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**SUBSTITUTE HOUSE BILL 1359**

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**State of Washington                      60th Legislature                      2007 Regular Session**

**By** House Committee on Housing (originally sponsored by Representatives Miloscia, Chase, Hasegawa, Pettigrew, Springer, Ormsby, Roberts, Darneille, Goodman and Santos)

READ FIRST TIME 02/13/07.

1            AN ACT Relating to providing affordable housing for all; amending  
2 RCW 43.185B.040, 36.22.178, and 43.63A.650; reenacting and amending RCW  
3 36.18.010; adding a new chapter to Title 43 RCW; creating new sections;  
4 recodifying RCW 36.22.178, 43.185B.020, and 43.185B.040; making an  
5 appropriation; and providing expiration dates.

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

7            NEW SECTION.    **Sec. 1.** (1) The legislature finds that there is a  
8 large, unmet need for affordable housing in the state of Washington.  
9 The legislature declares that a decent, appropriate, and affordable  
10 home in a healthy, safe environment for every household should be a  
11 state goal and that, at a minimum, this goal must be accomplished for  
12 every very low-income household by 2020. Furthermore, this goal  
13 includes increasing the percentage of very low-income households who  
14 are able to obtain and retain housing without government subsidies or  
15 other public support.

16            (2) The legislature finds that there are many root causes of the  
17 affordable housing shortage and declares that it is critical that such  
18 causes be analyzed, effective solutions be developed, implemented,  
19 monitored, and evaluated, and that these causal factors be eliminated.

1 The legislature also finds that there is a taxpayer and societal cost  
2 associated with a lack of jobs that pay self-sufficiency standard wages  
3 and a shortage of affordable housing, and that the state must identify  
4 and quantify that cost.

5 (3) The legislature finds that the support and commitment of all  
6 sectors of the statewide community is critical to accomplishing the  
7 state's affordable housing for all goal. The legislature finds that  
8 the provision of housing and housing-related services should be  
9 administered at the local level. However, the state should play a  
10 primary role in: Providing financial resources to achieve the goal at  
11 all levels of government; researching, evaluating, benchmarking, and  
12 implementing best practices; continually updating and evaluating  
13 statewide housing data; developing a state plan that integrates the  
14 strategies, goals, objectives, and performance measures of all other  
15 state housing plans and programs; coordinating and supporting county  
16 government plans and activities; and directing quality management  
17 practices by monitoring both state and county government performance  
18 towards achieving interim and ultimate goals.

19 (4) The legislature declares that the systematic and comprehensive  
20 performance measurement and evaluation of progress toward interim goals  
21 and the immediate state affordable housing goal of a decent,  
22 appropriate, and affordable home in a healthy, safe environment for  
23 every low-income household in the state by 2020 is a necessary  
24 component of the statewide effort to end the affordable housing crisis.

25 NEW SECTION. **Sec. 2.** This chapter may be known and cited as the  
26 Washington affordable housing for all act.

27 NEW SECTION. **Sec. 3.** There is created within the department the  
28 state affordable housing for all program, which shall be funded by the  
29 affordable housing for all program surcharge provided for in RCW  
30 36.22.178 (as recodified by this act) and all other sources directed to  
31 the affordable housing for all program. The goal of the program is a  
32 decent, appropriate, and affordable home in a healthy, safe environment  
33 for every very low-income household in the state by 2020. A priority  
34 must be placed upon achieving this goal for extremely low-income  
35 households. This goal includes increasing the percentage of households  
36 who access housing that is affordable for their income or wage level

1 without government assistance by increasing the number of previously  
2 very low-income households who achieve self-sufficiency and economic  
3 independence. The goal also includes implementing strategies to keep  
4 the rising cost of housing below the relative rise in wages. The  
5 department shall develop and administer the affordable housing for all  
6 program. In the development and implementation of the program, the  
7 department shall consider: The funding level, number of county staff  
8 available to implement the program, and competency of each county to  
9 meet the goals of the program; and establish program guidelines,  
10 performance measures, and reporting requirements appropriate to the  
11 existing capacity of the participating counties.

12 NEW SECTION. **Sec. 4.** Unless the context clearly requires  
13 otherwise, the definitions in this section apply throughout this  
14 chapter.

15 (1) "Affordable housing" means housing that has a sales price or  
16 rental amount that is within the means of a household that may occupy  
17 low, very low, and extremely low-income housing. The department shall  
18 adopt policies for residential rental and homeownership housing,  
19 occupied by extremely low, very low, and low-income households, that  
20 specify the percentage of household income that may be spent on monthly  
21 housing costs, including utilities other than telephone, to qualify as  
22 affordable housing.

23 (2) "Department" means the department of community, trade, and  
24 economic development.

25 (3) "Director" means the director of the department of community,  
26 trade, and economic development.

27 (4) "First-time home buyer" means an individual or his or her  
28 spouse who have not owned a home during the three-year period prior to  
29 purchase of a home.

30 (5) "Nonprofit organization" means any public or private nonprofit  
31 organization that: (a) Is organized under federal, state, or local  
32 laws; (b) has no part of its net earnings inuring to the benefit of any  
33 member, founder, contributor, or individual; and (c) has among its  
34 purposes, significant activities related to the provision of decent  
35 housing that is affordable to extremely low-income, very low-income,  
36 low-income, or moderate-income households and special needs  
37 populations.

1 (6) "Regulatory barriers to affordable housing" and "regulatory  
2 barriers" mean any public policies, including those embodied in  
3 statutes, ordinances, regulations, or administrative procedures or  
4 processes, required to be identified by the state, cities, towns, or  
5 counties in connection with strategies under section 105(b)(4) of the  
6 Cranston-Gonzalez national affordable housing act (42 U.S.C. Sec. 12701  
7 et seq.).

