
SUBSTITUTE HOUSE BILL 2108

State of Washington

56th Legislature

1999 Regular Session

By House Committee on Economic Development, Housing & Trade (originally sponsored by Representatives Veloria, Van Luven, Eickmeyer, Dickerson, Dunn, D. Sommers, Clements, Kenney, Haigh, Tokuda, Conway and Edwards)

Read first time 03/02/1999.

1 AN ACT Relating to preservation of moderate-income housing;
2 amending RCW 43.185A.030, 43.185A.040, and 43.185A.050; adding new
3 sections to chapter 43.185A RCW; adding a new section to chapter 43.63A
4 RCW; and creating a new section.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that there is a severe
7 shortage of affordable housing within metropolitan areas of the state
8 of Washington. The legislature further finds that a dual strategy is
9 needed that encourages both the development of additional units of
10 affordable housing and the preservation of the existing supply of
11 affordable housing. The legislature further finds that preservation is
12 a cost-effective alternative to displacement caused by rising rental
13 costs in metropolitan areas.

14 It is the intent of this act to assist in the development and
15 preservation of multifamily rental housing that serves primarily
16 households earning between fifty percent and eighty percent of the
17 county median income, adjusted for household size, and to minimize the
18 involuntary displacement of tenants.

1 **Sec. 2.** RCW 43.185A.030 and 1994 c 160 s 3 are each amended to
2 read as follows:

3 (1) Using moneys specifically appropriated for such purpose, the
4 department shall finance in whole or in part projects that will provide
5 housing for low-income households.

6 (2) Activities eligible for assistance include, but are not limited
7 to:

8 (a) New construction, rehabilitation, or acquisition of housing for
9 low-income households;

10 (b) Rent subsidies in new construction or rehabilitated multifamily
11 units;

12 (c) Down payment or closing costs assistance for first-time home
13 buyers;

14 (d) Mortgage subsidies for new construction or rehabilitation of
15 eligible multifamily units; ~~((and))~~

16 (e) Mortgage insurance guarantee or payments for eligible projects;
17 and

18 (f) Technical assistance, design and finance services and
19 consultation, and administrative costs for eligible nonprofit community
20 or neighborhood-based organizations.

21 (3) Legislative appropriations from capital bond proceeds may be
22 used only for the costs of projects authorized under subsection (2)
23 (a), (c), (d), ~~((and))~~ (e), and (f) of this section, and not for the
24 administrative costs of the department.

25 (4) Moneys from repayment of loans from appropriations from capital
26 bond proceeds may be used for all activities necessary for the proper
27 functioning of the affordable housing program except for activities
28 authorized under subsection (2)(b) of this section.

29 (5) Administrative costs of the department shall not exceed four
30 percent of the annual funds available for the affordable housing
31 program.

32 **Sec. 3.** RCW 43.185A.040 and 1994 c 160 s 4 are each amended to
33 read as follows:

34 Organizations that may receive assistance from the department under
35 this chapter are local governments, local housing authorities,
36 nonprofit community or neighborhood-based organizations, federally
37 recognized Indian tribes in the state of Washington, ~~((and))~~ regional
38 or state-wide nonprofit housing assistance organizations, and limited

1 partnerships established for the provision of low-income housing, where
2 the nonprofit or a public corporation or other entity identified in
3 this section is a general partner, or a limited liability company,
4 established for the provision of low-income housing, where the eligible
5 nonprofit entity is a managing member.

6 Eligibility for assistance from the department under this chapter
7 also requires compliance with the revenue and taxation laws, as
8 applicable to the recipient, at the time the grant is made.

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

11 The department in awarding funds for activities eligible under RCW
12 43.185A.030 shall:

13 (1) Give priority to eligible nonprofit community or neighborhood-
14 based organizations that will operate the housing as housing for
15 households with incomes between fifty percent and eighty percent of the
16 county median income, adjusted for household size, for a period of at
17 least fifty years and will agree to a written covenant agreeing to keep
18 rents affordable to the households;

19 (2) Give priority to multifamily rental housing projects that are
20 located in metropolitan areas that have experienced sharp increases in
21 rents; and

22 (3) Give priority to those multifamily rental housing projects that
23 encourage economically integrated housing that includes units occupied
24 by households with income at or below fifty percent of the median
25 family income for the county where the housing development is located.

26 **Sec. 5.** RCW 43.185A.050 and 1991 c 356 s 14 are each amended to
27 read as follows:

28 (1) During each calendar year in which funds are available for use
29 by the department for the affordable housing program, the department
30 shall announce to all known interested parties, and through major media
31 throughout the state, a grant and loan application period of at least
32 ninety days' duration. This announcement shall be made as often as the
33 director deems appropriate for proper utilization of resources. The
34 department shall then promptly grant as many applications as will
35 utilize available funds less appropriate administrative costs of the
36 department, not to exceed five percent of moneys appropriated to the
37 affordable housing program.

1 (2) The department shall develop, with advice and input from the
2 (~~low income [housing] assistance advisory committee established in RCW~~
3 ~~43.185.110~~) affordable housing advisory board established in RCW
4 43.185B.020, criteria to evaluate applications for assistance under
5 this chapter, subject to at least one public hearing.

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

8 The affordable housing equity trust fund is created in the state
9 treasury. All receipts from appropriations by the legislature, private
10 contributions, repayment of loans made from this fund, and all other
11 sources must be deposited into this fund. Moneys in the fund may be
12 spent only after appropriation. Expenditures from the fund must be
13 used for the purposes of this chapter.

14 NEW SECTION. Sec. 7. A new section is added to chapter 43.63A RCW
15 to read as follows:

16 (1) The department may provide technical assistance to
17 organizations eligible for assistance under chapter 43.185A RCW to
18 encourage the development or preservation of multifamily housing
19 developments as housing for moderate-income households, including
20 assistance to nonprofit tenant organizations who wish to convert the
21 multifamily housing development in which they reside to tenant
22 ownership. Technical assistance does not include details connected
23 with the sale or conversion of a multifamily housing development which
24 would require the department to act in a representative capacity.

25 (2) The department shall give priority for technical assistance
26 under this section to those projects that encourage economically
27 integrated housing that includes units occupied by households with
28 incomes at or below fifty percent of the median family income for the
29 county where the housing development is located.

30 (3) The department shall work with the Washington state housing
31 finance commission to leverage moneys from the affordable housing
32 equity trust fund created in section 6 of this act, with financing
33 available through the Washington state housing finance commission and
34 other public and private financing sources.

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