
HOUSE BILL 2517

State of Washington

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By Representatives Dammeier and Haigh

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1 AN ACT Relating to the exemption of housing authorities from laws
2 governing the construction, alteration, repair, or improvement of
3 property by other public bodies; and amending RCW 35.82.070.

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

5 **Sec. 1.** RCW 35.82.070 and 2002 c 218 s 22 are each amended to read
6 as follows:

7 An authority shall constitute a public body corporate and politic,
8 exercising public and essential governmental functions, and having all
9 the powers necessary or convenient to carry out and effectuate the
10 purposes and provisions of this chapter, including the following powers
11 in addition to others herein granted:

12 (1) To sue and be sued; to have a seal and to alter the same at
13 pleasure; to have perpetual succession; to make and execute contracts
14 and other instruments, including but not limited to partnership
15 agreements and joint venture agreements, necessary or convenient to the
16 exercise of the powers of the authority; to participate in the
17 organization or the operation of a nonprofit corporation which has as
18 one of its purposes to provide or assist in the provision of housing

1 for persons of low income; and to make and from time to time amend and
2 repeal bylaws, rules and regulations, not inconsistent with this
3 chapter, to carry into effect the powers and purposes of the authority.

4 (2) Within its area of operation: To prepare, carry out, acquire,
5 lease and operate housing projects; to provide for the construction,
6 reconstruction, improvement, alteration or repair of any housing
7 project or any part thereof; to agree to rent or sell dwellings forming
8 part of the projects to or for persons of low income. Where an
9 agreement or option is made to sell a dwelling to a person of low
10 income, the authority may convey the dwelling to the person upon
11 fulfillment of the agreement irrespective of whether the person is at
12 the time of the conveyance a person of low income. Leases, options,
13 agreements, or conveyances may include such covenants as the authority
14 deems appropriate to assure the achievement of the objectives of this
15 chapter.

16 (3) To acquire, lease, rent, sell, or otherwise dispose of any
17 commercial space located in buildings or structures containing a
18 housing project or projects.

19 (4) To arrange or contract for the furnishing by any person or
20 agency, public or private, of services, privileges, works, or
21 facilities for, or in connection with, a housing project or the
22 occupants thereof; and (notwithstanding anything to the contrary
23 contained in this chapter or in any other provision of law) to include
24 in any contract let in connection with a project, stipulations
25 requiring that the contractor and any subcontractors comply with
26 requirements as to minimum wages and maximum hours of labor, and comply
27 with any conditions which the federal government may have attached to
28 its financial aid of the project.

29 (5) To lease or rent any dwellings, houses, accommodations, lands,
30 buildings, structures or facilities embraced in any housing project and
31 (subject to the limitations contained in this chapter) to establish and
32 revise the rents or charges therefor; to own or manage buildings
33 containing a housing project or projects as well as commercial space or
34 other dwelling units that do not constitute a housing project as that
35 term is defined in this chapter. However, notwithstanding the
36 provisions under subsection (1) of this section, dwelling units made
37 available or sold to persons of low income, together with functionally
38 related and subordinate facilities, shall occupy at least fifty percent

1 of the interior space in the total development owned by the authority
2 or at least fifty percent of the total number of units in the
3 development owned by the authority, whichever produces the greater
4 number of units for persons of low income, and for mobile home parks,
5 the mobile home lots made available to persons of low income shall be
6 at least fifty percent of the total number of mobile home lots in the
7 park owned by the authority; to own, hold, and improve real or personal
8 property; to purchase, lease, obtain options upon, acquire by gift,
9 grant, bequest, devise, or otherwise including financial assistance and
10 other aid from the state or any public body, person or corporation, any
11 real or personal property or any interest therein; to acquire by the
12 exercise of the power of eminent domain any real property; to sell,
13 lease, exchange, transfer, assign, pledge, or dispose of any real or
14 personal property or any interest therein; to sell, lease, exchange,
15 transfer, or dispose of any real or personal property or interest
16 therein at less than fair market value to a governmental entity for any
17 purpose when such action assists the housing authority in carrying out
18 its powers and purposes under this chapter, to a low-income person or
19 family for the purpose of providing housing for that person or family,
20 or to a nonprofit corporation provided the nonprofit corporation agrees
21 to sell the property to a low-income person or family or to use the
22 property for the provision of housing for persons of low income for at
23 least twenty years; to insure or provide for the insurance of any real
24 or personal property or operations of the authority against any risks
25 or hazards; to procure or agree to the procurement of insurance or
26 guarantees from the federal government of the payment of any bonds or
27 parts thereof issued by an authority, including the power to pay
28 premiums on any such insurance.

