
SECOND SUBSTITUTE HOUSE BILL 2683

State of Washington 60th Legislature 2008 Regular Session

By House Appropriations (originally sponsored by Representatives
Miloscia and Chase)

READ FIRST TIME 02/12/08.

1 AN ACT Relating to providing affordable housing for all; amending
2 RCW 43.185B.040, 36.22.178, and 43.185A.100; reenacting and amending
3 RCW 43.185.070; adding new sections to chapter 43.185C RCW; adding a
4 new chapter to Title 43 RCW; creating a new section; and recodifying
5 RCW 36.22.179, 36.22.1791, 43.20A.790, 36.22.178, 43.185A.100,
6 43.185B.020, and 43.185B.040.

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

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

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

1 associated with a lack of jobs that pay self-sufficiency standard wages
2 and a shortage of affordable housing, and that the state must identify
3 and quantify that cost.

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

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

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

26 NEW SECTION. **Sec. 3.** There is created within the department the
27 state affordable housing for all program. The goal of the program is
28 a decent, appropriate, and affordable home in a healthy, safe
29 environment for every very low-income household in the state by 2020.
30 A priority must be placed upon achieving this goal for extremely low-
31 income households. This goal includes increasing the percentage of
32 households who access housing that is affordable for their income or
33 wage level without government assistance by increasing the number of
34 previously very low-income households who achieve self-sufficiency and
35 economic independence. The goal also includes implementing strategies
36 to keep the rising cost of housing below the relative rise in wages.

1 The department shall develop and administer the affordable housing for
2 all program. Each county shall participate in the affordable housing
3 for all program except as provided in section 8 of this act; however,
4 in the development and implementation of the program scope and
5 requirements at the county level, the department shall consider: The
6 funding level to counties, number of county staff available to
7 implement the program, and competency of each county to meet the goals
8 of the program; and establish program guidelines, performance measures,
9 and reporting requirements appropriate to the existing capacity of the
10 participating counties.

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

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

22 (2) "Affordable housing for all program" means the program
23 authorized under this chapter, as administered by the department at the
24 state level and by each county at the local level.

25 (3) "Authority" or "housing authority" means any of the public
26 corporations created in RCW 35.82.030.

27 (4) "County" means a county government in the state of Washington
28 or, except under RCW 36.22.178 (as recodified by this act), a city
29 government or collaborative of city governments within that county if
30 (a) the county government declines to participate in the affordable
31 housing program and (b) as described under section 8 of this act, a
32 city or collaborative of city governments elects to participate in the
33 program.

34 (5) "County affordable housing for all plan" or "county plan" means
35 the plan developed by each county with the goal of ensuring that every
36 very low-income household in the county has a decent, appropriate, and
37 affordable home in a healthy, safe environment by 2020.

1 (6) "County affordable housing task force" means a county
2 committee, as described in section 6 of this act, created to prepare
3 and recommend to its county legislative authority a county affordable
4 housing for all plan, and also to recommend expenditures of the funds
5 from the affordable housing for all program surcharge in RCW 36.22.178
6 (as recodified by this act) and all other sources directed to the
7 county's affordable housing for all program.

8 (7) "Department" means the department of community, trade, and
9 economic development.

10 (8) "Director" means the director of the department of community,
11 trade, and economic development.

12 (9) "Extremely low-income household" means a single person, family,
13 or unrelated persons living together whose adjusted income is less than
14 thirty percent of the median family income, adjusted for household size
15 for the county where the project is located.

16 (10) "First-time home buyer" means an individual or his or her
17 spouse who have not owned a home during the three-year period prior to
18 purchase of a home.

19 (11) "Good family-wage job" means a job that pays at or above one
20 of the two self-sufficiency income standards established under section
21 13 of this act which for an individual means enough income to support
22 one adult individual, and for a family means enough income to support
23 two adult individuals, one preschool-aged child, and one school-aged
24 child.

