

shall be repaid to the appropriate fund, together with interest at a rate determined by the state treasurer to be equivalent to the return on investments of the state treasury during the period the amounts are borrowed.

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## CHAPTER 363

[House Bill No. 1618]

### PUBLIC HOUSING AUTHORITIES—REVISED PROVISIONS

AN ACT Relating to public housing authorities; amending RCW 35.82.020, 35.82.070, 35.82.080, 35.82.090, and 39.04.010; and adding a new section to chapter 35.82 RCW.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 35.82.020, chapter 7, Laws of 1965 as last amended by section 1, chapter 225, Laws of 1983 and RCW 35.82.020 are each amended to read as follows:

The following terms, wherever used or referred to in this chapter, shall have the following respective meanings, unless a different meaning clearly appears from the context:

(1) "Authority" or "Housing authority" shall mean any of the public corporations created by RCW 35.82.030.

(2) "City" shall mean any city, town, or code city. "County" shall mean any county in the state. "The city" shall mean the particular city for which a particular housing authority is created. "The county" shall mean the particular county for which a particular housing authority is created.

(3) "Governing body" shall mean, in the case of a city, the city council or the commission and in the case of a county, the county legislative authority.

(4) "Mayor" shall mean the mayor of the city or the officer thereof charged with the duties customarily imposed on the mayor or executive head of the city.

(5) "Clerk" shall mean the clerk of the city or the clerk of the county legislative authority, as the case may be, or the officer charged with the duties customarily imposed on such clerk.

(6) "Area of operation": (a) in the case of a housing authority of a city, shall include such city and the area within five miles from the territorial boundaries thereof: PROVIDED, That the area of operation of a housing authority of any city shall not include any area which lies within the territorial boundaries of some other city, as herein defined; (b) in the case of a housing authority of a county, shall include all of the county except that

portion which lies within the territorial boundaries of any city as herein defined.

(7) "Federal government" shall include the United States of America, the United States housing authority or any other agency or instrumentality, corporate or otherwise, of the United States of America.

(8) "Slum" shall mean any area where dwellings predominate which, by reason of dilapidation, overcrowding, lack of ventilation, light or sanitary facilities, or any combination of these factors, are detrimental to safety, health and morals.

(9) "Housing project" shall mean any work or undertaking: (a) to demolish, clear or remove buildings from any slum area; such work or undertaking may embrace the adaptation of such area to public purposes, including parks or other recreational or community purposes; or (b) to provide decent, safe and sanitary urban or rural dwellings, apartments, mobile home parks, or other living accommodations for persons of low income; such work or undertaking may include the rehabilitation of dwellings owned by persons of low income, and also may include buildings, land, equipment, facilities and other real or personal property for necessary, convenient or desirable appurtenances, streets, sewers, water service, parks, site preparation, gardening, administrative, community, health, recreational, welfare or other purposes; or (c) without limitation by implication, to provide decent, safe, and sanitary urban and rural dwellings, apartments, mobile home parks, or other living accommodations for senior citizens; such work or undertaking may include buildings, land, equipment, facilities, and other real or personal property for necessary, convenient, or desirable appurtenances, streets, sewers, water service, parks, site preparation, gardening, administrative, community, health, recreational, welfare, or other purposes; or (d) to accomplish a combination of the foregoing. The term "housing project" also may be applied to the planning of the buildings and improvements, the acquisition of property, the demolition of existing structures, the construction, reconstruction, alteration and repair of the improvements and all other work in connection therewith.

(10) "Persons of low income" shall mean persons or families who lack the amount of income which is necessary (as determined by the authority undertaking the housing project) to enable them, without financial assistance, to live in decent, safe and sanitary dwellings, without overcrowding.

(11) "Bonds" shall mean any bonds, notes, interim certificates, debentures, or other obligations issued by the authority pursuant to this chapter.

