
SUBSTITUTE HOUSE BILL 1173

State of Washington 61st Legislature 2009 Regular Session

By House Local Government & Housing (originally sponsored by Representatives Miloscia, Simpson, Chase, Ormsby, Hasegawa, Williams, Roberts, Goodman, and Sullivan)

READ FIRST TIME 02/17/09.

1 AN ACT Relating to providing affordable housing for all; amending
2 RCW 43.185B.040, 36.22.178, 43.185A.100, 43.185C.010, 43.185C.040,
3 43.185C.050, 36.22.179, 36.22.1791, and 43.185C.150; reenacting and
4 amending RCW 43.185.070; adding a new section to chapter 43.185C RCW;
5 adding a new chapter to Title 43 RCW; creating a new section; and
6 recodifying RCW 36.22.178, 43.185A.100, 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 and affordable housing
10 assistance in the state of Washington, causing many low-income
11 individuals and families to be at risk of homelessness. The
12 legislature declares that a decent and affordable home in a healthy,
13 safe environment for all economic segments in the state by 2020 should
14 be a state goal. Furthermore, this goal includes increasing the
15 percentage of low-income households who are ultimately able to obtain
16 and retain housing without government subsidies or other public
17 support.

18 (2) The legislature finds that the state should provide financial

1 resources as well as case management to help individuals and families
2 at risk of homelessness obtain and retain housing and work towards a
3 goal of self-sufficiency where possible.

4 (3) The legislature finds that there are many root causes of the
5 affordable housing shortage and declares that it is critical that such
6 causes be analyzed, effective solutions be developed, implemented,
7 monitored, and evaluated, and that these causal factors be eliminated.
8 The legislature also finds that there is a taxpayer and societal cost
9 associated with a lack of jobs that pay self-sufficiency standard wages
10 and a shortage of affordable housing, and that the state must identify
11 and quantify that cost.

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

26 (5) The legislature declares that the systematic and comprehensive
27 performance measurement and evaluation of progress toward interim goals
28 and the immediate state affordable housing goal of a decent and
29 affordable home in a healthy, safe environment for all economic
30 segments in the state by 2020 is a necessary component of the statewide
31 effort to end the affordable housing crisis.

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

34 NEW SECTION. **Sec. 3.** There is created within the department the
35 state affordable housing for all program. The goal of the program is
36 a decent and affordable home in a healthy, safe environment for all

1 economic segments in the state by 2020. Additional goals include:
2 Increasing the percentage of households of all economic segments in the
3 state who are self-sufficient as defined by the department according to
4 the self-sufficiency income standard determined under section 19 of
5 this act; and keeping the rising price of housing for all economic
6 segments to a rate less than that of the growth in wages for each
7 economic segment. The department shall develop appropriate performance
8 measures for all goals. The department shall develop, by county for
9 each economic segment, the quantity and dollar price of housing needed
10 and administer the affordable housing for all program. Each county
11 shall participate in the affordable housing for all program except as
12 provided in section 8 of this act; however, in the development and
13 implementation of the program scope and requirements at the county
14 level, the department shall consider: The funding level to counties,
15 number of county staff available to implement the program, and
16 competency of each county to meet the goals of the program; and
17 establish program guidelines, performance measures, and reporting
18 requirements appropriate to the existing capacity of the participating
19 counties.

20 NEW SECTION. **Sec. 4.** Unless the context clearly requires
21 otherwise, the definitions in this section apply throughout this
22 chapter.

23 (1) "Affordable housing" means housing that has a sales price or
24 rental amount that is within the means of households of all economic
25 segments. The department shall adopt policies for residential rental
26 and homeownership housing occupied by extremely low, very low, and low-
27 income households, and for each wage decile by county, that specify the
28 percentage of household income that may be spent on monthly housing
29 costs, including utilities other than telephone, to qualify as
30 affordable housing.

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

34 (3) "At risk of homelessness" means any extremely low-income or
35 very low-income individual or family residing in substandard or
36 overcrowded housing or who is severely cost burdened, spending more

1 than fifty percent of their income for their housing, including
2 utilities other than telephone.

3 (4) "County" means a county government in the state of Washington
4 or, except under RCW 36.22.178 (as recodified by this act), a city
5 government or collaborative of city governments within that county if
6 (a) the county government declines to participate in the affordable
7 housing program and (b) as described under section 8 of this act, a
8 city or collaborative of city governments elects to participate in the
9 program.

10 (5) "County affordable housing for all plan" or "county plan" means
11 the plan developed by each county with the goal of ensuring that
12 households of all economic segments in the county have a decent and
13 affordable home in a healthy, safe environment by 2020.

14 (6) "County affordable housing task force" means a county
15 committee, as described in section 6 of this act, created to prepare
16 and recommend to its county legislative authority a county affordable
17 housing for all plan, and also to recommend expenditures of the funds
18 from the affordable housing for all program surcharge in RCW 36.22.178
19 (as recodified by this act) and all other sources directed to the
20 county's affordable housing for all program.

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

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

25 (9) "Economic segments" means segments of the population divided by
26 wage deciles.

27 (10) "Eligible organizations" means eligible organizations as
28 described in RCW 43.185.060.

29 (11) "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 (12) "Household" means a single person, family, or unrelated
34 persons living together.

35 (13) "Housing authority" means any of the public corporations
36 created in RCW 35.82.030.

