

ESSB 5959 - H COMM AMD
By Committee on Housing

NOT CONSIDERED 03/07/2008

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

3 "NEW SECTION. **Sec. 1.** (1) The legislature finds that there is a
4 large, unmet need for affordable housing and affordable housing
5 assistance in the state of Washington, causing many low-income
6 individuals and families to be at risk of homelessness. The
7 legislature declares that a decent, appropriate, and affordable home in
8 a healthy, safe environment for every household should be a state goal.
9 Furthermore, this goal includes increasing the percentage of low-income
10 households who are ultimately able to obtain and retain housing without
11 government subsidies or other public support.

12 (2) The legislature finds that the state should provide financial
13 resources as well as case management to help individuals and families
14 at risk of homelessness obtain and retain housing and work towards a
15 goal of self-sufficiency where possible.

16 (3) The legislature finds that there are many root causes of the
17 affordable housing shortage and declares that it is critical that such
18 causes be analyzed, effective solutions be developed, implemented,
19 monitored, and evaluated, and that these causal factors be eliminated.
20 The legislature also finds that there is a taxpayer and societal cost
21 associated with a lack of jobs that pay self-sufficiency standard wages
22 and a shortage of affordable housing, and that the state must identify
23 and quantify that cost.

24 (4) The legislature finds that the support and commitment of all
25 sectors of the statewide community is critical to accomplishing the
26 state's affordable housing for all goal. The legislature finds that
27 the provision of housing and housing-related services should be
28 administered both at the state level and at the local level. However,
29 the state should play a primary role in: Providing financial resources
30 to achieve the goal at all levels of government; researching,

1 evaluating, benchmarking, and implementing best practices; continually
2 updating and evaluating statewide housing data; developing a state plan
3 that integrates the strategies, goals, objectives, and performance
4 measures of all other state housing plans and programs; coordinating
5 and supporting county government plans and activities; and directing
6 quality management practices by monitoring both state and county
7 government performance towards achieving interim and ultimate goals.

8 (5) The legislature declares that the systematic and comprehensive
9 performance measurement and evaluation of progress toward interim goals
10 and the immediate state affordable housing goal of a decent,
11 appropriate, and affordable home in a healthy, safe environment for
12 every household in the state by 2020 is a necessary component of the
13 statewide effort to end the affordable housing crisis.

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

16 NEW SECTION. **Sec. 3.** There is created within the department the
17 state affordable housing for all program. The goal of the program is
18 a decent, appropriate, and affordable home in a healthy, safe
19 environment for every household in the state by 2020. A priority must
20 be placed upon achieving this goal for extremely low-income households
21 as well as all households who are at risk of homelessness. This goal
22 includes: (1) Increasing the percentage of households who access
23 housing that is affordable for their income or wage level without
24 government assistance by increasing the number of previously very low-
25 income households who achieve self-sufficiency and economic
26 independence; (2) providing financial assistance, either from the state
27 or local resources to individuals and families at risk of homelessness,
28 coupled with supportive services to assist families to ultimately
29 achieve self-sufficiency whenever possible; and (3) implementing
30 strategies to keep the rising price of housing for all economic
31 segments to a rate less than that of the overall growth in wages for
32 each economic segment. The department shall develop and administer the
33 affordable housing for all program. Each county shall participate in
34 the affordable housing for all program except as provided in section 8
35 of this act; however, in the development and implementation of the
36 program scope and requirements at the county level, the department

1 shall consider: The funding level to counties, number of county staff
2 available to implement the program, and competency of each county to
3 meet the goals of the program; and establish program guidelines,
4 performance measures, and reporting requirements appropriate to the
5 existing capacity of the participating counties.

6 NEW SECTION. **Sec. 4.** Unless the context clearly requires
7 otherwise, the definitions in this section apply throughout this
8 chapter.

9 (1) "Affordable housing" means housing that has a sales price or
10 rental amount that is within the means of a household that may occupy
11 low, very low, and extremely low-income housing. The department shall
12 adopt policies for residential rental and homeownership housing,
13 occupied by extremely low, very low, and low-income households, that
14 specify the percentage of household income that may be spent on monthly
15 housing costs, including utilities other than telephone, to qualify as
16 affordable housing.

