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ENGROSSED SECOND SUBSTITUTE HOUSE BILL 2418

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State of Washington

59th Legislature

2006 Regular Session

By House Committee on Capital Budget (originally sponsored by Representatives Springer, Miloscia, Chase, Morrell, Hasegawa, Darneille, Santos, P. Sullivan, Kagi, Green, Sells, Ormsby and O'Brien)

READ FIRST TIME 02/08/06.

1 AN ACT Relating to affordable housing; amending RCW 82.45.060,  
2 43.185C.010, and 43.63A.655; adding new sections to chapter 43.185 RCW;  
3 adding new sections to chapter 43.185A RCW; adding a new section to  
4 2005 c 488 (uncodified); adding new sections to chapter 43.185C RCW;  
5 creating new sections; recodifying RCW 43.63A.655; making  
6 appropriations; and providing expiration dates.

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

8 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.185 RCW  
9 to read as follows:

10 The legislature finds that Washington is experiencing an affordable  
11 housing crisis and that this crisis is growing exponentially every year  
12 as the population of the state expands and housing values increase at  
13 a rate that far exceeds most households' proportionate increase in  
14 income. The legislature further finds that while the rapid increase in  
15 housing values has exacerbated the affordable housing crisis, the  
16 phenomena has also dramatically benefited the state's general fund, the  
17 growth of which is directly attributable to increased proceeds from the  
18 real estate excise tax.

1 The fiscal and societal costs of the lack of adequate affordable  
2 housing are high for both the public and private sectors. However, the  
3 legislature finds that while real estate generates large amounts of  
4 revenue, current levels of funding for affordable housing programs are  
5 inadequate to meet the housing needs of many low-income Washington  
6 households.

7 Therefore, the legislature declares that a portion of the increased  
8 revenue generated from the real estate excise tax must be used to  
9 support affordable housing programs that assist low-income households  
10 obtain and retain housing.

11 **Sec. 2.** RCW 82.45.060 and 2005 c 450 s 1 are each amended to read  
12 as follows:

13 (1) There is imposed an excise tax upon each sale of real property  
14 at the rate of one and twenty-eight one-hundredths percent of the  
15 selling price. An amount equal to six and one-tenth percent of the  
16 proceeds of this tax to the state treasurer shall be deposited in the  
17 public works assistance account created in RCW 43.155.050. An amount  
18 equal to one and six-tenths percent of the proceeds of this tax to the  
19 state treasurer shall be deposited in the city-county assistance  
20 account created in RCW 43.08.290.

21 (2) Of amounts deposited into the general fund pursuant to  
22 subsection (1) of this section, the legislature may authorize a  
23 transfer of up to twenty-five million dollars for the fiscal year  
24 ending June 30, 2006, into the Washington housing trust fund created in  
25 RCW 43.185.030.

26 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.185 RCW  
27 to read as follows:

28 The application process and distribution procedure for the  
29 allocation of funds are the same as the competitive application process  
30 and distribution procedure for the housing trust fund, described in  
31 this chapter and chapter 43.185A RCW, except for the funds applied to  
32 the homeless families services fund created in RCW 43.330.167, dollars  
33 appropriated to weatherization administered through the energy  
34 matchmaker program, dollars appropriated for housing vouchers for  
35 homeless persons, victims of domestic violence, and low-income persons

1 or seasonal farm workers, and dollars appropriated to any program to  
2 provide financial assistance for grower-provided on-farm housing for  
3 low-income migrant or seasonal farm workers.

4 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.185A  
5 RCW to read as follows:

6 The application process and distribution procedure for the  
7 allocation of funds are the same as the competitive application process  
8 and distribution procedure described in section 3 of this act.

9 NEW SECTION. **Sec. 5.** A new section is added to 2005 c 488  
10 (uncodified) to read as follows:

11 **FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT**

12 Housing Assistance, Weatherization, and Affordable Housing--Home  
13 Security Fund (06-4-851)

14 The appropriations in this section are subject to the following  
15 conditions and limitations:

16 (1) \$8,100,000 of the appropriation from the Washington housing  
17 trust account is provided solely for the backlog, as defined by the  
18 department, of projects determined by the department to be eligible  
19 under chapter 43.185 or 43.185A RCW.

20 (2) \$1,500,000 of the appropriation from the Washington housing  
21 trust account is provided solely for short-term, long-term, or  
22 emergency housing vouchers for homeless persons, victims of domestic  
23 violence, low-income persons, or seasonal farm workers. The department  
24 shall establish guidelines for housing voucher programs.

25 (a) Housing vouchers for low-income persons or seasonal farm  
26 workers are specifically to be used for: (i) Privately owned and  
27 operated rental units, including single-family homes; or (ii) on-farm  
28 housing units. Housing and rental units for which farm worker housing  
29 vouchers may be used must meet temporary worker housing standards, when  
30 applicable. Housing voucher programs shall be administered by local  
31 public housing authorities or other local organizations.

