

CERTIFICATION OF ENROLLMENT

ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1777

Chapter 12, Laws of 2017

65th Legislature
2017 3rd Special Session

EARLY LEARNING FACILITIES GRANT AND LOAN PROGRAM--REVOLVING ACCOUNT
AND DEVELOPMENT ACCOUNT--CREATION

EFFECTIVE DATE: July 6, 2017

Passed by the House June 29, 2017
Yeas 79 Nays 15

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate June 30, 2017
Yeas 45 Nays 4

CYRUS HABIB

President of the Senate

Approved July 6, 2017 1:59 PM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1777** as passed by House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

Chief Clerk

FILED

July 7, 2017

**Secretary of State
State of Washington**

ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1777

Passed Legislature - 2017 3rd Special Session

State of Washington

65th Legislature

2017 Regular Session

By House Capital Budget (originally sponsored by Representatives Kagi, Johnson, Doglio, Dent, Ryu, MacEwen, Senn, Farrell, Nealey, Ortiz-Self, McBride, Macri, Fey, Slatter, and Jinkins)

READ FIRST TIME 02/24/17.

1 AN ACT Relating to financing early learning facilities to support
2 the needed expansion of early learning classrooms across Washington;
3 amending RCW 43.185.050; reenacting and amending RCW 43.84.092;
4 adding new sections to chapter 43.31 RCW; creating a new section; and
5 declaring an emergency.

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

7 NEW SECTION. **Sec. 1.** The legislature finds that there is a
8 significant and critical need for additional early learning
9 facilities to meet the state's commitment to providing high quality
10 early learning opportunities to low-income children, including the
11 legal mandate to provide preschool opportunities through the early
12 childhood education and assistance program to all eligible children
13 by 2023.

14 The legislature further finds that private and public
15 partnerships and investments are critical to meeting the need for
16 increased classrooms necessary to deliver high quality early learning
17 opportunities to low-income children across Washington.

18 The legislature intends to provide state financial assistance to
19 leverage local and private resources to enable early childhood
20 education and assistance program contractors and child care providers
21 to expand, remodel, purchase, or construct early learning facilities

1 and classrooms necessary to support state-funded early learning
2 opportunities for low-income children.

3 NEW SECTION. **Sec. 2.** The department of early learning, in
4 consultation with stakeholders, shall review existing licensing
5 standards including, but not limited to, plumbing, fixtures, and
6 playground equipment, related to facility requirements to eliminate
7 potential barriers to licensing while ensuring the health and safety
8 of children in early learning programs. The department must create a
9 process by which projects for eligible organizations and school
10 districts receiving grants or loans from the early learning
11 facilities revolving account or the early learning facilities
12 development account created in section 4 of this act can be
13 preapproved under existing licensing standards related to facility
14 requirements. The licensing standards accepted in the preapproval are
15 the licensing standards that must be met upon project completion.

16 NEW SECTION. **Sec. 3.** Unless the context clearly requires
17 otherwise, the definitions in this section apply throughout this act:

- 18 (1) "Department" means the department of commerce.
19 (2) "Director" means the director of commerce.
20 (3) "Early learning facility" means a facility providing
21 regularly scheduled care for a group of children one month of age
22 through twelve years of age for periods of less than twenty-four
23 hours.

24 NEW SECTION. **Sec. 4.** (1) The early learning facilities
25 revolving account and the early learning facilities development
26 account are created in the state treasury.

27 (2) Revenues to the early learning facilities revolving account
28 shall consist of appropriations by the legislature, early learning
29 facilities grant and loan repayments, taxable bond proceeds, and all
30 other sources deposited in the account.

31 (3) Revenues to the early learning facilities development account
32 shall consist of tax-exempt bond proceeds.

33 (4) Expenditures from the accounts shall be used, in combination
34 with other private and public funding, for state matching funds for
35 the planning, renovation, purchase, and construction of early
36 learning facilities as established in sections 6 through 12 of this
37 act.

1 (5) Expenditures from the accounts are subject to appropriation
2 and the allotment provisions of chapter 43.88 RCW.

3 NEW SECTION. **Sec. 5.** (1) The department, in consultation with
4 the department of early learning, shall oversee the early learning
5 facilities revolving account and the early learning facilities
6 development account, and is the lead state agency for the early
7 learning facilities grant and loan program.

