
Housing Committee

HB 2026

Brief Description: Establishing the Washington rental assistance program.

Sponsors: Representatives Ormsby, Holmquist, Fromhold, Dunn, Pettigrew, Sells, McCune, Haler, Chase, Wood, Santos and Darneille.

Brief Summary of Bill
<ul style="list-style-type: none">• Establishes a tenant-based rental assistance voucher program.• Authorizes a \$10 surcharge on documents filed with the county auditor.

Hearing Date: 2/24/05

Staff: CeCe Clynch (786-7168).

Background:

The federal Section 8 program was established in 1974 as part of the United States Housing Act. Individuals and families awarded Section 8 tenant-based vouchers use them to help pay the cost of renting housing on the open market. Although federally funded, vouchers are distributed at the local level. Housing vouchers are not an entitlement benefit and only about 25 percent of income-eligible individuals and households actually receive vouchers. Two-thirds of the housing authorities in this state have had to close their Section 8 waiting lists because of the size of the backlog. Those on the lists face waits of 18 months to five years to receive a voucher.

Washington saw a decrease of almost \$12 million in Section 8 vouchers in 2004 and will face another decrease of over \$12 million in 2005. Meanwhile, housing costs are rising faster than incomes making housing more unaffordable for many Washington residents.

Current fees for recording documents with the county auditor are established in state law as follows:

- \$5 for the first page and \$1 for each additional page;
- a surcharge of \$2 per instrument for improvement and modernization of the document indexing system; and
- a surcharge of \$10 for low income housing, which funds are divided 40 percent to the Housing Trust Fund and 60 percent for local construction, rental vouchers, and/or building and maintenance costs.

Summary of Bill:

The Washington Rental Assistance Program is established, providing tenant based rental vouchers to qualifying low income individuals and families. At least 70 percent of this rental assistance is allocated to qualifying persons residing within privately owned dwelling units.

To qualify, an individual or family must have income at or below 40 percent of the median income adjusted for household size for the county of residence. The individual or family cannot already be receiving Section 8 or other rental assistance. The vouchers may be used to rent a dwelling unit or a mobile home pad. Assistance may be provided on an emergency basis, for up to three months, to prevent eviction, or on a longer term basis for up to two years. Rental assistance under this program is portable only within the county in which application was originally made and approved.

Administering agencies are determined at the county level. There may be one or more selected in each county. These administering agencies have a variety of responsibilities, including:

1. determining whether an applicant is financially eligible;
2. ensuring that the applicant is not already receiving rental assistance;
3. inspecting the dwelling units to ensure that they are decent, safe, and sanitary;
4. making sure a proper lease is executed;
5. enforcing the requirement that 70 percent of the assistance is allocated to tenants residing in privately owned units; and
6. providing the county and the Department of Community, Trade, and Economic Development (DCTED) with financial reports and other data..

A \$10 surcharge is imposed on the recording of most documents with the county auditor. Assignments or substitutions of previously recorded deeds of trust are not included.

Of the total amount collected, the county may use 4 percent for collection and administration. The DCTED is to receive 3 percent to for its administration, including widespread advertising, the establishment and staffing of an advisory committee, and biennial performance audits. The administering agencies are to receive the remaining funds collected and, of the amount administered by each agency, that agency may charge up to 8 percent for administration.

Appropriation: None.

Fiscal Note: Requested on February 18, 2005.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2005.