37 (14) "Local government" means a county or city government in the
38 state of Washington or, except under RCW 36.22.178 (as recodified by

1 this act), a city government or collaborative of city governments
2 within that county if (a) the county government declines to participate
3 in the affordable housing program and (b) as described under section 8
4 of this act, a city or collaborative of city governments elects to
5 participate in the program.

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

11 (16) "Nonprofit organization" means any public or private nonprofit
12 organization that: (a) Is organized under federal, state, or local
13 laws; (b) has no part of its net earnings inuring to the benefit of any
14 member, founder, contributor, or individual; and (c) has among its
15 purposes, significant activities related to the provision of decent
16 housing that is affordable to extremely low-income, very low-income,
17 low-income, or moderate-income households and special needs
18 populations.

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

25 (18) "Performance measurement" means the process of comparing
26 specific measures of success with ultimate and interim goals.

27 (19) "Quality management program" means a nationally recognized
28 program using criteria similar or equivalent to the Baldrige criteria.
29 All local governments receiving over five hundred thousand dollars a
30 year during the previous calendar year from: State housing-related
31 funding sources, including the Washington housing trust fund; the
32 ending homelessness program surcharges in RCW 36.22.179 and 36.22.1791
33 (as recodified by this act); and any surcharges in chapter 43.185C RCW
34 and the surcharges in RCW 36.22.178 (as recodified by this act), shall
35 apply to the Washington state quality award program for an independent
36 assessment of its quality management, accountability, and performance
37 system, once every three years beginning by January 1, 2011.

1 (20) "State affordable housing for all plan" or "state plan" means
2 the plan developed by the department in collaboration with the
3 affordable housing advisory board with the goal of ensuring that all
4 economic segments in Washington have a decent and affordable home in a
5 healthy, safe environment by 2020.

6 (21) "Very low-income household" means a single person, family, or
7 unrelated persons living together whose adjusted income is less than
8 fifty percent of the median family income, adjusted for household size
9 for the county where the project is located.

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

12 (1) The department shall, in consultation with the affordable
13 housing advisory board created in RCW 43.185B.020, prepare and (~~from~~
14 ~~time to time amend a five-year~~) biannually update a state affordable
15 housing ((advisory)) for all plan with an ultimate goal of achieving a
16 decent and affordable home in a healthy, safe environment for all
17 economic segments by decile by county in the state by 2020. The state
18 plan must also incorporate the strategies, objectives, goals, and
19 performance measures of all other housing-related state plans,
20 including the state homeless housing strategic plan required under RCW
21 43.185C.040 and all state housing programs. The state affordable
22 housing for all plan may be combined with the state homeless housing
23 strategic plan required under RCW 43.185C.040 or any other existing
24 state housing plan as long as the requirements of all of the plans to
25 be merged are met.

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

27 (a) Document biannually the quantity and price per month need for
28 affordable housing for each local jurisdiction by economic segment in
29 the state and the extent to which that need is being met through public
30 and private sector (~~programs, to~~) housing efforts;

31 (b) Outline the development of sound strategies and programs to
32 provide affordable housing to all economic segments in the state by
33 2020;

34 (c) Measure the success of moving people in state government
35 supported housing programs to self-sufficiency;

36 (d) Measure the cost-efficiency of government supported housing

1 programs, including the documentation of the state and local cost per
2 unit of housing with a goal of reducing the state subsidized portion to
3 the greatest extent possible;

4 (e) Establish, evaluate, and report upon performance measures,
5 goals, and timelines that are determined by the department for the
6 affordable housing for all program and the state and local affordable
7 housing for all plans, as well as for all federal, state, and local
8 housing programs and plans operated or coordinated by the department,
9 including: (i) Federal block grant programs; (ii) the Washington
10 housing trust fund; and (iii) all local surcharge funds collected with
11 the purpose of addressing homelessness and affordable housing; and

12 (f) Facilitate state and county government planning to meet the
13 state affordable housing ((needs of the state, and to enable the
14 development of sound strategies and programs for affordable housing))
15 for all goal.

16 ~~((The information in the five-year housing advisory plan must~~
17 ~~include:~~

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

19 ~~(b) An assessment of the housing needs for all economic segments of~~
20 ~~the state and special needs populations;~~

21 ~~(c) An inventory of the supply and geographic distribution of~~
22 ~~affordable housing units made available through public and private~~
23 ~~sector programs;~~

24 ~~(d) A status report on the degree of progress made by the public~~
25 ~~and private sector toward meeting the housing needs of the state;~~

26 ~~(e) An identification of state and local regulatory barriers to~~
27 ~~affordable housing and proposed regulatory and administrative~~
28 ~~techniques designed to remove barriers to the development and placement~~
29 ~~of affordable housing; and~~

30 ~~(f) Specific recommendations, policies, or proposals for meeting~~
31 ~~the affordable housing needs of the state.~~

32 ~~(2))~~ (3)(a) The department, in consultation with the affordable
33 housing advisory board, shall develop recommendations for affordable
34 housing for all program performance measures, short-term and long-term
35 goals, and timelines, as well as information to be collected, analyzed,
36 and reported upon in the state and local affordable housing for all
37 plans. One performance measure must address the program's
38 effectiveness in achieving the ultimate goal of a decent and affordable

1 home in a healthy, safe environment for all economic segments in the
2 state by 2020. A second specific performance measure must be to ensure
3 that the rate of growth in the overall price of housing for each
4 economic segment is less than that of the overall growth in wages for
5 each economic segment. The department shall present its
6 recommendations for additional performance measures to the appropriate
7 committees of the legislature by December 31, 2009.