8 (2) It is the intent of the legislature that state funds invested
9 in the accounts be matched by private or local government funding.
10 Every effort shall be made to maximize funding available for early
11 learning facilities from public schools, community colleges,
12 education service districts, local governments, and private funders.

13 (3) Amounts used for program administration by the department may
14 not exceed an average of four percent of the appropriated funds.

15 (4) Commitment of state funds for construction, purchase, or
16 renovation of early learning facilities may be given only after
17 private or public match funds are committed. Private or public match
18 funds may consist of cash, equipment, land, buildings, or like-kind.
19 In determining the level of match required, the department shall take
20 into consideration the financial need of the applicant and the
21 economic conditions of the location of the proposed facility.

22 NEW SECTION. **Sec. 6.** (1) The department must expend moneys from
23 the early learning facilities revolving account to provide state
24 matching funds for early learning facilities grants or loans to
25 provide classrooms necessary for children to participate in the early
26 childhood education and assistance program and working connections
27 child care.

28 (2) The department must expend moneys from the early learning
29 facilities development account to provide state matching funds for
30 early learning facilities grants to provide classrooms necessary for
31 children to participate in the early childhood education and
32 assistance program and working connections child care.

33 (3) Funds expended from the accounts as specified in subsections
34 (1) and (2) of this section may fund projects only for:

35 (a) Eligible organizations identified in section 7 of this act;
36 and

37 (b) School districts.

38 (4)(a) Beginning August 1, 2017, the department shall:

1 (i) In consultation with the office of the superintendent of
2 public instruction, implement and administer the early learning
3 facilities grant and loan program for school districts as described
4 in sections 9(3) and 10(1) of this act; and

5 (ii) Contract with one or more nongovernmental private-public
6 partnerships that are certified by the community development
7 financial institutions fund to implement and administer grants and
8 loans funded through the early learning facilities revolving account
9 or for a grant funded through the early learning facilities
10 development account, for eligible organizations. Any nongovernmental
11 private-public partnership that is certified by the community
12 development financial institutions fund that is seeking early
13 learning fund resources must demonstrate an ability to raise funding
14 from private and other public entities for early learning facilities
15 construction projects.

16 (b) The department may allow the application of an eligible
17 organization for a grant or loan from the early learning facilities
18 revolving account or for a grant from the early learning facilities
19 development account created in section 4 of this act to be considered
20 without the involvement of the nongovernmental private-public
21 partnership that is certified by the community development financial
22 institutions fund if a nongovernmental private-public partnership
23 certified by the community development financial institutions fund is
24 not reasonably available to the location of the proposed facility or
25 if the eligible organization has sufficient ability and capacity to
26 proceed with a project absent the involvement of a nongovernmental
27 private-public partnership that is certified by the community
28 development financial institutions fund.

29 (5) The department shall monitor performance of the early
30 learning facilities grant and loan program. Any nongovernmental
31 private-public partnership that is certified by the community
32 development financial institutions fund receiving state funds for
33 purposes of this act shall provide annual reports, beginning July 1,
34 2018, to the department. The reports must include, but are not
35 limited to, the following:

36 (a) A list of projects funded through the early learning
37 facilities grant and loan program for eligible organizations to
38 include:

39 (i) Name;

40 (ii) Location;

- 1 (iii) Grant or loan amount;
- 2 (iv) Private match amount;
- 3 (v) Public match amount;
- 4 (vi) Number of early learners served; and
- 5 (vii) Other elements as required by the department;
- 6 (b) A demonstration of sufficient investment of private match
- 7 funds; and
- 8 (c) A description of how the projects met the criteria described
- 9 in section 10 of this act.

10 NEW SECTION. **Sec. 7.** (1) Organizations eligible to receive
11 funding from the early learning facilities grant and loan program
12 include:

- 13 (a) Early childhood education and assistance program providers;
- 14 (b) Working connections child care providers who are eligible to
- 15 receive state subsidies;
- 16 (c) Licensed early learning centers not currently participating
- 17 in the early childhood education and assistance program, but
- 18 intending to do so;
- 19 (d) Developers of housing and community facilities;
- 20 (e) Community and technical colleges;
- 21 (f) Educational service districts;
- 22 (g) Local governments;
- 23 (h) Federally recognized tribes in the state; and
- 24 (i) Religiously affiliated entities.