25 (12) "Local government" means a county or city government in the
26 state of Washington or, except under RCW 36.22.178 (as recodified by
27 this act), a city government or collaborative of city governments
28 within that county if (a) the county government declines to participate
29 in the affordable housing program and (b) as described under section 8
30 of this act, a city or collaborative of city governments elects to
31 participate in the program.

32 (13) "Low-income household," for the purposes of the affordable
33 housing for all program, means a single person, family, or unrelated
34 persons living together whose adjusted income is less than eighty
35 percent of the median household income, adjusted for household size for
36 the county where the project is located.

37 (14) "Nonprofit organization" means any public or private nonprofit
38 organization that: (a) Is organized under federal, state, or local

1 laws; (b) has no part of its net earnings inuring to the benefit of any
2 member, founder, contributor, or individual; and (c) has among its
3 purposes, significant activities related to the provision of decent
4 housing that is affordable to extremely low-income, very low-income,
5 low-income, or moderate-income households and special needs
6 populations.

7 (15) "Performance evaluation" means the process of evaluating the
8 performance by established objective, measurable criteria according to
9 the achievement of outlined goals, measures, targets, standards, or
10 other outcomes using a ranked scorecard from highest to lowest
11 performance which employs a scale of one to one hundred, one hundred
12 being the optimal score.

13 (16) "Performance measurement" means the process of comparing
14 specific measures of success with ultimate and interim goals.

15 (17) "Quality management program" means a nationally recognized
16 program using criteria similar or equivalent to the Baldrige criteria.
17 Beginning in 2010, all cities, towns, and counties receiving over five
18 hundred thousand dollars a year during the previous calendar year from
19 (a) state housing-related funding sources, including the housing trust
20 fund, (b) the affordable housing for all program surcharge in RCW
21 36.22.178 (as recodified by this act), (c) the home security fund
22 surcharges in RCW 36.22.179 and 36.22.1791 (as recodified by this act),
23 and (d) any other surcharge charged under chapter 36.22 or 43.185C RCW
24 to fund homelessness or other housing programs shall apply to the full
25 examination Washington state quality award program once every three
26 years beginning by January 1, 2011.

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

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

1 (20) "Very low-income household" means a single person, family, or
2 unrelated persons living together whose adjusted income is less than
3 fifty percent of the median family income, adjusted for household size
4 for the county where the project is located.

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

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

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

20 (a) Document the need for affordable housing in the state and the
21 extent to which that need is being met through public and private
22 sector programs((, -to));

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

25 (c) Establish, evaluate, and report upon performance measures,
26 goals, and timelines that are determined by the department for the
27 affordable housing for all program as well as for all federal, state,
28 and local housing programs operated or coordinated by the department,
29 including federal block grant programs, the Washington housing trust
30 fund, and all local surcharge funds collected with the purpose of
31 addressing homelessness and affordable housing; and

32 (d) Facilitate state and county government planning to meet the
33 state affordable housing ((needs of the state, and to enable the
34 development of sound strategies and programs for affordable housing))
35 for all goal.

36 ~~((The information in the five year housing advisory plan must~~
37 ~~include:~~

- 1 ~~(a) An assessment of the state's housing market trends;~~
2 ~~(b) An assessment of the housing needs for all economic segments of~~
3 ~~the state and special needs populations;~~
4 ~~(c) An inventory of the supply and geographic distribution of~~
5 ~~affordable housing units made available through public and private~~
6 ~~sector programs;~~
7 ~~(d) A status report on the degree of progress made by the public~~
8 ~~and private sector toward meeting the housing needs of the state;~~
9 ~~(e) An identification of state and local regulatory barriers to~~
10 ~~affordable housing and proposed regulatory and administrative~~
11 ~~techniques designed to remove barriers to the development and placement~~
12 ~~of affordable housing; and~~
13 ~~(f) Specific recommendations, policies, or proposals for meeting~~
14 ~~the affordable housing needs of the state.~~

