

**ESSB 5959** - H AMD TO APP COMM AMD (H-5901.1/08) **1527**  
By Representative Ormsby

WITHDRAWN 03/07/2008

1 On page 3, after line 17 of the amendment, insert the following:

2 NEW SECTION. **Sec. 3.** The office of the insurance commissioner,  
3 in collaboration with the department of community, trade, and economic  
4 development and, when necessary, in consultation with the office of  
5 financial management and the office of the attorney general, must, by  
6 December 1, 2008, present specific recommendations for strategies to  
7 reduce construction liability and earthquake insurance costs for  
8 affordable housing projects funded by the Washington housing trust fund  
9 under chapters 43.185 and 43.185A RCW, with a specific emphasis on  
10 identifying strategies to reduce construction liability insurance  
11 costs, to the appropriate committees of the legislature.  
12 Recommendations must include any changes to existing statutory or  
13 regulatory language necessary for the state or for eligible  
14 organizations with affordable housing projects funded by the housing  
15 trust fund to pursue recommended strategies.

16 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.185 RCW  
17 to read as follows:

18 Affordable housing developments receiving financing by the  
19 Washington housing trust fund under this chapter and chapter 43.185A  
20 RCW that were not acquired by eminent domain are exempt from the  
21 requirements of and rules adopted for chapter 8.26 RCW. All projects  
22 receiving financing from the housing trust fund must comply with any  
23 relocation standards and requirements and real property acquisition  
24 policies established by the department as a condition of housing trust  
25 fund assistance.

26 NEW SECTION. **Sec. 5.** A new section is added to chapter 43.185 RCW  
27 to read as follows:

28 (1) The housing communities program is created within the

1 department to provide technical assistance and organizational capacity  
2 building programs to private, community-based nonprofit organizations  
3 that primarily serve communities of color or multilingual communities.  
4 The housing communities program must provide organizational training  
5 and technical assistance on housing development issues, including asset  
6 management, resource acquisition, and other general housing development  
7 topics, with the goal of assisting nonprofit organizations to add  
8 affordable housing development into their organizational missions and  
9 workplans, or expand their current affordable housing programs to  
10 further meet the needs of their communities.

11 (2) The department shall contract with two or more experienced  
12 housing nonprofit organizations that have the capacity to implement the  
13 housing communities program throughout the state.

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

16 (1) The housing infrastructure program is created in the department  
17 to provide loans for public infrastructure that supports affordable  
18 rental housing or affordable owner-occupied housing.

19 (2) The department is authorized to make direct loans to eligible  
20 organizations for the cost of public works projects that support  
21 affordable rental housing or affordable owner-occupied housing,  
22 including the planning, construction, repair, reconstruction,  
23 replacement, rehabilitation, or improvement of sidewalks, streets and  
24 roads, bridges, power utilities, water systems, storm and sanitary  
25 sewage systems, and solid waste facilities. The department may also  
26 provide loans for the acquisition of real property when the acquisition  
27 is directly related to the development of public works projects for  
28 affordable rental or owner-occupied housing.

29 (3) Loan interest rates shall not exceed one-half of one percent  
30 per annum. The department must provide reasonable terms and conditions  
31 for repayment of loans, including partial forgiveness of loan principal  
32 and interest payments.

33 (4) The department shall conduct a statewide request for public  
34 works project applications and shall establish a competitive process  
35 for loan awards. The department shall review and prioritize proposals  
36 in consultation with the public works board, the community economic

1 revitalization board, and the transportation improvement board. The  
2 following criteria must be used in the evaluation and ranking of public  
3 works project applications:

4 (a) The public works projects must support affordable rental  
5 housing or affordable owner-occupied housing; and

6 (b) The public works projects must demonstrate convincing evidence  
7 that (i) additional residential or mixed-use development will occur in  
8 an urban growth area designated under RCW 36.70A.110; (ii) the proposed  
9 mixed-use residential development is within one-half mile of a public  
10 transportation passenger terminal or major transit passenger stop; or  
11 (iii) that either moderate or high-density housing developments, or  
12 both, will be constructed.

13 (5) The definitions in this subsection apply throughout this  
14 section unless the context clearly requires otherwise.

15 (a) "Affordable owner-occupied housing" means housing affordable to  
16 and occupied by households with incomes not exceeding one hundred  
17 fifteen percent of the median income for housing located outside of  
18 high-cost areas or one hundred fifty percent of the median income for  
19 housing located within high-cost areas.

20 (b) "Affordable rental housing" means rental housing units  
21 affordable to and occupied by households with incomes not exceeding  
22 eighty percent of the median income for housing located outside of  
23 high-cost areas, or equal to the median income for housing located  
24 within high-cost areas.

25 (c) "High-cost area" means a county where the third quarter median  
26 house price for the previous year, as reported by the Washington center  
27 for real estate research at Washington State University, is equal to or  
28 greater than one hundred thirty percent of the statewide median house  
29 price published during the same time period.

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

32 The affordable housing infrastructure account is created in the  
33 state treasury. All receipts from appropriations made to the account,  
34 repayments of loans made under section 6 of this act, and other sources  
35 identified by the legislature must be deposited into the account.  
36 Moneys in the account may be spent only after appropriation.

1 Expenditures from the account may be used only for the purposes  
2 identified in section 6 of this act."

3 Renumber the remaining sections consecutively and correct any  
4 internal references accordingly.

5 On page 3, beginning on line 20 of the amendment, strike all of  
6 section 4 and insert the following:

7 "NEW SECTION. **Sec. 4.** If specific funding for the purposes of  
8 sections 1 and 2 of this act, referencing sections 1 and 2 of this act  
9 by bill or chapter number and section number, is not provided by June  
10 30, 2008, in the omnibus appropriations act, sections 1 and 2 of this  
11 act are null and void."

12 Correct the title.

EFFECT: Projects funded by the Housing Trust Fund (HTF) are exempt from relocation assistance requirements contained in the eminent domain statutes, unless the project was acquired by eminent domain. The Office of the Insurance Commissioner must report to the legislature recommendations for strategies to reduce construction liability and earthquake insurance costs for affordable housing projects funded by the HTF. The Housing Communities Program is created within CTED to provide technical assistance to help nonprofit organizations serving communities of color/multilingual communities develop and expand housing programs. The Housing Infrastructure Program, along with a corresponding appropriated account, is created within CTED to provide loans for public infrastructure that supports affordable housing.

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