

2 **SSB 6663 - H COMM AMD ADOPTED 3-3-00**

3 By Committee on Economic Development, Housing & Trade

4

5 Strike everything after the enacting clause and insert the
6 following:

7 "Sec. 1. RCW 59.28.020 and 1989 c 188 s 2 are each amended to read
8 as follows:

9 The definitions in this section apply throughout this chapter
10 unless the context clearly requires otherwise.

11 (1) "Federally assisted housing" means any multifamily housing that
12 is insured, financed, assisted, or held by the secretary of housing and
13 urban development or the secretary of agriculture under:

14 (a) Section 8 of the United States housing act of 1937, as amended
15 (42 U.S.C. Sec. 1437f);

16 (b) Section 101 of the housing and urban development act of 1965,
17 as amended (12 U.S.C. Sec. 1701s);

18 (c) The following sections of the national housing act:

19 (i) Section 202 (12 U.S.C. Sec. 1701q);

20 (ii) Section 213 (12 U.S.C. Sec. 1715e);

21 (iii) Section 221(d) (3) and (4) (12 U.S.C. Sec. 17151(d) (3) and
22 (4));

23 (iv) Section 223(f) (12 U.S.C. Sec. 1715n(f));

24 (v) Section 231 (12 U.S.C. Sec. 1715v); or

25 (vi) Section 236 (12 U.S.C. Sec. 1715z-1); and

26 (d) The following sections of the housing act of 1949, as amended:

27 (i) Section 514 (42 U.S.C. Sec. 1484);

28 (ii) Section 515 (42 U.S.C. Sec. 1485);

29 (iii) Section 516 (42 U.S.C. Sec. 1486);

30 (iv) Section 521(a)(1)(B) (42 U.S.C. Sec. 1490a(a)(1)); or

31 (v) Section 521(a)(2) (42 U.S.C. Sec. 1490a(a)(2)).

32 (2) "Rental agreement" means any agreement that establishes or
33 modifies the terms, conditions, rules, regulations, or any other
34 provision concerning the use and occupancy of a federally assisted
35 housing unit.

1 (3) "Owner" means the current or subsequent owner or owners of
2 federally assisted housing.

3 (4) "Low-income use restrictions" means any federal, state, or
4 local statute, rule, regulation, ordinance, or contract which, as a
5 condition of receipt of any federal, state, or local financial
6 assistance, establishes maximum limitations on tenant income as a
7 condition of eligibility for occupancy of the units within a
8 development, imposes any restrictions on the maximum rents that could
9 be charged for any of the units within a development, or requires that
10 rent for any of the units within a development be reviewed by any
11 governmental body or agency before the rents are implemented.

12 (5) "Prepayment" means the payment in full or refinancing of the
13 federally insured or federally held mortgage or loan prior to its
14 original maturity date, or the voluntary cancellation of mortgage
15 insurance, if that would have the effect of terminating any low-income
16 use restrictions.

17 (6) "Public housing agency" means any state or local agency or
18 nonprofit entity that is authorized to administer tenant-based rental
19 assistance under federal, state, or local law.

20 **Sec. 2.** RCW 59.28.030 and 1989 c 188 s 3 are each amended to read
21 as follows:

22 (1) This chapter shall not apply to the expiration or termination
23 of a housing assistance contract between a public housing agency and an
24 owner of existing housing participating in either the section 8
25 certificate or voucher program (42 U.S.C. Sec. 1437f).

26 (2) An owner of federally assisted housing shall not be required to
27 give notice of a prepayment under this chapter, if the owner has: (a)
28 Entered into an agreement with a federal, state, or local agency
29 continuing existing, or imposing new, low-income use restrictions for
30 at least twenty years that ensure that the tenants residing in the
31 development at the time of prepayment are not involuntarily displaced
32 except for good cause and that the housing will continue to serve very
33 low and low-income families and persons in need of affordable housing;
34 and (b) served notice of the agreement on the clerk of the city, or
35 county if in an unincorporated area, in which the property is located,
36 on any public housing agency that would be responsible for
37 administering tenant-based rental assistance to persons who would
38 otherwise be displaced from this housing, and on the department of

1 community, trade, and economic development by regular and certified
2 mail and posted a copy of the agreement in a conspicuous place at the
3 development where it is likely to be seen by the tenants. The posted
4 agreement shall be maintained intact and in legible form for the life
5 of the agreement.