25 (2) To be eligible to receive funding from the early learning
26 facilities grant and loan program for activities described in section
27 8(1) (b) and (c) and (2) of this act, eligible organizations and
28 school districts must:

29 (a) Commit to being an active participant in good standing with
30 the early achievers program as defined by chapter 43.215 RCW;

31 (b) Demonstrate that projects receiving construction, purchase,
32 or renovation grants or loans less than two hundred thousand dollars
33 must also:

34 (i) Demonstrate that the project site is under the applicant's
35 control for a minimum of ten years, either through ownership or a
36 long-term lease; and

37 (ii) Commit to using the facility funded by the grant or loan for
38 the purposes of providing preschool or child care for a minimum of
39 ten years;

1 (c) Demonstrate that projects receiving construction, purchase,
2 or renovation grants or loans of two hundred thousand dollars or more
3 must also:

4 (i) Demonstrate that the project site is under the applicant's
5 control for a minimum of twenty years, either through ownership or a
6 long-term lease; and

7 (ii) Commit to using the facility funded by the grant or loan for
8 the purposes of providing preschool or child care for a minimum of
9 twenty years.

10 (3) To be eligible to receive funding from the early learning
11 facilities grant and loan program for activities described in section
12 8(1) (b) and (c) and (2) of this act, religiously affiliated entities
13 must use the facility to provide child care and education services
14 consistent with subsection (4)(a) of this section.

15 (4)(a) Upon receiving a grant or loan, the recipient must
16 continue to be an active participant and in good standing with the
17 early achievers program.

18 (b) If the recipient does not meet the conditions specified in
19 (a) of this subsection, the grants shall be repaid to the early
20 learning facilities revolving account or the early learning
21 facilities development account, as directed by the department. So
22 long as an eligible organization continues to provide an early
23 learning program in the facility, the facility is used as authorized,
24 and the eligible organization continues to be an active participant
25 and in good standing with the early achievers program, the grant
26 repayment is waived.

27 (c) The department, in consultation with the department of early
28 learning, must adopt rules to implement this section.

29 NEW SECTION. **Sec. 8.** (1) Activities eligible for funding
30 through the early learning facilities grant and loan program for
31 eligible organizations include:

32 (a) Facility predesign grants or loans of no more than ten
33 thousand dollars to allow eligible organizations to secure
34 professional services or consult with organizations certified by the
35 community development financial institutions fund to plan for and
36 assess the feasibility of early learning facilities projects or
37 receive other technical assistance to design and develop projects for
38 construction funding;

1 (b) Grants or loans of no more than one hundred thousand dollars
2 for minor renovations or repairs of existing early learning
3 facilities; and

4 (c) Major construction and renovation grants or loans and grants
5 or loans for facility purchases of no more than eight hundred
6 thousand dollars to create or expand early learning facilities.

7 (2) Activities eligible for funding through the early learning
8 facilities grant and loan program for school districts include major
9 construction, purchase, and renovation grants or loans of no more
10 than eight hundred thousand dollars to create or expand early
11 learning facilities that received priority and ranking as described
12 in section 10 of this act.

13 (3) Beginning July 1, 2018, amounts in this section must be
14 increased annually by the United States implicit price deflator for
15 state and local government construction provided by the office of
16 financial management.

17 NEW SECTION. **Sec. 9.** (1) It is the intent of the legislature
18 that state funds invested in the early learning facilities grant and
19 loan program be matched by private or local government funding. Every
20 effort shall be made to maximize funding available for early learning
21 facilities from public schools, community colleges, education service
22 districts, local governments, and private funders.

23 (2) In the administration of the early learning facilities grant
24 and loan program for eligible organizations, any nongovernmental
25 private-public partnership that is certified by the community
26 development financial institutions fund contracted with the
27 department shall award grants or loans as described in section 8 of
28 this act, that meet the criteria described in section 10 of this act,
29 through an application process or in compliance with state and
30 federal requirements of the funding source.

