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HOUSE BILL 2026

State of Washington 59th Legislature 2005 Regular Session

By Representatives Ormsby, Holmquist, Fromhold, Dunn, Pettigrew, Sells, McCune, Haler, Chase, Wood, Santos and Darneille

Read first time 02/15/2005. Referred to Committee on Housing.

AN ACT Relating to rental assistance for qualifying low-income persons; amending RCW 36.18.010; adding a new section to chapter 36.22 RCW; adding a new chapter to Title 43 RCW; providing an effective date; providing an expiration date; and declaring an emergency.

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

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<u>NEW SECTION.</u> **Sec. 1.** The legislature finds that safe, decent, and affordable housing is a basic human need that is of vital importance to the health, safety, and welfare of the residents of the state. The legislature recognizes that many of Washington's low-income residents have difficulty obtaining or securing such accommodations.

The legislature finds also that existing state and federal programs and funding are insufficient to meet the needs of qualifying low-income residents seeking to obtain or to continue residing in safe, decent, and affordable housing. For many low-income persons, this assistance is critical in determining whether a family or individual will inhabit a housing unit satisfying basic needs or whether such persons will be subjected to the uncertainties and limitations of substandard dwellings or homelessness.

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The legislature, therefore, intends to establish the Washington 1 2 rental assistance program, a new tenant-based emergency and longer-term rental assistance program, without eliminating or reducing existing 3 state or federal housing programs or funds for such programs, whereby 4 5 qualifying low-income families and individuals may receive such assistance in accordance with legislative directives. The legislature 6 7 intends for this new program to be complementary and harmonious with ongoing state and federal housing assistance programs currently 8 operating in Washington. 9 The program is intended to 10 public/private partnership with rental assistance used principally in the private rental market. The program is not intended to eliminate or 11 12 otherwise reduce state or federal housing assistance programs and funds 13 available to qualifying persons, but rather to provide tenant-based 14 rental assistance to those eliqible for, but not receiving, such 15 assistance.

- <u>NEW SECTION.</u> **Sec. 2.** The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
 - (1) "Administering agency" means the agency designated by the county to administer the Washington rental assistance program. Organizations eligible for designation as an administering agency include local community action agencies, local housing authorities, and other local, nonprofit organizations with experience within the past two years of operating tenant-based rental assistance programs.
 - (2) "Community action agency" means a nonprofit private or public organization established under the economic opportunity act of 1964.
 - (3) "County" means a corporate body having the corporate powers set forth in chapter 36.01 RCW. For the purposes of administering the Washington rental assistance program, a county may be either metropolitan or nonmetropolitan. Metropolitan counties are designated by the federal office of management and budget and are included within standard metropolitan statistical areas. Nonmetropolitan counties are not included within standard metropolitan statistical areas.
 - (4) "Fair market rent" means the rent, including the cost of utilities, except telephone, as established by the United States department of housing and urban development for units of varying sizes, as determined by number of bedrooms, that must be paid in the housing market area to rent privately owned, existing, decent, safe, and

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sanitary rental housing of a modest, nonluxury nature with suitable amenities. The unit size utilized by the recipient will be determined by existing local administrative practice.

- (5) "Housing authority" means any of the public corporations created by chapter 35.82 RCW.
- (6) "Income" means money earned from work, including wages, tips, gratuities, and income from the operation of a business, and money received from other sources such as social security, supplemental security income, worker's compensation, unemployment benefits, tribal revenue sharing, dividends, interest, child support, alimony, friends, and relatives. Support or maintenance furnished in cash or in kind by any party, including rent or discounted rent, shall constitute income, except as set forth in this subsection. "Income" does not include food stamps, prescription drug discounts, medicare, medicare transitional assistance, free food or clothing, and income earned by children under eighteen.
- (7) "Landlord" means the owner, lessor, or sublessor of a dwelling unit or the property on which a dwelling unit or manufactured or mobile home pad is located. "Landlord" also includes any person designated by the owner, lessor, or sublessor as his or her representative.
- (8) "Local preference" means the population, group, or subgroup with defining characteristics identified by an administering agency, through a public process, to receive priority service or accommodation. Preferences may include, but are not limited to, victims of domestic violence, individuals with terminal illness, and homeless families participating in a program of community and therapeutic support.
- (9) "Performance outcome assessment" means an assessment of an organization's performance, including but not limited to measures of productivity, effectiveness, quality, and timeliness. The department shall have authority and responsibility for conducting performance outcome assessments.
- (10) "Department" means the department of community, trade, and economic development.
- (11) "Recipient" means any individual or household with a gross annual income of less than forty percent of the annual median income of the county of residence and who receives tenant-based rental assistance under the Washington rental assistance program.

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(12) "Rent reasonableness" means that the maximum contract rent for any unit to be leased is (a) reasonable in relation to rents currently being charged for comparable units in the private unassisted market; and (b) not in excess of rents currently being charged for most of the owner's comparable unassisted units.

