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**SUBSTITUTE HOUSE BILL 1585**

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**State of Washington**

**53rd Legislature**

**1993 Regular Session**

**By** House Committee on Trade, Economic Development & Housing (originally sponsored by Representatives Ogden, Long, Wolfe, Morris, Conway, Wineberry, Forner, Leonard, Valle, Pruitt and J. Kohl)

Read first time 02/24/93.

1 AN ACT Relating to housing policies and program coordination;  
2 amending RCW 43.185.110 and 43.185A.020; and adding a new chapter to  
3 Title 43 RCW.

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

5 NEW SECTION. **Sec. 1.** (1) The legislature finds that:

6 (a) Housing is of vital state-wide importance to the health,  
7 safety, and welfare of the residents of the state;

8 (b) Safe, affordable housing is an essential factor in stabilizing  
9 communities;

10 (c) Residents must have a choice of housing opportunities within  
11 the community where they choose to live;

12 (d) Housing markets are linked to a healthy economy and can  
13 contribute to the state's economy;

14 (e) Land supply is a major contributor to the cost of housing;

15 (f) Housing must be an integral component of any comprehensive  
16 community and economic development strategy;

17 (g) State and local government must continue working cooperatively  
18 toward the enhancement of increased housing units by reviewing,  
19 updating, and removing conflicting regulatory language;

1 (h) State and local government should work together in developing  
2 creative ways to reduce the shortage of housing;

3 (i) The lack of a coordinated state housing policy inhibits the  
4 effective delivery of housing for some of the state's most vulnerable  
5 citizens and those with limited incomes; and

6 (j) It is in the public interest to adopt a statement of housing  
7 policy objectives.

8 (2) The legislature declares that the purposes of the Washington  
9 housing policy act are to:

10 (a) Provide policy direction to the public and private sectors in  
11 their attempt to meet the shelter needs of Washington residents;

12 (b) Reevaluate housing and housing-related programs and policies in  
13 order to ensure proper coordination of those programs and policies to  
14 meet the housing needs of Washington residents;

15 (c) Improve the delivery of state services and assistance to very  
16 low-income and low-income households and special needs populations;

17 (d) Strengthen partnerships among all levels of government, and the  
18 public and private sectors, including for-profit and nonprofit  
19 organizations, in the production and operation of housing to targeted  
20 populations including low-income and moderate-income households;

21 (e) Increase the supply of housing for persons with special needs;

22 (f) Encourage collaborative planning with social service providers;

23 (g) Encourage financial institutions to increase residential  
24 mortgage lending; and

25 (h) Coordinate housing into comprehensive community and economic  
26 development strategies at the state and local level.

27 NEW SECTION. **Sec. 2.** It is the goal of the state of Washington to  
28 coordinate, encourage, and direct, when necessary, the efforts of the  
29 public and private sectors of the state and to cooperate and  
30 participate, when necessary, in the attainment of a decent home in a  
31 healthy, safe environment for every resident of the state. The  
32 legislature declares that attainment of that goal is a state priority.

33 NEW SECTION. **Sec. 3.** The objectives of the Washington housing  
34 policy act shall be to attain the state's goal of a decent home in a  
35 healthy, safe environment for every resident of the state by  
36 strengthening public and private institutions that are able to:

- 1 (1) Develop an adequate and affordable supply of housing for all
- 2 economic segments of the population;
- 3 (2) Assist very low-income and special needs households who cannot
- 4 obtain affordable, safe, and adequate housing in the private market;
- 5 (3) Encourage and maintain home ownership opportunities;
- 6 (4) Reduce life cycle housing costs while preserving public health
- 7 and safety;
- 8 (5) Preserve the supply of existing affordable housing;
- 9 (6) Provide housing for special needs populations;
- 10 (7) Ensure fair and equal access to the housing market;
- 11 (8) Increase the availability of mortgage credit at low interest
- 12 rates; and
- 13 (9) Coordinate and be consistent with the goals, objectives, and
- 14 required housing element of the comprehensive plan in the state's
- 15 growth management act in RCW 36.70A.070.

16 NEW SECTION. **Sec. 4.** Unless the context clearly requires  
17 otherwise, the definitions in this section apply throughout this  
18 chapter.

19 (1) "Affordable housing" means residential housing that is rented  
20 or owned by a person or household whose monthly housing costs,  
21 including utilities other than telephone, do not exceed thirty percent  
22 of the household's monthly income.

23 (2) "Department" means the department of community development.

24 (3) "Director" means the director of community development.

