7       (e) Operating costs for emergency shelters and licensed overnight  
8 youth shelters.

9       (2) The surcharge imposed in this section does not apply to  
10 assignments or substitutions of previously recorded deeds of trust.

11       (3) The real estate research center at Washington State University  
12 shall develop a vacancy rate standard, including apartment, mobile,  
13 manufactured, and single-family residential housing, for low-income  
14 housing in the state as described in RCW 18.85.540(1)(i).

15       NEW SECTION.   **Sec. 2.** The definitions in this section apply  
16 throughout this chapter unless the context clearly requires otherwise.

17       (1) "Administering agency" means the agency designated by the  
18 county to administer the Washington rental assistance program.  
19 Organizations eligible for designation as an administering agency  
20 include local community action agencies, local housing authorities, and  
21 other local, nonprofit organizations with experience within the past  
22 two years of operating tenant-based rental assistance programs.

23       (2) "Community action agency" means a nonprofit private or public  
24 organization established under the economic opportunity act of 1964.

25       (3) "County" means a corporate body having the corporate powers set  
26 forth in chapter 36.01 RCW. For the purposes of administering the  
27 Washington rental assistance program, a county may be either  
28 metropolitan or nonmetropolitan. Metropolitan counties are designated  
29 by the federal office of management and budget and are included within  
30 standard metropolitan statistical areas. Nonmetropolitan counties are  
31 not included within standard metropolitan statistical areas.

32       (4) "Fair market rent" means the rent, including the cost of  
33 utilities, except telephone, as established by the United States  
34 department of housing and urban development for units of varying sizes,  
35 as determined by number of bedrooms, that must be paid in the housing  
36 market area to rent privately owned, existing, decent, safe, and

1 sanitary rental housing of a modest, nonluxury nature with suitable  
2 amenities. The unit size utilized by the recipient will be determined  
3 by existing local administrative practice.

4 (5) "Housing authority" means any of the public corporations  
5 created by chapter 35.82 RCW.

6 (6) "Income" means money earned from work, including wages, tips,  
7 gratuities, and income from the operation of a business, and money  
8 received from other sources such as social security, supplemental  
9 security income, worker's compensation, unemployment benefits, tribal  
10 revenue sharing, dividends, interest, child support, alimony, friends,  
11 and relatives. Support or maintenance furnished in cash or in kind by  
12 any party, including rent or discounted rent, shall constitute income,  
13 except as set forth in this subsection. "Income" does not include food  
14 stamps, prescription drug discounts, medicare, medicare transitional  
15 assistance, free food or clothing, and income earned by children under  
16 eighteen.

17 (7) "Landlord" means the owner, lessor, or sublessor of a dwelling  
18 unit or the property on which a dwelling unit or manufactured or mobile  
19 home pad is located. "Landlord" also includes any person designated by  
20 the owner, lessor, or sublessor as his or her representative.

21 (8) "Local preference" means the population, group, or subgroup  
22 with defining characteristics identified by an administering agency,  
23 through a public process, to receive priority service or accommodation.  
24 Preferences may include, but are not limited to, victims of domestic  
25 violence, individuals with terminal illness, and homeless families  
26 participating in a program of community and therapeutic support.

27 (9) "Performance outcome assessment" means an assessment of an  
28 organization's performance, including but not limited to measures of  
29 productivity, effectiveness, quality, and timeliness. The counties  
30 shall have authority and responsibility for conducting performance  
31 outcome assessments.

32 (10) "Recipient" means any individual or household with a gross  
33 annual income of less than forty percent of the annual median income of  
34 the county of residence and who receives tenant-based rental assistance  
35 under the Washington rental assistance program.

36 (11) "Rent reasonableness" means that the maximum contract rent for  
37 any unit to be leased is (a) reasonable in relation to rents currently

1 being charged for comparable units in the private unassisted market;  
2 and (b) not in excess of rents currently being charged for most of the  
3 owner's comparable unassisted units.

4 (12) "Tenant" means any person who is entitled to occupy a dwelling  
5 unit primarily for living or dwelling purposes under a rental  
6 agreement.

7 (13) "Dwelling unit" means a structure or that part of a structure  
8 which is used as a home, residence, or sleeping place by one person or  
9 by two or more persons maintaining a common household, including but  
10 not limited to single-family residences, manufactured and mobile homes,  
11 and units of multiplexes and apartment buildings.

12 NEW SECTION. **Sec. 3.** (1) The Washington rental assistance program  
13 is established to provide tenant-based rental assistance in the form of  
14 rental assistance vouchers, payable to the landlord, including vouchers  
15 for first and last month's rent and security and other deposits, except  
16 pet deposits, required of all other new tenants by a landlord, on  
17 behalf of low-income single persons, families, or unrelated persons  
18 living together:

19 (a) Whose income is at or below forty percent of the median income,  
20 adjusted for household size, for the county of residence, as determined  
21 by the federal department of housing and urban development; and

22 (b) Who are not receiving such assistance through a program  
23 authorized by section 8 of the United States housing act of 1937, 42  
24 U.S.C. Sec. 1437f or any other federal, state, or local rental  
25 assistance program.

