## HOUSE BILL 1099

State of Washington 69th Legislature 2025 Regular Session

By Representatives Low, Connors, and Barkis Prefiled 12/19/24.

AN ACT Relating to creating a tenant assistance program; amending RCW 36.22.250; adding new sections to chapter 43.31 RCW; and adding a new section to chapter 44.28 RCW; creating a new section; and providing expiration dates.

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

6 NEW SECTION. Sec. 1. (1) The legislature finds that a significant number of Washington residents are currently rent-7 burdened, spending a disproportionate amount of their income 8 on housing expenses. High rents have become a substantial burden for too 9 10 many Washingtonians, limiting their ability to access safe and 11 affordable housing. This situation creates economic instability and 12 negatively impacts the overall well-being of individuals and families 13 across the state. This strain contributes to financial insecurity, making it challenging for individuals and families of all shapes and 14 15 sizes to meet other essential needs, such as health care, education, 16 and savings for the future. This phenomenon exacerbates existing 17 inequalities and hinders economic mobility for a significant portion 18 of the population.

19 (2) The legislature has taken significant steps to address the 20 affordable housing crisis, including investing in housing 21 development, expanding rental assistance programs, and enacting

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1 tenant protections. However, these efforts will take time to bear 2 fruit, and many households continue to face immediate financial 3 hardship due to high rental costs.

(3) Therefore, the legislature intends to address the issue of 4 housing affordability by establishing a tenant assistance program. 5 This program aims to reduce the number of people who are rent-6 7 burdened by providing financial assistance to eligible individuals and families. This program seeks to create a more equitable and 8 accessible housing market, fostering stability and opportunity for 9 Washington residents. By implementing this program, the legislature 10 aims to alleviate the economic strain caused by high rents, promote 11 12 housing security, and enhance the overall quality of life for residents of the state. 13

14 <u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 43.31
15 RCW to read as follows:

16 (1) The tenant assistance program is created as a grant program 17 administered by the department of commerce. The department may adopt 18 any rules necessary to administer the program.

19 (2) As part of the tenant assistance program, the department of 20 commerce shall provide grants to public housing authorities created 21 under chapter 35.82 RCW for the purpose of providing tenant 22 assistance payments for eligible renters as described in this 23 section.

(3) To be eligible for tenant assistance payments, a renter mustmeet all of the following criteria:

(a) The renter must have a household income at or below 80
percent of the median household income adjusted for household size,
for the county where the household is located, as reported by the
United States department of housing and urban development;

30 (b) The renter must spend more than 30 percent of the renter's 31 monthly household income on monthly housing costs, including rent, 32 fees, and utilities; and

33 (c) The renter would not have to spend more than 30 percent of 34 their monthly household income on monthly housing costs, including 35 rent, fees, and utilities, if the renter's monthly rent payment was 36 reduced by \$400 or less.

37 (4) A public housing authority must prioritize providing tenant 38 assistance payments for eligible renters who meet any of the 39 following criteria: 1 (a) The eligible renter has a household income at or below 60 2 percent of the median household income adjusted for household size, 3 for the county where the household is located, as reported by the 4 United States department of housing and urban development; or

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(b) The eligible renter receives supplemental security income.

6 (5) A tenant assistance payment may not exceed the lesser of \$400 7 or the amount necessary to reduce an eligible renter's monthly 8 housing costs, including rent, fees, and utilities, to no more than 9 30 percent of the eligible renter's monthly household income.

10 (6) Only one eligible renter per household may receive tenant 11 assistance payments.

12 (7) An eligible renter may receive tenant assistance payments for13 up to 12 consecutive months.

14 (8) (a) A renter seeking a tenant assistance payment under this 15 section must submit monthly documentation of the renter's income, 16 rent, utilities, and any other records necessary to determine program 17 eligibility to the appropriate public housing authority.

18 (b) A renter who provides false documentation under this 19 subsection must repay any tenant assistance payments received and is 20 no longer eligible for participation in the tenant assistance 21 program.

(9) A landlord may not discriminate against renters receivingtenant assistance payments under this section.

(10) By July 30, 2026, and annually thereafter, and in compliance 24 25 with RCW 43.01.036, the department of commerce shall submit a report 26 to the appropriate committees of the legislature on the tenant assistance program that includes information on the total number of 27 28 renter households served by the program, the total dollar amount of 29 rental assistance distributed to renters as tenant assistance payments, the average number of months that a renter household 30 31 receives tenant assistance payments, and any recommendations for 32 changes to the program. The department of commerce must also post a 33 copy of the report to the department's website.

