
HOUSE BILL 2018

State of Washington 61st Legislature 2009 Regular Session

By Representatives Simpson, Miloscia, and Chase

Read first time 02/06/09. Referred to Committee on Local Government & Housing.

1 AN ACT Relating to state funding for low-income housing; amending
2 RCW 43.180.080; reenacting and amending RCW 43.185.070; adding a new
3 section to chapter 43.185 RCW; adding a new section to chapter 36.22
4 RCW; and declaring an emergency.

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

6 **Sec. 1.** RCW 43.185.070 and 2005 c 518 s 1802 and 2005 c 219 s 2
7 are each reenacted and amended to read as follows:

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

1 distribution to housing trust fund projects. In awarding funds under
2 this chapter, the department shall provide for a geographic
3 distribution on a statewide basis.

4 (2) The department shall give first priority to applications for
5 projects and activities which utilize existing privately owned housing
6 stock including privately owned housing stock purchased by nonprofit
7 public development authorities and public housing authorities as
8 created in chapter 35.82 RCW. As used in this subsection, privately
9 owned housing stock includes housing that is acquired by a federal
10 agency through a default on the mortgage by the private owner. Such
11 projects and activities shall be evaluated under subsection (3) of this
12 section. Second priority shall be given to activities and projects
13 which utilize existing publicly owned housing stock. All projects and
14 activities shall be evaluated by some or all of the criteria under
15 subsection (3) of this section, and similar projects and activities
16 shall be evaluated under the same criteria.

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

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

21 (b) The degree of commitment from programs to provide necessary
22 habilitation and support services for projects focusing on special
23 needs populations;

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

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

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

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

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

36 (h) Projects which demonstrate serving the greatest need;

37 (i) Projects that provide housing for persons and families with the
38 lowest incomes;

1 (j) Projects serving special needs populations which are under
2 statutory mandate to develop community housing;

3 (k) Project location and access to employment centers in the region
4 or area;

5 (l) Projects that provide employment and training opportunities for
6 disadvantaged youth under a youthbuild or youthbuild-type program as
7 defined in RCW 50.72.020; (~~and~~)

8 (m) Project location and access to available public transportation
9 services; and

10 (n) A life-cycle cost analysis.

11 (4) The department shall only approve applications for projects for
12 mentally ill persons that are consistent with a regional support
13 network six-year capital and operating plan.

14 NEW SECTION. Sec. 2. A new section is added to chapter 43.185 RCW
15 to read as follows:

16 On or before December 1st of each year, the department shall
17 prepare a report to the legislature and the office of financial
18 management compiling the reports submitted under section 4 of this act.
19 For funds collected under RCW 43.185.050 and allocated to entities
20 other than counties, this report must also include, but is not limited
21 to:

22 (1) A description of the process used to allocate funds;

23 (2) A list of projects receiving funds including, but not limited
24 to, housing vouchers, program services, and housing projects; and

25 (3) The criteria used to allocate funds.

26 Sec. 3. RCW 43.180.080 and 1997 c 163 s 1 are each amended to read
27 as follows:

28 (1) In addition to other powers and duties specified in this
29 chapter, the commission may:

30 (~~(1)~~) (a) Establish in resolutions relating to any issuance of
31 bonds, or in any financing documents relating to such issuance, such
32 standards and requirements applicable to the purchase of mortgages and
33 mortgage loans or the making of loans to mortgage lenders as the
34 commission deems necessary or desirable, including but not limited to:

35 (~~(a)~~) (i) The time within which mortgage lenders must make
36 commitments and disbursements for mortgages or mortgage loans;

1 ~~((b))~~ (ii) The location and other characteristics of single-
2 family housing or multifamily housing to be financed by mortgages and
3 mortgage loans;

4 ~~((e))~~ (iii) The terms and conditions of mortgages and mortgage
5 loans to be acquired;

6 ~~((d))~~ (iv) The amounts and types of insurance coverage required
7 on mortgages, mortgage loans, and bonds;

8 ~~((e))~~ (v) The representations and warranties of mortgage lenders
9 confirming compliance with such standards and requirements;

10 ~~((f))~~ (vi) Restrictions as to interest rate and other terms of
11 mortgages or mortgage loans or the return realized therefrom by
12 mortgage lenders;

13 ~~((g))~~ (vii) The type and amount of collateral security to be
14 provided to assure repayment of any loans from the commission and to
15 assure repayment of bonds; and

16 ~~((h))~~ (viii) Any other matters related to the purchase of
17 mortgages or mortgage loans or the making of loans to lending
18 institutions as shall be deemed relevant by the commission;

19 ~~((2))~~ (b) Sue and be sued in its own name;

20 ~~((3))~~ (c) Make and execute contracts and all other instruments
21 necessary or convenient for the exercise of its purposes or powers,
22 including but not limited to contracts or agreements for the
23 origination, servicing, and administration of mortgages or mortgage
24 loans, and the borrowing of money;

25 ~~((4))~~ (d) Procure such insurance, including but not limited to
26 insurance:

27 ~~((a))~~ (i) Against any loss in connection with its property and
28 other assets, including but not limited to mortgages or mortgage loans,
29 in such amounts and from such insurers as the commission deems
30 desirable~~((7))~~; and

31 ~~((b))~~ (ii) To indemnify members of the commission for acts done
32 in the course of their duties;