17 (2) "Affordable housing for all program" means the program
18 authorized under this chapter, as administered by the department at the
19 state level and by each county at the local level.

20 (3) "At risk of homelessness" means any low, very low, or extremely
21 low-income individual or family residing in housing that is not
22 affordable housing.

23 (4) "Authority" or "housing authority" means any of the public
24 corporations created in RCW 35.82.030.

25 (5) "County" means a county government in the state of Washington
26 or, except under RCW 36.22.178 (as recodified by this act), a city
27 government or collaborative of city governments within that county if
28 (a) the county government declines to participate in the affordable
29 housing program and (b) as described under section 8 of this act, a
30 city or collaborative of city governments elects to participate in the
31 program.

32 (6) "County affordable housing for all plan" or "county plan" means
33 the plan developed by each county with the goal of ensuring that every
34 household in the county has a decent, appropriate, and affordable home
35 in a healthy, safe environment by 2020.

36 (7) "County affordable housing task force" means a county
37 committee, as described in section 6 of this act, created to prepare

1 and recommend to its county legislative authority a county affordable
2 housing for all plan, and also to recommend expenditures of the funds
3 from the affordable housing for all program surcharge in RCW 36.22.178
4 (as recodified by this act) and all other sources directed to the
5 county's affordable housing for all program.

6 (8) "Department" means the department of community, trade, and
7 economic development.

8 (9) "Director" means the director of the department of community,
9 trade, and economic development.

10 (10) "Eligible organizations" means eligible organizations as
11 described in RCW 43.185.060.

12 (11) "Extremely low-income household" means a single person,
13 family, or unrelated persons living together whose adjusted income is
14 less than thirty percent of the median family income, adjusted for
15 household size for the county where the project is located.

16 (12) "First-time home buyer" means an individual or his or her
17 spouse who have not owned a home during the three-year period prior to
18 purchase of a home.

19 (13) "Local government" means a county or city government in the
20 state of Washington or, except under RCW 36.22.178 (as recodified by
21 this act), a city government or collaborative of city governments
22 within that county if (a) the county government declines to participate
23 in the affordable housing program and (b) as described under section 8
24 of this act, a city or collaborative of city governments elects to
25 participate in the program.

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

31 (15) "Nonprofit organization" means any public or private nonprofit
32 organization that: (a) Is organized under federal, state, or local
33 laws; (b) has no part of its net earnings inuring to the benefit of any
34 member, founder, contributor, or individual; and (c) has among its
35 purposes, significant activities related to the provision of decent
36 housing that is affordable to extremely low-income, very low-income,
37 low-income, or moderate-income households and special needs
38 populations.

1 (16) "Performance evaluation" means the process of evaluating the
2 performance by established objective, measurable criteria according to
3 the achievement of outlined goals, measures, targets, standards, or
4 other outcomes using a ranked scorecard from highest to lowest
5 performance which employs a scale of one to one hundred, one hundred
6 being the optimal score.

7 (17) "Performance measurement" means the process of comparing
8 specific measures of success with ultimate and interim goals.

9 (18) "Quality management program" means a nationally recognized
10 program using criteria similar or equivalent to the Baldrige criteria.
11 Beginning in 2010, each city, town, and county receiving over five
12 hundred thousand dollars a year during the previous calendar year from
13 (a) state housing-related funding sources, including the housing trust
14 fund and the transitional housing operating and rent program created in
15 section 12 of this act, (b) the affordable housing for all program
16 surcharge in RCW 36.22.178 (as recodified by this act), (c) the home
17 security fund surcharges in RCW 36.22.179 and 36.22.1791 (as recodified
18 by this act), and (d) any other surcharge charged under chapter 36.22
19 or 43.185C RCW to fund homelessness or other housing programs shall
20 apply to the Washington state quality award program for an independent
21 assessment of its quality management, accountability, and performance
22 system, once every three years beginning by January 1, 2011.

23 (19) "Regulatory barriers to affordable housing" and "regulatory
24 barriers" mean any public policies, including those embodied in
25 statutes, ordinances, regulations, or administrative procedures or
26 processes, required to be identified by the state, cities, towns, or
27 counties in connection with strategies under section 105(b)(4) of the
28 Cranston-Gonzalez national affordable housing act (42 U.S.C. Sec. 12701
29 et seq.).