34 (11) For the purposes of this section, "renter" means any person 35 who rents a dwelling unit under a rental agreement subject to chapter 36 59.18 RCW or a manufactured/mobile home lot under a rental agreement 37 subject to chapter 59.20 RCW.

38 (12) This section expires June 30, 2032.

1 Sec. 3. RCW 36.22.250 and 2023 c 277 s 1 are each amended to 2 read as follows:

3 (1) A surcharge of \$183 per instrument shall be charged by the 4 county auditor for each document recorded, which will be in addition 5 to any other charge authorized by law. The following are exempt from 6 this surcharge:

7 (a) Assignments or substitutions of previously recorded deeds of 8 trust;

(b) Documents recording a birth, marriage, divorce, or death;

10 (c) Any recorded documents otherwise exempted from a recording11 fee or additional surcharges under state law;

12 (d) Marriage licenses issued by the county auditor; and

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13 (e) Documents recording a federal, state, county, city, or water-14 sewer district, or wage lien or satisfaction of lien.

15 (2) Funds collected pursuant to this section must be distributed 16 and used as follows:

17 (a) One percent of the total funds collected shall be retained by18 the county auditor for its fee collection activities;

(b) 30 percent of the total funds collected shall be retained by the county and used by the county as provided in subsection (3) of this section;

54.1 percent of the total funds collected shall 22 (C) be 23 transmitted to the state treasurer to be deposited in the home 24 security fund account created in RCW 43.185C.060 and shall be used by 25 the department of commerce as provided in subsection (4) of this 26 section. From July 1, 2025, through June 30, 2032, the amount of 27 total funds collected to be deposited in the home security fund 28 account shall be reduced to 39.1 percent;

29 (d) From July 1, 2025, through June 30, 2032, 20 percent of the 30 total funds collected shall be transmitted to the state treasurer to 31 be deposited in the tenant assistance program account created in 32 section 4 of this act;

33 (((d))) (e) 13.1 percent of the total funds collected shall be 34 transmitted to the state treasurer to be deposited in the affordable 35 housing for all account created in RCW 43.185C.190 and shall be used 36 by the department of commerce as provided in subsection (5) of this 37 section. From July 1, 2025, through June 30, 2032, the amount of 38 total funds collected to be deposited in the affordable housing for 39 all account shall be reduced to 8.1 percent;

1 ((<del>(e)</del>)) <u>(f)</u> 1.8 percent of the total funds collected shall be 2 transmitted to the state treasurer to be deposited in the landlord 3 mitigation program account created in RCW 43.31.615 and shall be used 4 by the department of commerce as provided in subsection (6) of this 5 section.

6 (3) The county shall use their portion of the collected funds as 7 follows:

8 (a) Up to 10 percent for the county's administration and local 9 distribution of the funds collected from the surcharge in this 10 section, and administrative costs related to the county's homeless 11 housing plan;

12 (b) At least 75 percent will be retained and used by the county to accomplish the purposes of its local homeless housing plan 13 14 pursuant to chapter 484, Laws of 2005. For each city in the county that elects as authorized in RCW 43.185C.080 to operate its own local 15 16 homeless housing program, a percentage of the surcharge assessed 17 under this subsection equal to the percentage of the city's local 18 portion of the real estate excise tax collected by the county shall 19 be transmitted at least quarterly to the city treasurer, without any deduction for county administrative costs, for use by the city for 20 21 program costs which directly contribute to the goals of the city's 22 local homeless housing plan; of the funds received by the city, it may use up to 10 percent for administrative costs for its homeless 23 24 housing program;

25 (c) At least 15 percent will be retained and used by the county 26 for eligible housing activities, as described in this subsection, that serve extremely low and very low-income households in the county 27 and the cities within a county according to an interlocal agreement 28 29 between the county and the cities within the county consistent with countywide and local housing needs and policies. A priority must be 30 31 given to eligible housing activities that serve extremely low-income 32 households with incomes at or below 30 percent of the area median 33 income. Eligible housing activities to be funded are limited to:

(i) Acquisition, construction, or rehabilitation of housing projects or units within housing projects that are affordable to very low-income households with incomes at or below 50 percent of the area median income, including units for homeownership, rental units, seasonal and permanent farmworker housing units, units reserved for victims of human trafficking and their families, and single room occupancy units;

1 (ii) Supporting building operation and maintenance costs of 2 housing projects or units within housing projects eligible to receive 3 housing trust funds, that are affordable to very low-income 4 households with incomes at or below 50 percent of the area median 5 income, and that require a supplement to rent income to cover ongoing 6 operating expenses;

(iii) Rental assistance vouchers for housing units that are 7 affordable to very low-income households with incomes at or below 50 8 percent of the area median income, including rental housing vouchers 9 10 for victims of human trafficking and their families, to be administered by a local public housing authority or other local 11 12 organization that has an existing rental assistance voucher program, consistent with or similar to the United States department of housing 13 and urban development's section 8 rental assistance voucher program 14 15 standards; and

16 (iv) Operating costs for emergency shelters and licensed 17 overnight youth shelters.