15 ~~(2+)) (3)(a) The department, in consultation with the affordable~~
16 ~~housing advisory board, shall develop recommendations for affordable~~
17 ~~housing for all program performance measures, short-term and long-term~~
18 ~~goals, and timelines, as well as information to be collected, analyzed,~~
19 ~~and reported upon in the state and local affordable housing for all~~
20 ~~plans. The department shall present its recommendations to the~~
21 ~~appropriate committees of the legislature by December 31, 2008.~~

22 ~~(b) Performance measures and other required plan components must be~~
23 ~~reviewed annually by the department after soliciting feedback from the~~
24 ~~affordable housing advisory board, appropriate committees of the~~
25 ~~legislature, and all county affordable housing for all task forces.~~

26 ~~(c) The department may determine a timeline to implement and~~
27 ~~measure each performance measure for the state and county affordable~~
28 ~~housing for all programs, except that the state and all counties~~
29 ~~participating in the affordable housing for all program must implement~~
30 ~~and respond to all performance measures by January 1, 2011, unless the~~
31 ~~department determines that a performance measure is not applicable to~~
32 ~~a specific county based on parameters and thresholds established by the~~
33 ~~department.~~

34 ~~(4) The ((five-year)) state affordable housing ((advisory)) for all~~
35 ~~plan required under ((subsection (1) of)) this section must be~~
36 ~~submitted to the appropriate committees of the legislature on or before~~
37 ~~((February 1, 1994)) December 31, 2009, and subsequent updated plans~~

1 must be submitted (~~every five years~~) by December 31st each year
2 thereafter.

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

7 (5) To guide counties in preparation of county affordable housing
8 for all plans required under section 7 of this act, the department
9 shall issue, by December 31, 2009, guidelines for preparing county
10 plans consistent with this chapter. County plans must include, at a
11 minimum, the same information reporting and analysis on a local level
12 and the same performance measures as the state plan.

13 (6) Each year, beginning in 2010, the department shall:

14 (a) Summarize key information from county plans, including a
15 summary of local city and county housing program activities and 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 affordable housing goals
20 stated in their plans.

21 (7) The department shall include a summary of county affordable
22 housing for all plans and the results of performance evaluations in the
23 state affordable housing for all plan beginning in 2010.

24 (8) Based on changes to the general population and in the housing
25 market, the department may revise the performance measures and goals of
26 the state affordable housing for all plan and set goals for years
27 following December 31, 2020.

28 NEW SECTION. Sec. 6. 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. 7.** (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 2010, 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, county
18 comprehensive plans required under RCW 36.70A.040, or any other
19 existing plan addressing housing within a county as long as the
20 requirements of all of the plans to be merged are met. For counties
21 required or choosing to plan under RCW 36.70A.040, county affordable
22 housing for all plans must be consistent with the housing elements of
23 comprehensive plans described in RCW 36.70A.070(2). County plans must
24 also be consistent with any existing local homeless housing plan
25 required in RCW 43.185C.050.

26 (2) County affordable housing for all plans must be primarily
27 focused on (a) ensuring that every very low-income household in the
28 county jurisdictional area has a decent, appropriate, and affordable
29 home in a healthy, safe environment by 2020 with a priority placed on
30 achieving this goal for extremely low-income households and (b)
31 increasing the percentage of very low-income households that access
32 affordable housing without government assistance. County affordable
33 housing for all plans must include:

34 (a) At a minimum, the same information, analysis, and performance
35 measures as the state affordable housing for all plan, including
36 information and performance measurement data, where available, on all

1 city and county housing programs, including local housing-related levy
2 initiatives, housing-related tax exemption programs, and federally
3 funded programs operated or coordinated by local governments;

4 (b) Information on the uses of the affordable housing for all
5 surcharge as required in RCW 36.22.178(4) (as recodified by this act);