8 (b) The department may determine a timeline to implement and
9 measure each performance measure for the state and county affordable
10 housing for all programs, except that the state and all counties
11 participating in the affordable housing for all program must implement
12 and respond to all performance measures by January 1, 2012, unless the
13 department determines that a performance measure is not applicable to
14 a specific county based on parameters and thresholds established by the
15 department.

16 (4) The ((five-year)) state affordable housing ((advisory)) for all
17 plan required under ((subsection (1) of)) this section must be
18 submitted to the appropriate committees of the legislature on or before
19 ((February 1, 1994)) January 15, 2011, and subsequent updated plans
20 must be submitted ((every five years)) by January 15th each year
21 thereafter.

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

26 (5) To guide counties in preparation of their county affordable
27 housing for all plans required under section 7 of this act, the
28 department shall issue, by December 31, 2010, guidelines for preparing
29 county plans consistent with this chapter. County plans must include,
30 at a minimum, the same information reporting and analysis on a local
31 level and the same performance measures as the state plan.

32 (6) Biannually, beginning in 2011, the department shall summarize
33 key information from county plans, including a summary of local city
34 and county housing program activities and a summary of legislative
35 recommendations.

36 (7) Based on changes to the general population and in the housing
37 market, the department may revise the performance measures and goals of

1 the state affordable housing for all plan and set goals for years
2 following December 31, 2020.

3 NEW SECTION. **Sec. 6.** Each county shall convene a county
4 affordable housing task force. The task force must be a committee,
5 made up of volunteers, created to prepare and recommend to the county
6 legislative authority a county affordable housing for all plan and also
7 to recommend appropriate expenditures of the affordable housing for all
8 program funds provided for in RCW 36.22.178 (as recodified by this act)
9 and any other sources directed to the county program. The county
10 affordable housing task force must include a representative of the
11 county, a representative from the city with the highest population in
12 the county, a representative from all other cities in the county with
13 a population greater than fifty thousand, a member representing
14 beneficiaries of affordable housing programs, other members as may be
15 required to maintain eligibility for federal funding related to housing
16 programs and services, and a representative from both a private
17 nonprofit organization and a private for-profit organization with
18 experience in very low-income housing. The task force may be the same
19 as the homeless housing task force created in RCW 43.185C.160 or the
20 same as another existing task force or other formal committee that
21 meets the requirements of this section.

22 NEW SECTION. **Sec. 7.** (1) Except as provided in section 8 of this
23 act, each county shall direct its affordable housing task force to
24 prepare and recommend to its county legislative authority a county
25 affordable housing for all plan for its jurisdictional area. Each
26 county shall adopt a county plan by June 30, 2011, and update the plan
27 annually by June 30th thereafter. All county plans must be forwarded
28 to the department by the date of adoption. County affordable housing
29 for all plans may be combined with the local homeless housing plans
30 required under RCW 43.185C.040, county comprehensive plans required
31 under RCW 36.70A.040, or any other existing plan addressing housing
32 within a county as long as the requirements of all of the plans to be
33 merged are met. For counties required or choosing to plan under RCW
34 36.70A.040, county affordable housing for all plans must be consistent
35 with the housing elements of comprehensive plans described in RCW
36 36.70A.070(2). County plans must also be consistent with any existing

1 local homeless housing plan required in RCW 43.185C.050. County plans
2 must include a discussion of the effectiveness of linkages and
3 coordination with county or regional community services and economic
4 development plans.

5 (2) County affordable housing for all plans must be primarily
6 focused on (a) ensuring that households of all economic segments,
7 including those households at risk of homelessness, in the county
8 jurisdictional area have a decent and affordable home in a healthy,
9 safe environment by 2020 with a priority placed on achieving this goal
10 for low-income households and (b) increasing the percentage of
11 households who ultimately are able to access affordable housing without
12 government assistance. County affordable housing for all plans must
13 include:

14 (i) At a minimum, the same information, analysis, and performance
15 measures as the state affordable housing for all plan, including
16 information and performance measurement data, where available, on state
17 supported housing programs and all city and county housing programs,
18 including local housing-related levy initiatives, housing-related tax
19 exemption programs, and federally funded programs operated or
20 coordinated by local governments;

21 (ii) Timelines for the accomplishment of interim goals and targets,
22 and for the acquisition of projected financing that is appropriate for
23 outlined goals and targets;

24 (iii) An identification of challenges to reaching the affordable
25 housing for all goal;

26 (iv) A total estimated amount of funds needed to reach the local
27 affordable housing for all goal and an identification of potential
28 funding sources; and

29 (v) State legislative recommendations to enable the county to
30 achieve its affordable housing for all goals. Legislative
31 recommendations must be specific and, if necessary, include an
32 estimated amount of funding required and suggestions of an appropriate
33 funding source.