32 (b) Housing vouchers for homeless persons and victims of domestic  
33 violence shall be administered by local public housing authorities,  
34 other local organizations with existing housing voucher programs,  
35 homeless shelters, or domestic violence shelters.

1 Any of this appropriation that is unspent on June 30, 2007, shall  
2 be added to the amount appropriated for the backlog identified in  
3 subsection (1) of this section.

4 (3) \$4,500,000 of the appropriation from the Washington housing  
5 trust account is provided solely for weatherization administered  
6 through the energy matchmakers program.

7 (4) \$1,250,000 of the appropriation from the Washington housing  
8 trust account is provided solely to promote development of safe and  
9 affordable housing units for persons eligible for services from the  
10 division of developmental disabilities within the department of social  
11 and health services.

12 (5) \$500,000 of the appropriation from the Washington housing trust  
13 account is provided solely for shelters, transitional housing, or other  
14 housing facilities for victims of domestic violence.

15 (6) \$4,000,000 of the appropriation from the Washington housing  
16 trust account is provided solely for farm worker housing projects and  
17 programs to meet the full spectrum of housing needs of Washington's  
18 farm workers and their families. The department shall work with  
19 stakeholders representing a diversity of farm worker housing interests  
20 to develop a strategic plan in implementing this provision.

21 (7) \$1,000,000 of the appropriation from the Washington housing  
22 trust account is provided solely for mobile home preservation.

23 (8) \$4,000,000 of the appropriation from the homeless families  
24 services fund is provided solely for the purposes of RCW 43.330.167,  
25 but limited to residents living in housing subject to a regulatory  
26 agreement related to rent and/or income restrictions.

27 (9) \$150,000 of the appropriation from the Washington housing trust  
28 account is provided solely for a program to assist individuals and  
29 communities in the home-buying process, including, but not limited to:  
30 Homebuyer education classes, credit and budget counseling, financial  
31 literacy training, and down payment assistance programs. The  
32 department shall contract with a nonprofit organization as defined  
33 under section 501(c)(3) of the internal revenue code or similar  
34 successor provision that has experience and expertise in addressing  
35 language access barriers in the home-buying process to implement this  
36 program.

37 (10) Appropriations in this section shall be included in the  
38 calculation of annual funds available for determining the

1 administrative costs of the department, which shall not exceed five  
2 percent of the annual funds available for the housing assistance  
3 program and the affordable housing program as authorized under RCW  
4 43.185.050 and 43.185A.030.

5 Appropriation:

6	Washington Housing Trust Account--State . . . . .	\$21,000,000
7	Homeless Families Services Account--State . . . . .	\$4,000,000
8	Subtotal Appropriation . . . . .	\$25,000,000
9	Prior Biennia (Expenditures) . . . . .	\$0
10	Future Biennia (Projected Costs) . . . . .	\$75,000,000
11	TOTAL . . . . .	\$100,000,000

12 NEW SECTION. **Sec. 6.** A new section is added to chapter 43.185 RCW  
13 to read as follows:

14 The department must report annually by December 31st the  
15 accomplishments of this act to the appropriate committees of the  
16 legislature. The report must include statewide information as well as  
17 information that is county and city specific. Performance measures  
18 must be determined by the department, with required input from the  
19 appropriate committees of the legislature, by December 31, 2006.

20 **Sec. 7.** RCW 43.185C.010 and 2005 c 484 s 3 are each amended to  
21 read as follows:

22 The definitions in this section apply throughout this chapter  
23 unless the context clearly requires otherwise.

24 (1) "Department" means the department of community, trade, and  
25 economic development.

26 (2) "Director" means the director of the department of community,  
27 trade, and economic development.

28 (3) "Homeless person" means an individual living outside or in a  
29 building not meant for human habitation or which they have no legal  
30 right to occupy, in an emergency shelter, or in a temporary housing  
31 program which may include a transitional and supportive housing program  
32 if habitation time limits exist. This definition includes substance  
33 abusers, mentally ill people, and sex offenders who are homeless.

34 (4) "Washington homeless census" means an annual statewide census  
35 conducted as a collaborative effort by towns, cities, counties,

1 community-based organizations, and state agencies, with the technical  
2 support and coordination of the department, to count and collect data  
3 on all homeless individuals in Washington.

4 (5) "Homeless housing account" means the state treasury account  
5 receiving the state's portion of income from revenue from the sources  
6 established by RCW 36.22.179.

7 (6) "Homeless housing grant program" means the vehicle by which  
8 competitive grants are awarded by the department, utilizing moneys from  
9 the homeless housing account, to local governments for programs  
10 directly related to housing homeless individuals and families,  
11 addressing the root causes of homelessness, preventing homelessness,  
12 collecting data on homeless individuals, and other efforts directly  
13 related to housing homeless persons.