6 (3) An owner of federally assisted housing is not required to give
7 notice that a rental assistance contract is expiring if: (a) The owner
8 has entered into an agreement with the United States department of
9 housing and urban development or other federal, state, or local agency
10 to renew the rental assistance contract for a minimum of five years
11 subject to the availability of adequate appropriations; (b) the
12 agreement itself does not expire in less than twelve months; and (c)
13 the owner has served written notice of the agreement on the clerk of
14 the city, or county if in an unincorporated area, in which the property
15 is located, on any public housing agency that would be responsible for
16 administering tenant-based rental assistance to persons who would
17 otherwise be displaced from this housing, and on the department of
18 community, trade, and economic development, by regular and certified
19 mail and posted these notices in a conspicuous place at the development
20 where they are likely to be seen by the tenants. The posted notices
21 shall be maintained intact and in legible form for the life of the
22 agreement to renew the rental assistance contract.

23 **Sec. 3.** RCW 59.28.040 and 1995 c 399 s 160 are each amended to
24 read as follows:

25 Except as provided in RCW 59.28.030, all owners of federally
26 assisted housing shall, at least twelve months before the expiration of
27 the rental assistance contract or prepayment of a mortgage or loan,
28 serve a written notice of the anticipated expiration or prepayment date
29 on each tenant household residing in the housing, on the clerk of the
30 city, or county if in an unincorporated area, in which the property is
31 located, on any public housing agency that would be responsible for
32 administering tenant-based rental assistance to persons who would
33 otherwise be displaced from this housing, and on the department of
34 community, trade, and economic development, by regular and certified
35 mail. All owners of federally assisted housing shall also serve
36 written notice of the anticipated expiration or prepayment date on each
37 tenant household that moves into the housing after the initial notice
38 has been given, but before the expiration of the rental assistance

1 contract or prepayment of the mortgage or loan. This notice shall be
2 given before a new tenant is asked to execute a rental agreement or
3 required to pay any deposits.

4 **Sec. 4.** RCW 59.28.060 and 1995 c 399 s 162 are each amended to
5 read as follows:

6 (1) The notice to tenants required by RCW 59.28.040 shall state
7 ((the date of expiration or prepayment and the effect, if any, that the
8 expiration or prepayment will have upon the tenants' rent and other
9 terms of their rental agreement.))):

10 (a) Whether the owner (i) intends to prepay the mortgage or loan or
11 allow the rental assistance contract to expire in order to operate the
12 housing without any low-income use restrictions, (ii) plans on renewing
13 the rental assistance contract subject to the availability of adequate
14 appropriations, or (iii) is seeking additional financial incentives or
15 higher rents as a condition of remaining in the federal program; (b)
16 the reason the owner plans on taking this action; (c) the owner's plans
17 for the project, including any timetables or deadlines for actions to
18 be taken by the owner and any specific federal, state, or local agency
19 approvals that the owner is required to obtain; (d) the anticipated
20 date of the prepayment of the mortgage or loan or expiration of the
21 rental assistance contract; (e) the effect, if any, that prepayment of
22 the mortgage or loan or expiration of the rental assistance contract
23 will have upon the tenants' rent and other terms of their rental
24 agreement; and (f) that additional information will be served on the
25 city or county, on the local public housing agency, and on the
26 department of community, trade, and economic development and will be
27 posted at the development. The owner shall also include with the
28 notice written information, prepared by the department of community,
29 trade, and economic development under section 7(1) of this act,
30 concerning the legal rights, responsibilities, and options of owners
31 and tenants when an owner intends to prepay a mortgage or loan or
32 terminate a rental assistance contract.

33 (2) The notice to the city or county clerk and to the department of
34 community, trade, and economic development required by RCW 59.28.040
35 shall state: ((+1)) (a) The name, location, and project number of the
36 federally assisted housing and the type of assistance received from the
37 federal government; ((+2)) (b) the number and size of units; ((+3))
38 (c) the age, race, family size, and estimated incomes of the tenants

1 who will be affected by the prepayment of the loan or mortgage or
2 expiration of the federal assistance contract; (~~(4) the~~) (d) the
3 current rents and projected rent increases for each affected tenant
4 and ~~(5) the anticipated date of prepayment of the loan or mortgage or~~
5 ~~expiration of the federal assistance contract.~~) after the prepayment
6 of the mortgage or loan or expiration of the rental assistance contract
7 without disclosing the identities of the affected tenants; (e) the
8 availability and type, if any, of rental assistance after the
9 prepayment of the mortgage or loan or expiration of the rental
10 assistance contract; and (f) the age, race, family size, and estimated
11 incomes of any applicants on the project's waiting list without
12 disclosing the identities of the applicants. The owner shall attach to
13 this notice a copy of the notice the owner sends to the tenants under
14 this chapter.

15 (3) All owners of federally assisted housing shall immediately post
16 a copy of any notices they send the city or county clerk, any public
17 housing agency, and the department of community, trade, and economic
18 development, under RCW 59.28.040, in a conspicuous place at the
19 development where they are likely to be seen by current and prospective
20 tenants. The notices shall be maintained intact and in legible form
21 for twelve months from the date they are posted.