34 NEW SECTION. **Sec. 8.** (1) Any county may decline to participate in
35 the affordable housing for all program authorized in this chapter by
36 forwarding to the department a resolution adopted by the county
37 legislative authority stating the intention not to participate. A copy

1 of the resolution must also be transmitted to the county auditor and
2 treasurer. Counties that decline to participate shall not be required
3 to establish an affordable housing task force or to create a county
4 affordable housing for all plan. Counties declining to participate in
5 the affordable housing for all program shall continue to collect and
6 utilize the affordable housing for all surcharge for the purposes
7 described in RCW 36.22.178 (as recodified by this act); however, such
8 counties shall not be allocated any additional affordable housing for
9 all program funding that is specifically provided for program planning,
10 implementation, performance and quality management, and administrative
11 purposes. Counties may opt back into the affordable housing for all
12 program authorized by this chapter at a later date through a process
13 and timeline to be determined by the department.

14 (2) If a county declines to participate in the affordable housing
15 for all program authorized in this chapter, a city or formally
16 organized collaborative of cities within that county may forward a
17 resolution to the department stating its intention and willingness to
18 operate an affordable housing for all program within its jurisdictional
19 limits. The department must establish procedures to choose amongst
20 cities or collaboratives of cities in the event that more than one city
21 or collaborative of cities express an interest in participating in the
22 program. Participating cities or collaboratives of cities must fulfill
23 the same requirements as counties participating in the affordable
24 housing for all program.

25 NEW SECTION. **Sec. 9.** A county may subcontract with any other
26 county, city, town, housing authority, community action agency, or
27 other nonprofit organization for the execution of programs contributing
28 to the affordable housing for all goal. All subcontracts must be:
29 Consistent with the county affordable housing for all plan adopted by
30 the legislative authority of the county; time limited; and filed with
31 the department, and must have specific performance terms as specified
32 by the county. County governments must strongly encourage each
33 subcontractor under the affordable housing for all program to apply to
34 the Washington state quality award program for an independent
35 assessment of its quality management, accountability, and performance
36 system. This authority to subcontract with other entities does not

1 affect participating counties' ultimate responsibility for meeting the
2 requirements of the affordable housing for all program.

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

5 The surcharge provided for in this section shall be named the
6 affordable housing for all surcharge.

7 (1) Except as provided in subsection (3) of this section, a
8 surcharge of ten dollars per instrument shall be charged by the county
9 auditor for each document recorded, which will be in addition to any
10 other charge authorized by law. The county may retain up to five
11 percent of these funds collected solely for the collection,
12 administration, and local distribution of these funds. Of the
13 remaining funds, forty percent of the revenue generated through this
14 surcharge will be transmitted monthly to the state treasurer who will
15 deposit the funds into the affordable housing for all account created
16 in RCW 43.185C.190. The department of community, trade, and economic
17 development must use these funds to provide housing and shelter for
18 extremely low-income households, including but not limited to grants
19 for building operation and maintenance costs of housing projects or
20 units within housing projects that are affordable to extremely low-
21 income households with incomes at or below thirty percent of the area
22 median income, and that require a supplement to rent income to cover
23 ongoing operating expenses.

24 (2) All of the remaining funds generated by this surcharge will be
25 retained by the county and be deposited into a fund that must be used
26 by the county and its cities and towns for eligible housing activities
27 as described in this subsection that serve very low-income households
28 with incomes at or below fifty percent of the area median income. The
29 portion of the surcharge retained by a county shall be allocated to
30 eligible housing activities that serve extremely low and very low-
31 income households in the county and the cities within a county
32 according to an interlocal agreement between the county and the cities
33 within the county consistent with countywide and local housing needs
34 and policies. A priority must be given to eligible housing activities
35 that serve extremely low-income households with incomes at or below
36 thirty percent of the area median income. Eligible housing activities
37 to be funded by these county funds are limited to:

1 (a) Acquisition, construction, or rehabilitation of housing
2 projects or units within housing projects that are affordable to very
3 low-income households with incomes at or below fifty percent of the
4 area median income, including units for homeownership, rental units,
5 seasonal and permanent farm worker housing units, and single room
6 occupancy units;

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

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

20 (d) Operating costs for emergency shelters and licensed overnight
21 youth shelters.

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

24 (4) All counties shall report at least biannually beginning May 1,
25 2010, upon receipts and expenditures of the affordable housing for all
26 surcharge funds created in this section to the department. The
27 department may require more frequent reports. The report must include
28 the amount of funding generated by the surcharge, the total amount of
29 funding distributed to date, the amount of funding allocated to each
30 eligible housing activity, a description of each eligible housing
31 activity funded, including information on the income or wage level and
32 numbers of extremely low, very low, and low-income households the
33 eligible housing activity is intended to serve, and the outcome or
34 anticipated outcome of each eligible housing activity.

35 NEW SECTION. **Sec. 11.** This chapter does not require either the
36 department or any local government to expend any funds to accomplish
37 the goals of this chapter other than the revenues authorized in this

1 act and other revenue that may be appropriated by the legislature for
2 these purposes. However, neither the department nor any local
3 government may use any funds authorized in this act to supplant or
4 reduce any existing expenditures of public money to address the
5 affordable housing shortage.