26 (2) A minimum of seventy percent of the dwelling units occupied by  
27 Washington rental assistance program recipients shall be privately  
28 owned units that are not operating under any program licensed by the  
29 state of Washington.

30 (3) Emergency/short-term assistance may be used for rental  
31 assistance up to three months to prevent eviction. Such assistance may  
32 also be used for first and last month's rent or for security or utility  
33 deposits to help the homeless obtain housing. Assistance for deposits  
34 cannot exceed the amount of one month's rent or the usual and customary  
35 charges charged other tenants for the same type of deposits, whichever  
36 is less.

1 (4) Longer-term tenant-based rental assistance may be provided up  
2 to a maximum term of two years, unless extended consistent with a local  
3 preference. The amount of longer-term tenant-based rental assistance  
4 shall be equal to fifty percent of the fair market value.

5 (5) Rental assistance available under this program may be used for  
6 rent of a dwelling unit or a manufactured or mobile home pad.

7 (6) Rental assistance under this program is portable only within  
8 the county in which the application for rental assistance was made and  
9 approved.

10 NEW SECTION. **Sec. 4.** (1) In metropolitan counties, the county  
11 department, division, or agency charged with community development  
12 shall convene the providers of tenant-based rental assistance in the  
13 jurisdiction, both emergency/short-term and longer-term tenant-based  
14 rental assistance providers, to determine the administering agency for  
15 the emergency/short-term program and for the tenant-based rental  
16 assistance program. More than one entity may be selected to administer  
17 different parts of the Washington rental assistance program, e.g., a  
18 housing authority could be selected to operate the longer-term tenant-  
19 based rental assistance program and a community action agency could be  
20 selected to administer the emergency/short-term program. In  
21 nonmetropolitan counties, the housing authority will convene providers  
22 for the purpose of determining the administering agency.

23 (2) Administering agencies must be selected in a timely manner with  
24 disbursement of funds under this program beginning no later than  
25 January 31, 2006.

26 (3) An administering agency may charge an administrative fee, which  
27 fee is to be paid by the county from the five percent retained by the  
28 county for collection, administration, and local distribution as set  
29 forth in RCW 36.22.178.

30 (4) An administering agency shall:

31 (a) Verify that an applicant's income is at or below forty percent  
32 of the median income, adjusted for household size, for the county as  
33 determined by the federal department of housing and urban development;

34 (b) Verify that an applicant is not receiving assistance through a  
35 program authorized by section 8 of the United States housing act of  
36 1937, 42 U.S.C. Sec. 1437f, or other federal, state, or local rental  
37 assistance program;

1 (c) Determine the monthly rental assistance for each eligible  
2 applicant which shall be based upon a formula of fifty percent of fair  
3 market rent as published by the federal department of housing and urban  
4 development based upon the bedroom size for the household and the  
5 jurisdiction in which the dwelling unit is located;

6 (d) Ensure, through an inspection process that uses the inspection  
7 criteria identified by the federal department of housing and urban  
8 development in its housing quality standards, that dwellings for which  
9 Washington rental assistance program moneys are used are decent, safe,  
10 and sanitary. However, these inspections are not required for  
11 emergency rental assistance;

12 (e) Ensure that an appropriate lease is executed between landlord  
13 and tenant that complies with all of the terms of chapters 59.18 and  
14 59.20 RCW and that the initial lease is for a term of at least six  
15 months with month-to-month tenancy permissible thereafter;

16 (f) Ensure that a minimum of seventy percent of Washington rental  
17 assistance program assistance is allocated to recipients residing  
18 within privately owned dwelling units;

19 (g) Establish local preferences, if any, through a public process;

20 (h) Distribute rental assistance and implement any local  
21 preferences; and

22 (i) Provide the county with annual financial reports that  
23 separately account for Washington rental assistance program funds.

24 NEW SECTION. **Sec. 5.** If any part of this act is found to be in  
25 conflict with federal requirements that are a prescribed condition to  
26 the allocation of federal funds to the state, the conflicting part of  
27 this act is inoperative solely to the extent of the conflict and with  
28 respect to the agencies directly affected, and this finding does not  
29 affect the operation of the remainder of this act in its application to  
30 the agencies concerned. Rules adopted under this act must meet federal  
31 requirements that are a necessary condition to the receipt of federal  
32 funds by the state.

33 NEW SECTION. **Sec. 6.** Sections 2 through 5 of this act constitute  
34 a new chapter in Title 36 RCW.

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