6 (c) Timelines for the accomplishment of interim goals and targets,
7 and for the acquisition of projected financing that is appropriate for
8 outlined goals and targets;

9 (d) An identification of challenges to reaching the affordable
10 housing for all goal;

11 (e) A total estimated amount of funds needed to reach the local
12 affordable housing for all goal and an identification of potential
13 funding sources; and

14 (f) State legislative recommendations to enable the county to
15 achieve its affordable housing for all goals. Legislative
16 recommendations must be specific and, if necessary, include an
17 estimated amount of funding required and suggestions of an appropriate
18 funding source.

19 NEW SECTION. **Sec. 8.** (1) Any county may decline to participate in
20 the affordable housing for all program authorized in this chapter by
21 forwarding to the department a resolution adopted by the county
22 legislative authority stating the intention not to participate. A copy
23 of the resolution must also be transmitted to the county auditor and
24 treasurer. Counties that decline to participate shall not be required
25 to establish an affordable housing task force or to create a county
26 affordable housing for all plan. Counties declining to participate in
27 the affordable housing for all program shall continue to collect and
28 utilize the affordable housing for all surcharge for the purposes
29 described in RCW 36.22.178 (as recodified by this act); however, such
30 counties shall not be allocated any additional affordable housing for
31 all program funding. Counties may opt back into the affordable housing
32 for all program authorized by this chapter at a later date through a
33 process and timeline to be determined by the department.

34 (2) If a county declines to participate in the affordable housing
35 for all program authorized in this chapter, a city or formally
36 organized collaborative of cities within that county may forward a
37 resolution to the department stating its intention and willingness to

1 operate an affordable housing for all program within its jurisdictional
2 limits. The department must establish procedures to choose amongst
3 cities or collaboratives of cities in the event that more than one city
4 or collaborative of cities express an interest in participating in the
5 program. Participating cities or collaboratives of cities must fulfill
6 the same requirements as counties participating in the affordable
7 housing for all program.

8 NEW SECTION. **Sec. 9.** A county may subcontract with any other
9 county, city, town, housing authority, community action agency, or
10 other nonprofit organization for the execution of programs contributing
11 to the affordable housing for all goal. All subcontracts must be:
12 Consistent with the county affordable housing for all plan adopted by
13 the legislative authority of the county; time limited; and filed with
14 the department, and must have specific performance terms as specified
15 by the county. County governments must strongly encourage all
16 subcontractors under the affordable housing for all program to apply to
17 the full examination Washington state quality award program. This
18 authority to subcontract with other entities does not affect
19 participating counties' ultimate responsibility for meeting the
20 requirements of the affordable housing for all program.

21 **Sec. 10.** RCW 36.22.178 and 2007 c 427 s 1 are each amended to read
22 as follows:

23 The surcharge provided for in this section shall be named the
24 affordable housing for all surcharge.

25 (1) Except as provided in subsection (3) of this section, a
26 surcharge of ten dollars per instrument shall be charged by the county
27 auditor for each document recorded, which will be in addition to any
28 other charge authorized by law. The county may retain up to five
29 percent of these funds collected solely for the collection,
30 administration, and local distribution of these funds. Of the
31 remaining funds, forty percent of the revenue generated through this
32 surcharge will be transmitted monthly to the state treasurer who will
33 deposit the funds into the affordable housing for all account created
34 in RCW 43.185C.190. The department of community, trade, and economic
35 development must use these funds to provide housing and shelter for
36 extremely low-income households, including but not limited to grants

1 for building operation and maintenance costs of housing projects or
2 units within housing projects that are affordable to extremely low-
3 income households with incomes at or below thirty percent of the area
4 median income, and that require a supplement to rent income to cover
5 ongoing operating expenses.