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

8 The department(~~(7)~~) shall collaborate with the housing finance
9 commission, the affordable housing advisory board, and all local
10 governments, housing authorities, and other (~~(nonprofits)~~) eligible
11 organizations receiving state housing funds, affordable housing for all
12 funds, home security funds, or financing through the housing finance
13 commission (~~(shall, by December 31, 2006, and annually thereafter,~~
14 review current housing reporting requirements related to housing
15 programs and services and give)) to include in the state affordable
16 housing for all plan, by December 31, 2010, recommendations, where
17 possible:

18 (1) To streamline and simplify all housing planning, application,
19 and reporting requirements (~~(to the department of community, trade, and~~
20 economic development, which will compile and present the
21 recommendations annually to the legislature. The entities listed in
22 this section shall also give recommendations for additional)); and

23 (2) For legislative actions that could promote the affordable
24 housing for all goal and the state goal to end homelessness.

25 **Sec. 13.** RCW 43.185.070 and 2005 c 518 s 1802 and 2005 c 219 s 2
26 are each reenacted and amended to read as follows:

27 (1) During each calendar year in which funds from the housing trust
28 fund or other legislative appropriations are available for use by the
29 department for the housing assistance program, the department shall
30 announce to all known interested parties, and through major media
31 throughout the state, a grant and loan application period of at least
32 ninety days' duration. This announcement shall be made as often as the
33 director deems appropriate for proper utilization of resources. The
34 department shall then promptly grant as many applications as will
35 utilize available funds less appropriate administrative costs of the
36 department. Administrative costs paid out of the housing trust fund

1 may not exceed five percent of annual revenues available for
2 distribution to housing trust fund projects. In awarding funds under
3 this chapter, the department shall provide for a geographic
4 distribution on a statewide basis.

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

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

- 21 (a) The degree of leveraging of other funds that will occur;
- 22 (b) The degree of commitment from programs to provide necessary
23 habilitation and support services for projects focusing on special
24 needs populations;
- 25 (c) Recipient contributions to total project costs, including
26 allied contributions from other sources such as professional, craft and
27 trade services, and lender interest rate subsidies;
- 28 (d) Local government project contributions in the form of
29 infrastructure improvements, and others;
- 30 (e) Projects that encourage ownership, management, and other
31 project-related responsibility opportunities;
- 32 (f) Projects that demonstrate a strong probability of serving the
33 original target group or income level for a period of at least twenty-
34 five years;
- 35 (g) The applicant has the demonstrated ability, stability and
36 resources to implement the project;
- 37 (h) The applicant has committed to quality improvement and

1 submitted an application to the Washington state quality award program
2 for an independent assessment of its quality management,
3 accountability, and performance system within the previous three years;

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

5 ~~((+i))~~ (j) Projects that provide housing for persons and families
6 with the lowest incomes;

7 ~~((+j))~~ (k) Projects that provide housing for persons at risk of
8 homelessness;

9 (l) Projects serving special needs populations which are under
10 statutory mandate to develop community housing;

11 ~~((+k))~~ (m) Project location and access to employment centers in
12 the region or area;

13 ~~((+l))~~ (n) Projects that provide employment and training
14 opportunities for disadvantaged youth under a youthbuild or youthbuild-
15 type program as defined in RCW 50.72.020; and

16 ~~((+m))~~ (o) Project location and access to available public
17 transportation services.

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

21 **Sec. 14.** RCW 43.185C.010 and 2007 c 427 s 3 are each amended to
22 read as follows:

23 The definitions in this section apply throughout this chapter
24 unless the context clearly requires otherwise.

25 (1) "Department" means the department of community, trade, and
26 economic development.

27 (2) "Director" means the director of the department of community,
28 trade, and economic development.

29 (3) "Homeless person" means an individual living outside or in a
30 building not meant for human habitation or which they have no legal
31 right to occupy, in an emergency shelter, or in a temporary housing
32 program which may include a transitional and supportive housing program
33 if habitation time limits exist. This definition includes substance
34 abusers, people with mental illness, and sex offenders who are
35 homeless.

36 (4) "Washington homeless census" or "census" means an annual
37 statewide census conducted as a collaborative effort by towns, cities,

1 counties, community-based organizations, and state agencies, with the
2 technical support and coordination of the department, to count and
3 collect (~~(data on)~~) information about all homeless individuals in
4 Washington.

5 (5) "Home security fund account" means the state treasury account
6 receiving the state's portion of income from revenue from the sources
7 established by RCW 36.22.179, RCW 36.22.1791, and all other sources
8 directed to the homeless housing and assistance program.

9 (6) "Homeless housing grant program" means the vehicle by which
10 competitive grants are awarded by the department, utilizing moneys from
11 the homeless housing account, to local governments for programs
12 directly related to housing homeless individuals and families,
13 addressing the root causes of homelessness, preventing homelessness,
14 collecting data and information on homeless individuals, and other
15 efforts directly related to housing homeless persons, including
16 implementing quality management programs.

17 (7) "Local government" means a county government in the state of
18 Washington or a city government, if the legislative authority of the
19 city affirmatively elects to accept the responsibility for housing
20 homeless persons within its (~~(borders)~~) jurisdiction.

21 (8) "Housing continuum" means the progression of individuals along
22 a housing-focused continuum with homelessness at one end and
23 homeownership at the other.

24 (9) "Local homeless housing task force" means a voluntary local
25 committee created to advise a local government on the creation of a
26 local homeless housing plan and participate in a local homeless housing
27 program. It must include a representative of the county, a
28 representative of the largest city located within the county, at least
29 one homeless or formerly homeless person, such other members as may be
30 required to maintain eligibility for federal funding related to housing
31 programs and services and if feasible, a representative of a private
32 nonprofit organization with experience in low-income housing.