29 (6) To invest any funds held in reserves or sinking funds, or any
30 funds not required for immediate disbursement, in property or
31 securities in which savings banks may legally invest funds subject to
32 their control; to purchase its bonds at a price not more than the
33 principal amount thereof and accrued interest, all bonds so purchased
34 to be canceled.

35 (7) Within its area of operation: To investigate into living,
36 dwelling and housing conditions and into the means and methods of
37 improving such conditions; to determine where slum areas exist or where
38 there is a shortage of decent, safe and sanitary dwelling

1 accommodations for persons of low income; to make studies and
2 recommendations relating to the problem of clearing, replanning and
3 reconstructing of slum areas, and the problem of providing dwelling
4 accommodations for persons of low income, and to cooperate with the
5 city, the county, the state or any political subdivision thereof in
6 action taken in connection with such problems; and to engage in
7 research, studies and experimentation on the subject of housing.

8 (8) Acting through one or more commissioners or other person or
9 persons designated by the authority: To conduct examinations and
10 investigations and to hear testimony and take proof under oath at
11 public or private hearings on any matter material for its information;
12 to administer oaths, issue subpoenas requiring the attendance of
13 witnesses or the production of books and papers and to issue
14 commissions for the examination of witnesses who are outside of the
15 state or unable to attend before the authority, or excused from
16 attendance; to make available to appropriate agencies (including those
17 charged with the duty of abating or requiring the correction of
18 nuisances or like conditions, or of demolishing unsafe or insanitary
19 structures within its area of operation) its findings and
20 recommendations with regard to any building or property where
21 conditions exist which are dangerous to the public health, morals,
22 safety or welfare.

23 (9) To initiate eviction proceedings against any tenant as provided
24 by law. Activity occurring in any housing authority unit that
25 constitutes a violation of chapter 69.41, 69.50 or 69.52 RCW shall
26 constitute a nuisance for the purpose of RCW 59.12.030(5).

27 (10) To exercise all or any part or combination of powers herein
28 granted.

29 No provisions of law with respect to the acquisition, construction,
30 alteration, repair, improvement, operation, or disposition of property
31 by other public bodies shall be applicable to an authority unless the
32 legislature shall specifically so state.

33 (11) To agree (notwithstanding the limitation contained in RCW
34 35.82.210) to make such payments in lieu of taxes as the authority
35 finds consistent with the achievement of the purposes of this chapter.

36 (12) Upon the request of a county or city, to exercise any powers
37 of a community renewal agency under chapter 35.81 RCW or a public
38 corporation, commission, or authority under chapter 35.21 RCW.

1 (13) To exercise the powers granted in this chapter within the
2 boundaries of any city, town, or county not included in the area in
3 which such housing authority is originally authorized to function:
4 PROVIDED, HOWEVER, The governing or legislative body of such city,
5 town, or county, as the case may be, adopts a resolution declaring that
6 there is a need for the authority to function in such territory.

7 (14) To administer contracts for assistance payments to persons of
8 low income in accordance with section 8 of the United States Housing
9 Act of 1937, as amended by Title II, section 201 of the Housing and
10 Community Development Act of 1974, P.L. 93-383.

