
HOUSE BILL 2108

State of Washington

56th Legislature

1999 Regular Session

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 43.84.092 and 43.84.092; adding new sections to chapter
3 43.180 RCW; creating a new section; making an appropriation; providing
4 an effective date; and providing an expiration date.

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 the state of Washington and that
8 preservation of the existing supply of affordable housing is a cost-
9 effective alternative to displacement of tenants.

10 It is the purpose of this act to preserve multifamily rental
11 housing in the state of Washington and to minimize the involuntary
12 displacements of tenants currently residing in such housing.

13 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.180 RCW
14 to read as follows:

15 The commission, in cooperation with the department of community,
16 trade, and economic development, shall develop and implement a rental
17 housing preservation program that:

1 (1) Provides subsidized or unsubsidized mortgage financing for
2 multifamily rental housing;

3 (2) Provides flexible loan underwriting guidelines, including but
4 not limited to provisions that encourage ownership of multifamily
5 housing by nonprofit organizations;

6 (3) Gives priority funding, through the commission, to multifamily
7 rental housing projects that result in the long-term preservation of
8 housing for moderate-income households;

9 (4) Targets existing public and private resources to assist in the
10 new construction, rehabilitation, or acquisition of multifamily rental
11 housing for moderate-income households; and

12 (5) Uses a portion of the revenue generated from the issuance of
13 bonds under this chapter to assist in the new construction,
14 rehabilitation, or acquisition of multifamily rental housing for
15 moderate-income households.

16 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.180 RCW
17 to read as follows:

18 (1) The rental housing preservation program developed under section
19 2 of this act shall:

20 (a) Be limited to housing units that are owned or will be owned by
21 nonprofit organizations, associations, or corporations, with priority
22 given to nonprofit tenant organizations;

23 (b) Give priority to nonprofit organizations, associations, or
24 corporations that will operate the housing as housing for moderate-
25 income households for a period of at least fifty years and will agree
26 to a written covenant agreeing to keep rents affordable to moderate-
27 income households;

28 (c) Give priority to multifamily rental housing projects that are
29 located in metropolitan areas that have experienced sharp increases in
30 rents; and

31 (d) To the extent feasible, use the funds in the moderate-income
32 housing preservation account created in section 4 of this act to assist
33 nonprofit organizations, associations, or corporations in the
34 preservation of housing for moderate-income households.

35 (2) As used in this section and section 2 of this act, "moderate-
36 income households" means a single person, family, or unrelated persons
37 living together whose adjusted income is greater than fifty percent but

1 less than eighty percent of the median family income, adjusted for
2 household size, for the county where the project is located.

3 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.180 RCW
4 to read as follows:

5 The moderate-income housing preservation account is created in the
6 state treasury. All receipts from appropriations by the legislature,
7 private contributions, repayment of loans made from this account, and
8 all other sources must be deposited into the account. Moneys in the
9 account may be spent only after appropriation. Expenditures from the
10 account must be used for the purposes of chapter . . . , Laws of 1999
11 (this act).

12 NEW SECTION. **Sec. 5.** A new section is added to chapter 43.180 RCW
13 to read as follows:

14 The commission, in consultation with the department of community,
15 trade, and economic development, may provide technical assistance to
16 nonprofit tenant organizations who wish to convert the multifamily
17 housing development in which they reside to tenant ownership.
18 Technical assistance does not include details connected with the sale
19 or conversion of a multifamily housing development which would require
20 the commission to act in a representative capacity.

21 **Sec. 6.** RCW 43.84.092 and 1997 c 218 s 5 are each amended to read
22 as follows:

23 (1) All earnings of investments of surplus balances in the state
24 treasury shall be deposited to the treasury income account, which
25 account is hereby established in the state treasury.