33 (10) "Long-term private or public housing" means subsidized and
34 unsubsidized rental or owner-occupied housing in which there is no
35 established time limit for habitation of less than two years.

36 (11) "Interagency council on homelessness" means a committee
37 appointed by the governor and consisting of, at least, policy level
38 representatives of the following entities: (a) The department of

1 community, trade, and economic development; (b) the department of
2 corrections; (c) the department of social and health services; (d) the
3 department of veterans affairs; and (e) the department of health.

4 (12) "Performance measurement" means the process of comparing
5 specific measures of success against ultimate and interim goals.

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

12 (14) "Quality management program" means a nationally recognized
13 program using criteria similar or equivalent to the Baldrige criteria.
14 All local governments receiving over five hundred thousand dollars a
15 year during the previous calendar year from: State housing-related
16 funding sources, including the Washington housing trust fund; the
17 ending homelessness program surcharges in RCW 36.22.179 and 36.22.1791;
18 and any surcharges in this chapter and the surcharges in RCW 36.22.178
19 (as recodified by this act), shall apply to the Washington state
20 quality award program for an independent assessment of its quality
21 management, accountability, and performance system, once every three
22 years beginning by January 1, 2011.

23 (15) "Community action agency" means a nonprofit private or public
24 organization established under the economic opportunity act of 1964.

25 ((+14)) (16) "Housing authority" means any of the public
26 corporations created by chapter 35.82 RCW.

27 ((+15)) (17) "Homeless housing program" means the program
28 authorized under this chapter as administered by the department at the
29 state level and by the local government or its designated subcontractor
30 at the local level.

31 ((+16)) (18) "Homeless housing plan" means the ten-year plan
32 developed by the county or other local government to address housing
33 for homeless persons.

34 ((+17)) (19) "Homeless housing strategic plan" means the ten-year
35 plan developed by the department, in consultation with the interagency
36 council on homelessness and the affordable housing advisory board.

37 ((+18)) (20) "Washington homeless client management information
38 system" means a database of information about homeless individuals in

1 the state used to coordinate resources to assist homeless clients to
2 obtain and retain housing and reach greater levels of self-sufficiency
3 or economic independence when appropriate, depending upon their
4 individual situations.

5 **Sec. 15.** RCW 43.185C.040 and 2005 c 484 s 7 are each amended to
6 read as follows:

7 (1) Six months after the first Washington homeless census, the
8 department shall, in consultation with the interagency council on
9 homelessness and the affordable housing advisory board, prepare and
10 publish a ten-year homeless housing strategic plan which shall outline
11 statewide goals and performance measures and shall be coordinated with
12 the plan for homeless families with children required under RCW
13 43.63A.650. To guide local governments in preparation of their first
14 local homeless housing plans due December 31, 2005, the department
15 shall issue by October 15, 2005, temporary guidelines consistent with
16 this chapter and including the best available data on each community's
17 homeless population. Local governments' ten-year homeless housing
18 plans shall not be substantially inconsistent with the goals and
19 program recommendations of the temporary guidelines and, when amended
20 after 2005, the state strategic plan.

21 (2)(a) Program outcomes and performance measures and goals
22 ((shall)) must be created by the department ((and reflected)) in
23 consultation with the interagency council on homelessness and a task
24 force established by the department consisting of the committee chairs
25 of the appropriate committees of the legislature, representatives
26 appointed by the director from a minimum of five local task forces
27 representing both urban and rural areas and communities east and west
28 of the Cascade mountains, and a representative from a statewide
29 membership organization that advocates for homeless housing. All
30 performance measures must have targets and timelines. The task force
31 must also produce guidelines for local governments regarding methods,
32 techniques, and data suggested to measure each performance measure.
33 Performance measures must be included in the department's homeless
34 housing strategic plan ((as well as)) and all local homeless housing
35 plans.

36 (b) Performance measures must be created, at a minimum, to gauge

1 the success of the state and each local government in the following
2 areas:

3 (i) The quality and completeness of the Washington homeless client
4 management information system database;

5 (ii) The quality of the performance management systems of state
6 agencies, local governments, and local government subcontractors
7 executing programs, as authorized by RCW 43.185C.080(1), that
8 contribute to the overall goal of ending homelessness; and

9 (iii) The quality of local homeless housing plans.

10 Performance measurements are reported upon by city and county
11 geography, including demographics with yearly or more frequent targets.

12 (3) Interim goals against which state and local governments'
13 performance may be measured, including:

14 (a) By the end of year one, completion of the first census as
15 described in RCW 43.185C.030;

16 (b) By the end of each subsequent year, goals common to all local
17 programs which are measurable and the achievement of which would move
18 that community toward housing its homeless population; and

19 (c) By July 1, 2015, reduction of the homeless population statewide
20 and in each county by fifty percent.

21 ~~((+3))~~ (4) The department shall develop a consistent statewide
22 data gathering instrument to monitor the performance of cities and
23 counties receiving grants in order to determine compliance with the
24 terms and conditions set forth in the grant application or required by
25 the department.