6 (2) All of the remaining funds generated by this surcharge will be
7 retained by the county and be deposited into a fund that must be used
8 by the county and its cities and towns for eligible housing activities
9 as described in this subsection that serve very low-income households
10 with incomes at or below fifty percent of the area median income. The
11 portion of the surcharge retained by a county shall be allocated to
12 eligible housing activities that serve extremely low and very low-
13 income households in the county and the cities within a county
14 according to an interlocal agreement between the county and the cities
15 within the county consistent with countywide and local housing needs
16 and policies. A priority must be given to eligible housing activities
17 that serve extremely low-income households with incomes at or below
18 thirty percent of the area median income. Eligible housing activities
19 to be funded by these county funds are limited to:

20 (a) Acquisition, construction, or rehabilitation of housing
21 projects or units within housing projects that are affordable to very
22 low-income households with incomes at or below fifty percent of the
23 area median income, including units for homeownership, rental units,
24 seasonal and permanent farm worker housing units, and single room
25 occupancy units;

26 (b) Supporting building operation and maintenance costs of housing
27 projects or units within housing projects eligible to receive housing
28 trust funds, that are affordable to very low-income households with
29 incomes at or below fifty percent of the area median income, and that
30 require a supplement to rent income to cover ongoing operating
31 expenses;

32 (c) Rental assistance vouchers for housing units that are
33 affordable to very low-income households with incomes at or below fifty
34 percent of the area median income, to be administered by a local public
35 housing authority or other local organization that has an existing
36 rental assistance voucher program, consistent with or similar to the
37 United States department of housing and urban development's section 8
38 rental assistance voucher program standards; and

1 (d) Operating costs for emergency shelters and licensed overnight
2 youth shelters.

3 (3) The surcharge imposed in this section does not apply to
4 assignments or substitutions of previously recorded deeds of trust.

5 (4) All counties shall report at least annually upon receipts and
6 expenditures of the affordable housing for all surcharge funds created
7 in this section to the department. The department may require more
8 frequent reports. The report must include the amount of funding
9 generated by the surcharge, the total amount of funding distributed to
10 date, the amount of funding allocated to each eligible housing
11 activity, a description of each eligible housing activity funded,
12 including information on the income or wage level and numbers of
13 extremely low, very low, and low-income households the eligible housing
14 activity is intended to serve, and the outcome or anticipated outcome
15 of each eligible housing activity.

16 NEW SECTION. Sec. 11. This chapter does not require either the
17 department or any local government to expend any funds to accomplish
18 the goals of this chapter other than the revenues authorized in this
19 act and other revenue that may be appropriated by the legislature for
20 these purposes. However, neither the department nor any local
21 government may use any funds authorized in this act to supplant or
22 reduce any existing expenditures of public money to address the
23 affordable housing shortage.

24 **Sec. 12.** RCW 43.185A.100 and 2006 c 349 s 11 are each amended to
25 read as follows:

26 The department(~~(7)~~) shall collaborate with the housing finance
27 commission, the affordable housing advisory board, and all local
28 governments, housing authorities, and other nonprofits receiving state
29 housing funds, affordable housing for all funds, home security funds,
30 or financing through the housing finance commission (~~(shall, by~~
31 ~~December 31, 2006, and annually thereafter, review current housing~~
32 ~~reporting requirements related to housing programs and services and~~
33 ~~give)) to include in the state affordable housing for all plan, by
34 December 31, 2009, recommendations, where possible:~~

35 (1) To streamline and simplify all housing planning, application,
36 and reporting requirements ((to the department of community, trade, and

1 economic development, which will compile and present the
2 recommendations annually to the legislature. The entities listed in
3 this section shall also give recommendations for additional)); and
4 (2) For legislative actions that could promote the affordable
5 housing for all goal and the state goal to end homelessness.