8 (7) "Affordable housing for all account" means the account in the  
9 custody of the state treasurer receiving the state's portion of income  
10 from the revenue of sources established by RCW 36.22.178 (as recodified  
11 by this act) and all other sources directed to the affordable housing  
12 for all program.

13 (8) "County affordable housing task force" means a county  
14 committee, as described in section 7 of this act, created to prepare  
15 and recommend to its county legislative authority a county affordable  
16 housing for all plan, and also to recommend expenditures of the funds  
17 from the affordable housing for all program surcharge in RCW 36.22.178  
18 (as recodified by this act) and all other sources directed to the  
19 county's affordable housing for all program.

20 (9) "Performance measurement" means the process of comparing  
21 specific measures of success with ultimate and interim goals.

22 (10) "Performance evaluation" means the process of evaluating the  
23 performance by established objective, measurable criteria according to  
24 the achievement of outlined goals, measures, targets, standards, or  
25 other outcomes using a ranked scorecard from highest to lowest  
26 performance which employs a scale of one to one hundred, one hundred  
27 being the optimal score.

28 (11) "Quality management program" means a nationally recognized  
29 program similar or equivalent to the Baldrige criteria. All cities,  
30 towns, and counties receiving over five hundred thousand dollars from  
31 (a) state funding sources, including the housing trust fund, (b)  
32 housing finance commission programs, (c) the affordable housing for all  
33 program surcharge in RCW 36.22.178 (as recodified by this act), (d) the  
34 homeless housing and assistance program surcharge in RCW 36.22.179, and  
35 (e) any other surcharge charged under chapter 36.22 RCW to fund  
36 homelessness programs shall apply to the full examination Washington  
37 state quality award program by December 31, 2009, and at least once  
38 every three years thereafter. The department and the Washington state

1 housing finance commission must apply to the full examination  
2 Washington state quality award program by December 31, 2009, and at  
3 least once every three years thereafter.

4 (12) "Affordable housing for all program" means the program  
5 authorized under this chapter, utilizing the funding from the  
6 affordable housing for all program surcharge in RCW 36.22.178 (as  
7 recodified by this act), and all other sources directed to the  
8 affordable housing for all program, as administered by the department  
9 at the state level and by each county at the local level.

10 (13) "State affordable housing for all plan" or "state plan" means  
11 the plan developed by the department in collaboration with the  
12 affordable housing advisory board with the goal of ensuring that every  
13 very low-income household in Washington has a decent, appropriate, and  
14 affordable home in a healthy, safe environment by 2020.

15 (14) "County affordable housing for all plan" or "county plan"  
16 means the plan developed by each county with the goal of ensuring that  
17 every very low-income household in the county has a decent,  
18 appropriate, and affordable home in a healthy, safe environment by  
19 2020.

20 (15) "Low-income household," for the purposes of the affordable  
21 housing for all program, means a single person, family, or unrelated  
22 persons living together whose adjusted income is less than eighty  
23 percent of the median household income, adjusted for household size for  
24 the county where the project is located.

25 (16) "Very low-income household" means a single person, family, or  
26 unrelated persons living together whose adjusted income is less than  
27 fifty percent of the median family income, adjusted for household size  
28 for the county where the project is located.

29 (17) "Extremely low-income household" means a single person,  
30 family, or unrelated persons living together whose adjusted income is  
31 less than thirty percent of the median family income, adjusted for  
32 household size for the county where the project is located.

33 (18) "County" means a county government in the state of Washington  
34 or, except under RCW 36.22.178 (as recodified by this act), a city  
35 government or collaborative of city governments within that county if  
36 the county government declines to participate in the affordable housing  
37 program.

1 (19) "Local government" means a county or city government in the  
2 state of Washington or, except under RCW 36.22.178 (as recodified by  
3 this act), a city government or collaborative of city governments  
4 within that county if the county government declines to participate in  
5 the affordable housing program.

6 (20) "Authority" or "housing authority" means any of the public  
7 corporations created by RCW 35.82.030.

8 **Sec. 5.** RCW 43.185B.040 and 1993 c 478 s 12 are each amended to  
9 read as follows:

10 (1) The department shall, in consultation with the affordable  
11 housing advisory board created in RCW 43.185B.020 (as recodified by  
12 this act), prepare and ~~((from time to time amend a five year))~~ annually  
13 update a state affordable housing ((advisory)) for all plan. The state  
14 plan must incorporate the strategies, objectives, goals, and  
15 performance measures of all other housing-related state plans,  
16 including the state homeless housing strategic plan required under RCW  
17 43.185C.040 and all state housing programs. The state affordable  
18 housing for all plan may be combined with the state homeless housing  
19 strategic plan required under RCW 43.185C.040 or any other existing  
20 state housing plan as long as the requirements of all of the plans to  
21 be merged are met.

22 (2) The purpose of the state affordable housing for all plan is to:

23 (a) Document the need for affordable housing in the state and the  
24 extent to which that need is being met through public and private  
25 sector programs((τ));

26 (b) Outline the development of sound strategies and programs to  
27 promote affordable housing;

28 (c) Establish, evaluate, and report upon interim goals and  
29 timelines that are determined by the department and by which the state  
30 and counties may be measured;

31 (d) Establish, evaluate, and report upon performance measures,  
32 including the performance measures outlined in section 6 of this act,  
33 for the state and for county governments;

34 (e) Evaluate and report upon all counties' use of the affordable  
35 housing for all program surcharge funds provided for in RCW 36.22.178  
36 (as recodified by this act) and all other sources directed to the  
37 counties' affordable housing for all programs;

1 (f) Report upon how housing trust fund awards within the previous  
2 one-year period are consistent with the plan and have contributed to  
3 the goal of the affordable housing for all program; and ((to))

4 (g) Facilitate state and county government planning to meet the  
5 state affordable housing ((needs of the state, and to enable the  
6 development of sound strategies and programs for affordable housing))  
7 for all goal.