31 (3) In the administration of the early learning facilities grant
32 and loan program for school districts, the department, in
33 coordination with the office of the superintendent of public
34 instruction, shall submit a ranked and prioritized list of proposed
35 purchases and major construction or renovation of early learning
36 facilities projects for school districts subject to the
37 prioritization methodology described in section 10 of this act to the
38 office of financial management and the relevant legislative

1 committees by December 15, 2017, and by September 15th of even-
2 numbered years thereafter.

3 NEW SECTION. **Sec. 10.** (1) The department shall convene a
4 committee of early learning facilities experts to advise the
5 department regarding the prioritization methodology of applications
6 for projects described in section 8 of this act including no less
7 than one representative each from the department of early learning,
8 the Washington state housing finance commission, an organization
9 certified by the community development financial institutions fund,
10 and the office of the superintendent of public instruction.

11 (2) When developing a prioritization methodology under this
12 section, the committee shall consider, but is not limited to:

13 (a) Projects that add part-day, full-day, or extended day early
14 childhood education and assistance program slots in areas with the
15 highest unmet need;

16 (b) Projects benefiting low-income children;

17 (c) Projects located in low-income neighborhoods;

18 (d) Projects that provide more access to the early childhood
19 education and assistance program as a ratio of the children eligible
20 to participate in the program;

21 (e) Projects that are geographically disbursed relative to
22 statewide need;

23 (f) Projects that include new or renovated kitchen facilities
24 equipped to support the use of from scratch, modified scratch, or
25 other cooking methods that enhance overall student nutrition;

26 (g) Projects that balance mixed-use development and rural
27 locations; and

28 (h) Projects that maximize resources available from the state
29 with funding from other public and private organizations, including
30 the use of state lands or facilities.

31 (3) Committee members shall serve without compensation, but may
32 request reimbursement for travel expenses as provided in RCW
33 43.03.050 and 43.03.060.

34 (4) Committee members are not liable to the state, the early
35 learning facilities revolving account, the early learning facilities
36 development account, or to any other person, as a result of their
37 activities, whether ministerial or discretionary, as members except
38 for willful dishonesty or intentional violation of the law.

1 (5) The department may purchase liability insurance for members
2 and may indemnify these persons against the claims of others.

3 NEW SECTION. **Sec. 11.** When funding is provided in the previous
4 biennium, the department, in collaboration with the department of
5 early learning, shall submit a report no later than December 1st of
6 even-numbered years, to the governor and the appropriate committees
7 of the legislature that provides an update on the status of the early
8 learning facilities grant and loan program that includes, but is not
9 limited to:

10 (1) The total amount of funds, by grant and loan, spent or
11 contracted to be spent; and

12 (2) A list of projects awarded funding including, but not limited
13 to, information about whether the project is a renovation or new
14 construction or some other category, where the project is located,
15 and the number of slots the project supports.

16 **Sec. 12.** RCW 43.84.092 and 2016 c 194 s 5, 2016 c 161 s 20, and
17 2016 c 112 s 4 are each reenacted and amended to read as follows:

18 (1) All earnings of investments of surplus balances in the state
19 treasury shall be deposited to the treasury income account, which
20 account is hereby established in the state treasury.

21 (2) The treasury income account shall be utilized to pay or
22 receive funds associated with federal programs as required by the
23 federal cash management improvement act of 1990. The treasury income
24 account is subject in all respects to chapter 43.88 RCW, but no
25 appropriation is required for refunds or allocations of interest
26 earnings required by the cash management improvement act. Refunds of
27 interest to the federal treasury required under the cash management
28 improvement act fall under RCW 43.88.180 and shall not require
29 appropriation. The office of financial management shall determine the
30 amounts due to or from the federal government pursuant to the cash
31 management improvement act. The office of financial management may
32 direct transfers of funds between accounts as deemed necessary to
33 implement the provisions of the cash management improvement act, and
34 this subsection. Refunds or allocations shall occur prior to the
35 distributions of earnings set forth in subsection (4) of this
36 section.