(12) "Real property" shall include all lands, including improvements and fixtures thereon, and property of any nature appurtenant thereto, or used in connection therewith, and every estate, interest and right, legal or equitable, therein, including terms for years and liens by way of judgment, mortgage or otherwise and the indebtedness secured by such liens.

(13) "Obligee of the authority" or "obligee" shall include any bondholder, trustee or trustees for any bondholders, or lessor demising to the authority property used in connection with a housing project, or any assignee or assignees of such lessor's interest or any part thereof, and the federal government when it is a party to any contract with the authority.

(14) "Mortgage loan" shall mean an interest bearing obligation secured by a mortgage.

(15) "Mortgage" shall mean a mortgage deed, deed of trust or other instrument securing a mortgage loan and constituting a lien on real property held in fee simple, or on a leasehold under a lease having a remaining term at the time the mortgage is acquired of not less than the term for repayment of the mortgage loan secured by the mortgage, improved or to be improved by a housing project.

(16) "Senior citizen" means a person age sixty-two or older who is determined by the authority to be poor or infirm but who is otherwise in some manner able to provide the authority with revenue which (together with all other available moneys, revenues, income, and receipts of the authority, from whatever sources derived) will be sufficient: (a) To pay, as the same become due, the principal and interest on bonds of the authority; (b) to meet the cost of, and to provide for, maintaining and operating projects (including the cost of insurance) and administrative expenses of the authority; and (c) to create (by not less than the six years immediately succeeding the issuance of any bonds) a reserve sufficient to meet the principal and interest payments which will be due on the bonds in any one year thereafter and to maintain such reserve.

(17) "Commercial space" shall mean space which, because of its proximity to public streets, sidewalks, or other thoroughfares, is well suited for commercial or office use. Commercial space includes but is not limited to office as well as retail space.

Sec. 2. Section 35.82.070, chapter 7, Laws of 1965 as last amended by section 1, chapter 386, Laws of 1985 and RCW 35.82.070 are each amended to read as follows:

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

(1) To sue and be sued; to have a seal and to alter the same at pleasure; to have perpetual succession; to make and execute contracts and other instruments, including but not limited to partnership agreements and joint venture agreements, necessary or convenient to the exercise of the powers of the authority; and to make and from time to time amend and repeal bylaws, rules and regulations, not inconsistent with this chapter, to carry into effect the powers and purposes of the authority.

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

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

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

(5) To lease or rent any dwellings, houses, accommodations, lands, buildings, structures or facilities embraced in any housing project and (subject to the limitations contained in this chapter) to establish and revise the rents or charges therefor; to own or manage buildings containing a housing project or projects as well as commercial space or other dwelling units (~~(which)~~) that do not constitute a housing project as that term is defined in this chapter: PROVIDED, That notwithstanding the provisions under subsection (1) of this section, dwelling units (~~(which)~~) that constitute a housing project shall occupy at least thirty percent of the interior space of any individual building in the project other than a detached single-family or duplex residential building, and at least fifty percent of the interior space in the total project; to own, hold, and improve real or personal property; to purchase, lease, obtain options upon, acquire by gift, grant, bequest, devise, or otherwise including financial assistance and other aid from the state or any public body, person or corporation, any real or personal property or any interest therein; to acquire by the exercise of the power of eminent domain any real property; to sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest therein; to sell, lease, exchange, transfer, or dispose of any real or personal property or interest therein at less than fair market value to a governmental entity for any purpose when such action assists the housing authority in carrying out its powers and

purposes under this chapter, to a low-income person or family for the purpose of providing housing for that person or family, or to a nonprofit corporation provided the nonprofit corporation agrees to use the property for the provision of housing for persons of low income for at least twenty years; to insure or provide for the insurance of any real or personal property or operations of the authority against any risks or hazards; to procure or agree to the procurement of insurance or guarantees from the federal government of the payment of any bonds or parts thereof issued by an authority, including the power to pay premiums on any such insurance.

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

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

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

(9) To exercise all or any part or combination of powers herein granted.

