
HOUSE BILL 1940

State of Washington

56th Legislature

1999 Regular Session

By Representatives Reardon, Cooper, Stensen, Scott, Anderson, Wolfe, Kessler, Sullivan, Hurst, Conway, Santos, Poulsen and Veloria

Read first time 02/11/1999. Referred to Committee on Economic Development, Housing & Trade.

1 AN ACT Relating to emergency mortgage and rental assistance for
2 aerospace workers; adding a new chapter to Title 43 RCW; making
3 appropriations; providing an effective date; and declaring an
4 emergency.

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

6 NEW SECTION. **Sec. 1.** For the purposes of this chapter,
7 "department" means the department of community, trade, and economic
8 development.

9 NEW SECTION. **Sec. 2.** (1) The department shall establish and
10 administer the emergency mortgage and rental assistance program. The
11 department shall identify the communities most adversely affected by
12 reductions in the aerospace industry and shall prioritize assistance
13 under this program to these communities. Organizations eligible to
14 receive grant funds for distribution under the program are those
15 organizations that are eligible to receive assistance through the
16 Washington housing trust fund. The department shall disburse the funds
17 to eligible local organizations as grants. The local organizations
18 shall use the funds to make grants or loans as specified in sections 2

1 through 6 of this act. If funds are disbursed as loans, the local
2 organization shall establish a revolving grant and loan fund with funds
3 received as loan repayments, and shall continue to make grants or loans
4 or both from funds received as loan repayments to dislocated aerospace
5 workers eligible under the provisions of sections 2 through 6 of this
6 act.

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

8 (a) Provide temporary emergency mortgage loans or rental assistance
9 grants or loans on behalf of dislocated aerospace workers who are
10 unable to make mortgage, property tax, or rental payments on their
11 permanent residences and are subject to immediate eviction for
12 nonpayment of mortgage installments, property taxes, or nonpayment of
13 rent;

14 (b) Prevent the dislocation of individuals and families from their
15 permanent residences and their communities; and

16 (c) Maintain economic and social stability in communities affected
17 by reductions in the aerospace industry.

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

20 (1) Loans provided under the program may not exceed an amount equal
21 to twenty-four months of mortgage payments.

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

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

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

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

28 (6) Repayment of loans provided under the program shall be made to
29 eligible local organizations, and may not take more than twenty years.
30 Funds repaid to the program shall be used as grants or loans under the
31 provisions of sections 2 through 6 of this act.

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

34 (1) Rental assistance provided under the program may be in the form
35 of loans or grants and may not exceed an amount equal to twenty-four
36 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 assistance shall be granted on a first-come, first-
5 served 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 a
9 loss of employment, and shall be at significant risk of eviction;

10 (2) Have his or her permanent residence located in an eligible
11 community;

12 (3) If requesting emergency mortgage assistance, be the owner of an
13 equitable interest in the permanent residence and intend to reside in
14 the home being financed;

15 (4) Be actively seeking new employment or be enrolled in a training
16 program approved by the director; and

17 (5) Submit an application for assistance to an organization
18 eligible to receive funds under section 2 of this act.

19 NEW SECTION. **Sec. 6.** The department shall carry out the following
20 duties:

21 (1) Administer the program;

22 (2) Identify organizations eligible to receive funds to implement
23 the program;

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

27 (4) Establish the interest rate for repayment of loans at two
28 percent below the market rate;

29 (5) Work with lending institutions and social service providers in
30 the eligible communities to assure that all eligible persons are
31 informed about the program;

32 (6) Utilize federal and state programs that complement or
33 facilitate carrying out the program;

34 (7) Ensure that local eligible organizations that dissolve or
35 become ineligible assign their program funds, rights to loan
36 repayments, and loan security instruments, to the government of the
37 county in which the local organization is located. If the county

1 government accepts the program assets described in this subsection, it
2 shall act as a local eligible organization under the provisions of
3 sections 2 through 6 of this act. If the county government declines to
4 participate, the program assets shall revert to the department.

5 NEW SECTION. **Sec. 7.** Sections 1 through 6 of this act shall
6 constitute a chapter in Title 43 RCW.

7 NEW SECTION. **Sec. 8.** (1) The sum of five hundred thousand
8 dollars, or as much thereof as may be necessary, is appropriated for
9 the fiscal year ending June 30, 2000, from the general fund to the
10 department of community, trade, and economic development for the
11 purposes of this act.

12 (2) The sum of one million dollars, or as much thereof as may be
13 necessary, is appropriated for the fiscal year ending June 30, 2001,
14 from the general fund to the department of community, trade, and
15 economic development for the purposes of this act.

16 NEW SECTION. **Sec. 9.** This act is necessary for the immediate
17 preservation of the public peace, health, or safety, or support of the
18 state government and its existing public institutions, and takes effect
19 July 1, 1999.

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