26 (2) The treasury income account shall be utilized to pay or receive
27 funds associated with federal programs as required by the federal cash
28 management improvement act of 1990. The treasury income account is
29 subject in all respects to chapter 43.88 RCW, but no appropriation is
30 required for refunds or allocations of interest earnings required by
31 the cash management improvement act. Refunds of interest to the
32 federal treasury required under the cash management improvement act
33 fall under RCW 43.88.180 and shall not require appropriation. The
34 office of financial management shall determine the amounts due to or
35 from the federal government pursuant to the cash management improvement
36 act. The office of financial management may direct transfers of funds

1 between accounts as deemed necessary to implement the provisions of the
2 cash management improvement act, and this subsection. Refunds or
3 allocations shall occur prior to the distributions of earnings set
4 forth in subsection (4) of this section.

5 (3) Except for the provisions of RCW 43.84.160, the treasury income
6 account may be utilized for the payment of purchased banking services
7 on behalf of treasury funds including, but not limited to, depository,
8 safekeeping, and disbursement functions for the state treasury and
9 affected state agencies. The treasury income account is subject in all
10 respects to chapter 43.88 RCW, but no appropriation is required for
11 payments to financial institutions. Payments shall occur prior to
12 distribution of earnings set forth in subsection (4) of this section.

13 (4) Monthly, the state treasurer shall distribute the earnings
14 credited to the treasury income account. The state treasurer shall
15 credit the general fund with all the earnings credited to the treasury
16 income account except:

17 (a) The following accounts and funds shall receive their
18 proportionate share of earnings based upon each account's and fund's
19 average daily balance for the period: The capitol building
20 construction account, the Cedar River channel construction and
21 operation account, the Central Washington University capital projects
22 account, the charitable, educational, penal and reformatory
23 institutions account, the common school construction fund, the county
24 criminal justice assistance account, the county sales and use tax
25 equalization account, the data processing building construction
26 account, the deferred compensation administrative account, the deferred
27 compensation principal account, the department of retirement systems
28 expense account, the drinking water assistance account, the Eastern
29 Washington University capital projects account, the education
30 construction fund, the emergency reserve fund, the federal forest
31 revolving account, the health services account, the public health
32 services account, the health system capacity account, the personal
33 health services account, the highway infrastructure account, the
34 industrial insurance premium refund account, the judges' retirement
35 account, the judicial retirement administrative account, the judicial
36 retirement principal account, the local leasehold excise tax account,
37 the local real estate excise tax account, the local sales and use tax
38 account, the medical aid account, the mobile home park relocation fund,
39 the moderate-income housing preservation account, the municipal

1 criminal justice assistance account, the municipal sales and use tax
2 equalization account, the natural resources deposit account, the
3 perpetual surveillance and maintenance account, the public employees'
4 retirement system plan I account, the public employees' retirement
5 system plan II account, the Puyallup tribal settlement account, the
6 resource management cost account, the site closure account, the special
7 wildlife account, the state employees' insurance account, the state
8 employees' insurance reserve account, the state investment board
9 expense account, the state investment board commingled trust fund
10 accounts, the supplemental pension account, the teachers' retirement
11 system plan I account, the teachers' retirement system plan II account,
12 the transportation infrastructure account, the tuition recovery trust
13 fund, the University of Washington bond retirement fund, the University
14 of Washington building account, the volunteer fire fighters' relief and
15 pension principal account, the volunteer fire fighters' relief and
16 pension administrative account, the Washington judicial retirement
17 system account, the Washington law enforcement officers' and fire
18 fighters' system plan I retirement account, the Washington law
19 enforcement officers' and fire fighters' system plan II retirement
20 account, the Washington state patrol retirement account, the Washington
21 State University building account, the Washington State University bond
22 retirement fund, the water pollution control revolving fund, and the
23 Western Washington University capital projects account. Earnings
24 derived from investing balances of the agricultural permanent fund, the
25 normal school permanent fund, the permanent common school fund, the
26 scientific permanent fund, and the state university permanent fund
27 shall be allocated to their respective beneficiary accounts. All
28 earnings to be distributed under this subsection (4)(a) shall first be
29 reduced by the allocation to the state treasurer's service fund
30 pursuant to RCW 43.08.190.