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

(10) To agree (notwithstanding the limitation contained in RCW 35-.82.210) to make such payments in lieu of taxes as the authority finds consistent with the achievement of the purposes of this chapter.

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

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

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

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

(15) To make loans to persons of low income to enable them to rehabilitate their dwellings or purchase a dwelling, and to take such security therefor as is deemed necessary and prudent by the authority.

~~(16) ((Within its area of operation, to invest in, purchase, participate in the purchase of, make commitments to purchase and take assignments from mortgage lenders of mortgage loans made by others to or for persons of low income, to make loans to mortgage lenders for the purpose of such mortgage lenders making mortgage loans to or for persons of low income; all of said loans to be used for the construction, reconstruction, rehabilitation, improvement, purchase, leasing or refinancing of housing projects:~~

~~(17) To invest in, purchase, participate in the purchase of, and make commitments to purchase, take assignments from mortgage lenders or make loans to owners of property for the purpose of constructing, rehabilitating or making improvements on that property, in exchange for such borrower's agreement to rent the subject property to persons of low income for a qualified project period: PROVIDED, HOWEVER, That an authority shall not use proceeds of bonds issued by it to finance construction of new facilities unless: (a) Public funds provided by the local, state, or federal government are to be invested in the property or improvements on the property; or (b) the authority will, upon completion, own at least a twenty-five percent interest in the property or in lieu thereof, at least twenty-five percent of the housing units located on such property. For purposes of this subsection, the~~

term "qualified project period" means a period beginning on the later of the first day on which at least ten percent of the units in the rental property or rehabilitated rental property are first occupied or the date of issue of any bonds issued to finance such loans and ending on the later of the date: (i) Which is ten years after the date on which at least fifty percent of the units in the rental property or rehabilitated rental property are first occupied; (ii) which is a qualified number of days after the date on which any of the units in the rental property or rehabilitated rental property is first occupied; or (iii) on which any assistance provided with respect to the project under section 8 of the United States housing act of 1937 terminates. For purposes of this subsection, the term "qualified number of days" means fifty percent of the total number of days comprising the term of the bond with the longest maturity in the bond issue used to finance the loans. In the case of a refunding of such a bond issue, the longest maturity is equal to the sum of the period the prior issue was outstanding and the longest term of any refunding bonds.

(18)) To make, purchase, participate in, invest in, take assignments of, or otherwise acquire loans for the acquisition, construction, reconstruction, rehabilitation, improvement, leasing, or refinancing of buildings or developments containing housing for persons of low income. However, an authority shall not finance the acquisition or construction of new buildings or developments under this subsection unless: (a) All of the housing within the building or development will be made available to persons of low income; (b) a federal, state, or local government loan, grant, or investment is provided with respect to the building or development; or (c) a housing authority owns at least a twenty-five percent interest in the completed building or development or at least twenty-five percent of the number of housing units therein.

Any building or development financed under this subsection shall be subject to a covenant that the dwelling units that constitute a housing project occupy at least thirty percent of the interior space of any individual building in the project other than a detached single-family or duplex residential building and at least fifty percent of the interior space in the total project; and be made available to persons of low income for at least twenty years. For purposes of this subsection, dwelling units that constitute a housing project in any building or development owned by other than a nonprofit corporation and are made available for rent shall: Not be rented to persons whose incomes exceed fifty percent of the area median income; and not have rents that exceed fifteen percent of the area median income.

Any building or development financed under this subsection which exceeds four stories in height shall not contain more than twenty percent of the interior area in commercial space. Before financing any building or development under this subsection the authority shall make a written finding

that financing is: Important for project feasibility; or necessary to enable the authority to carry out its powers and purposes under this chapter.