8 (3) The information in the ((five-year)) annual state affordable  
9 housing ((advisory)) for all plan must include:

10 (a) An assessment of the state's housing market trends;

11 (b) An assessment of the housing needs for all economic segments of  
12 the state by wage level decile and special needs populations including:

13 (i) A report on the number and percentage of persons or households  
14 statewide and in each county in each income level decile who are  
15 currently living in housing that is not affordable given their wage  
16 level;

17 (ii) A report on the number of additional affordable rental housing  
18 units that are needed statewide and in each county to house persons or  
19 households at each wage level decile;

20 (iii) A report of the number and percentage of persons or  
21 households identified as having special needs statewide and in each  
22 county who are not adequately and affordably housed;

23 (iv) An estimate of the additional housing units needed statewide  
24 and in each county for each special needs population category;

25 (c) An inventory of the supply and geographic distribution of  
26 affordable housing rental units made available through public and  
27 private sector programs;

28 (d) An inventory of the homeownership units under public or  
29 nonprofit control through a trust or covenant limiting the economic  
30 value of the unit made available through public and private sector  
31 programs;

32 (e) An estimate of the supply of homes available for purchase  
33 statewide and in each county that are affordable to each wage level  
34 decile;

35 (f) An estimate of the number of affordable homes for purchase  
36 needed for each wage level decile to achieve the state's homeownership  
37 goal, as determined by the department and included in the state  
38 affordable housing for all plan, unless established by the legislature;

1 (g) A status report on the degree of progress made by the public  
2 and private sector toward meeting the housing needs of the state, each  
3 county, and each city with a population greater than fifty thousand or  
4 the city with the highest population in each county, where information  
5 is available;

6 ~~((e))~~ (h) An identification of state and local regulatory  
7 barriers to affordable housing and proposed regulatory and  
8 administrative techniques designed to remove barriers to the  
9 development and placement of affordable housing; ~~(and~~

10 ~~(f))~~ (i) An analysis, statewide and within each county and major  
11 city, of the primary contributors to the cost of housing and an outline  
12 of potential strategies to keep the increasing cost of housing below  
13 the relative rise in wages;

14 (j) Specific recommendations, policies, or proposals for meeting  
15 the affordable housing needs of the state;

16 (k) Identification of key root causal factors of the affordable  
17 housing shortage and the inability of very low-income households to  
18 obtain and retain appropriate housing, and identification of possible  
19 preventative strategies and related performance measures;

20 (l) A report on the growth in the population of persons in each  
21 wage level decile statewide and for each county;

22 (m) A determination of the cost to the state of the affordable  
23 housing shortage;

24 (n) A report of any differences in the rates of inflation between  
25 median house prices, median rent for a two-bedroom apartment, and  
26 median family income for persons or households in each wage level  
27 decile;

28 (o) A summary of the recommendations of the affordable housing  
29 advisory board report as required in RCW 43.185B.030;

30 (p) A response to all county legislative and policy recommendations  
31 included in county affordable housing for all plans as well as proposed  
32 strategies to address issues raised in the county plans; and

33 (q) A summary report of the department's evaluations of the  
34 operations and accomplishments of other state departments and agencies  
35 as they affect housing as required in RCW 43.63A.650.

36 ~~((2)(a))~~ (4) The ~~((five-year))~~ state affordable housing  
37 ~~((advisory))~~ for all plan required under ~~((subsection (1) of))~~ this  
38 section must be submitted to the appropriate committees of the



1 legislature on or before (~~February 1, 1994~~) December 31, 2008, and  
2 subsequent updated plans must be submitted (~~every five years~~) by  
3 December 31st each year thereafter.

4 (~~(b) Each February 1st, beginning February 1, 1995, the department~~  
5 ~~shall submit an annual progress report, to the legislature, detailing~~  
6 ~~the extent to which the state's affordable housing needs were met~~  
7 ~~during the preceding year and recommendations for meeting those needs~~)

8 (5) To guide counties in preparation of county affordable housing  
9 for all plans required under section 8 of this act, the department  
10 shall issue, by December 31, 2007, guidelines for preparing county  
11 plans consistent with this chapter. County plans must be substantially  
12 consistent with the goals and program recommendations of the state  
13 affordable housing for all plan and must include, at a minimum, the  
14 same information analysis, on a local level, as described in subsection  
15 (3) of this section and must include the performance measures outlined  
16 in section 6 of this act.

17 (6) Based on changes to the general population and in the housing  
18 market, the department may revise the performance measures and goals of  
19 the state affordable housing for all plan and set goals for years  
20 following December 31, 2020.