37 (3) Except for the provisions of RCW 43.84.160, the treasury
38 income account may be utilized for the payment of purchased banking

1 services on behalf of treasury funds including, but not limited to,
2 depository, safekeeping, and disbursement functions for the state
3 treasury and affected state agencies. The treasury income account is
4 subject in all respects to chapter 43.88 RCW, but no appropriation is
5 required for payments to financial institutions. Payments shall occur
6 prior to distribution of earnings set forth in subsection (4) of this
7 section.

8 (4) Monthly, the state treasurer shall distribute the earnings
9 credited to the treasury income account. The state treasurer shall
10 credit the general fund with all the earnings credited to the
11 treasury income account except:

12 (a) The following accounts and funds shall receive their
13 proportionate share of earnings based upon each account's and fund's
14 average daily balance for the period: The aeronautics account, the
15 aircraft search and rescue account, the Alaskan Way viaduct
16 replacement project account, the brownfield redevelopment trust fund
17 account, the budget stabilization account, the capital vessel
18 replacement account, the capitol building construction account, the
19 Cedar River channel construction and operation account, the Central
20 Washington University capital projects account, the charitable,
21 educational, penal and reformatory institutions account, the Chehalis
22 basin account, the cleanup settlement account, the Columbia river
23 basin water supply development account, the Columbia river basin
24 taxable bond water supply development account, the Columbia river
25 basin water supply revenue recovery account, the common school
26 construction fund, the community forest trust account, the connecting
27 Washington account, the county arterial preservation account, the
28 county criminal justice assistance account, the deferred compensation
29 administrative account, the deferred compensation principal account,
30 the department of licensing services account, the department of
31 retirement systems expense account, the developmental disabilities
32 community trust account, the diesel idle reduction account, the
33 drinking water assistance account, the drinking water assistance
34 administrative account, the drinking water assistance repayment
35 account, the early learning facilities development account, the early
36 learning facilities revolving account, the Eastern Washington
37 University capital projects account, the Interstate 405 express toll
38 lanes operations account, the education construction fund, the
39 education legacy trust account, the election account, the electric
40 vehicle charging infrastructure account, the energy freedom account,

1 the energy recovery act account, the essential rail assistance
2 account, The Evergreen State College capital projects account, the
3 federal forest revolving account, the ferry bond retirement fund, the
4 freight mobility investment account, the freight mobility multimodal
5 account, the grade crossing protective fund, the public health
6 services account, the high capacity transportation account, the state
7 higher education construction account, the higher education
8 construction account, the highway bond retirement fund, the highway
9 infrastructure account, the highway safety fund, the high occupancy
10 toll lanes operations account, the hospital safety net assessment
11 fund, the industrial insurance premium refund account, the judges'
12 retirement account, the judicial retirement administrative account,
13 the judicial retirement principal account, the local leasehold excise
14 tax account, the local real estate excise tax account, the local
15 sales and use tax account, the marine resources stewardship trust
16 account, the medical aid account, the mobile home park relocation
17 fund, the money-purchase retirement savings administrative account,
18 the money-purchase retirement savings principal account, the motor
19 vehicle fund, the motorcycle safety education account, the multimodal
20 transportation account, the multiuse roadway safety account, the
21 municipal criminal justice assistance account, the natural resources
22 deposit account, the oyster reserve land account, the pension funding
23 stabilization account, the perpetual surveillance and maintenance
24 account, the pollution liability insurance agency underground storage
25 tank revolving account, the public employees' retirement system plan
26 1 account, the public employees' retirement system combined plan 2
27 and plan 3 account, the public facilities construction loan revolving
28 account beginning July 1, 2004, the public health supplemental
29 account, the public works assistance account, the Puget Sound capital
30 construction account, the Puget Sound ferry operations account, the
31 Puget Sound taxpayer accountability account, the real estate
32 appraiser commission account, the recreational vehicle account, the
33 regional mobility grant program account, the resource management cost
34 account, the rural arterial trust account, the rural mobility grant
35 program account, the rural Washington loan fund, the site closure
36 account, the skilled nursing facility safety net trust fund, the
37 small city pavement and sidewalk account, the special category C
38 account, the special wildlife account, the state employees' insurance
39 account, the state employees' insurance reserve account, the state
40 investment board expense account, the state investment board