14 (7) "Local government" means a county government in the state of  
15 Washington or a city government, if the legislative authority of the  
16 city affirmatively elects to accept the responsibility for housing  
17 homeless persons within its borders.

18 (8) "Housing continuum" means the progression of individuals along  
19 a housing-focused continuum with homelessness at one end and  
20 homeownership at the other.

21 (9) "Local homeless housing task force" means a voluntary local  
22 committee created to advise a local government on the creation of a  
23 local homeless housing plan and participate in a local homeless housing  
24 program. It must include a representative of the county, a  
25 representative of the largest city located within the county, at least  
26 one homeless or formerly homeless person, such other members as may be  
27 required to maintain eligibility for federal funding related to housing  
28 programs and services and if feasible, a representative of a private  
29 nonprofit organization with experience in low-income housing.

30 (10) "Long-term private or public housing" means subsidized and  
31 unsubsidized rental or owner-occupied housing in which there is no  
32 established time limit for habitation of less than two years.

33 (11) "Interagency council on homelessness" means a committee  
34 appointed by the governor and consisting of, at least, (~~the director~~  
35 ~~of~~) policy level representatives of the following entities: (a) The  
36 department of community, trade, and economic development; (b) the  
37 (~~secretary of the~~) department of corrections; (c) the (~~secretary of~~

1 ~~the~~) department of social and health services; (d) ~~the~~ (~~director of~~  
2 ~~the~~) department of veterans affairs; and (e) ~~the~~ (~~secretary of the~~)  
3 department of health.

4 (12) "Performance measurement" means the process of comparing  
5 specific measures of success against ultimate and interim goals.

6 (13) "Community action agency" means a nonprofit private or public  
7 organization established under the economic opportunity act of 1964.

8 (14) "Housing authority" means any of the public corporations  
9 created by chapter 35.82 RCW.

10 (15) "Homeless housing program" means the program authorized under  
11 this chapter as administered by the department at the state level and  
12 by the local government or its designated subcontractor at the local  
13 level.

14 (16) "Homeless housing plan" means the ten-year plan developed by  
15 the county or other local government to address housing for homeless  
16 persons.

17 (17) "Homeless housing strategic plan" means the ten-year plan  
18 developed by the department, in consultation with the interagency  
19 council on homelessness and the affordable housing advisory board.

20 (18) "Washington homeless client management information system"  
21 means a data base of information about homeless individuals in the  
22 state used to coordinate resources to assist homeless clients to obtain  
23 and retain housing and reach greater levels of self-sufficiency or  
24 economic independence when appropriate, depending upon their individual  
25 situations.

26 NEW SECTION. Sec. 8. A new section is added to chapter 43.185C  
27 RCW to read as follows:

28 (1) The interagency council on homelessness, as defined in RCW  
29 43.185C.010, shall be convened not later than August 31, 2006, and  
30 shall meet at least two times each year and report to the appropriate  
31 committees of the legislature annually by December 31st on its  
32 activities.

33 (2) The interagency council on homelessness shall work to create  
34 greater levels of interagency coordination and to coordinate state  
35 agency efforts with the efforts of state and local entities addressing  
36 homelessness.

37 (3) The interagency council shall seek to:

1 (a) Align homeless-related housing and supportive service policies  
2 among state agencies;

3 (b) Identify ways in which providing housing with appropriate  
4 services can contribute to cost savings for state agencies;

5 (c) Identify policies and actions that may contribute to  
6 homelessness or interfere with its reduction;

7 (d) Review and improve strategies for discharge from state  
8 institutions that contribute to homelessness;

9 (e) Recommend policies to either improve practices or align  
10 resources, or both, including those policies requested by the  
11 affordable housing advisory board or through state and local housing  
12 plans; and

13 (f) Ensure that the housing status of people served by state  
14 programs is collected in consistent formats available for analysis.

15 **Sec. 9.** RCW 43.63A.655 and 1999 c 267 s 4 are each amended to read  
16 as follows:

17 (1) In order to improve services for the homeless, the department,  
18 within amounts appropriated by the legislature for this specific  
19 purpose, shall implement ((a)) the Washington homeless client  
20 management information system for the ongoing collection and ((analysis  
21 of)) updates of information about all homeless individuals in the  
22 state.

23 (2) Information about homeless individuals for the Washington  
24 homeless client management information system shall come from the  
25 Washington homeless census and from state agencies and community  
26 organizations providing services to homeless individuals and families.

27 (3) The Washington homeless client management information system  
28 shall serve as an online information and referral system to enable  
29 local governments and providers to connect homeless persons in the data  
30 base with available housing and other support services. Local  
31 governments shall develop a capacity for continuous case management,  
32 including independent living plans, when appropriate, to assist  
33 homeless persons.