21 NEW SECTION. Sec. 6. (1) The department, in consultation with a  
22 task force established by the department consisting of the chairs of  
23 the appropriate committees of the legislature, representatives  
24 appointed by the director from a minimum of five county affordable  
25 housing for all task forces representing urban and rural areas as well  
26 as communities east and west of the Cascade mountains, and  
27 representatives from statewide housing advocacy organizations, shall  
28 create affordable housing for all program outcomes and performance  
29 measures and goals addressing, at a minimum, the success of the state  
30 and each county in the following areas:

31 (a) An overall measurement of the affordable housing needs met for  
32 extremely low and low-income households within each twelve-month  
33 period;

34 (b) A measure of the increase in affordable rental housing;

35 (c) A measure of the increase in self-sufficiency amongst  
36 individuals and families;

37 (d) A measure of the increase in individuals' and family wages;

- 1 (e) A measure of community support for the state and county plans;
- 2 (f) A measure of county government financial support for the  
3 program;
- 4 (g) A measure of the financial viability of the state and county  
5 plans;
- 6 (h) A measure of the financial efficiency of the housing programs  
7 funded by the county;
- 8 (i) A measure of the quality of the state and county plans; and
- 9 (j) A measure of the quality of the management of county  
10 governments.

11 Measurement reporting must be subdivided by county, major city, and  
12 political geography, and yearly targets for these results must be  
13 included. Performance measures must be included in the department's  
14 state affordable housing for all plan and all county affordable housing  
15 for all plans and must be provided to the joint legislative audit and  
16 review committee.

17 (2) Performance measures and yearly targets must be established by  
18 December 31, 2007, and must be reviewed annually by the department  
19 after soliciting feedback from all county affordable housing for all  
20 task forces.

21 (3) The department may determine a timeline to implement and  
22 measure each performance measure for the state and county plans, except  
23 that the state and all counties participating in the affordable housing  
24 for all program must implement and respond to all performance measures  
25 by December 31, 2010, unless the department determines that a  
26 performance measure is not applicable to a specific county based on  
27 parameters and thresholds established by the department.

28 NEW SECTION. **Sec. 7.** Each county shall convene a county  
29 affordable housing task force. The task force must be a committee,  
30 made up of volunteers, created to prepare and recommend to the county  
31 legislative authority a county affordable housing for all plan and also  
32 to recommend appropriate expenditures of the affordable housing for all  
33 program funds provided for in RCW 36.22.178 (as recodified by this act)  
34 and any other sources directed to the county program. The county  
35 affordable housing task force must include a representative of the  
36 county, a representative from the city with the highest population in  
37 the county, a representative from all other cities in the county with

1 a population greater than fifty thousand, a member representing  
2 beneficiaries of affordable housing programs, other members as may be  
3 required to maintain eligibility for federal funding related to housing  
4 programs and services, and a representative from both a private  
5 nonprofit organization and a private for-profit organization with  
6 experience in very low-income housing. The task force may be the same  
7 as the homeless housing task force created in RCW 43.185C.160 or the  
8 same as another existing task force or other formal committee that  
9 meets the requirements of this section.

10 NEW SECTION. **Sec. 8.** (1) Each county shall direct its affordable  
11 housing task force to prepare and recommend to its county legislative  
12 authority a county affordable housing for all plan for its  
13 jurisdictional area. Each county shall adopt a county plan by June 30,  
14 2008, and update the plan annually by June 30th thereafter. All plans  
15 must be forwarded to the department by the date of adoption. County  
16 affordable housing for all plans may be combined with the local  
17 homeless housing plans required under RCW 43.185C.040 or any other  
18 existing plan addressing housing within a county as long as the  
19 requirements of all of the plans to be merged are met. For counties  
20 required or choosing to plan under RCW 36.70A.040, county affordable  
21 housing for all plans must be consistent with the housing elements of  
22 comprehensive plans described in RCW 36.70A.070(2). County plans must  
23 also be consistent with any existing local homeless housing plan  
24 required in RCW 43.185C.050.

25 (2) County affordable housing for all plans must be primarily  
26 focused on (a) ensuring that every very low-income household in the  
27 county jurisdictional area has a decent, appropriate, and affordable  
28 home in a healthy, safe environment by 2020 and (b) increasing the  
29 percentage of very low-income households that access affordable housing  
30 without government assistance. County plans must also be substantially  
31 consistent with the goals, performance measures, and program  
32 recommendations of the state affordable housing for all plan and must  
33 include, at a minimum, the same information, analysis, and performance  
34 measures as described in RCW 43.185B.040 (as recodified by this act)  
35 and section 6 of this act. In addition to these performance measures,  
36 counties must report on a common performance measure, to be determined  
37 by the department, measuring the health and safety of tenants of

1 affordable rental housing. All towns, cities, and counties must report  
2 information related to this performance measure to the county task  
3 force to the greatest extent practicable using available funds.  
4 Counties shall report on achievements according to stated performance  
5 measures to the department annually by December 1st, beginning in 2008.

6 (3) County affordable housing for all plans must include timelines  
7 for the accomplishment of interim goals and targets, and for the  
8 acquisition of projected financing that is appropriate for outlined  
9 goals and targets. Plans must also include state legislative  
10 recommendations to enable the county to achieve its affordable housing  
11 for all goals. Legislative recommendations must be specific and, if  
12 necessary, include an estimated amount of funding required and  
13 suggestions of an appropriate funding source.

14 (4) Each year, the department shall:

15 (a) Summarize key information from county plans, including a  
16 summary of legislative recommendations;

17 (b) Conduct annual performance evaluations of county plans; and

18 (c) Conduct annual performance evaluations of all counties  
19 according to their performance in achieving stated affordable housing  
20 goals in their plans.

21 (5) The department shall present the summary of county affordable  
22 housing for all plans and the results of performance evaluations to the  
23 appropriate committees of the legislature annually on or before  
24 December 31st.

