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HOUSE BILL 2161

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State of Washington                      52nd Legislature                      1991 Regular Session

By Representatives Franklin, Ebersole, Winsley, Ogden, Mitchell, Nelson, Leonard, Braddock, Ballard, Orr, Jones, Cole, Rasmussen and Anderson.

Read first time March 4, 1991. Referred to Committee on Housing.

1            AN ACT Relating to the public housing trust fund; and amending RCW  
2 43.185.010, 43.185.050, and 43.185.070.

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

4            **Sec. 1.** RCW 43.185.010 and 1986 c 298 s 1 are each amended to read  
5 as follows:

6            The legislature finds that current economic conditions, federal  
7 housing policies and declining resources at the federal, state, and  
8 local level adversely affect the ability of low and very low-income  
9 persons to obtain safe, decent, and affordable housing.

10           The legislature further finds that members of over one hundred  
11 twenty thousand households live in housing units which are overcrowded,  
12 lack plumbing, are otherwise threatening to health and safety, and have  
13 rents and utility payments which exceed thirty percent of their income.

1 The legislature further finds that minorities, rural households,  
2 and migrant farm workers require housing assistance at a rate which  
3 significantly exceeds their proportion of the general population.

4 The legislature further finds that one of the most dramatic housing  
5 needs is that of persons needing special housing-related services, such  
6 as the mentally ill, recovering alcoholics, frail elderly persons,  
7 families with members who have disabilities, and single parents. These  
8 services include medical assistance, counseling, chore services, and  
9 child care.

10 The legislature further finds that housing assistance programs in  
11 the past have often failed to help those in greatest need.

12 The legislature declares that it is in the public interest to  
13 establish a continuously renewable resource known as a housing trust  
14 fund to assist low and very low-income citizens in meeting their basic  
15 housing needs, and that the needs of very low-income citizens should be  
16 given priority.

17 **Sec. 2.** RCW 43.185.050 and 1986 c 298 s 6 are each amended to read  
18 as follows:

19 (1) The department shall use funds from the housing trust fund to  
20 finance in whole or in part any loans or grant projects that will  
21 provide housing for persons and families with special housing needs and  
22 with incomes at or below fifty percent of the median family income for  
23 the county or standard metropolitan statistical area where the project  
24 is located. Not less than thirty percent of such funds used in any  
25 given biennium shall be for the benefit of projects located in rural  
26 areas as defined in 63 Stat. 432, 42 U.S.C. Sec. 1471 et seq.

27 (2) Activities eligible for assistance include, but are not limited  
28 to:

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

3 (b) Rent subsidies in new construction or rehabilitated multifamily  
4 units;

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

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

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

14 (f) Shelters and related services for the homeless;

15 (g) Mortgage subsidies for new construction or rehabilitation of  
16 eligible multifamily units;

17 (h) Mortgage insurance guarantee or payments for eligible projects;  
18 ((and))

19 (i) Acquisition of housing units for the purpose of preservation as  
20 low-income or very low-income housing; and

21 (j) Making housing more accessible to families with members who  
22 have disabilities.

23 **Sec. 3.** RCW 43.185.070 and 1988 c 286 s 1 are each amended to read  
24 as follows:

25 (1) During each calendar year in which funds are available for use  
26 by the department from the housing trust fund, as prescribed in RCW  
27 43.185.030, the department shall announce to all known interested  
28 parties, and through major media throughout the state, a grant and loan  
29 application period of at least ninety days' duration. This

1 announcement shall be made as often as the director deems appropriate  
2 for proper utilization of resources, but at least twice annually. The  
3 department shall then promptly grant as many applications as will  
4 utilize available funds less appropriate administrative costs of the  
5 department, not to exceed thirty-seven thousand five hundred dollars in  
6 the fiscal year ending June 30, 1988, and seventy-five thousand dollars  
7 in the fiscal year ending June 30, 1989, and not to exceed five percent  
8 of annual revenues to the fund thereafter.

9 (2) The department shall give first priority to applications for  
10 projects and activities which utilize existing privately owned housing  
11 stock including privately owned housing stock purchased by nonprofit  
12 public development authorities. Such projects and activities shall be  
13 evaluated under subsection (3) of this section. Second priority shall  
14 be given to activities and projects which utilize existing publicly  
15 owned housing stock. Such projects and activities shall be evaluated  
16 under subsection (3) of this section.

17 (3) The department shall give preference for applications based on  
18 the following criteria:

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

20 (b) Recipient contributions to total project costs, including  
21 allied contributions from other sources such as professional, craft and  
22 trade services, and lender interest rate subsidies;

23 (c) Local government project contributions in the form of  
24 infrastructure improvements, and others;

25 (d) Projects that encourage ownership, management, and other  
26 project-related responsibility opportunities;

27 (e) Projects that demonstrate a strong probability of serving the  
28 original target group or income level for a period of at least fifteen  
29 years;

1 (f) The applicant has the demonstrated ability, stability and  
2 resources to implement the project;

3 (g) Projects which demonstrate serving the greatest need; ((and))

4 (h) Projects that provide housing for persons and families with the  
5 lowest incomes; and

6 (i) Projects that make housing more accessible to families with  
7 members who have disabilities.