31 (b) The following accounts and funds shall receive eighty percent
32 of their proportionate share of earnings based upon each account's or
33 fund's average daily balance for the period: The aeronautics account,
34 the aircraft search and rescue account, the central Puget Sound public
35 transportation account, the city hardship assistance account, the
36 county arterial preservation account, the department of licensing
37 services account, the economic development account, the essential rail
38 assistance account, the essential rail banking account, the ferry bond
39 retirement fund, the gasohol exemption holding account, the grade

1 crossing protective fund, the high capacity transportation account, the
2 highway bond retirement fund, the highway construction stabilization
3 account, the highway safety account, the marine operating fund, the
4 motor vehicle fund, the motorcycle safety education account, the
5 pilotage account, the public transportation systems account, the Puget
6 Sound capital construction account, the Puget Sound ferry operations
7 account, the recreational vehicle account, the rural arterial trust
8 account, the safety and education account, the small city account, the
9 special category C account, the state patrol highway account, the
10 transfer relief account, the transportation capital facilities account,
11 the transportation equipment fund, the transportation fund, the
12 transportation improvement account, the transportation revolving loan
13 account, and the urban arterial trust account.

14 (5) In conformance with Article II, section 37 of the state
15 Constitution, no treasury accounts or funds shall be allocated earnings
16 without the specific affirmative directive of this section.

17 **Sec. 7.** RCW 43.84.092 and 1998 c 341 s 708 are each amended to
18 read as follows:

19 (1) All earnings of investments of surplus balances in the state
20 treasury shall be deposited to the treasury income account, which
21 account is hereby established in the state treasury.

22 (2) The treasury income account shall be utilized to pay or receive
23 funds associated with federal programs as required by the federal cash
24 management improvement act of 1990. The treasury income account is
25 subject in all respects to chapter 43.88 RCW, but no appropriation is
26 required for refunds or allocations of interest earnings required by
27 the cash management improvement act. Refunds of interest to the
28 federal treasury required under the cash management improvement act
29 fall under RCW 43.88.180 and shall not require appropriation. The
30 office of financial management shall determine the amounts due to or
31 from the federal government pursuant to the cash management improvement
32 act. The office of financial management may direct transfers of funds
33 between accounts as deemed necessary to implement the provisions of the
34 cash management improvement act, and this subsection. Refunds or
35 allocations shall occur prior to the distributions of earnings set
36 forth in subsection (4) of this section.

37 (3) Except for the provisions of RCW 43.84.160, the treasury income
38 account may be utilized for the payment of purchased banking services

1 on behalf of treasury funds including, but not limited to, depository,
2 safekeeping, and disbursement functions for the state treasury and
3 affected state agencies. The treasury income account is subject in all
4 respects to chapter 43.88 RCW, but no appropriation is required for
5 payments to financial institutions. Payments shall occur prior to
6 distribution of earnings set forth in subsection (4) of this section.

7 (4) Monthly, the state treasurer shall distribute the earnings
8 credited to the treasury income account. The state treasurer shall
9 credit the general fund with all the earnings credited to the treasury
10 income account except:

11 (a) The following accounts and funds shall receive their
12 proportionate share of earnings based upon each account's and fund's
13 average daily balance for the period: The capitol building
14 construction account, the Cedar River channel construction and
15 operation account, the Central Washington University capital projects
16 account, the charitable, educational, penal and reformatory
17 institutions account, the common school construction fund, the county
18 criminal justice assistance account, the county sales and use tax
19 equalization account, the data processing building construction
20 account, the deferred compensation administrative account, the deferred
21 compensation principal account, the department of retirement systems
22 expense account, the drinking water assistance account, the Eastern
23 Washington University capital projects account, the education
24 construction fund, the emergency reserve fund, the federal forest
25 revolving account, the health services account, the public health
26 services account, the health system capacity account, the personal
27 health services account, the highway infrastructure account, the
28 industrial insurance premium refund account, the judges' retirement
29 account, the judicial retirement administrative account, the judicial
30 retirement principal account, the local leasehold excise tax account,
31 the local real estate excise tax account, the local sales and use tax
32 account, the medical aid account, the mobile home park relocation fund,
33 the moderate-income housing preservation account, the municipal
34 criminal justice assistance account, the municipal sales and use tax
35 equalization account, the natural resources deposit account, the
36 perpetual surveillance and maintenance account, the public employees'
37 retirement system plan I account, the public employees' retirement
38 system plan II account, the Puyallup tribal settlement account, the
39 resource management cost account, the site closure account, the special