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- (13) "Tenant" means any person who is entitled to occupy a dwelling unit primarily for living or dwelling purposes under a rental agreement.
- 9 (14) "Dwelling unit" means a structure or that part of a structure 10 which is used as a home, residence, or sleeping place by one person or 11 by two or more persons maintaining a common household, including but 12 not limited to single-family residences, manufactured and mobile homes, 13 and units of multiplexes and apartment buildings.
- NEW SECTION. Sec. 3. (1) The Washington rental assistance program is established to provide tenant-based rental assistance in the form of a payment to the landlord on behalf of low-income single persons, families, or unrelated persons living together:
 - (a) Whose income is at or below forty percent of the median income, adjusted for household size, for the county of residence, as determined by the federal department of housing and urban development; and
 - (b) Who are not receiving such assistance through a program authorized by section 8 of the United States housing act of 1937, 42 U.S.C. Sec. 1437f or any other federal, state, or local rental assistance program.
 - (2) A minimum of seventy percent of the dwelling units occupied by Washington rental assistance program recipients shall be privately owned units.
 - (3) Emergency/short-term assistance may be used for rental assistance up to three months to prevent eviction. Such assistance may also be used for first and last month's rent or for security or utility deposits to help the homeless obtain housing. Assistance for deposits cannot exceed the amount of one month's rent or the usual and customary charges charged other tenants for the same type of deposits, whichever is less.
- 35 (4) Longer-term tenant-based rental assistance may be provided up 36 to a maximum term of two years, unless extended consistent with a local

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- 1 preference. The amount of longer-term tenant-based rental assistance 2 shall be equal to fifty percent of the fair market value.
- 3 (5) Rental assistance available under this program may be used for 4 rent of a dwelling unit or a manufactured or mobile home pad.
- 5 (6) Rental assistance under this program is portable only within 6 the county in which the application for rental assistance was made and 7 approved.
- 8 <u>NEW SECTION.</u> **Sec. 4.** The department shall carry out the following 9 duties:
- 10 (1) Send electronic notices through its established listserv to 11 broadly advertise the availability of the Washington rental assistance 12 program;

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- (2) Establish a Washington rental assistance program advisory committee to assist the department in developing a program and outcome assessment tool and monitoring the program so as to ensure that it is administered in a timely, efficient, and effective manner;
- (3) Provide administrative and clerical assistance to the Washington rental assistance program advisory committee; and
- 19 (4) Establish and conduct an assessment and performance audit of 20 the Washington rental assistance program no later than December 31, 21 2007, and every two years thereafter so long as the program continues.
- NEW SECTION. Sec. 5. (1) The Washington rental assistance program advisory committee shall consist of ten members appointed by the department, as follows:
- 25 (a) Five representatives of for-profit rental housing owners and 26 managers;
- 27 (b) Four representatives of organizations eligible to administer 28 the rental assistance program; and
 - (c) One representative of low-income persons.
- 30 (2) The members of the Washington rental assistance program 31 advisory committee shall be appointed for four-year terms beginning on 32 July 1, 2005. The members of the advisory committee shall serve 33 without compensation, but shall be reimbursed for travel expenses as 34 provided in RCW 43.03.050 and 43.03.060.

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<u>NEW SECTION.</u> **Sec. 6.** (1) In metropolitan counties, the county department, division, or agency charged with community development shall convene the providers of tenant-based rental assistance in the jurisdiction, both emergency/short-term and longer-term tenant-based rental assistance providers, to determine the administering agency for the emergency/short-term program and for the tenant-based rental assistance program. More than one entity may be selected to administer different parts of the Washington rental assistance program, e.g., a housing authority could be selected to operate the longer-term tenant-based rental assistance program and a community action agency could be administer the emergency/short-term program. to nonmetropolitan counties, the housing authority will convene providers for the purpose of determining the administering agency.

- (2) Administering agencies must be selected in a timely manner with disbursement of funds under this program beginning no later than January 31, 2006.
- (3) An administering agency may charge an administrative fee of up to eight percent of the Washington rental assistance program moneys administered by that agency.
 - (4) An administering agency shall:

- (a) Verify that an applicant's income is at or below forty percent of the median income, adjusted for household size, for the county as determined by the federal department of housing and urban development;
- (b) Verify that an applicant is not receiving assistance through a program authorized by section 8 of the United States housing act of 1937, 42 U.S.C. Sec. 1437f, or other federal, state, or local rental assistance program;
- (c) Determine the monthly rental assistance for each eligible applicant which shall be based upon a formula of fifty percent of fair market rent as published by the federal department of housing and urban development based upon the bedroom size for the household and the jurisdiction in which the dwelling unit is located;
- (d) Ensure, through an inspection process that uses the inspection criteria identified by the federal department of housing and urban development in its housing quality standards, that dwellings for which Washington rental assistance program moneys are used are decent, safe, and sanitary. However, these inspections are not required for emergency rental assistance;

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(e) Ensure that an appropriate lease is executed between landlord and tenant that complies with all of the terms of chapters 59.18 and 59.20 RCW and that the initial lease is for a term of at least six months with month-to-month tenancy permissible thereafter;

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costs of administration.