25 NEW SECTION. **Sec. 9.** (1) Any county may decline to participate in  
26 the affordable housing for all program authorized in this chapter by  
27 forwarding to the department a resolution adopted by the county  
28 legislative authority stating the intention not to participate. A copy  
29 of the resolution must also be transmitted to the county auditor and  
30 treasurer. Counties that decline to participate shall not be required  
31 to establish an affordable housing task force or to create a county  
32 affordable housing for all plan. Counties declining to participate in  
33 the affordable housing for all program shall continue to collect and  
34 utilize the affordable housing for all surcharge for the purposes  
35 described in RCW 36.22.178; however, such counties shall not be  
36 allocated any additional affordable housing for all program funding.

1 Counties may opt back into the affordable housing for all program  
2 authorized by this chapter at a later date through a process and  
3 timeline to be determined by the department.

4 (2) If a county declines to participate in the affordable housing  
5 for all program authorized in this chapter, a city or formally  
6 organized collaborative of cities within that county may forward a  
7 resolution to the department stating its intention and willingness to  
8 operate an affordable housing for all program within its jurisdictional  
9 limits. The department must establish procedures to choose amongst  
10 cities or collaboratives of cities in the event that more than one city  
11 or collaborative of cities express an interest in participating in the  
12 program. Participating cities or collaboratives of cities must fulfill  
13 the same requirements as counties participating in the affordable  
14 housing for all program.

15 NEW SECTION. **Sec. 10.** A county may subcontract with any other  
16 county, city, town, housing authority, community action agency, or  
17 other nonprofit organization for the execution of programs contributing  
18 to the affordable housing for all goal. All subcontracts must be:  
19 Consistent with the county affordable housing for all plan adopted by  
20 the legislative authority of the county; time limited; and filed with  
21 the department, and must have specific performance terms as specified  
22 by the county. County governments must strongly encourage all  
23 subcontractors under the affordable housing for all program to apply to  
24 the full examination Washington state quality award program. This  
25 authority to subcontract with other entities does not affect  
26 participating counties' ultimate responsibility for meeting the  
27 requirements of the affordable housing for all program.

28 **Sec. 11.** RCW 36.22.178 and 2005 c 484 s 18 are each amended to  
29 read as follows:

30 The surcharge provided for in this section shall be named the  
31 affordable housing for all program surcharge.

32 (1) Except as provided in subsection (~~(2)~~) (3) of this section,  
33 a surcharge of ten dollars per instrument shall be charged by the  
34 county auditor for each document recorded, which will be in addition to  
35 any other charge authorized by law. The county may retain up to five  
36 percent of these funds collected solely for the collection,

1 administration, and local distribution of these funds. Of the  
2 remaining funds, forty percent of the revenue generated through this  
3 surcharge will be transmitted monthly to the state treasurer who will  
4 deposit the funds into the ~~((Washington housing trust account))~~  
5 affordable housing for all account created in section 12 of this act.  
6 The office of community development of the department of community,  
7 trade, and economic development will develop guidelines for the use of  
8 these funds to support building operation and maintenance costs of  
9 housing projects or units within housing projects that are affordable  
10 to extremely low-income ~~((persons))~~ households with incomes at or below  
11 thirty percent of the area median income, and that require a supplement  
12 to rent income to cover ongoing operating expenses.

13 (2) All of the remaining funds generated by this surcharge will be  
14 retained by the county and be deposited into a fund that must be used  
15 by the county and its cities and towns for housing projects or units  
16 within housing projects that are affordable to very low-income  
17 ~~((persons))~~ households with incomes at or below fifty percent of the  
18 area median income. The portion of the surcharge retained by a county  
19 shall be allocated to extremely low and very low-income housing  
20 projects or units within such housing projects in the county and the  
21 cities within a county according to an interlocal agreement between the  
22 county and the cities within the county consistent with countywide and  
23 local housing needs and policies. ~~((The funds generated with this  
24 surcharge shall not be used for construction of new housing if at any  
25 time the vacancy rate for available low income housing within the  
26 county rises above ten percent. The vacancy rate for each county shall  
27 be developed using the state low income vacancy rate standard developed  
28 under subsection (3) of this section.))~~ A priority must be given to  
29 projects or units within projects that are affordable to extremely low-  
30 income households with incomes at or below thirty percent of the area  
31 median income. For counties participating in the affordable housing  
32 for all program, all projects funded must be consistent with strategies  
33 outlined in the county affordable housing for all plan. Uses of these  
34 ~~((local))~~ county funds are limited to:

35 (a) Acquisition, construction, or rehabilitation of housing  
36 projects or units within housing projects that are affordable to very  
37 low-income ~~((persons))~~ households with incomes at or below fifty

1 percent of the area median income, including units for homeownership,  
2 rental units, seasonal and permanent farm worker housing units, and  
3 single room occupancy units;

4 (b) Supporting building operation and maintenance costs of housing  
5 projects or units within housing projects eligible to receive housing  
6 trust funds, that are affordable to very low-income (~~persons~~)  
7 households with incomes at or below fifty percent of the area median  
8 income, and that require a supplement to rent income to cover ongoing  
9 operating expenses;

10 (c) Rental assistance vouchers for housing (~~projects or~~) units  
11 (~~within housing projects~~) that are affordable to very low-income  
12 (~~persons~~) households with incomes at or below fifty percent of the  
13 area median income, to be administered by a local public housing  
14 authority or other local organization that has an existing rental  
15 assistance voucher program, consistent with or similar to the United  
16 States department of housing and urban development's section 8 rental  
17 assistance voucher program standards. The department shall develop  
18 statewide guidelines for rental assistance programs by 2008, which must  
19 include, at a minimum, guidelines and related performance measures to  
20 ensure acceptable housing quality for voucher recipients, as well as  
21 tenant protections consistent with federal section 8 rental assistance  
22 voucher program standards; and

23 (d) Operating costs for emergency shelters and licensed overnight  
24 youth shelters.