26 (5) The department shall, in consultation with the interagency
27 council on homelessness and the affordable housing advisory board,
28 report annually to the governor and the appropriate committees of the
29 legislature an assessment of the state's performance in furthering the
30 goals of the state ten-year homeless housing strategic plan and the
31 performance of each participating local government in creating and
32 executing a local homeless housing plan which meets the requirements of
33 this chapter. ~~((The annual report may include performance measures~~
34 ~~such as:~~

35 ~~(a) The reduction in the number of homeless individuals and~~
36 ~~families from the initial count of homeless persons;~~

37 ~~(b) The number of new units available and affordable for homeless~~
38 ~~families by housing type;~~

1 ~~(c) The number of homeless individuals identified who are not~~
2 ~~offered suitable housing within thirty days of their request or~~
3 ~~identification as homeless;~~

4 ~~(d) The number of households at risk of losing housing who maintain~~
5 ~~it due to a preventive intervention;~~

6 ~~(e) The transition time from homelessness to permanent housing;~~

7 ~~(f) The cost per person housed at each level of the housing~~
8 ~~continuum;~~

9 ~~(g) The ability to successfully collect data and report~~
10 ~~performance;~~

11 ~~(h) The extent of collaboration and coordination among public~~
12 ~~bodies, as well as community stakeholders, and the level of community~~
13 ~~support and participation;~~

14 ~~(i) The quality and safety of housing provided; and~~

15 ~~(j) The effectiveness of outreach to homeless persons, and their~~
16 ~~satisfaction with the program.~~

17 ~~(4) Based on the performance of local homeless housing programs in~~
18 ~~meeting their interim goals, on general population changes and on~~
19 ~~changes in the homeless population recorded in the annual census, the~~
20 ~~department may revise the performance measures and goals of the state~~
21 ~~homeless housing strategic plan, set goals for years following the~~
22 ~~initial ten-year period, and recommend changes in local governments'~~
23 ~~plans.))~~

24 **Sec. 16.** RCW 43.185C.050 and 2005 c 484 s 8 are each amended to
25 read as follows:

26 (1)(a) Each local homeless housing task force shall prepare and
27 recommend to its local government legislative authority a ten-year
28 homeless housing plan for its jurisdictional area which shall be not
29 inconsistent with the department's statewide temporary guidelines, for
30 the December 31, 2005, plan, and thereafter the department's ten-year
31 homeless housing strategic plan and which shall be aimed at eliminating
32 homelessness, with a minimum goal of reducing homelessness by fifty
33 percent by July 1, 2015. ((The local government may amend the proposed
34 local plan and shall adopt a plan by December 31, 2005. Performance in
35 meeting the goals of this local plan shall be assessed annually in
36 terms of the performance measures published by the department.))

1 (b) In addition to the performance measures mandated in RCW
2 43.185C.040(2), local plans may include specific local performance
3 measures adopted by the local government legislative authority((~~τ~~)) and
4 ((~~may~~)) must include recommendations for ((~~any~~)) state legislation
5 needed to meet the state or local plan goals. The recommendations must
6 be specific and must, if funding is required, include an estimated
7 amount of funding required and suggestions for an appropriate funding
8 source.

9 (2) Eligible activities under the local plans include:

10 (a) Rental and furnishing of dwelling units for the use of homeless
11 persons;

12 (b) Costs of developing affordable housing for homeless persons,
13 and services for formerly homeless individuals and families residing in
14 transitional housing or permanent housing and still at risk of
15 homelessness;

16 (c) Operating subsidies for transitional housing or permanent
17 housing serving formerly homeless families or individuals;

18 (d) Services to prevent homelessness, such as emergency eviction
19 prevention programs, including temporary rental subsidies to prevent
20 homelessness;

21 (e) Temporary services to assist persons leaving state institutions
22 and other state programs to prevent them from becoming or remaining
23 homeless;

24 (f) Outreach services for homeless individuals and families;

25 (g) Development and management of local homeless plans, including
26 homeless census data collection; identification of goals, performance
27 measures, strategies, and costs, and evaluation of progress towards
28 established goals;

29 (h) Rental vouchers payable to landlords for persons who are
30 homeless or below thirty percent of the median income or in immediate
31 danger of becoming homeless; ((~~and~~))

32 (i) Implementing a quality management program and applying to the
33 Washington state quality award program for an independent assessment of
34 quality management, accountability, and performance systems or applying
35 to the full examination Washington state quality award program; and

36 (j) Other activities to reduce and prevent homelessness as
37 identified for funding in the local plan.

1 **Sec. 17.** RCW 36.22.179 and 2007 c 427 s 4 are each amended to read
2 as follows:

3 (1) In addition to the surcharge authorized in RCW 36.22.178 (as
4 recodified by this act), and except as provided in subsection (2) of
5 this section, an additional surcharge of ten dollars shall be charged
6 by the county auditor for each document recorded, which will be in
7 addition to any other charge allowed by law. The funds collected
8 pursuant to this section are to be distributed and used as follows:

9 (a) The auditor shall retain two percent for collection of the fee,
10 and of the remainder shall remit sixty percent to the county to be
11 deposited into a fund that must be used by the county and its cities
12 and towns to accomplish the purposes of this chapter, six percent of
13 which may be used by the county for administrative costs related to its
14 homeless housing plan and for activities related to performance
15 evaluation and quality management programs, and the remainder for
16 programs which directly accomplish the goals of the county's local
17 homeless housing plan, except that for each city in the county which
18 elects as authorized in RCW 43.185C.080 to operate its own local
19 homeless housing program, a percentage of the surcharge assessed under
20 this section equal to the percentage of the city's local portion of the
21 real estate excise tax collected by the county shall be transmitted at
22 least quarterly to the city treasurer, without any deduction for county
23 administrative costs, for use by the city for program costs which
24 directly contribute to the goals of the city's local homeless housing
25 plan; of the funds received by the city, it may use six percent for
26 administrative costs for its homeless housing program.

