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**HOUSE BILL 1075**

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**State of Washington**

**69th Legislature**

**2025 Regular Session**

**By** Representative Walen

Prefiled 12/16/24.

1 AN ACT Relating to expanding housing supply by supporting the  
2 ability of public housing authorities to finance affordable housing  
3 developments; 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 2023 c 133 s 1 are each amended to  
6 read as follows:

7 An authority shall constitute a public body corporate and  
8 politic, exercising public and essential governmental functions, and  
9 having all the powers necessary or convenient to carry out and  
10 effectuate the purposes and provisions of this chapter, including the  
11 following powers 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  
16 the 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  
19 for persons of low income; and to make and from time to time amend  
20 and repeal bylaws, rules and regulations, not inconsistent with this

1 chapter, to carry into effect the powers and purposes of the  
2 authority.

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

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

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

28 (5) To lease or rent any dwellings, houses, accommodations,  
29 lands, buildings, structures or facilities embraced in any housing  
30 project and (subject to the limitations contained in this chapter) to  
31 establish and revise the rents or charges therefor; to own or manage  
32 buildings containing a housing project or projects as well as  
33 commercial space or other dwelling units that do not constitute a  
34 housing project as that term is defined in this chapter. However,  
35 notwithstanding the provisions under subsection (1) of this section,  
36 dwelling units made available or sold to persons of low income,  
37 together with functionally related and subordinate facilities, shall  
38 occupy at least 50 percent of the interior space in the total  
39 development owned by the authority or at least 50 percent of the  
40 total number of units in the development owned by the authority,

1 whichever produces the greater number of units for persons of low  
2 income, and for mobile home parks, the mobile home lots made  
3 available to persons of low income shall be at least 50 percent of  
4 the total number of mobile home lots in the park owned by the  
5 authority; to own, hold, and improve real or personal property; to  
6 purchase, lease, obtain options upon, acquire by gift, grant,  
7 bequest, devise, or otherwise including financial assistance and  
8 other aid from the state or any public body, person or corporation,  
9 any real or personal property or any interest therein; to acquire by  
10 the exercise of the power of eminent domain any real property; to  
11 sell, lease, exchange, transfer, assign, pledge, or dispose of any  
12 real or personal property or any interest therein; to sell, lease,  
13 exchange, transfer, or dispose of any real or personal property or  
14 interest therein at less than fair market value to a governmental  
15 entity for any purpose when such action assists the housing authority  
16 in carrying out its powers and purposes under this chapter, to a low-  
17 income person or family for the purpose of providing housing for that  
18 person or family, or to a nonprofit corporation provided the  
19 nonprofit corporation agrees to sell the property to a low-income  
20 person or family or to use the property for the provision of housing  
21 for persons of low income for at least 20 years; to insure or provide  
22 for the insurance of any real or personal property or operations of  
23 the authority against any risks or hazards; to procure or agree to  
24 the procurement of insurance or guarantees from the federal  
25 government of the payment of any bonds or parts thereof issued by an  
26 authority, including the power to pay premiums on any such insurance.

27 (6) To contract with a property management services company for  
28 purposes of operating a housing project. Rental and other project  
29 revenues collected by a property management services company from the  
30 housing project's tenants and used to pay administrative operating  
31 and ordinary maintenance costs incurred by the company under the  
32 terms of the contract with the authority shall be treated as private  
33 funds, and any resulting services as executed at the cost of the  
34 property management services company and the housing project's  
35 tenants, until the net operating revenues are distributed to the  
36 authority for its exclusive use and control. For the purposes of this  
37 subsection, "ordinary maintenance" only includes: Routine repairs  
38 related to unit turnover work; grounds and parking lot upkeep; and  
39 repairs and cleaning work needed to keep a property in a clean, safe,  
40 sanitary, and rentable condition that are customarily undertaken or

1 administered by residential property management services companies.  
2 "Ordinary maintenance" does not include repairs that would be  
3 considered replacement capital repairs or scheduled regular  
4 maintenance work on plumbing, electrical, or HVAC/R systems or their  
5 components.

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

12 (8) Within its area of operation: To investigate into living,  
13 dwelling and housing conditions and into the means and methods of  
14 improving such conditions; to determine where slum areas exist or  
15 where there is a shortage of decent, safe and sanitary dwelling  
16 accommodations for persons of low income; to make studies and  
17 recommendations relating to the problem of clearing, replanning and  
18 reconstructing of slum areas, and the problem of providing dwelling  
19 accommodations for persons of low income, and to cooperate with the  
20 city, the county, the state or any political subdivision thereof in  
21 action taken in connection with such problems; and to engage in  
22 research, studies and experimentation on the subject of housing.

23 (9) Acting through one or more commissioners or other person or  
24 persons designated by the authority: To conduct examinations and  
25 investigations and to hear testimony and take proof under oath at  
26 public or private hearings on any matter material for its  
27 information; to administer oaths, issue subpoenas requiring the  
28 attendance of witnesses or the production of books and papers and to  
29 issue commissions for the examination of witnesses who are outside of  
30 the state or unable to attend before the authority, or excused from  
31 attendance; to make available to appropriate agencies (including  
32 those charged with the duty of abating or requiring the correction of  
33 nuisances or like conditions, or of demolishing unsafe or insanitary  
34 structures within its area of operation) its findings and  
35 recommendations with regard to any building or property where  
36 conditions exist which are dangerous to the public health, morals,  
37 safety or welfare.