22 All owners of federally assisted housing shall, upon request of any
23 state or local agency, provide the agency with a copy of any rent
24 comparability study, market analysis, or projected budget that they
25 submit to the United States department of housing and urban development
26 or other federal agency in conjunction with the prepayment of their
27 mortgage or loan or in anticipation of the expiration of their rental
28 assistance contract, together with any physical inspection reports or
29 capital needs assessments completed by the owner or federal agency
30 within the last three years.

31 **Sec. 5.** RCW 59.28.080 and 1989 c 188 s 8 are each amended to read
32 as follows:

33 From the date of service of the notice under RCW 59.28.040 until
34 either twelve months have elapsed or expiration or prepayment of the
35 rental assistance contract, mortgage, or loan, whichever is later, no
36 owner of federally assisted housing may increase the rent of a
37 federally assisted housing unit, or the share of the rent paid by the
38 tenant, above the amount authorized by the federal assistance program

1 applicable to the project prior to expiration or prepayment of the
2 rental assistance contract or mortgage or loan.

3 **Sec. 6.** RCW 59.28.100 and 1989 c 188 s 10 are each amended to read
4 as follows:

5 Any party who is entitled to receive notice under this chapter may
6 bring a civil action to enjoin or recover actual damages for any
7 violation of this chapter, together with the costs of the suit
8 including reasonable attorneys' fees. Any tenant who is entitled to
9 receive notice under this chapter shall also recover statutory damages
10 of fifty dollars.

11 NEW SECTION. **Sec. 7.** A new section is added to chapter 59.28 RCW
12 to read as follows:

13 The department of community, trade, and economic development shall
14 within ninety days after the effective date of this act, consult with
15 all interested stakeholders and develop and provide to owners and
16 tenants of federally assisted housing, state and local agencies, and
17 other interested persons all of the following:

18 (1) Written information concerning the legal rights,
19 responsibilities, and options of owners and tenants when an owner
20 intends to prepay a mortgage or loan or terminate a rental assistance
21 contract. This information shall include the name and telephone number
22 of any qualified legal aid program that provides civil legal services
23 to indigent persons and of any other state, regional, or local
24 organization that can be contacted to request additional information
25 about an owner's responsibilities and the rights and options of an
26 affected tenant;

27 (2) Written information sufficient to enable an owner of federally
28 assisted housing to comply with the notification requirements of this
29 chapter, including the name and address of any public housing agency
30 that would be responsible for administering tenant-based rental
31 assistance to persons who would otherwise be displaced from federally
32 assisted housing; and

33 (3) Any other information or technical assistance the department
34 determines will further the purposes of this chapter.

35 NEW SECTION. **Sec. 8.** A new section is added to chapter 59.28 RCW
36 to read as follows:

1 An owner of federally assisted housing who prepays the mortgage or
2 loan or whose rental assistance contract expires and who continues to
3 operate the property as residential housing within the scope of this
4 chapter shall not evict a tenant residing in the dwelling unit when the
5 mortgage or loan is prepaid or the rental assistance contract expires,
6 except as authorized by the federal assistance program applicable to
7 the project prior to prepayment of the mortgage or loan, or expiration
8 of the rental assistance contract.

9 **Sec. 9.** RCW 43.185A.010 and 1995 c 399 s 102 are each amended to
10 read as follows:

11 Unless the context clearly requires otherwise, the definitions in
12 this section apply throughout this chapter.

13 (1) "Affordable housing" means residential housing for rental (~~or~~
14 ~~private individual ownership~~) occupancy which, as long as the same is
15 occupied by low-income households, requires payment of monthly housing
16 costs, including utilities other than telephone, of no more than thirty
17 percent of the family's income. The department shall adopt policies
18 for residential homeownership housing, occupied by low-income
19 households, which specify the percentage of family income that may be
20 spent on monthly housing costs, including utilities other than
21 telephone, to qualify as affordable housing.

22 (2) "Department" means the department of community, trade, and
23 economic development.

24 (3) "Director" means the director of the department of community,
25 trade, and economic development.

26 (4) "First-time home buyer" means an individual or his or her
27 spouse who have not owned a home during the three-year period prior to
28 purchase of a home.

29 (5) "Low-income household" means a single person, family or
30 unrelated persons living together whose adjusted income is less than
31 eighty percent of the median family income, adjusted for household
32 size, for the county where the project is located.

33 NEW SECTION. **Sec. 10.** If any provision of this act or its
34 application to any person or circumstance is held invalid, the
35 remainder of the act or the application of the provision to other
36 persons or circumstances is not affected.

1 NEW SECTION. **Sec. 11.** This act is necessary for the immediate
2 preservation of the public peace, health, or safety, or support of the
3 state government and its existing public institutions, and takes effect
4 immediately."

5 Correct the title.

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