6 NEW SECTION. **Sec. 13.** A new section is added to chapter 43.185C
7 RCW to read as follows:

8 The department shall contract with the employment security
9 department to annually establish two self-sufficiency income standards
10 based upon the cost of living, including housing costs, which include
11 mortgage or rent payments and utilities other than telephone, for each
12 county in the state. The self-sufficiency income standards must be
13 based upon the costs needed to support: (1) One adult individual; and
14 (2) two adult individuals and one preschool-aged child and one school-
15 aged child. These income standards will be translated into an
16 equivalent hourly wage rate assuming one full-year, full-time earner
17 for the self-sufficiency income standards for each county. The self-
18 sufficiency income standards must be presented to the legislature by
19 December 31, 2009. The employment security department must spend no
20 more than one hundred ten thousand dollars in creating the initial
21 self-sufficiency income standards and no more than fifty-five thousand
22 dollars annually to update the standards. The employment security
23 department shall deliver a report to the department and the appropriate
24 committees of the legislature that details the number and percentage of
25 individuals statewide and in each county who do not have a good family
26 wage job and, as a result, earn less than the self-sufficiency income
27 standards, as well as the number and percentage of individuals
28 statewide and in each county who have a good family wage job and, as a
29 result, earn an amount equivalent to or more than the self-sufficiency
30 income standards.

31 **Sec. 14.** RCW 43.185.070 and 2005 c 518 s 1802 and 2005 c 219 s 2
32 are each reenacted and amended to read as follows:

33 (1) During each calendar year in which funds from the housing trust
34 fund or other legislative appropriations are available for use by the
35 department for the housing assistance program, the department shall
36 announce to all known interested parties, and through major media

1 throughout the state, a grant and loan application period of at least
2 ninety days' duration. This announcement shall be made as often as the
3 director deems appropriate for proper utilization of resources. The
4 department shall then promptly grant as many applications as will
5 utilize available funds less appropriate administrative costs of the
6 department. Administrative costs paid out of the housing trust fund
7 may not exceed five percent of annual revenues available for
8 distribution to housing trust fund projects. In awarding funds under
9 this chapter, the department shall provide for a geographic
10 distribution on a statewide basis.

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

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

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

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

31 (c) Recipient contributions to total project costs, including
32 allied contributions from other sources such as professional, craft and
33 trade services, and lender interest rate subsidies;

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

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

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

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

6 (h) The applicant has committed to quality improvement and
7 submitted an application to the Washington state quality award program
8 within the previous three years;

9 (i) Projects which demonstrate serving the greatest need;

10 ~~((i))~~ (j) Projects that provide housing for persons and families
11 with the lowest incomes;

12 ~~((j))~~ (k) Projects serving special needs populations which are
13 under statutory mandate to develop community housing;

14 ~~((k))~~ (l) Project location and access to employment centers in
15 the region or area;

16 ~~((l))~~ (m) Projects that provide employment and training
17 opportunities for disadvantaged youth under a youthbuild or youthbuild-
18 type program as defined in RCW 50.72.020; and

19 ~~((m))~~ (n) Project location and access to available public
20 transportation services.

21 (4) The department shall only approve applications for projects for
22 ~~((mentally ill))~~ persons with mental illness that are consistent with
23 a regional support network six-year capital and operating plan.

24 NEW SECTION. Sec. 15. RCW 36.22.179, 36.22.1791, and 43.20A.790
25 are each recodified as sections in chapter 43.185C RCW.

26 NEW SECTION. Sec. 16. RCW 36.22.178, 43.185A.100, 43.185B.020,
27 and 43.185B.040 are each recodified as sections in chapter 43.--- RCW
28 (created in section 17 of this act).

29 NEW SECTION. Sec. 17. Sections 1 through 4, 6 through 9, and 11
30 of this act constitute a new chapter in Title 43 RCW.

31 NEW SECTION. Sec. 18. If specific funding for the purposes of
32 this act, referencing this act by bill or chapter number, is not

1 provided by June 30, 2008, in the omnibus appropriations act, this act
2 is null and void.

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