30 (20) "State affordable housing for all plan" or "state plan" means
31 the plan developed by the department in collaboration with the
32 affordable housing advisory board with the goal of ensuring that every
33 household in Washington has a decent, appropriate, and affordable home
34 in a healthy, safe environment by 2020.

35 (21) "Very low-income household" means a single person, family, or
36 unrelated persons living together whose adjusted income is less than
37 fifty percent of the median family income, adjusted for household size
38 for the county where the project is located.

1 **Sec. 5.** RCW 43.185B.040 and 1993 c 478 s 12 are each amended to
2 read as follows:

3 (1) The department shall, in consultation with the affordable
4 housing advisory board created in RCW 43.185B.020 (as recodified by
5 this act), prepare and ~~((from time to time amend a five year))~~ annually
6 update a state affordable housing ((advisory)) for all plan with an
7 ultimate goal of achieving a decent, appropriate, and affordable home
8 in a healthy, safe environment for every household in the state by
9 2020. The state plan must also incorporate the strategies, objectives,
10 goals, and performance measures of all other housing-related state
11 plans, including the state homeless housing strategic plan required
12 under RCW 43.185C.040 and all state housing programs. The state
13 affordable housing for all plan may be combined with the state homeless
14 housing strategic plan required under RCW 43.185C.040 or any other
15 existing state housing plan as long as the requirements of all of the
16 plans to be merged are met.

17 (2) The purpose of the state affordable housing for all plan is to:

18 (a) Document the need for affordable housing in the state,
19 including the need amongst households at risk of homelessness, and the
20 extent to which that need is being met through public and private
21 sector programs~~((, to))~~;

22 (b) Outline the development of sound strategies and programs to
23 provide affordable housing to all households;

24 (c) Establish, evaluate, and report upon performance measures,
25 goals, and timelines that are determined by the department for the
26 affordable housing for all program and the state and local affordable
27 housing for all plans, as well as for all federal, state, and local
28 housing programs and plans operated or coordinated by the department,
29 including: (i) Federal block grant programs; (ii) the Washington
30 housing trust fund; and (iii) all local surcharge funds collected with
31 the purpose of addressing homelessness and affordable housing; and

32 (d) Facilitate state and county government planning to meet the
33 state affordable housing ((needs of the state, and to enable the
34 development of sound strategies and programs for affordable housing))
35 for all goal.

36 ~~((The information in the five year housing advisory plan must~~
37 ~~include:~~

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

1 ~~(b) An assessment of the housing needs for all economic segments of~~
2 ~~the state and special needs populations;~~

3 ~~(c) An inventory of the supply and geographic distribution of~~
4 ~~affordable housing units made available through public and private~~
5 ~~sector programs;~~

6 ~~(d) A status report on the degree of progress made by the public~~
7 ~~and private sector toward meeting the housing needs of the state;~~

8 ~~(e) An identification of state and local regulatory barriers to~~
9 ~~affordable housing and proposed regulatory and administrative~~
10 ~~techniques designed to remove barriers to the development and placement~~
11 ~~of affordable housing; and~~

12 ~~(f) Specific recommendations, policies, or proposals for meeting~~
13 ~~the affordable housing needs of the state.~~

14 (2)) (3)(a) The department, in consultation with the affordable
15 housing advisory board, shall develop recommendations for affordable
16 housing for all program performance measures, short-term and long-term
17 goals, and timelines, as well as information to be collected, analyzed,
18 and reported upon in the state and local affordable housing for all
19 plans. One performance measure must address the program's
20 effectiveness in achieving the ultimate goal of a decent, appropriate,
21 and affordable home in a healthy, safe environment for every household
22 in the state by 2020. Another specific performance measure must be to
23 ensure that the rate of growth in the overall price of housing for each
24 economic segment is less than that of the overall growth in wages for
25 each economic segment. The department shall present its
26 recommendations for additional performance measures to the appropriate
27 committees of the legislature by December 31, 2008.

