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**ENGROSSED HOUSE BILL 1074**

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**State of Washington**

**59th Legislature**

**2005 Regular Session**

**By** Representatives Dunshee, Jarrett, Chase and Schual-Berke; by request of Department of Community, Trade, and Economic Development

Read first time 01/13/2005. Referred to Committee on Housing.

1       AN ACT Relating to increasing the administrative cap on the housing  
2 assistance program and the affordable housing program; amending RCW  
3 43.185.050, 43.185.070, and 43.185A.030; and providing an expiration  
4 date.

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

6       **Sec. 1.** RCW 43.185.050 and 2002 c 294 s 6 are each amended to read  
7 as follows:

8       (1) The department shall use moneys from the housing trust fund and  
9 other legislative appropriations to finance in whole or in part any  
10 loans or grant projects that will provide housing for persons and  
11 families with special housing needs and with incomes at or below fifty  
12 percent of the median family income for the county or standard  
13 metropolitan statistical area where the project is located. At least  
14 thirty percent of these moneys used in any given funding cycle shall be  
15 for the benefit of projects located in rural areas of the state as  
16 defined by the department. If the department determines that it has  
17 not received an adequate number of suitable applications for rural  
18 projects during any given funding cycle, the department may allocate  
19 unused moneys for projects in nonrural areas of the state.

1 (2) Activities eligible for assistance from the housing trust fund  
2 and other legislative appropriations include, but are not limited to:

3 (a) New construction, rehabilitation, or acquisition of low and  
4 very low-income housing units;

5 (b) Rent subsidies;

6 (c) Matching funds for social services directly related to  
7 providing housing for special-need tenants in assisted projects;

8 (d) Technical assistance, design and finance services and  
9 consultation, and administrative costs for eligible nonprofit community  
10 or neighborhood-based organizations;

11 (e) Administrative costs for housing assistance groups or  
12 organizations when such grant or loan will substantially increase the  
13 recipient's access to housing funds other than those available under  
14 this chapter;

15 (f) Shelters and related services for the homeless, including  
16 emergency shelters and overnight youth shelters;

17 (g) Mortgage subsidies, including temporary rental and mortgage  
18 payment subsidies to prevent homelessness;

19 (h) Mortgage insurance guarantee or payments for eligible projects;

20 (i) Down payment or closing cost assistance for eligible first-time  
21 home buyers;

22 (j) Acquisition of housing units for the purpose of preservation as  
23 low-income or very low-income housing; and

24 (k) Projects making housing more accessible to families with  
25 members who have disabilities.

26 (3) Legislative appropriations from capital bond proceeds may be  
27 used only for the costs of projects authorized under subsection (2)(a),  
28 (i), and (j) of this section, and not for the administrative costs of  
29 the department.

30 (4) Moneys from repayment of loans from appropriations from capital  
31 bond proceeds may be used for all activities necessary for the proper  
32 functioning of the housing assistance program except for activities  
33 authorized under subsection (2)(b) and (c) of this section.

34 (5) Administrative costs of the department shall not exceed  
35 (~~four~~) five percent of the annual funds available for the housing  
36 assistance program.

1       **Sec. 2.** RCW 43.185.070 and 1994 sp.s. c 3 s 9 are each amended to  
2 read as follows:

3       (1) During each calendar year in which funds from the housing trust  
4 fund or other legislative appropriations are available for use by the  
5 department for the housing assistance program, the department shall  
6 announce to all known interested parties, and through major media  
7 throughout the state, a grant and loan application period of at least  
8 ninety days' duration. This announcement shall be made as often as the  
9 director deems appropriate for proper utilization of resources. The  
10 department shall then promptly grant as many applications as will  
11 utilize available funds less appropriate administrative costs of the  
12 department. Administrative costs paid out of the housing trust fund  
13 may not exceed (~~four~~) five percent of annual revenues available for  
14 distribution to housing trust fund projects. In awarding funds under  
15 this chapter, the department shall provide for a geographic  
16 distribution on a statewide basis.

17       (2) The department shall give first priority to applications for  
18 projects and activities which utilize existing privately owned housing  
19 stock including privately owned housing stock purchased by nonprofit  
20 public development authorities and public housing authorities as  
21 created in chapter 35.82 RCW. As used in this subsection, privately  
22 owned housing stock includes housing that is acquired by a federal  
23 agency through a default on the mortgage by the private owner. Such  
24 projects and activities shall be evaluated under subsection (3) of this  
25 section. Second priority shall be given to activities and projects  
26 which utilize existing publicly owned housing stock. All projects and  
27 activities shall be evaluated by some or all of the criteria under  
28 subsection (3) of this section, and similar projects and activities  
29 shall be evaluated under the same criteria.

30       (3) The department shall give preference for applications based on  
31 some or all of the criteria under this subsection, and similar projects  
32 and activities shall be evaluated under the same criteria:

33       (a) The degree of leveraging of other funds that will occur;

34       (b) The degree of commitment from programs to provide necessary  
35 habilitation and support services for projects focusing on special  
36 needs populations;

37       (c) Recipient contributions to total project costs, including

1 allied contributions from other sources such as professional, craft and  
2 trade services, and lender interest rate subsidies;

3 (d) Local government project contributions in the form of  
4 infrastructure improvements, and others;

5 (e) Projects that encourage ownership, management, and other  
6 project-related responsibility opportunities;

7 (f) Projects that demonstrate a strong probability of serving the  
8 original target group or income level for a period of at least twenty-  
9 five years;

10 (g) The applicant has the demonstrated ability, stability and  
11 resources to implement the project;

12 (h) Projects which demonstrate serving the greatest need;

13 (i) Projects that provide housing for persons and families with the  
14 lowest incomes;

15 (j) Projects serving special needs populations which are under  
16 statutory mandate to develop community housing;

17 (k) Project location and access to employment centers in the region  
18 or area;

19 (l) Projects that provide employment and training opportunities for  
20 disadvantaged youth under a youthbuild or youthbuild-type program as  
21 defined in RCW 50.72.020; and

22 (m) Project location and access to available public transportation  
23 services.

24 (4) The department shall only approve applications for projects for  
25 mentally ill persons that are consistent with a regional support  
26 network six-year capital and operating plan.

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

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

32 (2) Activities eligible for assistance include, but are not limited  
33 to:

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

36 (b) Rent subsidies in new construction or rehabilitated multifamily  
37 units;

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

3 (d) Mortgage subsidies for new construction or rehabilitation of  
4 eligible multifamily units; and

5 (e) Mortgage insurance guarantee or payments for eligible projects.

6 (3) Legislative appropriations from capital bond proceeds may be  
7 used only for the costs of projects authorized under subsection (2)  
8 (a), (c), (d), and (e) of this section, and not for the administrative  
9 costs of the department.

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

14 (5) Administrative costs of the department shall not exceed  
15 ((four)) five percent of the annual funds available for the affordable  
16 housing program.

17 NEW SECTION. **Sec. 4.** This act expires June 30, 2007.

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