25 (4) "Nonprofit organization" means any public or private nonprofit  
26 organization that: (a) Is organized under federal, state, or local  
27 laws; (b) has no part of its net earnings inuring to the benefit of any  
28 member, founder, contributor, or individual; and (c) has among its  
29 purposes significant activities related to the provision of decent  
30 housing that is affordable to very low-income, low-income, or moderate-  
31 income households and special needs populations.

32 (5) "Tenant-based organization" means a nonprofit organization  
33 whose governing body includes a majority of members who reside in the  
34 housing development and are considered low-income households.

35 NEW SECTION. **Sec. 5.** (1) The department shall establish the  
36 affordable housing advisory board to consist of twenty-one members.

1 (a) The following eighteen members shall be appointed by the  
2 governor:

3 (i) Two representatives of the residential construction industry;

4 (ii) Two representatives of the home mortgage lending profession;

5 (iii) One representative of the real estate sales profession;

6 (iv) One representative of the apartment management and operation  
7 industry;

8 (v) One representative of the for-profit housing development  
9 industry;

10 (vi) One representative of the nonprofit housing development  
11 industry;

12 (vii) One representative of homeless shelter operators;

13 (viii) One representative of lower-income persons;

14 (ix) One representative of special needs populations;

15 (x) One representative of public housing authorities as created  
16 under chapter 35.82 RCW;

17 (xi) Two representatives of the Washington association of counties,  
18 one representative shall be from a county that is located east of the  
19 crest of the Cascade mountains;

20 (xii) Two representatives of the association of Washington cities,  
21 one representative shall be from a city that is located east of the  
22 crest of the Cascade mountains;

23 (xiii) One representative to serve as chair of the affordable  
24 housing advisory board;

25 (xiv) One representative at large.

26 (b) The following three members shall serve as ex officio,  
27 nonvoting members:

28 (i) The director or the director's designee;

29 (ii) The executive director of the Washington state housing finance  
30 commission or the executive director's designee; and

31 (iii) The secretary of social and health services or the  
32 secretary's designee.

33 (2)(a) The members of the affordable housing advisory board  
34 appointed by the governor shall be appointed for four-year terms,  
35 except that the chair shall be appointed to serve a two-year term. The  
36 terms of five of the initial appointees shall be for two years from the  
37 date of appointment and the terms of six of the initial appointees  
38 shall be for three years from the date of appointment. The governor  
39 shall designate the appointees who will serve the two-year and three-

1 year terms. The members of the advisory board shall serve without  
2 compensation, but shall be reimbursed for travel expenses as provided  
3 in RCW 43.03.050 and 43.03.060.

4 (b) The governor, when making appointments to the affordable  
5 housing advisory board, shall make appointments that reflect the  
6 cultural diversity of the state of Washington.

7 (3) The affordable housing advisory board shall serve as the  
8 department's principal advisory body on housing and housing-related  
9 issues, and replaces the department's existing boards and task forces  
10 on housing and housing-related issues.

11 (4) The affordable housing advisory board shall meet regularly and  
12 may create subcommittees as needed to address specific issues and  
13 concerns.

14 (5) The department, in conjunction with the Washington state  
15 housing finance commission and the department of social and health  
16 services, shall supply such information and assistance as are deemed  
17 necessary for the advisory board to carry out its duties under this  
18 section.

19 (6) The department shall provide administrative and clerical  
20 assistance to the affordable housing advisory board.

21 NEW SECTION. **Sec. 6.** The affordable housing advisory board shall:

22 (1) Analyze those solutions and programs that could begin to  
23 address the state's need for housing that is affordable for all  
24 economic segments of the state, and special needs populations,  
25 including but not limited to programs or proposals which provide for:

26 (a) Financing for the acquisition, rehabilitation, preservation, or  
27 construction of housing;

28 (b) Use of publicly owned land and buildings as sites for  
29 affordable housing;

30 (c) Coordination of state initiatives with federal initiatives and  
31 financing programs that are referenced in the Cranston-Gonzalez  
32 national affordable housing act (42 U.S.C. Sec. 12701 et seq.), as  
33 amended, and development of an approved housing strategy as required in  
34 the Cranston-Gonzalez national affordable housing act (42 U.S.C. Sec.  
35 12701 et seq.), as amended;

36 (d) Streamlining, where appropriate and not detrimental to the  
37 public health, safety, and welfare, of the various state and local  
38 regulations, and building codes governing the housing industry;

1 (e) Stimulating public and private sector cooperation in the  
2 development of affordable housing; and

3 (f) Development of solutions and programs affecting housing,  
4 including the equitable geographic distribution of housing for all  
5 economic segments, as the advisory board deems necessary;

6 (2) Consider both homeownership and rental housing as viable  
7 options for the provision of housing. The advisory board shall give  
8 consideration to various types of residential construction and  
9 innovative housing options, including but not limited to manufactured  
10 housing;

11 (3) Review, evaluate, and make recommendations regarding existing  
12 and proposed housing programs and initiatives including but not limited  
13 to tax policies, land use policies, and financing programs. The  
14 advisory board shall provide recommendations to the director, along  
15 with the department's response in the annual housing report to the  
16 legislature required in section 7 of this act; and

17 (4) Prepare and submit to the director, by each December 1st,  
18 beginning December 1, 1993, a report detailing its findings and make  
19 specific program, legislative, and funding recommendations and any  
20 other recommendations it deems appropriate.