28 (b) Performance measures and other required plan components must be
29 reviewed annually by the department after soliciting feedback from the
30 affordable housing advisory board, appropriate committees of the
31 legislature, and all county affordable housing for all task forces.

32 (c) The department may determine a timeline to implement and
33 measure each performance measure for the state and county affordable
34 housing for all programs, except that the state and all counties
35 participating in the affordable housing for all program must implement
36 and respond to all performance measures by January 1, 2011, unless the
37 department determines that a performance measure is not applicable to

1 a specific county based on parameters and thresholds established by the
2 department.

3 (4) The ((five-year)) state affordable housing ((advisory)) for all
4 plan required under ((subsection (1) of)) this section must be
5 submitted to the appropriate committees of the legislature on or before
6 ((February 1, 1994)) January 15, 2010, and subsequent updated plans
7 must be submitted ((every five years)) by January 15th each year
8 thereafter.

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

13 (5) To guide counties in preparation of county affordable housing
14 for all plans required under section 7 of this act, the department
15 shall issue, by December 31, 2009, guidelines for preparing county
16 plans consistent with this chapter. County plans must include, at a
17 minimum, the same information reporting and analysis on a local level
18 and the same performance measures as the state plan.

19 (6) Each year, beginning in 2010, the department shall:

20 (a) Summarize key information from county plans, including a
21 summary of local city and county housing program activities and a
22 summary of legislative recommendations;

23 (b) Conduct annual performance evaluations of county plans; and

24 (c) Conduct annual performance evaluations of all counties
25 according to their performance in achieving affordable housing goals
26 stated in their plans.

27 (7) The department shall include a summary of county affordable
28 housing for all plans and the results of performance evaluations in the
29 state affordable housing for all plan beginning in 2010.

30 (8) Based on changes to the general population and in the housing
31 market, the department may revise the performance measures and goals of
32 the state affordable housing for all plan and set goals for years
33 following December 31, 2020.

34 NEW SECTION. Sec. 6. Each county shall convene a county
35 affordable housing task force. The task force must be a committee,
36 made up of volunteers, created to prepare and recommend to the county
37 legislative authority a county affordable housing for all plan and also

1 to recommend appropriate expenditures of the affordable housing for all
2 program funds provided for in RCW 36.22.178 (as recodified by this act)
3 and any other sources directed to the county program. The county
4 affordable housing task force must include a representative of the
5 county, a representative from the city with the highest population in
6 the county, a representative from all other cities in the county with
7 a population greater than fifty thousand, a member representing
8 beneficiaries of affordable housing programs, other members as may be
9 required to maintain eligibility for federal funding related to housing
10 programs and services, and a representative from both a private
11 nonprofit organization and a private for-profit organization with
12 experience in very low-income housing. The task force may be the same
13 as the homeless housing task force created in RCW 43.185C.160 or the
14 same as another existing task force or other formal committee that
15 meets the requirements of this section.

16 NEW SECTION. **Sec. 7.** (1) Each county shall direct its affordable
17 housing task force to prepare and recommend to its county legislative
18 authority a county affordable housing for all plan for its
19 jurisdictional area. Each county shall adopt a county plan by June 30,
20 2010, and update the plan annually by June 30th thereafter. All plans
21 must be forwarded to the department by the date of adoption. County
22 affordable housing for all plans may be combined with the local
23 homeless housing plans required under RCW 43.185C.040, county
24 comprehensive plans required under RCW 36.70A.040, or any other
25 existing plan addressing housing within a county as long as the
26 requirements of all of the plans to be merged are met. For counties
27 required or choosing to plan under RCW 36.70A.040, county affordable
28 housing for all plans must be consistent with the housing elements of
29 comprehensive plans described in RCW 36.70A.070(2). County plans must
30 also be consistent with any existing local homeless housing plan
31 required in RCW 43.185C.050.