11 (15) To sell at public or private sale, with or without public
12 bidding, for fair market value, any mortgage or other obligation held
13 by the authority.

14 (16) To the extent permitted under its contract with the holders of
15 bonds, notes, and other obligations of the authority, to consent to any
16 modification with respect to rate of interest, time and payment of any
17 installment of principal or interest security, or any other term of any
18 contract, mortgage, mortgage loan, mortgage loan commitment, contract
19 or agreement of any kind to which the authority is a party.

20 (17) To make, purchase, participate in, invest in, take assignments
21 of, or otherwise acquire loans to persons of low income to enable them
22 to acquire, construct, reconstruct, rehabilitate, improve, lease, or
23 refinance their dwellings, and to take such security therefor as is
24 deemed necessary and prudent by the authority.

25 (18) To make, purchase, participate in, invest in, take assignments
26 of, or otherwise acquire loans for the acquisition, construction,
27 reconstruction, rehabilitation, improvement, leasing, or refinancing of
28 land, buildings, or developments for housing for persons of low income.
29 For purposes of this subsection, development shall include either land
30 or buildings or both.

31 (a) Any development financed under this subsection shall be subject
32 to an agreement that for at least twenty years the dwelling units made
33 available to persons of low income together with functionally related
34 and subordinate facilities shall occupy at least fifty percent of the
35 interior space in the total development or at least fifty percent of
36 the total number of units in the development, whichever produces the
37 greater number of units for persons of low income. For mobile home
38 parks, the mobile home lots made available to persons of low income

1 shall be at least fifty percent of the total number of mobile home lots
2 in the park. During the term of the agreement, the owner shall use its
3 best efforts in good faith to maintain the dwelling units or mobile
4 home lots required to be made available to persons of low income at
5 rents affordable to persons of low income. The twenty-year requirement
6 under this subsection (18)(a) shall not apply when an authority
7 finances the development by nonprofit corporations or governmental
8 units of dwellings or mobile home lots intended for sale to persons of
9 low and moderate income, and shall not apply to construction or other
10 short-term financing provided to nonprofit corporations or governmental
11 units when the financing has a repayment term of one year or less.

12 (b) In addition, if the development is owned by a for-profit
13 entity, the dwelling units or mobile home lots required to be made
14 available to persons of low income shall be rented to persons whose
15 incomes do not exceed fifty percent of the area median income, adjusted
16 for household size, and shall have unit or lot rents that do not exceed
17 fifteen percent of area median income, adjusted for household size,
18 unless rent subsidies are provided to make them affordable to persons
19 of low income.

20 For purposes of this subsection (18)(b), if the development is
21 owned directly or through a partnership by a governmental entity or a
22 nonprofit organization, which nonprofit organization is itself not
23 controlled by a for-profit entity or affiliated with any for-profit
24 entity that a nonprofit organization itself does not control, it shall
25 not be treated as being owned by a for-profit entity when the
26 governmental entity or nonprofit organization exercises legal control
27 of the ownership entity and in addition, (i) the dwelling units or
28 mobile home lots required to be made available to persons of low income
29 are rented to persons whose incomes do not exceed sixty percent of the
30 area median income, adjusted for household size, and (ii) the
31 development is subject to an agreement that transfers ownership to the
32 governmental entity or nonprofit organization or extends an irrevocable
33 right of first refusal to purchase the development under a formula for
34 setting the acquisition price that is specified in the agreement.

35 (c) Commercial space in any building financed under this subsection
36 that exceeds four stories in height shall not constitute more than
37 twenty percent of the interior area of the building. Before financing
38 any development under this subsection the authority shall make a

1 written finding that financing is important for project feasibility or
2 necessary to enable the authority to carry out its powers and purposes
3 under this chapter.

4 (19) To contract with a public authority or corporation, created by
5 a county, city, or town under RCW 35.21.730 through 35.21.755, to act
6 as the developer for new housing projects or improvement of existing
7 housing projects.

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