25 ~~((+2))~~ (3) The surcharge imposed in this section does not apply to  
26 assignments or substitutions of previously recorded deeds of trust.

27 ~~((-3) The real estate research center at Washington State~~  
28 ~~University shall develop a vacancy rate standard for low income housing~~  
29 ~~in the state as described in RCW 18.85.540(1)(i))~~

30 (4) All counties shall report at least annually upon receipts and  
31 expenditures of the affordable housing for all program surcharge funds  
32 created in this section to the department. The department may require  
33 more frequent reports. The report must include the amount of funding  
34 generated by the surcharge, the total amount of funding distributed to  
35 date, the amount of funding allocated to each project, a description of  
36 each project funded, including information on the income or wage level  
37 and numbers of extremely low and low-income households the project will  
38 serve, and the outcome or anticipated outcome of each project.

1 Counties participating in the affordable housing for all program shall  
2 also report annually on performance measures, including performance  
3 measures outlined in section 6 of this act and others to be determined  
4 by the department, related to uses of the affordable housing for all  
5 program surcharge funds.

6 NEW SECTION. **Sec. 12.** The affordable housing for all account is  
7 created in the custody of the state treasurer. The state's portion of  
8 the surcharge established in RCW 36.22.178 (as recodified by this act)  
9 shall be deposited in the account, as well as all other sources  
10 directed to the affordable housing for all program. Expenditures from  
11 the account may only be used for the affordable housing for all program  
12 as described in this chapter. Only the director or the director's  
13 designee may authorize expenditures from the account. The account is  
14 subject to allotment procedures under chapter 43.88 RCW, but an  
15 appropriation is not required for expenditures.

16 **Sec. 13.** RCW 36.18.010 and 2005 c 484 s 19 and 2005 c 374 s 1 are  
17 each reenacted and amended to read as follows:

18 County auditors or recording officers shall collect the following  
19 fees for their official services:

20 (1) For recording instruments, for the first page eight and one-  
21 half by fourteen inches or less, five dollars; for each additional page  
22 eight and one-half by fourteen inches or less, one dollar. The fee for  
23 recording multiple transactions contained in one instrument will be  
24 calculated for each transaction requiring separate indexing as required  
25 under RCW 65.04.050 as follows: The fee for each title or transaction  
26 is the same fee as the first page of any additional recorded document;  
27 the fee for additional pages is the same fee as for any additional  
28 pages for any recorded document; the fee for the additional pages may  
29 be collected only once and may not be collected for each title or  
30 transaction;

31 (2) For preparing and certifying copies, for the first page eight  
32 and one-half by fourteen inches or less, three dollars; for each  
33 additional page eight and one-half by fourteen inches or less, one  
34 dollar;

35 (3) For preparing noncertified copies, for each page eight and one-  
36 half by fourteen inches or less, one dollar;



1 (4) For administering an oath or taking an affidavit, with or  
2 without seal, two dollars;

3 (5) For issuing a marriage license, eight dollars, (this fee  
4 includes taking necessary affidavits, filing returns, indexing, and  
5 transmittal of a record of the marriage to the state registrar of vital  
6 statistics) plus an additional five-dollar fee for use and support of  
7 the prevention of child abuse and neglect activities to be transmitted  
8 monthly to the state treasurer and deposited in the state general fund  
9 plus an additional ten-dollar fee to be transmitted monthly to the  
10 state treasurer and deposited in the state general fund. The  
11 legislature intends to appropriate an amount at least equal to the  
12 revenue generated by this fee for the purposes of the displaced  
13 homemaker act, chapter 28B.04 RCW;

14 (6) For searching records per hour, eight dollars;

15 (7) For recording plats, fifty cents for each lot except cemetery  
16 plats for which the charge shall be twenty-five cents per lot; also one  
17 dollar for each acknowledgment, dedication, and description: PROVIDED,  
18 That there shall be a minimum fee of twenty-five dollars per plat;

19 (8) For recording of miscellaneous records not listed above, for  
20 the first page eight and one-half by fourteen inches or less, five  
21 dollars; for each additional page eight and one-half by fourteen inches  
22 or less, one dollar;

23 (9) For modernization and improvement of the recording and indexing  
24 system, a surcharge as provided in RCW 36.22.170;

25 (10) For recording an emergency nonstandard document as provided in  
26 RCW 65.04.047, fifty dollars, in addition to all other applicable  
27 recording fees;

28 (11) For recording instruments, a surcharge as provided in RCW  
29 36.22.178 (as recodified by this act); and

30 (~~{(12)}~~) (12) For recording instruments, except for documents  
31 recording a birth, marriage, divorce, or death or any documents  
32 otherwise exempted from a recording fee under state law, a surcharge as  
33 provided in RCW 36.22.179.

34 NEW SECTION. **Sec. 14.** This chapter does not require either the  
35 department or any local government to expend any funds to accomplish  
36 the goals of this chapter other than the revenues authorized in this  
37 act and other revenue that may be appropriated by the legislature for

1 these purposes. However, neither the department nor any local  
2 government may use any funds authorized in this act to supplant or  
3 reduce any existing expenditures of public money to address the  
4 affordable housing shortage.

5 NEW SECTION. **Sec. 15.** The joint legislative audit and review  
6 committee shall conduct a performance audit of the state affordable  
7 housing for all program every four years. The audit must include an  
8 analysis of the department's expenditures of funds from sources  
9 established by RCW 36.22.178 (as recodified by this act) and all other  
10 sources directed to the affordable housing for all program. The first  
11 audit must be conducted on or before December 31, 2010. Each audit  
12 must take no longer than six months or fifty thousand dollars to  
13 complete.