32 (2) County affordable housing for all plans must be primarily
33 focused on (a) ensuring that every household, including those
34 households at risk of homelessness, in the county jurisdictional area
35 has a decent, appropriate, and affordable home in a healthy, safe
36 environment by 2020 with a priority placed on achieving this goal for
37 low-income households and (b) increasing the percentage of households,

1 who receive assistance from the transitional housing operating and rent
2 program created in section 12 of this act, who ultimately are able to
3 access affordable housing without government assistance. County
4 affordable housing for all plans must include:

5 (i) At a minimum, the same information, analysis, and performance
6 measures as the state affordable housing for all plan, including
7 information and performance measurement data, where available, on state
8 supported housing programs and all city and county housing programs,
9 including local housing-related levy initiatives, housing-related tax
10 exemption programs, and federally funded programs operated or
11 coordinated by local governments;

12 (ii) Information on the uses of the affordable housing for all
13 surcharge as required in RCW 36.22.178(4) (as recodified by this act);

14 (iii) Information on the activities and accomplishments of the
15 transitional housing operating and rent program, as required in section
16 12 of this act;

17 (iv) Timelines for the accomplishment of interim goals and targets,
18 and for the acquisition of projected financing that is appropriate for
19 outlined goals and targets;

20 (v) An identification of challenges to reaching the affordable
21 housing for all goal;

22 (vi) A total estimated amount of funds needed to reach the local
23 affordable housing for all goal and an identification of potential
24 funding sources; and

25 (vii) State legislative recommendations to enable the county to
26 achieve its affordable housing for all goals. Legislative
27 recommendations must be specific and, if necessary, include an
28 estimated amount of funding required and suggestions of an appropriate
29 funding source.

30 NEW SECTION. **Sec. 8.** (1) Any county may decline to participate in
31 the affordable housing for all program authorized in this chapter by
32 forwarding to the department a resolution adopted by the county
33 legislative authority stating the intention not to participate. A copy
34 of the resolution must also be transmitted to the county auditor and
35 treasurer. Counties that decline to participate shall not be required
36 to establish an affordable housing task force or to create a county
37 affordable housing for all plan. Counties declining to participate in

1 the affordable housing for all program shall continue to be eligible to
2 receive funding through the transitional housing operating and rent
3 program created in section 12 of this act. Counties declining to
4 participate in the affordable housing for all program shall also
5 continue to collect and utilize the affordable housing for all
6 surcharge for the purposes described in RCW 36.22.178 (as recodified by
7 this act); however, such counties shall not be allocated any additional
8 affordable housing for all program funding that is specifically
9 provided for program planning and administrative purposes. Counties
10 may opt back into the affordable housing for all program authorized by
11 this chapter at a later date through a process and timeline to be
12 determined by the department.

13 (2) If a county declines to participate in the affordable housing
14 for all program authorized in this chapter, a city or formally
15 organized collaborative of cities within that county may forward a
16 resolution to the department stating its intention and willingness to
17 operate an affordable housing for all program within its jurisdictional
18 limits. The department must establish procedures to choose amongst
19 cities or collaboratives of cities in the event that more than one city
20 or collaborative of cities express an interest in participating in the
21 program. Participating cities or collaboratives of cities must fulfill
22 the same requirements as counties participating in the affordable
23 housing for all program.

24 NEW SECTION. **Sec. 9.** A county may subcontract with any other
25 county, city, town, housing authority, community action agency, or
26 other nonprofit organization for the execution of programs contributing
27 to the affordable housing for all goal. All subcontracts must be:
28 Consistent with the county affordable housing for all plan adopted by
29 the legislative authority of the county; time limited; and filed with
30 the department, and must have specific performance terms as specified
31 by the county. County governments must strongly encourage each
32 subcontractor under the affordable housing for all program to apply to
33 the Washington state quality award program for an independent
34 assessment of its quality management, accountability, and performance
35 system. This authority to subcontract with other entities does not
36 affect participating counties' ultimate responsibility for meeting the
37 requirements of the affordable housing for all program.

1 NEW SECTION. **Sec. 10.** The department shall contract with two
2 statewide organizations addressing affordable housing issues or
3 homeless issues, or both, to create comprehensive independent statewide
4 affordable housing for all plans consistent with the goals and
5 performance measures of the state and local affordable housing for all
6 plans as described in this chapter. Recipient organizations must
7 present their affordable housing for all plans to the department and
8 the appropriate committees of the legislature within one year following
9 the receipt of contract funds.