34 (4) The information in the Washington homeless client management  
35 information system will also provide the department with the  
36 information to consolidate and analyze data about the extent and nature

1 of homelessness in Washington state, giving emphasis to information  
2 about the extent and nature of homelessness in Washington state among  
3 families with children.

4 (5) The system may be merged with other data gathering and  
5 reporting systems and shall:

6 (a) Protect the right of privacy of individuals;

7 (b) Provide for consultation and collaboration with all relevant  
8 state agencies including the department of social and health services,  
9 experts, and community organizations involved in the delivery of  
10 services to homeless persons; and

11 (c) Include related information held or gathered by other state  
12 agencies.

13 ~~((+2))~~ (6) Within amounts appropriated by the legislature, for  
14 this specific purpose, the department shall evaluate the information  
15 gathered and disseminate the analysis and the evaluation broadly, using  
16 appropriate computer networks as well as written reports.

17 (7) The Washington homeless client management information system  
18 shall be implemented by December 31, 2009, and updated with new  
19 homeless client information at least annually.

20 NEW SECTION. Sec. 10. (1) The department of community, trade, and  
21 economic development shall conduct a study to evaluate the potential  
22 development of a voluntary statewide, low-income household housing  
23 waiting list data base that would include information on all low-income  
24 households requesting housing assistance for the purpose of connecting  
25 such households with appropriate housing opportunities. The study  
26 shall investigate and evaluate the following:

27 (a) The anticipated benefits of such a statewide waiting list to  
28 low-income households and low-income housing providers;

29 (b) The cost of implementing and maintaining the data base; and

30 (c) Best practices from other states or from counties in other  
31 states that currently have a similar data base.

32 The department shall report the results of this study to the  
33 appropriate committees of the legislature by December 31, 2007.

34 (2) This section expires December 31, 2007.

35 NEW SECTION. Sec. 11. A new section is added to chapter 43.185A  
36 RCW to read as follows:

1 (1) The department shall create or purchase, and implement by  
2 December 31, 2009, a master affordable housing data base that includes  
3 specific information about existing affordable rental housing stock in  
4 the state of Washington. The data base shall be maintained and  
5 continually updated by the department, and the department may  
6 cross-reference and exchange information between this data base and  
7 other existing state housing data bases.

8 (2) The data base shall include information on all rental units  
9 that meet the affordable housing definition and have received or  
10 continue to receive funding from the federal, state, or local  
11 government, or other nonprofit organization or financing through the  
12 Washington housing finance commission. The department shall encourage  
13 private landlords to voluntarily submit information about private  
14 rental units that are affordable for low-income households to be  
15 included in the data base.

16 (3) The data base shall include information about rental units that  
17 shall be determined by the department. However, the data base must  
18 include, at a minimum, measures for quality, cost, safety, and size.

19 (4) Other state agencies, local governments, local public agencies,  
20 including water and sewer districts, housing authorities, and other  
21 housing organizations shall cooperate with the department to create and  
22 update the affordable housing data base by providing to the department  
23 any requested existing information about rental housing units within  
24 the jurisdiction.

25 (5) The data base shall be searchable by the department, local  
26 governments, community housing organizations, including housing  
27 authorities, and the public according to housing characteristics  
28 determined by the department including, at a minimum, location, cost,  
29 and size. The data base will be utilized for data collection about  
30 Washington's affordable rental housing stock and will also serve as a  
31 low-income housing referral system to connect low-income households  
32 seeking housing with appropriate and available units.

33 NEW SECTION. **Sec. 12.** A new section is added to chapter 43.185A  
34 RCW to read as follows:

35 The department, the housing finance commission, the affordable  
36 housing advisory board, and all local governments, housing authorities,  
37 and other nonprofits receiving state housing funds or financing through

1 the housing finance commission shall, by December 31, 2006, and  
2 annually thereafter, review current housing reporting requirements  
3 related to housing programs and services and give recommendations to  
4 streamline and simplify all planning and reporting requirements to the  
5 department of community, trade, and economic development, which will  
6 compile and present the recommendations annually to the legislature.  
7 The entities listed in this section shall also give recommendations for  
8 additional legislative actions that could promote affordable housing  
9 and end homelessness.

10 NEW SECTION. **Sec. 13.** RCW 43.63A.655 is recodified as a section  
11 in chapter 43.185C RCW.

12 NEW SECTION. **Sec. 14.** Sections 1 through 6 of this act expire  
13 July 1, 2010.

14 NEW SECTION. **Sec. 15.** Unless a transfer of at least twenty-five  
15 million dollars from the general fund to the Washington housing trust  
16 fund as created in RCW 43.185.030 for the purposes of this act,  
17 referencing this act by bill or chapter number, is not provided by June  
18 30, 2006, in the omnibus appropriations act, this act is null and void.

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