38 (10) To initiate eviction proceedings against any tenant as  
39 provided by law. Activity occurring in any housing authority unit

1 that constitutes a violation of chapter 69.41, 69.50, or 69.52 RCW  
2 shall constitute a nuisance for the purpose of RCW 59.12.030(5).

3 (11) To exercise all or any part or combination of powers herein  
4 granted.

5 No provisions of law with respect to the acquisition, operation  
6 or disposition of property by other public bodies shall be applicable  
7 to an authority unless the legislature shall specifically so state.

8 (12) To agree (notwithstanding the limitation contained in RCW  
9 35.82.210) to make such payments in lieu of taxes as the authority  
10 finds consistent with the achievement of the purposes of this  
11 chapter.

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

15 (14) To exercise the powers granted in this chapter within the  
16 boundaries of any city, town, or county not included in the area in  
17 which such housing authority is originally authorized to function:  
18 PROVIDED, HOWEVER, The governing or legislative body of such city,  
19 town, or county, as the case may be, adopts a resolution declaring  
20 that there is a need for the authority to function in such territory.

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

25 (16) To sell at public or private sale, with or without public  
26 bidding, for fair market value, any mortgage or other obligation held  
27 by the authority.

28 (17) To the extent permitted under its contract with the holders  
29 of bonds, notes, and other obligations of the authority, to consent  
30 to any modification with respect to rate of interest, time, and  
31 payment of any installment of principal or interest security, or any  
32 other term of any contract, mortgage, mortgage loan, mortgage loan  
33 commitment, contract, or agreement of any kind to which the authority  
34 is a party.

35 (18) To make, purchase, participate in, invest in, take  
36 assignments of, or otherwise acquire loans to persons of low income  
37 to enable them to acquire, construct, reconstruct, rehabilitate,  
38 improve, lease, or refinance their dwellings, and to take such  
39 security therefor as is deemed necessary and prudent by the  
40 authority.

1 (19) To make, purchase, participate in, invest in, take  
2 assignments of, or otherwise acquire loans for the acquisition,  
3 construction, reconstruction, rehabilitation, improvement, leasing,  
4 or refinancing of land, buildings, or developments for housing for  
5 persons of low income. For purposes of this subsection, development  
6 shall include either land or buildings or both.

7 (a) Any development financed under this subsection shall be  
8 subject to an agreement that for at least 20 years the dwelling units  
9 made available to persons of low income together with functionally  
10 related and subordinate facilities shall occupy at least 50 percent  
11 of the interior space in the total development or at least 50 percent  
12 of the total number of units in the development, whichever produces  
13 the greater number of units for persons of low income. For mobile  
14 home parks, the mobile home lots made available to persons of low  
15 income shall be at least 50 percent of the total number of mobile  
16 home lots in the park. During the term of the agreement, the owner  
17 shall use its best efforts in good faith to maintain the dwelling  
18 units or mobile home lots required to be made available to persons of  
19 low income at rents affordable to persons of low income. The 20-year  
20 requirement under this subsection (19)(a) shall not apply when an  
21 authority finances the development by nonprofit corporations or  
22 governmental units of dwellings or mobile home lots intended for sale  
23 to persons of low and moderate income, and shall not apply to  
24 construction or other short-term financing provided to nonprofit  
25 corporations or governmental units when the financing has a repayment  
26 term of one year or less.

27 (b) In addition, if the development is owned by a for-profit  
28 entity, the dwelling units or mobile home lots required to be made  
29 available to persons of low income shall be rented, and have rents  
30 affordable, to persons whose incomes do not exceed 80 percent of the  
31 area median income, adjusted for household size (~~(, and shall have~~  
32 ~~unit or lot rents that do not exceed 15 percent of area median~~  
33 ~~income, adjusted for household size, unless rent subsidies are~~  
34 ~~provided to make them affordable to persons of low income)~~).

35 For purposes of this subsection (19)(b), if the development is  
36 owned directly or through a partnership by a governmental entity or a  
37 nonprofit organization, which nonprofit organization is itself not  
38 controlled by a for-profit entity or affiliated with any for-profit  
39 entity that a nonprofit organization itself does not control, it  
40 shall not be treated as being owned by a for-profit entity when the

1 governmental entity or nonprofit organization exercises legal control  
2 of the ownership entity and in addition, (i) the dwelling units or  
3 mobile home lots required to be made available to persons of low  
4 income are rented to persons whose incomes do not exceed 80 percent  
5 of the area median income, adjusted for household size, and (ii) the  
6 development is subject to an agreement that transfers ownership to  
7 the governmental entity or nonprofit organization or extends an  
8 irrevocable right of first refusal to purchase the development under  
9 a formula for setting the acquisition price that is specified in the  
10 agreement.

11 (c) Commercial space in any building financed under this  
12 subsection that exceeds four stories in height shall not constitute  
13 more than 20 percent of the interior area of the building. Before  
14 financing any development under this subsection the authority shall  
15 make a written finding that financing is important for project  
16 feasibility or necessary to enable the authority to carry out its  
17 powers and purposes under this chapter.

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

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