10 **Sec. 11.** RCW 36.22.178 and 2007 c 427 s 1 are each amended to read
11 as follows:

12 The surcharge provided for in this section shall be named the
13 affordable housing for all surcharge.

14 (1) Except as provided in subsection (3) of this section, a
15 surcharge of ten dollars per instrument shall be charged by the county
16 auditor for each document recorded, which will be in addition to any
17 other charge authorized by law. The county may retain up to five
18 percent of these funds collected solely for the collection,
19 administration, and local distribution of these funds. Of the
20 remaining funds, forty percent of the revenue generated through this
21 surcharge will be transmitted monthly to the state treasurer who will
22 deposit the funds into the affordable housing for all account created
23 in RCW 43.185C.190. The department of community, trade, and economic
24 development must use these funds to provide housing and shelter for
25 extremely low-income households, including but not limited to grants
26 for building operation and maintenance costs of housing projects or
27 units within housing projects that are affordable to extremely low-
28 income households with incomes at or below thirty percent of the area
29 median income, and that require a supplement to rent income to cover
30 ongoing operating expenses.

31 (2) All of the remaining funds generated by this surcharge will be
32 retained by the county and be deposited into a fund that must be used
33 by the county and its cities and towns for eligible housing activities
34 as described in this subsection that serve very low-income households
35 with incomes at or below fifty percent of the area median income. The
36 portion of the surcharge retained by a county shall be allocated to
37 eligible housing activities that serve extremely low and very low-

1 income households in the county and the cities within a county
2 according to an interlocal agreement between the county and the cities
3 within the county consistent with countywide and local housing needs
4 and policies. A priority must be given to eligible housing activities
5 that serve extremely low-income households with incomes at or below
6 thirty percent of the area median income. Eligible housing activities
7 to be funded by these county funds are limited to:

8 (a) Acquisition, construction, or rehabilitation of housing
9 projects or units within housing projects that are affordable to very
10 low-income households with incomes at or below fifty percent of the
11 area median income, including units for homeownership, rental units,
12 seasonal and permanent farm worker housing units, and single room
13 occupancy units;

14 (b) Supporting building operation and maintenance costs of housing
15 projects or units within housing projects eligible to receive housing
16 trust funds, that are affordable to very low-income households with
17 incomes at or below fifty percent of the area median income, and that
18 require a supplement to rent income to cover ongoing operating
19 expenses;

20 (c) Rental assistance vouchers for housing units that are
21 affordable to very low-income households with incomes at or below fifty
22 percent of the area median income, to be administered by a local public
23 housing authority or other local organization that has an existing
24 rental assistance voucher program, consistent with or similar to the
25 United States department of housing and urban development's section 8
26 rental assistance voucher program standards; and

27 (d) Operating costs for emergency shelters and licensed overnight
28 youth shelters.

29 (3) The surcharge imposed in this section does not apply to
30 assignments or substitutions of previously recorded deeds of trust.

31 (4) All counties shall report at least annually by May 1st upon
32 receipts and expenditures of the affordable housing for all surcharge
33 funds created in this section to the department. The department may
34 require more frequent reports. The report must include the amount of
35 funding generated by the surcharge, the total amount of funding
36 distributed to date, the amount of funding allocated to each eligible
37 housing activity, a description of each eligible housing activity
38 funded, including information on the income or wage level and numbers

1 of extremely low, very low, and low-income households the eligible
2 housing activity is intended to serve, and the outcome or anticipated
3 outcome of each eligible housing activity.

4 NEW SECTION. Sec. 12. (1) The transitional housing operating and
5 rent program is created in the department to assist individuals and
6 families who are homeless or who are at risk of becoming homeless to
7 secure and retain safe, decent, and affordable housing. The department
8 shall provide grants to eligible organizations, as described in RCW
9 43.185.060, to provide assistance to program participants. The
10 eligible organizations must use grant moneys for:

11 (a) Rental assistance, which includes security or utility deposits,
12 first and last month's rent assistance, and eligible moving expenses to
13 be determined by the department;

14 (b) Case management services designed to assist program
15 participants to secure and retain immediate housing and to transition
16 into permanent housing and greater levels of self-sufficiency;

17 (c) Operating expenses of transitional housing facilities that
18 serve homeless families with children; and

19 (d) Administrative costs of the eligible organization, which must
20 not exceed limits prescribed by the department.

