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HOUSE BILL 2425

State of Washington 68th Legislature 2024 Regular Session

By Representatives Rule and Reeves

- 1 AN ACT Relating to enacting the home affordability sustainment
- 2 act, a rental support program; and adding a new chapter to Title 43
- 3 RCW.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 <u>NEW SECTION.</u> **Sec. 1.** The legislature finds there are many more
- 6 Washingtonians looking for housing at their income level than
- 7 available affordable housing units following decades of housing cost
- 8 increases.
- 9 Washington state made unprecedented strides in 2023, the year of
- 10 housing, to accelerate housing production. Those efforts have already
- 11 begun, but recently enacted legislation will take years before the
- 12 state sees an impactful increase in the affordable housing supply.
- 13 Washingtonians need solutions now.
- 14 <u>NEW SECTION.</u> **Sec. 2.** (1) This chapter establishes a new rental
- 15 support program to provide immediate financial support that will
- 16 allow low-income families to rent available qualified manufactured
- 17 homes and rental housing units when units at or below 30 percent of
- 18 their income are not available in order to sustain affordability for
- 19 Washingtonians.

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(2) The home affordability sustainment act, a rental support program, shall be funded via 0.5 percent of Washington state sales tax incurred for new residential construction, awarded to the municipality the tax was paid from. This 0.5 percent shall be redirected from the general fund. Funding must be equitably allocated to administrators.

- (3) Municipalities, or the legislature through appropriations, may loan administrators the projected program income for the first year of funding to allow the program to start accepting applicants by the effective date provided in section 4 of this act.
- (4) Qualified recipients must be low-income, with priority given to persons with disabilities, historically marginalized communities, seniors, single parents, and veterans. Administrators shall additionally determine, for their municipality, net worth thresholds for qualified recipients.
- 16 (5) Administrators shall establish a payment standard for 17 eligible manufactured housing and rental housing units under the 18 program in their municipality.
 - (6) Administrators may provide rental support to any qualified recipient. Rental support must be equal to the difference between the resident rent and either the payment standard or contract rent, whichever is less.
- 23 (7) Rental support shall be paid directly to the housing 24 provider.
 - NEW SECTION. Sec. 3. (1) Funding for the rental support program described in section 2 of this act must be administered by either the local public housing authority or a nonprofit organization at the discretion of the municipality.
- 29 (2) The administrator shall receive five percent of the paid out 30 rental support to fund administration.
 - (3) Administrators must establish uniform and consistent rules to implement and administer this section, including payment standards, application, and reporting requirements.
 - (4) At initial application and at least once in every 12-month period, each resident shall provide complete and accurate information about income and composition of the household to the administrator. Administrators may require the resident to provide reliable third-party verification of all necessary information. Administrators may find any resident that fails to provide such information ineligible

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- 1 for continued participation. Administrators shall use the information
- 2 provided to annually determine whether rental support should be
- 3 adjusted and whether the resident is eligible to continue in the
- 4 program.
- 5 <u>NEW SECTION.</u> **Sec. 4.** (1) The rental support program described
- 6 in section 2 of this act shall begin collecting sales tax July 1,
- 7 2024, and must begin accepting applicants by January 1, 2025.
- 8 (2) If funding is available before January 1, 2025,
- 9 administrators may begin accepting applicants early, provided the
- 10 program has been established.
- 11 <u>NEW SECTION.</u> **Sec. 5.** The definitions in this section apply
- 12 throughout this chapter unless the context clearly requires
- 13 otherwise.
- 14 (1) "Administrator" means any public housing authority or
- 15 nonprofit organization that is administering a rental support program
- 16 for its local municipality.
- 17 (2) "Contract rent" means the total monthly rent amount specified
- 18 in the lease for a contract unit occupied by a resident. "Contract
- 19 rent" includes the amount of rental support and the amount of the
- 20 resident's share of rent.
- 21 (3) "Eligible manufactured housing and rental housing" means
- 22 housing that complies with applicable state and local health,
- 23 housing, building, and safety codes, that is located in the state of
- 24 Washington.
- 25 (4) "Low-income family" means an individual or family whose
- 26 income does not exceed 80 percent of the area median income, adjusted
- 27 for family size, for the area in which the family lives, as
- 28 determined by the department of commerce.
- 29 (5) "Payment standard" means a range from the current fair market
- 30 rent to 125 percent of the fair market rent, as determined by the
- 31 administrator based on bedroom size and the housing market of the
- 32 municipality.
- 33 (6) "Qualified recipients" means any low-income family in
- 34 Washington who meets the eligibility qualifications set by the
- 35 administrator or who is currently being served by a state assistance
- 36 program.
- 37 (7) "Resident rent" means the amount of the contract rent that
- 38 the resident is responsible for paying, and is equal to up to 30

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- 1 percent of the resident's monthly income, minus an applicable utility
- 2 allowance, plus the balance of the contract rent after rental
- 3 support.
- 4 <u>NEW SECTION.</u> **Sec. 6.** This act may be known and cited as the
- 5 home affordability sustainment act.
- 6 <u>NEW SECTION.</u> **Sec. 7.** Sections 1 through 6 of this act
- 7 constitute a new chapter in Title 43 RCW.

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