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SENATE BILL 6817

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State of Washington                      61st Legislature                      2010 Regular Session

By Senators McDermott, Kline, Kohl-Welles, and Fairley

Read first time 02/01/10.      Referred to Committee on Financial Institutions, Housing & Insurance.

1            AN ACT Relating to a new surcharge on certain recorded documents  
2 for affordable housing purposes; amending RCW 43.185B.040; adding a new  
3 section to chapter 36.22 RCW; adding a new chapter to Title 43 RCW; and  
4 making an appropriation.

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

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

8            The county auditor shall charge a surcharge of sixty-two dollars  
9 for each document recorded, which is in addition to any other charge  
10 allowed by law. The surcharge in this section applies only to  
11 assignments or substitutions of previously recorded deeds of trust.  
12 The funds collected under this section must be transmitted monthly to  
13 the state treasurer who shall deposit the funds in the Washington  
14 housing trust fund account created in RCW 43.185.030. The department  
15 of commerce must use these funds solely for the bond retirement and  
16 interest requirements of the bonds authorized in section 2 of this act.

17            NEW SECTION.    **Sec. 2.** For the purpose of providing funds for the  
18 housing trust fund program at the department of commerce, the state

1 finance committee is authorized to issue general obligation bonds of  
2 the state of Washington in the sum of one hundred million three hundred  
3 forty thousand dollars, or as much thereof as may be required, to  
4 finance the projects and all costs incidental thereto. Bonds  
5 authorized in this section may be sold at such price as the state  
6 finance committee shall determine. No bonds authorized in this section  
7 may be offered for sale without prior legislative appropriation of the  
8 net proceeds of the sale of the bonds.

9 NEW SECTION. **Sec. 3.** The proceeds from the sale of the bonds  
10 authorized in section 2 of this act must be deposited in the Washington  
11 housing bond account created in the state treasury. If the state  
12 finance committee deems it necessary to issue the bonds authorized in  
13 section 2 of this act as taxable bonds in order to comply with federal  
14 internal revenue service rules and regulations pertaining to the use of  
15 nontaxable bond proceeds, the proceeds of such taxable bonds shall be  
16 transferred to the state taxable building construction account in lieu  
17 of any deposit otherwise provided by this section. The state treasurer  
18 shall submit written notice to the director of financial management if  
19 it is determined that any such transfer to the state taxable building  
20 construction account is necessary. Moneys in the account may be spent  
21 only after appropriation. The proceeds shall be used exclusively for  
22 the purposes specified in section 2 of this act and for the payment of  
23 expenses incurred in the issuance and sale of the bonds. These  
24 proceeds must be administered by the office of financial management,  
25 subject to legislative appropriation.

26 NEW SECTION. **Sec. 4.** The debt-limit general fund bond retirement  
27 account must be used for the payment of the principal of and interest  
28 on the bonds authorized in section 2 of this act.

29 The state finance committee shall, on or before June 30th of each  
30 year, certify to the state treasurer the amount needed in the ensuing  
31 twelve months to meet the bond retirement and interest requirements.  
32 On or before the date on which any interest or principal and interest  
33 payment is due, the state treasurer shall transfer from the Washington  
34 housing trust account for deposit in the debt-limit general fund bond  
35 retirement account the following:

1 (1) An amount equal to the amount certified by the state finance  
2 committee to be due on the payment date; and

3 (2) Any additional revenue generated in section 1 of this act in  
4 excess of the amount required to meet annual bond retirement and  
5 interest requirements and reasonable reserve requirements. Such excess  
6 revenue must be used for early retirement of the bonds authorized in  
7 section 2 of this act.

8 Bonds issued under section 2 of this act must state that they are  
9 a general obligation of the state of Washington, must pledge the full  
10 faith and credit of the state to the payment of the principal thereof  
11 and the interest thereon, and must contain an unconditional promise to  
12 pay the principal and interest as the same shall become due.

13 The owner and holder of each of the bonds or the trustee for the  
14 owner and holder of any of the bonds may by mandamus or other  
15 appropriate proceeding require the transfer and payment of funds as  
16 directed in this section.

17 NEW SECTION. **Sec. 5.** The legislature may provide additional means  
18 for raising moneys for the payment of the principal of and interest on  
19 the bonds authorized in section 2 of this act, and section 4 of this  
20 act is not deemed to provide an exclusive method for the payment.

21 NEW SECTION. **Sec. 6.** The bonds authorized in section 2 of this  
22 act shall be a legal investment for all state funds or funds under  
23 state control and for all funds of any other public body.

24 NEW SECTION. **Sec. 7.** The sum of one hundred million dollars, or  
25 as much thereof as may be necessary, is appropriated for the biennium  
26 ending June 30, 2011, from the Washington housing bond account to the  
27 department of commerce for the purposes of this act.

28 (1) Up to ten million dollars of the appropriation is for the  
29 workforce housing program established in chapter . . . ., Laws of 2010  
30 (HB 2753).