21 (2) Eligible to receive assistance through the transitional housing
22 operating and rent program are:

23 (a) Families with children who are homeless or who are at risk of
24 becoming homeless and who have household incomes at or below fifty
25 percent of the median household income for their county;

26 (b) Individuals or families without children who are homeless or at
27 risk of becoming homeless and who have household incomes at or below
28 thirty percent of the median household income for their county;

29 (c) Individuals or families who are homeless or who are at risk of
30 becoming homeless and who have a household with an adult member who has
31 a mental health or chemical dependency disorder; and

32 (d) Individuals or families who are homeless or who are at risk of
33 becoming homeless and who have a household with an adult member who is
34 an offender released from confinement within the past eighteen months.

35 (3) All program participants must be willing to create and actively
36 participate in a housing stability plan for achieving permanent housing
37 and greater levels of self-sufficiency.

1 (4) Data on all program participants must be entered into and
2 tracked through the Washington homeless client management information
3 system as described in RCW 43.185C.180.

4 (5) Beginning in 2011, each eligible organization receiving over
5 five hundred thousand dollars during the previous calendar year from
6 the transitional housing operating and rent program and from sources
7 including: (a) State housing-related funding sources; (b) the
8 affordable housing for all surcharge in RCW 36.22.178 (as recodified by
9 this act); (c) the home security fund surcharges in RCW 36.22.179 and
10 36.22.1791 (as recodified by this act); and (d) any other surcharge
11 imposed under chapter 36.22 or 43.185C RCW to fund homelessness
12 programs or other housing programs, shall apply to the Washington state
13 quality award program for an independent assessment of its quality
14 management, accountability, and performance system, once every three
15 years.

16 (6) The department may develop rules, requirements, procedures, and
17 guidelines as necessary to implement and operate the transitional
18 housing operating and rent program.

19 (7) The department shall produce an annual transitional housing
20 operating and rent program report that must be included in the
21 department's affordable housing for all plan as described in RCW
22 43.185B.040 (as recodified by this act). The report must include
23 performance measures to be determined by the department that address,
24 at a minimum, the following issue areas:

25 (a) The success of the program in helping program participants
26 transition into permanent affordable housing and increase their levels
27 of self-sufficiency;

28 (b) The financial performance of the program related to efficient
29 program administration by the department and program operation by
30 selected eligible organizations, including an analysis of the costs per
31 program participant served;

32 (c) The quality, completeness, and timeliness of the information on
33 program participants provided to the Washington homeless client
34 management information system database; and

35 (d) The satisfaction of program participants in the assistance
36 provided through the program.

1 NEW SECTION. **Sec. 13.** The transitional housing operating and rent
2 account is created in the custody of the state treasurer. All receipts
3 from sources directed to the transitional housing operating and rent
4 program must be deposited into the account. Expenditures from the
5 account may be used solely for the purpose of the transitional housing
6 operating and rent program as described in section 12 of this act.
7 Only the director of the department or the director's designee may
8 authorize expenditures from the account. The account is subject to
9 allotment procedures under chapter 43.88 RCW, but an appropriation is
10 not required for expenditures.

11 NEW SECTION. **Sec. 14.** This chapter does not require either the
12 department or any local government to expend any funds to accomplish
13 the goals of this chapter other than the revenues authorized in this
14 act and other revenue that may be appropriated by the legislature for
15 these purposes. However, neither the department nor any local
16 government may use any funds authorized in this act to supplant or
17 reduce any existing expenditures of public money to address the
18 affordable housing shortage.

