## SENATE BILL 5741

State of Washington 68th Legislature 2023 Regular Session

By Senators Braun, Lovick, and J. Wilson

1 AN ACT Relating to establishing a housing gap voucher pilot 2 program; adding new sections to chapter 43.185B RCW; creating a new 3 section; providing expiration dates; providing an effective date; and 4 declaring an emergency.

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

6 NEW SECTION. Sec. 1. The legislature finds that the costs of 7 housing in Washington have drastically risen over the past decade due largely to housing underproduction and population growth, 8 as evidenced by a 95 percent increase in the purchase price of single-9 family housing, according to the United States federal housing 10 11 financial agency federal reserve economic data. Together with a significant increase in regulation targeting housing providers at the 12 local and state level, housing providers have been leaving the market 13 in record numbers. As a result, the state does not have enough 14 15 housing, especially affordable housing, to serve the needs of its 16 citizens. The reduced supply of rental housing units, coupled with a 17 growing population, has also led to higher rental rates, especially 18 in the Puget Sound region and urban centers across the state. The 19 legislature finds that investing in a housing gap voucher pilot 20 program will allow the state to target rental assistance to the people most in need of assistance and support the rental housing 21

1 partnership that exists among residents, housing providers, and the 2 state of Washington, which is necessary for a healthy rental housing 3 market.

<u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 43.185B
RCW to read as follows:

6 (1) Beginning July 1, 2023, subject to the availability of amounts appropriated for this specific purpose, public housing 7 authorities shall implement and administer a housing gap voucher 8 pilot program to provide rental assistance for seniors, low-income 9 families, and members of marginalized communities living 10 in 11 manufactured housing or rental housing in Washington. Public housing authorities must administer the program under this section to ensure 12 access to affordable housing, promote housing stability for 13 individuals and families who qualify for rental assistance, and 14 15 encourage access to housing for seniors, low income, and diverse 16 populations of residents.

17 (2) Manufactured housing and rental housing eligible for use in 18 the program must be located in the state of Washington and shall 19 comply with applicable state and local health, housing, building, and 20 safety codes.

(3) Public housing authorities must establish a proportional payment standard for manufactured housing and rental housing eligible under the program in each municipality in a manner that promotes the use of a uniform and consistent approach for the program in all municipalities.

(4) Public housing authorities may provide a housing gap voucher to any resident who qualifies for rental assistance. The voucher payment specified in the housing gap voucher will be equal to the difference between the resident rent and either the applicable payment standard or contract rent, whichever is less.

31 (5) Public housing authorities may issue a voucher payment 32 pursuant to this section for eligible manufactured housing and rental 33 housing in any municipality in the state.

(6) 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 department. Public housing authorities may require the resident to provide reliable third-party verification of all necessary information. Public housing authorities may find any resident that fails to provide such information

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ineligible for continued participation. Public housing authorities shall use the information provided to annually determine whether the housing gap voucher and share of rent should be adjusted and whether the resident is eligible for continued program participation. If the resident's share of the rent is adjusted during the annual review, the amount of the voucher payment shall be adjusted accordingly.

7 (7) Public housing authorities must establish uniform and 8 consistent rules to implement and administer this section, including 9 payment standards, application, and reporting requirements.

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(8) For the purposes of this section:

(a) "Contract rent" means the total monthly rent amount specified in the lease for a contract unit occupied by a resident. The contract rent includes the amount of the voucher payment and the amount of the resident's share of rent.

(b) "Housing gap voucher" means a contract document between public housing authorities and a resident that sets forth program requirements, guidelines, and benefits for a resident who qualifies for rental assistance.

19 (c) "Housing provider" means any person or entity with the legal 20 right to lease or sublease a unit to a resident.

(d) "Low-income family" means an individual or family whose income does not exceed 80 percent of the area median income, adjusted for family size, for the area in which the family lives, as determined by the department.

(e) "Municipality" means any county, city, or town in the state of Washington.

(f) "Payment standard" means a range from the current fair market rent to 125 percent of the fair market rent, as determined by public housing authorities based upon bedroom size and the housing market of the municipality.

31 (g) "Resident" means one or more persons who have been determined 32 by public housing authorities to be eligible for the housing gap 33 voucher pilot program.

(h) "Resident rent" means the amount the resident is required to pay, which will be up to 30 percent of the resident's monthly income, minus an applicable utility allowance, and the difference between the applicable payment standard and the contract rent.

(i) "Resident who qualifies for rental assistance" means any low income family in Washington who meets the eligibility qualifications
 set by the department or who is currently being served by a state

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1 assistance program. Public housing authorities may request reasonable 2 documentation to verify whether a low-income family qualifies for 3 rental assistance under the program.

4 (j) "Voucher payment" means the payment that public housing 5 authorities make to the housing provider on behalf of the resident 6 leasing the unit.

(9) This section expires June 30, 2029.

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8 <u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 43.185B 9 RCW to read as follows:

(1) Public housing authorities, in consultation with stakeholders and the affordable housing advisory board, shall submit a report to the appropriate committees of the legislature by December 1, 2027. The report must include:

(a) The number of residents that participate in the housing gap
voucher pilot program and the amount of housing gap vouchers provided
pursuant to this section;

(b) An analysis of the effectiveness of the housing gap voucher pilot program and whether the program should be continued; and

19 (c) Any recommendations to improve the effectiveness of the 20 housing gap voucher pilot program, which may include a draft of any 21 policy changes or legislation that may be necessary.

22 (2) This section expires June 30, 2028.

23 <u>NEW SECTION.</u> Sec. 4. This act is necessary for the immediate 24 preservation of the public peace, health, or safety, or support of 25 the state government and its existing public institutions, and takes 26 effect July 1, 2023.

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