1 commingled trust fund accounts, the state patrol highway account, the
2 state route number 520 civil penalties account, the state route
3 number 520 corridor account, the state wildlife account, the
4 supplemental pension account, the Tacoma Narrows toll bridge account,
5 the teachers' retirement system plan 1 account, the teachers'
6 retirement system combined plan 2 and plan 3 account, the tobacco
7 prevention and control account, the tobacco settlement account, the
8 toll facility bond retirement account, the transportation 2003
9 account (nickel account), the transportation equipment fund, the
10 transportation fund, the transportation future funding program
11 account, the transportation improvement account, the transportation
12 improvement board bond retirement account, the transportation
13 infrastructure account, the transportation partnership account, the
14 traumatic brain injury account, the tuition recovery trust fund, the
15 University of Washington bond retirement fund, the University of
16 Washington building account, the volunteer firefighters' and reserve
17 officers' relief and pension principal fund, the volunteer
18 firefighters' and reserve officers' administrative fund, the
19 Washington judicial retirement system account, the Washington law
20 enforcement officers' and firefighters' system plan 1 retirement
21 account, the Washington law enforcement officers' and firefighters'
22 system plan 2 retirement account, the Washington public safety
23 employees' plan 2 retirement account, the Washington school
24 employees' retirement system combined plan 2 and 3 account, the
25 Washington state health insurance pool account, the Washington state
26 patrol retirement account, the Washington State University building
27 account, the Washington State University bond retirement fund, the
28 water pollution control revolving administration account, the water
29 pollution control revolving fund, the Western Washington University
30 capital projects account, the Yakima integrated plan implementation
31 account, the Yakima integrated plan implementation revenue recovery
32 account, and the Yakima integrated plan implementation taxable bond
33 account. Earnings derived from investing balances of the agricultural
34 permanent fund, the normal school permanent fund, the permanent
35 common school fund, the scientific permanent fund, the state
36 university permanent fund, and the state reclamation revolving
37 account shall be allocated to their respective beneficiary accounts.

38 (b) Any state agency that has independent authority over accounts
39 or funds not statutorily required to be held in the state treasury
40 that deposits funds into a fund or account in the state treasury

1 pursuant to an agreement with the office of the state treasurer shall
2 receive its proportionate share of earnings based upon each account's
3 or fund's average daily balance for the period.

4 (5) In conformance with Article II, section 37 of the state
5 Constitution, no treasury accounts or funds shall be allocated
6 earnings without the specific affirmative directive of this section.

7 **Sec. 13.** RCW 43.185.050 and 2013 c 145 s 2 are each amended to
8 read as follows:

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

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

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

26 (b) Rent subsidies;

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

29 (d) Technical assistance, design and finance services and
30 consultation, and administrative costs for eligible nonprofit
31 community or neighborhood-based organizations;

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

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

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

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

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

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

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

9 (3) Preference shall be given for projects that include an early
10 learning facility.

11 (4) Legislative appropriations from capital bond proceeds may be
12 used only for the costs of projects authorized under subsection
13 (2)(a), (i), and (j) of this section, and not for the administrative
14 costs of the department.

15 ((+4)) (5) Moneys from repayment of loans from appropriations
16 from capital bond proceeds may be used for all activities necessary
17 for the proper functioning of the housing assistance program except
18 for activities authorized under subsection (2)(b) and (c) of this
19 section.

20 ((+5)) (6) Administrative costs associated with application,
21 distribution, and project development activities of the department
22 may not exceed three percent of the annual funds available for the
23 housing assistance program. Reappropriations must not be included in
24 the calculation of the annual funds available for determining the
25 administrative costs.

26 ((+6)) (7) Administrative costs associated with compliance and
27 monitoring activities of the department may not exceed one-quarter of
28 one percent annually of the contracted amount of state investment in
29 the housing assistance program.

30 NEW SECTION. Sec. 14. Sections 2 through 11 of this act are
31 each added to chapter 43.31 RCW.

32 NEW SECTION. Sec. 15. This act is necessary for the immediate
33 preservation of the public peace, health, or safety, or support of
34 the state government and its existing public institutions, and takes
35 effect immediately.

Passed by the House June 29, 2017.
Passed by the Senate June 30, 2017.
Approved by the Governor July 6, 2017.

Filed in Office of Secretary of State July 7, 2017.

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