33 ~~((5))~~ (e) Provide for the investment of any funds, including
34 funds held in reserve, not required for immediate disbursement, and
35 provide for the selection of investments;

36 ~~((6))~~ (f) Fix, revise, and collect fees and charges in connection
37 with the investigation and financing of housing or in connection with

1 assignments, contracts, purchases of mortgages or mortgage loans, or
2 any other actions permitted under this chapter or by the commission;
3 and receive grants and contributions;

4 ~~((+7))~~ (g) Make such expenditures as are appropriate for paying
5 the administrative costs of the commission and for carrying out the
6 provisions of this chapter. These expenditures may be made only from
7 funds consisting of the commission's receipts from fees and charges,
8 grants and contributions, the proceeds of bonds issued by the
9 commission, and other revenues; these expenditures shall not be made
10 from funds of the state of Washington;

11 ~~((+8))~~ (h) Establish such special funds, and controls on deposits
12 to and disbursements from them, as it finds convenient for the
13 implementation of this chapter;

14 ~~((+9))~~ (i) Conduct such investigations and feasibility studies as
15 it deems appropriate;

16 ~~((+10))~~ (j) Proceed with foreclosure actions or accept deeds in
17 lieu of foreclosure together with the assignments of leases and rentals
18 incidental thereto. Any properties acquired by the commission through
19 such actions shall be sold as soon as practicable through persons
20 licensed under chapter 18.85 RCW or at public auction, or by transfer
21 to a public agency. In preparation for the disposition of the
22 properties, the commission may own, lease, clear, construct,
23 reconstruct, rehabilitate, repair, maintain, manage, operate, assign,
24 or encumber the properties;

25 ~~((+11))~~ (k) Take assignments of leases and rentals;

26 ~~((+12))~~ (l) Subject to any provisions of the commission's
27 contracts with the holders of obligations of the commission, consent to
28 any modification with respect to rate of interest, time, and payment of
29 any installment of principal or interest or any other term of any
30 contract, mortgage, mortgage loan, mortgage loan commitment, contract,
31 or agreement of any kind;

32 ~~((+13))~~ (m) Subject to provisions of the commission's contracts
33 with the holders of bonds, permit the reduction of rental or carrying
34 charges to persons unable to pay the regular rent or schedule of
35 charges if, by reason of other income of the commission or by reason of
36 payment by any department, agency, or instrumentality of the United
37 States or of this state, the reduction can be made without jeopardizing
38 the economic stability of the housing being financed;

1 (~~(14)~~) (n) Sell, at public or private sale, with or without
2 public bidding, any mortgage, mortgage loan, or other instrument or
3 asset held by the commission;

4 (~~(15)~~) (o) Employ, contract with, or engage engineers,
5 architects, attorneys, financial advisors, bond underwriters, mortgage
6 lenders, mortgage administrators, housing construction or financing
7 experts, other technical or professional assistants, and such other
8 personnel as are necessary. The commission may delegate to the
9 appropriate persons the power to execute legal instruments on its
10 behalf;

11 (~~(16)~~) (p) Receive contributions or grants from any source unless
12 otherwise prohibited;

13 (~~(17)~~) (q) Impose covenants running with the land in order to
14 satisfy and enforce the requirements of applicable state and federal
15 law and commission policy with respect to housing or other facilities
16 financed by the commission or assisted by federal, state, or local
17 programs administered by the commission, by executing and recording
18 regulatory agreements or other covenants between the commission and the
19 person or entity to be bound. These regulatory agreements and
20 covenants shall run with the land and be enforceable by the commission
21 or its successors or assigns against the person or entity making the
22 regulatory agreement or covenants or its successors or assigns, even
23 though there may be no privity of estate or privity of contract between
24 the commission or its successors or assigns and the person or entity
25 against whom enforcement is sought. The term of any such covenant
26 shall be set forth in the recorded agreement containing the covenant.
27 This subsection shall apply to regulatory agreements and covenants
28 previously entered into by the commission as well as regulatory
29 agreements and covenants entered into by the commission on or after
30 July 27, 1997;

31 (~~(18)~~) (r) Delegate any of its powers and duties if consistent
32 with the purposes of this chapter; or

33 (~~(19)~~) (s) Exercise any other power reasonably required to
34 implement the purposes of this chapter.

35 (2) The commission shall include a life-cycle cost analysis in its
36 process for evaluating proposals for awarding funding.

1 NEW SECTION. **Sec. 4.** A new section is added to chapter 36.22 RCW
2 to read as follows:

3 The auditor shall distribute and report on funds collected under
4 RCW 36.22.178, 36.22.179, and 36.22.1791 in the following manner:

5 (1) Beginning July 1, 2009, the county auditor shall include a
6 life-cycle cost analysis in the process for evaluating proposals for
7 awarding funds.

8 (2) On or before September 30th of each year, the county auditor
9 shall submit a report describing the distribution of all unreported
10 funds collected in previous fiscal years, beginning July 1, 2002, to
11 the department of community, trade, and economic development. The
12 report must include, but is not limited to:

- 13 (a) A description of the process used to allocate funds;
14 (b) The criteria used to allocate funds;
15 (c) A list of projects receiving funds including, but not limited
16 to, housing vouchers, program services, and housing projects; and
17 (d) The amount awarded to each project.

18 NEW SECTION. **Sec. 5.** This act is necessary for the immediate
19 preservation of the public peace, health, or safety, or support of the
20 state government and its existing public institutions, and takes effect
21 immediately.

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