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

Sec. 3. Section 35.82.080, chapter 7, Laws of 1965 as last amended by section 3, chapter 225, Laws of 1983 and RCW 35.82.080 are each amended to read as follows:

It is hereby declared to be the policy of this state that each housing authority shall manage and operate its housing projects in an efficient manner so as to enable it to fix the rentals for low-income dwelling accommodations at the lowest possible rates consistent with its providing decent, safe and sanitary dwelling accommodations, and that no housing authority shall construct or operate any such project for profit, or as a source of revenue to the city or the county. To this end, an authority shall fix the rentals for rental units for persons of low income in projects owned or leased by the authority at no higher rates than it shall find to be necessary in order to produce revenues which (together with all other available moneys, revenues, income and receipts of the authority from whatever sources derived) will be sufficient (1) to pay, as the same become due, the principal and interest on the bonds or other obligations of the authority issued or incurred to finance the projects; (2) to meet the cost of, and to provide for, maintaining and operating the projects (including the cost of any insurance) and the administrative expenses of the authority; and (3) to create (during not less than the six years immediately succeeding its issuance of any such bonds) a reserve sufficient to meet the largest principal and interest payments which will be due on such bonds in any one year thereafter and to maintain such reserve. Nothing contained in this section shall be construed to limit ((the authorities')) an authority's power to rent commercial space located in buildings containing housing projects or non low-income units owned, acquired, financed, or constructed under RCW 35.82.070(5), (16), or (17) at profitable rates and to use any profit realized from such rentals in carrying into effect the powers and purposes provided to housing authorities under this chapter.

Sec. 4. Section 35.82.090, chapter 7, Laws of 1965 as last amended by section 3, chapter 187, Laws of 1979 ex. sess. and RCW 35.82.090 are each amended to read as follows:

In the operation and management of rental units which are rented to persons of low income ((and/or senior citizens)) in any housing project an authority shall at all times observe the following duties with respect to rentals and tenant selection: (1) it may rent or lease the dwelling accommodations therein to ((senior citizens or)) persons of low income and at rentals within the financial reach of such ((senior citizens or)) persons of

low income; (2) it may rent or lease to a low-income tenant dwelling accommodations consisting of the number of rooms (but no greater number) which it deems necessary to provide safe and sanitary accommodations to the proposed occupants thereof, without overcrowding; and (3) it shall not accept any person as a low income tenant in any housing project designated for persons of low income if the person or persons who would occupy the dwelling accommodations have an annual net income in excess of five times the annual rental of the quarters to be furnished such person or persons, except that in the case of families with three or more minor dependents, such ratio shall not exceed six to one; in computing the rental for this purpose of selecting tenants, there shall be included in the rental the average annual cost (as determined by the authority) to occupants of heat, water, electricity, gas, cooking range and other necessary services or facilities, whether or not the charge for such services and facilities is in fact included in the rental. This income limitation does not apply to housing projects designated for senior citizens.

Nothing contained in this section or RCW 35.82.080 shall be construed as limiting the power of an authority to vest in an obligee the right, in the event of a default by the authority, to take possession of a housing project or cause the appointment of a receiver thereof, free from all the restrictions imposed by this section or RCW 35.82.080.

Sec. 5. Section 1, chapter 183, Laws of 1923 as last amended by section 1, chapter 282, Laws of 1986 and RCW 39.04.010 are each amended to read as follows:

The term state shall include the state of Washington and all departments, supervisors, commissioners and agencies thereof.

The term municipality shall include every city, county, town, district or other public agency thereof which is authorized by law to require the execution of public work, except drainage districts, diking districts, diking and drainage improvement districts, drainage improvement districts, diking improvement districts, consolidated diking and drainage improvement districts, consolidated drainage improvement districts, consolidated diking improvement districts, irrigation districts or any such other districts as shall from time to time be authorized by law for the reclamation or development of waste or undeveloped lands.

The term public work shall include all work, construction, alteration, repair, or improvement other than ordinary maintenance, executed at the cost of the state or of any municipality, or which is by law a lien or charge on any property therein, but nothing herein shall apply to the construction, alteration, repair, or improvement of any municipal street railway system. All public works, including maintenance when performed by contract shall comply with the provisions of RCW 39.12.020.