27 (b) The auditor shall remit the remaining funds to the state
28 treasurer for deposit in the home security fund account. The
29 department may use twelve and one-half percent of this amount for
30 administration of the program established in RCW 43.185C.020, including
31 the costs of creating the statewide homeless housing strategic plan,
32 measuring performance and quality management, providing technical
33 assistance to local governments, and managing the homeless housing
34 grant program. The remaining eighty-seven and one-half percent is to
35 be used by the department to:

36 (i) Provide housing and shelter for homeless people including, but
37 not limited to: Grants to operate, repair, and staff shelters; grants

1 to operate transitional housing; partial payments for rental
2 assistance; consolidated emergency assistance; overnight youth
3 shelters; and emergency shelter assistance; and

4 (ii) Fund the homeless housing grant program.

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

7 **Sec. 18.** RCW 36.22.1791 and 2007 c 427 s 5 are each amended to
8 read as follows:

9 (1) In addition to the surcharges authorized in RCW 36.22.178 (as
10 recodified by this act) and 36.22.179, and except as provided in
11 subsection (2) of this section, the county auditor shall charge an
12 additional surcharge of eight dollars for each document recorded, which
13 is in addition to any other charge allowed by law. The funds collected
14 under this section are to be distributed and used as follows:

15 (a) The auditor shall remit ninety percent to the county to be
16 deposited into a fund six percent of which may be used by the county
17 for administrative costs related to its homeless housing plan and for
18 activities related to performance evaluation and quality management
19 programs, and the remainder for programs that directly accomplish the
20 goals of the county's local homeless housing plan, except that for each
21 city in the county that elects, as authorized in RCW 43.185C.080, to
22 operate its own homeless housing program, a percentage of the surcharge
23 assessed under this section equal to the percentage of the city's local
24 portion of the real estate excise tax collected by the county must be
25 transmitted at least quarterly to the city treasurer for use by the
26 city for program costs that directly contribute to the goals of the
27 city's homeless housing plan.

28 (b) The auditor shall remit the remaining funds to the state
29 treasurer for deposit in the home security fund account. The
30 department may use the funds for administering the program established
31 in RCW 43.185C.020, including the costs of creating and updating the
32 statewide homeless housing strategic plan, measuring performance and
33 quality management, providing technical assistance to local
34 governments, and managing the homeless housing grant program.
35 Remaining funds may also be used to:

36 (i) Provide housing and shelter for homeless people including, but
37 not limited to: Grants to operate, repair, and staff shelters; grants

1 to operate transitional housing; partial payments for rental
2 assistance; consolidated emergency assistance; overnight youth
3 shelters; and emergency shelter assistance; and

4 (ii) Fund the homeless housing grant program.

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

7 NEW SECTION. **Sec. 19.** A new section is added to chapter 43.185C
8 RCW to read as follows:

9 The department shall establish two self-sufficiency income
10 standards based upon the cost of living, including housing costs, which
11 include mortgage or rent payments and utilities other than telephone,
12 for each county in the state. The self-sufficiency income standards
13 must be based upon the costs needed to support: (1) One adult
14 individual; and (2) two adult individuals and one preschool-aged child
15 and one school-aged child. These income standards will be translated
16 into an equivalent hourly wage rate assuming one full-year, full-time
17 earner for the self-sufficiency income standards for each county. By
18 December 31, 2009, the department shall deliver to the appropriate
19 committees of the legislature the self-sufficiency income standards and
20 a report that details the number and percentage of individuals
21 statewide and in each county who do not have a good family wage job
22 and, as a result, earn less than the self-sufficiency income standards,
23 as well as the number and percentage of individuals statewide and in
24 each county who have a good family wage job and, as a result, earn an
25 amount equivalent to or more than the self-sufficiency income
26 standards.

27 **Sec. 20.** RCW 43.185C.150 and 2005 c 484 s 21 are each amended to
28 read as follows:

29 This chapter does not require either the department or any local
30 government to expend any funds to accomplish the goals of this chapter
31 other than the revenues authorized in chapter 484, Laws of 2005 and the
32 revenues authorized in RCW 36.22.1791. However, neither the department
33 nor any local government may use any funds authorized in chapter 484,
34 Laws of 2005 or the revenues authorized in RCW 36.22.1791 to supplant
35 or reduce any existing expenditures of public money for the reduction
36 or prevention of homelessness or services for homeless persons.

1 NEW SECTION. **Sec. 21.** RCW 36.22.178, 43.185A.100, and 43.185B.040
2 are each recodified as sections in chapter 43.--- RCW (created in
3 section 22 of this act).

4 NEW SECTION. **Sec. 22.** Sections 1 through 4, 6 through 9, and 11
5 of this act constitute a new chapter in Title 43 RCW.

6 NEW SECTION. **Sec. 23.** The code reviser shall alphabetize and
7 renumber the definitions in RCW 43.185C.010.

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