21 NEW SECTION. **Sec. 7.** (1) The department shall, in consultation  
22 with the affordable housing advisory board created in section 5 of this  
23 act, prepare and from time to time amend a five-year housing advisory  
24 plan. The purpose of the plan is to document the need for affordable  
25 housing in the state and the extent to which that need is being met  
26 through public and private sector programs, to facilitate planning to  
27 meet the affordable housing needs of the state, and to enable the  
28 development of sound strategies and programs for affordable housing.  
29 The information in the five-year housing advisory plan must include:

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

31 (b) An assessment of the housing needs for all economic segments of  
32 the state and special needs populations;

33 (c) An inventory of the supply and geographic distribution of  
34 affordable housing units made available through public and private  
35 sector programs;

36 (d) A status report on the degree of progress made by the public  
37 and private sector toward meeting the housing needs of the state;

1 (e) An identification of state and local regulatory barriers to  
2 affordable housing and proposed regulatory and administrative  
3 techniques designed to remove barriers to the development and placement  
4 of affordable housing; and

5 (f) Specific recommendations, policies, or proposals for meeting  
6 the affordable housing needs of the state.

7 (2)(a) The five-year housing advisory plan required under  
8 subsection (1) of this section must be submitted to the legislature on  
9 or before February 1, 1994, and subsequent plans must be submitted  
10 every five years thereafter.

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

15 NEW SECTION. **Sec. 8.** (1) The department shall be the principal  
16 state department responsible for coordinating federal and state  
17 resources and activities in housing, except for programs administered  
18 by the Washington state housing finance commission under chapter 43.180  
19 RCW, and for evaluating the operations and accomplishments of other  
20 state departments and agencies as they affect housing.

21 (2) The department shall work with local governments, tribal  
22 organizations, local housing authorities, nonprofit community or  
23 neighborhood-based organizations, and regional or state-wide nonprofit  
24 housing assistance organizations, for the purpose of coordinating  
25 federal and state resources with local resources for housing.

26 **Sec. 9.** RCW 43.185.110 and 1991 c 204 s 4 are each amended to read  
27 as follows:

28 ~~((The director shall prepare an annual report and shall send copies  
29 to the chair of the house of representatives committee on housing, the  
30 chair of the senate committee on commerce and labor, and one copy to  
31 the staff of each committee that summarizes the housing trust fund's  
32 income, grants and operating expenses, implementation of its program,  
33 and any problems arising in the administration thereof. The director  
34 shall promptly appoint a low income housing assistance advisory  
35 committee composed of a representative from each of the following  
36 groups: Apartment owners, realtors, mortgage lending or servicing  
37 institutions, private nonprofit housing assistance programs, tenant~~

1 ~~associations, and public housing assistance programs.~~) The affordable  
2 housing advisory ((group)) board established in section 5 of this act  
3 shall advise the director on housing needs in this state, including  
4 housing needs for persons who are mentally ill or developmentally  
5 disabled or youth who are blind or deaf or otherwise disabled,  
6 operational aspects of the grant and loan program or revenue collection  
7 programs established by this chapter, and implementation of the policy  
8 and goals of this chapter. Such advice shall be consistent with  
9 policies and plans developed by regional support networks according to  
10 chapter 71.24 RCW for the mentally ill and the developmental  
11 disabilities planning council for the developmentally disabled.

12 **Sec. 10.** RCW 43.185A.020 and 1991 c 356 s 11 are each amended to  
13 read as follows:

14 The affordable housing program is created in the department of  
15 community development for the purpose of developing and coordinating  
16 public and private resources targeted to meet the affordable housing  
17 needs of low-income households in the state of Washington. The program  
18 shall be developed and administered by the department with advice and  
19 input from the ~~((low-income [housing] assistance advisory committee~~  
20 ~~established in RCW 43.185.110))~~ affordable housing advisory board  
21 established in section 5 of this act.

22 NEW SECTION. **Sec. 11.** This chapter may be known and cited as the  
23 "Washington housing policy act."

24 NEW SECTION. **Sec. 12.** Sections 1 through 8 and 11 of this act  
25 shall constitute a new chapter in Title 43 RCW.

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