31 (2) Up to seven hundred fifty thousand dollars of the appropriation  
32 is for the department of commerce to develop a long-term state  
33 affordable housing strategy, based on the ten-year plan to end  
34 homelessness and the state affordable housing for all plan outlined in  
35 section 8 of this act.

1       **Sec. 8.** RCW 43.185B.040 and 1993 c 478 s 12 are each amended to  
2 read as follows:

3       (1) The department shall, in consultation with the affordable  
4 housing advisory board created in RCW 43.185B.020, prepare and from  
5 time to time amend a ~~((five-year))~~ state affordable housing  
6 ~~((advisory))~~ for all plan. The state plan must incorporate strategies,  
7 objectives, goals, and performance measures, including those required  
8 for the state homeless housing strategic plan required under RCW  
9 43.185C.040. The state affordable housing for all plan may be combined  
10 with the state homeless housing strategic plan required under RCW  
11 43.185C.040 or any other existing state housing plan as long as the  
12 requirements of all of the plans to be merged are met.

13       (2) The purpose of the state affordable housing for all plan is to:

14       (a) Document the need for affordable housing in the state and the  
15 extent to which that need is being met through public and private  
16 sector programs~~((, to))~~;

17       (b) Outline the development of sound strategies and programs to  
18 promote affordable housing;

19       (c) Establish, evaluate, and report upon interim goals and  
20 timelines that are determined by the department and by which the state  
21 and counties may be measured;

22       (d) Evaluate and report upon all counties' use of the affordable  
23 housing for all program surcharge funds provided for in RCW 36.22.178  
24 and all other sources directed to the counties' affordable housing for  
25 all programs;

26       (e) Report upon how housing trust fund awards within the previous  
27 five-year period are consistent with the state plan and have  
28 contributed to the goal of the affordable housing for all program; and

29       (f) Facilitate state and county government planning to meet the  
30 state affordable housing ~~((needs of the state, and to enable the~~  
31 ~~development of sound strategies and programs for affordable housing))~~  
32 for all goal.

33       (3) The information in the ~~((five-year))~~ state affordable housing  
34 ~~((advisory))~~ for all plan must include:

35       (a) An assessment of the state's housing market trends;

36       (b) An assessment of the housing needs for ~~((all))~~ economic  
37 segments of the state by low-income, very low-income, and extremely  
38 low-income households and special needs populations, including a report

1 on the number and percentage of additional affordable rental housing  
2 units that are needed statewide and in each county to house low-income,  
3 very low-income, and extremely low-income households;

4 (c) An inventory of the supply and geographic distribution of  
5 affordable housing rental units made available through public and  
6 private sector programs;

7 (d) A summary of the activities of all state housing programs, as  
8 well as all housing programs operated by or coordinated by city and  
9 county governments, including local housing-related levy initiatives,  
10 housing-related tax exemption programs, and federally funded programs  
11 operated or coordinated by the state or local governments;

12 (e) A status report on the degree of progress made by the public  
13 and private sector toward meeting the housing needs of the state,  
14 including each county or city required by the United States department  
15 of housing and urban development to produce a consolidated plan, and  
16 any other city or county where information is readily available;

17 ((+e)) (f) An identification of state and local regulatory  
18 barriers to affordable housing and proposed regulatory and  
19 administrative techniques designed to remove barriers to the  
20 development and placement of affordable housing;((and

21 (+f)) (g) An analysis, statewide and within each county and major  
22 city, of the primary contributors to the cost of housing and an outline  
23 of potential strategies to keep the increasing cost of housing below  
24 the relative rise in wages;

25 (h) Specific recommendations, policies, or proposals for meeting  
26 the affordable housing needs of the state;

27 (i) A report on the growth in the population of low-income, very  
28 low-income, and extremely low-income households statewide and for each  
29 county;

30 (j) A determination of the cost to the state of the affordable  
31 housing shortage;

32 (k) A report of any differences in the rates of inflation between  
33 median house prices, median rent for a two-bedroom apartment, and  
34 median family income for low-income, very low-income, and extremely  
35 low-income households; and

36 (l) A summary of the recommendations of the affordable housing  
37 advisory board report as required in RCW 43.185B.030.

1        ~~((2)(a))~~ (4) The ~~((five-year))~~ state affordable housing  
2 ~~((advisory))~~ for all plan required under ~~((subsection (1) of))~~ this  
3 section must be submitted to appropriate committees of the legislature  
4 on or before ~~((February 1, 1994))~~ December 31, 2010, and subsequent  
5 updated plans must be submitted by December 31st every five years  
6 thereafter.

7        ~~((b) Each February 1st, beginning February 1, 1995, the department  
8 shall submit an annual progress report, to the legislature, detailing  
9 the extent to which the state's affordable housing needs were met  
10 during the preceding year and recommendations for meeting those  
11 needs.))~~

12 (5) Based on changes to the general population and in the  
13 housing market, the department may revise the performance measures and  
14 goals of the state affordable housing for all plan and set goals for  
years following December 31, 2020.

15        NEW SECTION. Sec. 9. Sections 2 through 6 of this act constitute  
16 a new chapter in Title 43 RCW.

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