14 NEW SECTION. **Sec. 16.** (1)(a) The department of community, trade,  
15 and economic development shall conduct a study to evaluate the  
16 potential development of a voluntary statewide, low-income household  
17 housing waiting list database that would include information on all  
18 low-income households requesting housing assistance for the purpose of  
19 connecting such households with appropriate housing opportunities. The  
20 study shall investigate and evaluate the following:

- 21 (i) The anticipated benefits of a statewide waiting list database  
22 for low-income households and low-income housing providers;
- 23 (ii) The cost of implementing and maintaining the database; and
- 24 (iii) Best practices from other states or from counties in other  
25 states that currently have a similar database.

26 (b) The department shall report the results of this study to the  
27 appropriate committees of the legislature by December 31, 2008.

28 (2) This section expires December 31, 2008.

29 NEW SECTION. **Sec. 17.** (1) The department shall create or  
30 purchase, and implement by December 31, 2009, a master affordable  
31 housing database that includes specific information about existing  
32 affordable rental housing stock in the state of Washington. The  
33 database must be maintained and continually updated by the department,  
34 and the department may cross-reference and exchange information between  
35 this database and other existing state housing databases.

1 (2) The database must include information on all rental units that  
2 meet the affordable housing definition and have received or continue to  
3 receive funding from the federal government, the state, a city, town,  
4 county, housing authority, community renewal agency, public development  
5 authority, or other nonprofit organization, or financing through the  
6 Washington state housing finance commission. The department shall  
7 encourage landlords of private rental units that are affordable for  
8 low-income households to voluntarily submit information about these  
9 units to be included in the database.

10 (3) The database must include information about rental units as  
11 determined by the department. However, the database must include, at  
12 a minimum, measures for location, cost, and size.

13 (4) Other state agencies, cities, towns, counties, local public  
14 agencies, including water and sewer districts, housing authorities, and  
15 other housing organizations shall cooperate with the department to  
16 create and update the affordable housing database by providing to the  
17 department any requested existing information about rental housing  
18 units within the jurisdiction.

19 (5) The database must be searchable by the department, cities,  
20 towns, counties, community housing organizations, including housing  
21 authorities, and the public according to housing characteristics  
22 determined by the department including, at a minimum, location, cost,  
23 and size. The database will be utilized for data collection about  
24 Washington's affordable rental housing stock and will also serve as a  
25 low-income housing referral system to connect low-income households  
26 seeking housing with appropriate and available units.

27 NEW SECTION. **Sec. 18.** (1) The department shall partner with a  
28 state agency or nonprofit organization with experience in providing  
29 statewide information and referral services to first-time, low-income  
30 home buyers in the creation of an online statewide affordable  
31 homeownership database. The database will serve to collect and  
32 disseminate information related to available homeownership programs,  
33 resources, and affordable homeownership properties throughout the state  
34 for low and moderate-income persons. The database must be created by  
35 December 31, 2009.

36 (2) The state agency or nonprofit organization with whom the  
37 department partners shall:

1 (a) Develop the online statewide affordable homeownership database  
2 project's functionality and scope after receiving input from a cross-  
3 section of affordable homeownership stakeholders;

4 (b) Oversee the development of the database; and

5 (c) Administer and maintain the database.

6 (3) The partnering state agency or nonprofit organization must  
7 provide significant value to the development and maintenance of the  
8 online statewide affordable homeownership database through the  
9 provision of resources or services that must be of equal or greater  
10 value than any moneys provided by the department for the purposes of  
11 this section. The partnering state agency or nonprofit organization  
12 may accomplish this requirement by providing supplemental moneys,  
13 accurate and up-to-date data and other information to populate the  
14 database, database design and development, web site design and hosting  
15 services, database and information maintenance, and other valued and  
16 relevant services.

17 (4) The online statewide affordable homeownership database must be  
18 developed to allow appropriate government agencies and nonprofit  
19 organizations to access the database online and to provide these  
20 agencies and organizations with a procedure by which they may update  
21 the information in the database as necessary. The database will be  
22 accessible to clients through a simplified, client-oriented interface  
23 that will be linked to all appropriate agencies and stakeholders.

24 (5) The database will include, but not be limited to, all available  
25 local government, state government, federal government, and nonprofit  
26 organization programs developed to serve first-time home buyers with  
27 low or moderate incomes. The database will also include all available  
28 housing properties that could likely be affordable to low and moderate-  
29 income households. The database may encourage potential first-time  
30 home buyers to participate in home buyer and financial literacy  
31 programs and may also encourage potential home buyers to conduct  
32 adequate research of available home buyer assistance programs for which  
33 they may be qualified before obtaining a loan preapproval or searching  
34 for a home.

35 NEW SECTION. **Sec. 19.** (1) The joint legislative audit and review  
36 committee shall conduct an evaluation and comparison of the cost-  
37 efficiency of rental housing voucher programs funded with state or

1 local moneys versus other low-income housing projects funded with state  
2 or local moneys that are intended to assist low-income households to  
3 obtain and retain affordable housing. The study must consider factors  
4 including administrative costs, capital costs, and other operating  
5 costs involved in the implementation and management of rental housing  
6 voucher programs. The study must compare the number of households that  
7 may be served, given a set amount of available funds, through rental  
8 housing voucher programs funded with state or local moneys with other  
9 housing projects funded with state or local moneys, including new  
10 construction and rehabilitation of housing units. The department of  
11 community, trade, and economic development, the Washington state  
12 housing finance commission, housing authorities, community action  
13 agencies, and local governments shall provide the joint legislative  
14 audit and review committee with information necessary for the  
15 evaluation study.

