
HOUSE BILL 2536

State of Washington

55th Legislature

1998 Regular Session

By Representatives Veloria, Butler, O'Brien, Tokuda, Conway, Dickerson, Mason, Chopp, Kessler and Ogden

Read first time 01/15/98. Referred to Committee on Trade & Economic Development.

1 AN ACT Relating to homelessness prevention; adding a new chapter to
2 Title 43 RCW; and making an appropriation.

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

4 NEW SECTION. **Sec. 1.** Unless the context clearly requires
5 otherwise, the definitions in this section apply throughout this
6 chapter.

7 (1) "Department" means the department of community, trade, and
8 economic development.

9 (2) "Director" means the director of community, trade, and economic
10 development.

11 (3) "Local organization" means an organization eligible to receive
12 assistance through the housing trust fund.

13 (4) "Housing trust fund" means the Washington housing trust fund as
14 defined in chapter 43.185 RCW.

15 NEW SECTION. **Sec. 2.** (1) The department shall establish and
16 administer a state-wide emergency mortgage and rental assistance
17 program. The department shall work with the department of social and
18 health services to coordinate supportive services with emergency

1 mortgage and rental assistance. Organizations eligible to receive
2 grant funds for distribution under the program are those organizations
3 eligible to receive assistance through the housing trust fund. The
4 department shall disburse the funds to eligible organizations as
5 grants. The local organizations shall use the funds to make grants or
6 loans as specified in this chapter. If funds are disbursed as loans,
7 the local organization shall establish a revolving loan and grant fund
8 with funds received as loan repayments and shall continue to make loans
9 or grants or both loans and grants to eligible persons who meet the
10 requirements of this chapter.

11 (2) The goals of the program are to:

12 (a) Provide temporary emergency mortgage loans or rental assistance
13 loans or grants on behalf of eligible persons who are unable to make
14 mortgage, property tax, or rental payments on their permanent
15 residences and are subject to immediate eviction for nonpayment of
16 mortgage installments, property taxes, or nonpayment of rent; and

17 (b) Prevent the dislocation of individuals and families from their
18 permanent residences and their communities.

19 NEW SECTION. **Sec. 3.** Emergency mortgage assistance shall be
20 provided under the following general guidelines:

21 (1) Loans provided under the program shall not exceed an amount
22 equal to twenty-four months of mortgage and property tax payments.

23 (2) The maximum loan amount allowed under the program shall not
24 exceed twenty thousand dollars.

25 (3) Loans shall be made to applicants who meet specific income
26 guidelines established by the department.

27 (4) Loan payments shall be made directly to the mortgage lender.

28 (5) Loans shall be granted on a first-come, first-served basis.

29 (6) Repayments of loans provided under the program shall be made to
30 eligible local organizations, and must not take more than twenty years.
31 Funds repaid to the program shall be used as loans or grants under the
32 provisions of this chapter.

33 NEW SECTION. **Sec. 4.** Emergency rental assistance shall be
34 provided under the following general guidelines:

35 (1) Rental assistance provided under the program may be in the form
36 of loans or grants and shall not exceed an amount equal to twenty-four
37 months of rental payments.

1 (2) Rental assistance shall be made to applicants who meet specific
2 income guidelines established by the department.

3 (3) Rental payments shall be made directly to the landlord.

4 (4) Rental payments shall be granted on a first-come, first-served
5 basis.

6 NEW SECTION. **Sec. 5.** To be eligible for assistance under the
7 program, an applicant must:

8 (1) Be unable to keep mortgage or rental payments current, due to
9 a loss of employment, and shall be at significant risk of eviction;

10 (2) If requesting emergency mortgage assistance, be the owner of an
11 equitable interest in the permanent residence and intend to reside in
12 the home to be financed;

13 (3) Be actively seeking new employment or be enrolled in a training
14 program approved by the director; and

15 (4) Submit an application for assistance to an organization
16 eligible to receive funds under this chapter.

17 NEW SECTION. **Sec. 6.** The department shall carry out the following
18 duties:

19 (1) Administer the program;

20 (2) Identify local organizations eligible to receive funds to
21 implement the program;

22 (3) Develop and adopt the necessary rules and procedures for
23 implementation of the program and for dispersal of program funds to
24 eligible organizations;

25 (4) Establish the interest rate for repayment of loans at two
26 hundred basis points below the market rate;

27 (5) Work with lending institutions and social service providers to
28 assure that all eligible persons are informed about the program;

29 (6) Utilize federal and state programs that complement or
30 facilitate the purposes of the program; and

31 (7) Ensure that local eligible organizations that dissolve or
32 become ineligible assign their program funds, rights to loan
33 repayments, and loan security instruments, to the governing body of the
34 county in which the local organization is located. If the governing
35 body of the county accepts the program assets described in this
36 subsection, it shall act as a local eligible organization under the
37 provisions of this chapter. If the governing body of the county

1 declines to participate, the program assets shall revert to the
2 department.

3 NEW SECTION. **Sec. 7.** The department may receive gifts, grants, or
4 endowments from public or private sources that are made from time to
5 time, in trust or otherwise, for the use and benefit of the purposes of
6 this chapter and spend gifts, grants, or endowments or income from the
7 public or private sources according to their terms, unless the receipt
8 of the gifts, grants, or endowments violates RCW 42.17.710.

9 NEW SECTION. **Sec. 8.** If any provision of this act or its
10 application to any person or circumstance is held invalid, the
11 remainder of the act or the application of the provision to other
12 persons or circumstances is not affected.

13 NEW SECTION. **Sec. 9.** If any part of this act is found to be in
14 conflict with federal requirements that are a prescribed condition to
15 the allocation of federal funds to the state, the conflicting part of
16 this act is inoperative solely to the extent of the conflict and with
17 respect to the agencies directly affected, and this finding does not
18 affect the operation of the remainder of this act in its application to
19 the agencies concerned. Rules adopted under this act must meet federal
20 requirements that are a necessary condition to the receipt of federal
21 funds by the state.

22 NEW SECTION. **Sec. 10.** This act may be known and cited as the
23 Washington homelessness prevention act.

24 NEW SECTION. **Sec. 11.** Sections 1 through 10 of this act
25 constitute a new chapter in Title 43 RCW.

26 NEW SECTION. **Sec. 12.** The sum of twenty million dollars, or as
27 much thereof as may be necessary, is appropriated for the biennium
28 ending June 30, 1999, from the general fund to the department of
29 community, trade, and economic development for the purposes of this
30 act.

--- END ---