The term contract shall mean a contract in writing for the execution of public work for a fixed or determinable amount duly awarded after advertisement and competitive bid. However, a contract which is awarded from a small works roster under the authority of RCW 39.04.150, 35.22.620, 28B-.10.355, section 6 of this act, and 57.08.050 need not be advertised.

**NEW SECTION.** Sec. 6. A new section is added to chapter 35.82 RCW to read as follows:

(1) In addition to any other powers authorized in RCW 35.82.070, an authority may establish a small works roster consisting of all qualified contractors who have requested to be included on the roster and are, where required by law, properly licensed or registered to perform such work in the state of Washington.

(2) The small works roster may make distinctions between contractors based on the nature of the work the contractor is qualified to perform. At least once every year, the authority shall advertise in a newspaper of general circulation, in the authority's area of operation, the existence of the small works roster and shall add to the roster those contractors who request to be included on the roster.

(3) The commissioners of the authority shall establish uniform procedures to prequalify contractors for inclusion on the small works roster and a procedure for securing telephone or written quotations from contractors on the small works roster to assure establishment of a competitive price and for awarding contracts to the lowest responsible bidder.

(4) Construction, repair, or alteration projects estimated to cost less than forty thousand dollars are exempt from the requirement that contracts be awarded after advertisement and competitive bid as defined in RCW 39-.04.010. In lieu of advertisement and competitive bid, the authority shall solicit at least five quotations, confirmed in writing, from contractors in a manner that will equitably distribute opportunities among contractors on the small works roster for the category of job type involved. Whenever possible, the authority shall invite at least one proposal from a minority or woman contractor, or from a contractor that employs, or commits to employ, residents of housing owned or managed by the authority, who shall otherwise qualify under this section. Such solicitations shall include an estimate of the scope and nature of the work to be performed, and materials and equipment to be furnished.

(5) Immediately after an award is made, the bid quotations obtained shall be recorded, open to public inspection, and available by telephone request.

(6) The breaking-down of any public work or improvement into units, or accomplishing any public work or improvement by phases, for the purpose of avoiding the minimum dollar amount for bidding, is contrary to public policy and is prohibited.

(7) No authority under chapter 42.17 RCW shall be required to make financial information required to be provided by the prequalification procedure for inclusion on the small works roster available for public inspection or copying.

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## CHAPTER 364

[Substitute House Bill No. 1414]

### JUDICIAL INFORMATION SYSTEM FUND

AN ACT Relating to the judicial information system fund; and adding a new chapter to Title 2 RCW.

Be it enacted by the Legislature of the State of Washington:

**NEW SECTION.** Sec. 1. The judicial information system committee, as established by court rule, shall determine all matters pertaining to the delivery of services available from the judicial information system. The committee may establish a fee schedule for the provision of information services and may enter into contracts with any person, public or private, including the state, its departments, subdivisions, institutions, and agencies. However, no fee may be charged to county or city governmental agencies within the state of Washington using the judicial information system for the business of the courts.

**NEW SECTION.** Sec. 2. There is created an account in the custody of the state treasurer to be known as the judicial information system account. The office of the administrator for the courts shall maintain and administer the account, in which shall be deposited all moneys received from in-state noncourt users and any out-of-state users of the judicial information system. The legislature shall appropriate the funds in the account for the purposes of the judicial information system. The account shall be credited with all receipts from the rental, sale, or distribution of supplies, equipment, computer software, products, and services rendered to in-state noncourt users and all out-of-state users and licensees of the judicial information system.

**NEW SECTION.** Sec. 3. The judicial information system committee shall develop a schedule of user fees for in-state noncourt users and all out-of-state users of the judicial information computer system and charges for judicial information system products and licenses for the purpose of distributing and apportioning the full cost of operation and continued development of the system among the users. The schedule shall generate sufficient revenue to cover the costs relating to (1) the payment of salaries, wages, other