1 wildlife account, the state employees' insurance account, the state
2 employees' insurance reserve account, the state investment board
3 expense account, the state investment board commingled trust fund
4 accounts, the supplemental pension account, the teachers' retirement
5 system plan I account, the teachers' retirement system combined plan II
6 and plan III account, the transportation infrastructure account, the
7 tuition recovery trust fund, the University of Washington bond
8 retirement fund, the University of Washington building account, the
9 volunteer fire fighters' relief and pension principal account, the
10 volunteer fire fighters' relief and pension administrative account, the
11 Washington judicial retirement system account, the Washington law
12 enforcement officers' and fire fighters' system plan I retirement
13 account, the Washington law enforcement officers' and fire fighters'
14 system plan II retirement account, the Washington school employees'
15 retirement system combined plan II and III account, the Washington
16 state patrol retirement account, the Washington State University
17 building account, the Washington State University bond retirement fund,
18 the water pollution control revolving fund, and the Western Washington
19 University capital projects account. Earnings derived from investing
20 balances of the agricultural permanent fund, the normal school
21 permanent fund, the permanent common school fund, the scientific
22 permanent fund, and the state university permanent fund shall be
23 allocated to their respective beneficiary accounts. All earnings to be
24 distributed under this subsection (4)(a) shall first be reduced by the
25 allocation to the state treasurer's service fund pursuant to RCW
26 43.08.190.

27 (b) The following accounts and funds shall receive eighty percent
28 of their proportionate share of earnings based upon each account's or
29 fund's average daily balance for the period: The aeronautics account,
30 the aircraft search and rescue account, the central Puget Sound public
31 transportation account, the city hardship assistance account, the
32 county arterial preservation account, the department of licensing
33 services account, the economic development account, the essential rail
34 assistance account, the essential rail banking account, the ferry bond
35 retirement fund, the gasohol exemption holding account, the grade
36 crossing protective fund, the high capacity transportation account, the
37 highway bond retirement fund, the highway construction stabilization
38 account, the highway safety account, the marine operating fund, the
39 motor vehicle fund, the motorcycle safety education account, the

1 pilotage account, the public transportation systems account, the Puget
2 Sound capital construction account, the Puget Sound ferry operations
3 account, the recreational vehicle account, the rural arterial trust
4 account, the safety and education account, the small city account, the
5 special category C account, the state patrol highway account, the
6 transfer relief account, the transportation capital facilities account,
7 the transportation equipment fund, the transportation fund, the
8 transportation improvement account, the transportation revolving loan
9 account, and the urban arterial trust account.

10 (5) In conformance with Article II, section 37 of the state
11 Constitution, no treasury accounts or funds shall be allocated earnings
12 without the specific affirmative directive of this section.

13 NEW SECTION. **Sec. 8.** The sum of five million dollars, or as much
14 thereof as may be necessary, is appropriated for the biennium ending
15 June 30, 2001, from the state building construction account to the
16 moderate-income housing preservation account created in section 4 of
17 this act, for the purposes of this act.

18 NEW SECTION. **Sec. 9.** Section 6 of this act expires September 1,
19 2000.

20 NEW SECTION. **Sec. 10.** Section 7 of this act takes effect
21 September 1, 2000.

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