16 (2) The joint legislative audit and review committee shall solicit  
17 input regarding the study from interested parties, including  
18 representatives from the affordable housing advisory board, the  
19 department of community, trade, and economic development, the  
20 Washington state housing finance commission, representatives from the  
21 private rental housing industry, housing authorities, community action  
22 agencies, county and city governments, and nonprofit and for-profit  
23 housing developers.

24 (3) The joint legislative audit and review committee shall present  
25 the results of this study to the appropriate committees of the  
26 legislature by December 31, 2008.

27 (4) This section expires December 31, 2008.

28 NEW SECTION. **Sec. 20.** (1) The department, the Washington state  
29 housing finance commission, the affordable housing advisory board, and  
30 all participating county governments, housing authorities, and other  
31 nonprofit organizations receiving state funds, county affordable  
32 housing for all surcharge funds, or financing through the housing  
33 finance commission, shall, by December 31, 2007, and annually  
34 thereafter, review current housing reporting requirements related to  
35 housing programs and services and give recommendations to the  
36 legislature to streamline and simplify all planning and reporting

1 requirements. The entities listed in this section shall also give  
2 recommendations for additional legislative actions that could promote  
3 the affordable housing for all goal.

4 (2) The department shall collaborate with the Washington state  
5 housing finance commission and representatives from statewide  
6 organizations representing counties, cities, housing authorities,  
7 nonprofit groups involved in affordable housing, and other interested  
8 parties, to create a strategy to streamline and, when possible,  
9 consolidate state, city, town, and county reporting requirements to  
10 address the inefficiencies associated with multiple reporting  
11 requirements. The department shall present the strategy to the  
12 appropriate committees of the legislature by December 31, 2007.

13 NEW SECTION. **Sec. 21.** The sum of seven million dollars, or as  
14 much thereof as may be necessary, is appropriated for the fiscal year  
15 ending June 30, 2008, from the general fund to the affordable housing  
16 for all account created in section 12 of this act to be used by the  
17 department of community, trade, and economic development to:

18 (1) Meet planning, evaluation, and reporting requirements  
19 associated with the affordable housing for all program;

20 (2) Provide technical assistance to counties to help them meet  
21 planning, reporting, evaluation, and quality management requirements of  
22 the affordable housing for all program; and

23 (3) Distribute remaining funds to the counties participating in the  
24 affordable housing for all program, using a formula as determined by  
25 the department of community, trade, and economic development, to be  
26 used for county planning, data system creation, data collection,  
27 program implementation purposes, housing programs eligible under RCW  
28 36.22.178 (as recodified by this act), and other housing projects or  
29 housing services described in the county affordable housing for all  
30 plan.

31 **Sec. 22.** RCW 43.63A.650 and 1999 c 267 s 3 are each amended to  
32 read as follows:

33 (1) The department shall be the principal state department  
34 responsible for coordinating federal and state resources and activities  
35 in housing, except for programs administered by the Washington state  
36 housing finance commission under chapter 43.180 RCW, and for evaluating

1 the operations and accomplishments of other state departments and  
2 agencies as they affect housing. The department shall conduct annual  
3 performance evaluations of all state department and agency services  
4 provided to extremely low, very low, and low-income persons needing  
5 housing assistance, as well as all other housing-related programs and  
6 activities. The department shall provide copies of the evaluation  
7 reports to the appropriate committees of the legislature and the  
8 affordable housing advisory board by December 31st of each year.

9 (2) The department shall work with (~~local governments~~) cities,  
10 towns, counties, tribal organizations, local housing authorities,  
11 nonprofit community or neighborhood-based organizations, and regional  
12 or statewide nonprofit housing assistance organizations, for the  
13 purpose of coordinating federal and state resources with local  
14 resources for housing.

15 (3) The department shall be the principal state department  
16 responsible for providing shelter and housing services to homeless  
17 families with children. The department shall have the principal  
18 responsibility to coordinate, plan, and oversee the state's activities  
19 for developing a coordinated and comprehensive plan to serve homeless  
20 families with children. The plan shall be developed collaboratively  
21 with the department of social and health services. The department  
22 shall include community organizations involved in the delivery of  
23 services to homeless families with children, and experts in the  
24 development and ongoing evaluation of the plan. The department shall  
25 follow professionally recognized standards and procedures. The plan  
26 shall be implemented within amounts appropriated by the legislature for  
27 that specific purpose in the operating and capital budgets. The  
28 department shall submit the plan to the appropriate committees of the  
29 senate and house of representatives no later than September 1, 1999,  
30 and shall update the plan and submit it to the appropriate committees  
31 of the legislature by January 1st of every odd-numbered year through  
32 2007. The plan shall address at least the following: (a) The need for  
33 prevention assistance; (b) the need for emergency shelter; (c) the need  
34 for transitional assistance to aid families into permanent housing; (d)  
35 the need for linking services with shelter or housing; and (e) the need  
36 for ongoing monitoring of the efficiency and effectiveness of the  
37 plan's design and implementation.

1        NEW SECTION.   **Sec. 23.**   RCW 36.22.178, 43.185B.020, and 43.185B.040  
2   are each recodified as sections in chapter 43.--- RCW (created in  
3   section 24 of this act).

4        NEW SECTION.   **Sec. 24.**   Sections 1 through 4, 6 through 10, 12, 14,  
5   15, 17, and 18 of this act constitute a new chapter in Title 43 RCW.

--- END ---