

FINAL BILL REPORT

SHB 1892

C 142 L 24
Synopsis as Enacted

Brief Description: Concerning the workforce housing accelerator program.

Sponsors: House Committee on Housing (originally sponsored by Representatives Leavitt, Alvarado, Bateman, Peterson, Shavers, Reed, Fosse, Hackney, Barkis, Low, Eslick, Callan, Abbarno, Taylor, Klicker, Connors, Walen, Reeves, Ryu, Berry, Cortes, Stearns, Slatter, Duerr, Bronoske, Ramos, Ormsby, Barnard, Fey, Timmons, Kloba, Macri, Street, Chopp, Paul, Gregerson, Sandlin, Orwall, Bergquist, Goodman, Ortiz-Self, Nance, Santos and Pollet).

House Committee on Housing
House Committee on Capital Budget
Senate Committee on Housing
Senate Committee on Ways & Means

Background:

Housing Finance Commission.

The Washington State Housing Finance Commission (WHFC) is a finance authority with the stated purpose of acting as a conduit to make additional funds available at affordable rates to help provide housing throughout the state. The WHFC is financially self-supported and does not receive funding from the state. To provide financing, the WHFC may:

- issue bonds;
- make loans to or deposits with mortgage lenders for making mortgage loans;
- make loans for down payment assistance to home buyers; and
- participate in federal and other government programs to carry out its purpose.

Low-Income Housing Tax Credit Program.

The WHFC administers the Low-Income House Tax Credit (LIHTC) program, which finances construction of low-income housing through federal tax incentives. Housing financed through the LIHTC program must be affordable to households with incomes at 60 percent or less than the area median income and must remain affordable to low-income

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

tenants for at least 30 years.

The Evergreen Sustainable Development Standard.

The Evergreen Sustainable Development Standard (ESDS) is a building performance standard with which affordable housing projects that receive capital funds through the state Housing Trust Fund program must comply. The ESDS covers areas including health and safety, durability, sustainability, environmental preservation, and energy and water efficiency.

Summary:

The Workforce Housing Accelerator Revolving Loan Fund Program (HLFP) is established within the Department of Commerce (Department) under which loans may be issued to eligible organizations to assist with the development of housing for low-income households.

The Washington State Housing Finance Commission (WHFC) must administer the program.

"Low-income household" is defined as a single person, family, or unrelated persons living together whose adjusted income is at or above 50 percent, but not exceeding 80 percent, of the median family income.

The WHFC must establish criteria to prioritize and award loans under the program.

The considerations that must be included in the criteria include:

- readiness to proceed with construction;
- amount and commitment of private capital;
- proposed cost efficiency; and
- applicant's qualifications.

Housing financed utilizing program loan funds must serve low-income households for a minimum of 99 years, and loan amounts are not to exceed \$20 million or 20 percent of total project cost, whichever is less.

The WHFC must:

- strive to provide as much geographic distribution in areas where this type of financing tool is feasible and viable, with no more than \$20 million per round of funding going to projects in each individual county;
- establish criteria and procedures for long-term monitoring of affordability of housing and compliance; and
- establish annual reporting requirements for loan recipients.

Loan recipients must:

- commit to beginning construction within 180 days of award;
- adhere to the ESDS adopted by the Department;

- file an annual compliance report containing information as specified by the WHFC;
and
- restrict use of awarded loan funding to eligible costs of housing.

The WHFC general funds are not to be expended to implement the HLFP.

Votes on Final Passage:

House 97 0

Senate 48 0

Effective: June 6, 2024