19 **Sec. 15.** RCW 43.185A.100 and 2006 c 349 s 11 are each amended to
20 read as follows:

21 The department(~~(7)~~) shall collaborate with the housing finance
22 commission, the affordable housing advisory board, and all local
23 governments, housing authorities, and other (~~(nonprofits)~~) eligible
24 organizations receiving state housing funds, affordable housing for all
25 funds, home security funds, or financing through the housing finance
26 commission (~~(shall, by December 31, 2006, and annually thereafter,~~
27 ~~review current housing reporting requirements related to housing~~
28 ~~programs and services and give)~~) to include in the state affordable
29 housing for all plan, by December 31, 2009, recommendations, where
30 possible:

31 (1) To streamline and simplify all housing planning, application,
32 and reporting requirements (~~(to the department of community, trade, and~~
33 ~~economic development, which will compile and present the~~
34 ~~recommendations annually to the legislature. The entities listed in~~
35 ~~this section shall also give recommendations for additional)~~); and

1 (2) For legislative actions that could promote the affordable
2 housing for all goal and the state goal to end homelessness.

3 **Sec. 16.** RCW 43.185.070 and 2005 c 518 s 1802 and 2005 c 219 s 2
4 are each reenacted and amended to read as follows:

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

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

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

- 35 (a) The degree of leveraging of other funds that will occur;
36 (b) The degree of commitment from programs to provide necessary

1 habilitation and support services for projects focusing on special
2 needs populations;

3 (c) Recipient contributions to total project costs, including
4 allied contributions from other sources such as professional, craft and
5 trade services, and lender interest rate subsidies;

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

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

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

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

15 (h) The applicant has committed to quality improvement and
16 submitted an application to the Washington state quality award program
17 for an independent assessment of its quality management,
18 accountability, and performance system within the previous three years;

19 (i) Projects which demonstrate serving the greatest need;

20 ~~((i))~~ (j) Projects that provide housing for persons and families
21 with the lowest incomes;

22 ~~((j))~~ (k) Projects that provide housing for persons at risk of
23 homelessness;

24 (l) Projects serving special needs populations which are under
25 statutory mandate to develop community housing;

26 ~~((k))~~ (m) Project location and access to employment centers in
27 the region or area;

28 ~~((l))~~ (n) Projects that provide employment and training
29 opportunities for disadvantaged youth under a youthbuild or youthbuild-
30 type program as defined in RCW 50.72.020; and

31 ~~((m))~~ (o) Project location and access to available public
32 transportation services.

33 (4) The department shall only approve applications for projects for
34 ~~((mentally ill))~~ persons with mental illness that are consistent with
35 a regional support network six-year capital and operating plan.

36 NEW SECTION. Sec. 17. RCW 59.18.600 (Rental to offenders--
37 Limitation on liability) and 2007 c 483 s 602 are each repealed.

1 NEW SECTION. **Sec. 18.** RCW 36.22.179, 36.22.1791, and 43.20A.790
2 are each recodified as sections in chapter 43.185C RCW.

3 NEW SECTION. **Sec. 19.** RCW 36.22.178, 43.185A.100, 43.185B.020,
4 and 43.185B.040 are each recodified as sections in chapter 43.--- RCW
5 (created in section 20 of this act).

6 NEW SECTION. **Sec. 20.** Sections 1 through 4, 6 through 10, and 12
7 through 14 of this act constitute a new chapter in Title 43 RCW.

8 NEW SECTION. **Sec. 21.** If specific funding for the purposes of
9 this act, referencing this act by bill or chapter number, is not
10 provided by June 30, 2008, in the omnibus appropriations act, this act
11 is null and void."

12 Correct the title.

EFFECT: Requires CTED to create, annually update, and implement
an affordable housing for all plan to accomplish the goal of a decent,
appropriate, and affordable home in a healthy, safe environment for all
households. Requires counties to also create and implement similar
plans; however, counties may opt out. Requires local governments and
eligible organizations receiving over \$500,000 from certain housing-
related funding sources to apply for an assessment of their quality
management systems. Requires counties to report on their use of the
affordable housing for all surcharge to CTED and requires CTED to
include information on the transitional housing operating and rent
program in the affordable housing for all plan. Requires CTED, the
Housing Finance Commission, and other eligible organizations to make
recommendations to streamline and simplify housing planning,
application, and reporting requirements. Requires CTED to include in
its list of priority criteria for Housing Trust Fund funding a
consideration for applicants who have applied for an assessment by the
Washington State Quality Award program. Includes a null and void
clause. Requires CTED to contract with two statewide affordable
housing or homeless organizations to create independent affordable
housing for all plans consistent with state and local plans.

--- END ---