- (f) Ensure that a minimum of seventy percent of Washington rental assistance program assistance is allocated to recipients residing within privately owned dwelling units;
 - (g) Establish local preferences, if any, through a public process;
- 9 (h) Distribute rental assistance and implement any local 10 preferences;
- 11 (i) Provide the county and the department with annual financial 12 reports that separately account for Washington rental assistance 13 program funds; and
- 14 (j) Annually provide the department with the data required by the 15 monitoring assessment tool developed under section 4 of this act.
- NEW SECTION. Sec. 7. A new section is added to chapter 36.22 RCW to read as follows:
 - (1) Except as provided in subsection (2) of this section, a surcharge of ten dollars shall be charged by the county auditor for each document recorded, which will be in addition to any other charge allowed by law. The county may retain up to four percent of the funds collected to cover the costs of collection and the county's costs of administration. Three percent of the funds collected shall be remitted to the department to cover the department's costs of administration. The remaining funds will be disbursed to the administering agencies. An administering agency may use up to eight percent of the Washington rental assistance program funds it administers to cover the agency's
- 29 (2) The surcharge imposed in this section does not apply to 30 assignments or substitutions of previously recorded deeds of trust.
- 31 **Sec. 8.** RCW 36.18.010 and 2002 c 294 s 3 are each amended to read 32 as follows:
- County auditors or recording officers shall collect the following fees for their official services:
- 35 (1) For recording instruments, for the first page eight and one-36 half by fourteen inches or less, five dollars; for each additional page

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eight and one-half by fourteen inches or less, one dollar. The fee for 1 2 recording multiple transactions contained in one instrument will be calculated for each transaction requiring separate indexing as required 3 under RCW 65.04.050 as follows: The fee for each title or transaction 4 5 is the same fee as the first page of any additional recorded document; the fee for additional pages is the same fee as for any additional 6 7 pages for any recorded document; the fee for the additional pages may be collected only once and may not be collected for each title or 8 9 transaction;

- (2) For preparing and certifying copies, for the first page eight and one-half by fourteen inches or less, three dollars; for each additional page eight and one-half by fourteen inches or less, one dollar;
- 14 (3) For preparing noncertified copies, for each page eight and one-15 half by fourteen inches or less, one dollar;
- 16 <u>(4)</u> For administering an oath or taking an affidavit, with or 17 without seal, two dollars;
 - (5) For issuing a marriage license, eight dollars, (this fee includes taking necessary affidavits, filing returns, indexing, and transmittal of a record of the marriage to the state registrar of vital statistics) plus an additional five-dollar fee for use and support of the prevention of child abuse and neglect activities to be transmitted monthly to the state treasurer and deposited in the state general fund plus an additional ten-dollar fee to be transmitted monthly to the state treasurer and deposited in the state general fund. The legislature intends to appropriate an amount at least equal to the revenue generated by this fee for the purposes of the displaced homemaker act, chapter 28B.04 RCW;
 - (6) For searching records per hour, eight dollars;
 - (7) For recording plats, fifty cents for each lot except cemetery plats for which the charge shall be twenty-five cents per lot; also one dollar for each acknowledgment, dedication, and description: PROVIDED, That there shall be a minimum fee of twenty-five dollars per plat;
- 34 (8) For recording of miscellaneous records not listed above, for 35 the first page eight and one-half by fourteen inches or less, five 36 dollars; for each additional page eight and one-half by fourteen inches 37 or less, one dollar;

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- 1 (9) For modernization and improvement of the recording and indexing 2 system, a surcharge as provided in RCW $36.22.170((\cdot, \cdot))$;
- 3 (10) For recording an emergency nonstandard document as provided in 4 RCW 65.04.047, fifty dollars, in addition to all other applicable recording fees((\cdot, \cdot)):
- 6 <u>(11)</u> For recording instruments, a surcharge as provided in RCW 36.22.178; and
- 8 (12) For recording instruments, a surcharge as provided in section 9 7 of this act. Collection of this surcharge terminates July 1, 2009.
- NEW SECTION. Sec. 9. If any part of this act is found to be in 10 11 conflict with federal requirements that are a prescribed condition to 12 the allocation of federal funds to the state, the conflicting part of this act is inoperative solely to the extent of the conflict and with 13 respect to the agencies directly affected, and this finding does not 14 15 affect the operation of the remainder of this act in its application to 16 the agencies concerned. Rules adopted under this act must meet federal 17 requirements that are a necessary condition to the receipt of federal 18 funds by the state.
- 19 <u>NEW SECTION.</u> **Sec. 10.** Sections 1 through 6, 9, and 11 of this act 20 constitute a new chapter in Title 43 RCW.
- NEW SECTION. Sec. 11. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2005.
- 25 NEW SECTION. Sec. 12. This act expires December 31, 2009.

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