(4) The department of commerce shall use the funds from the 18 document recording fee or other fund sources deposited in the home 19 security fund account as follows, except that the department of 20 21 commerce shall provide counties with the right of first refusal to receive grant funds distributed under (b) of this subsection (4). If 22 23 a county refuses the funds or does not respond within a time frame established by the department, the department shall make good faith 24 25 efforts to identify one or more suitable alternative grantees operating within that county. The alternative grantee 26 shall distribute the funds in a manner that is in compliance with this 27 28 chapter. Funding provided through the office of homeless youth prevention and protection programs created in RCW 43.330.705 is 29 exempt from the county first refusal requirement. 30

31 (a) Up to 10 percent for administration of the programs 32 established in chapter 43.185C RCW and in conformance with this 33 subsection (4), including the costs of creating and implementing 34 strategic plans, collecting and evaluating data, measuring and 35 reporting performance, providing technical assistance to local 36 governments, providing training to entities delivering services, and 37 developing and maintaining stakeholder relationships;

38 (b) At least 90 percent for homelessness assistance grant 39 programs administered by the department, including but not limited 40 to: Temporary rental assistance; eviction prevention rental

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1 assistance per RCW 43.185C.185; emergency shelter and transitional housing operations and maintenance; outreach; diversion; HOPE and 2 3 crisis residential centers; young adult housing; homeless services and case management for adult, family, youth, and young adult 4 homeless populations and those at risk of homelessness; project-based 5 6 vouchers for nonprofit housing providers or public housing authorities; tenant-based rent assistance; housing services; rapid 7 rehousing; emergency housing; acquisition; operations; maintenance; 8 and service costs for permanent supportive housing as defined in RCW 9 36.70A.030 for individuals with disabilities. Grantees may also use 10 11 these funds in partnership with permanent supportive housing programs 12 administered by the office of apple health and homes created in RCW 43.330.181. Priority for use must be given to purposes intended to 13 house persons who are chronically homeless or to maintain housing for 14 individuals with disabilities and prior experiences of homelessness, 15 16 including families with children.

17 (5) The department of commerce shall use the funds from the 18 document recording fee or other fund sources deposited in the 19 affordable housing for all account as follows:

20 (a) Up to 10 percent for program administration and technical 21 assistance necessary for the delivery programs and activities under 22 this subsection (5);

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(b) At least 90 percent for the following:

(i) Grants for building operation and maintenance costs of housing projects, or units within housing projects, that are in the state's housing trust fund portfolio, are affordable to extremely low-income households with incomes at or below 30 percent of the area median income, and require a supplement to rent income to cover ongoing operating expenses;

(ii) Grants to support the building operations, maintenance, and 30 31 supportive service costs for permanent supportive housing projects, 32 or units within housing projects, that have received or will receive 33 funding from the housing trust fund or other public capital funding programs. The supported projects or units must be dedicated as 34 permanent supportive housing as defined in RCW 36.70A.030, be 35 occupied by extremely low-income households with incomes at or below 36 30 percent of the area median income, and require a supplement to 37 rent income to cover ongoing property operations, maintenance, and 38 39 supportive services expenses.

1 (6) The department of commerce shall use the funds from the 2 document recording fee or other fund sources deposited in the 3 landlord mitigation program account to administer the landlord 4 mitigation program as established in RCW 43.31.605. The department of 5 commerce may use up to 10 percent of these funds for program 6 administration and the development and maintenance of a database 7 necessary to administer the program.

8 <u>NEW SECTION.</u> Sec. 4. A new section is added to chapter 43.31 9 RCW to read as follows:

10 (1) The tenant assistance program account is created in the state 11 treasury. Moneys in the account may only be spent after 12 appropriation. Expenditures from the account may only be used to 13 provide grants to public housing authorities for the purpose of 14 providing tenant assistance payments for eligible renters under 15 section 2 of this act.

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(2) This section expires December 31, 2032.

17 <u>NEW SECTION.</u> Sec. 5. A new section is added to chapter 44.28 18 RCW to read as follows:

19 The joint committee must review the efficacy of the tenant 20 assistance program established by this act and its impacts on housing 21 stability for those served by the program and report its findings to 22 the appropriate committees of the legislature by December 1, 2031. 23 The review must include a recommendation on whether this program 24 should be continued without change or should be amended or repealed.

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