
**Community Development, Housing &
Tribal Affairs Committee**

HB 1044

Brief Description: Concerning the funding of homeownership projects through the housing trust fund.

Sponsors: Representatives MacEwen and Barkis.

Brief Summary of Bill

- Requires that 25 percent of funding appropriated for the Housing Trust Fund is used for homeownership projects.

Hearing Date: 1/26/17

Staff: Sean Flynn (786-7124).

Background:

Housing Trust Fund. The state Housing Trust Fund, a common name for the state Housing Assistance Program, was established in 1987 as a renewable resource to meet the basic housing needs of low income and special needs citizens. The Housing Trust Fund is managed by the Department of Commerce (Department) to support the Department's housing programs. The Legislature appropriated approximately \$83 million to the fund in the last biennium (fiscal years 2015-17).

Through the Housing Trust Fund, the Department distributes funding through a competitive grant process to eligible organizations for projects that serve individuals and families with special needs, and whose income is at or below 50 percent of the median family income for the county or city where the project is located. At least 30 percent of the Housing Trust Fund funding must be used for projects in rural areas. Organizations eligible to receive funding include: local governments; local housing authorities; regional support networks; nonprofit community or

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neighborhood-based organizations; federally recognized Indian tribes; and regional or statewide nonprofit housing assistance organizations.

The Department must grant as many applications as available funding allows. In awarding funds, the Department must provide for geographic distribution statewide, giving first priority to projects that use privately owned housing purchased by a public housing authority or nonprofit public development authority. A second priority must be given to projects that use publicly owned housing.

Funding from the Housing Trust Fund may be used for various related purposes, including:

- low income housing construction and rehabilitation;
- rent subsidies, matching funding for housing related social services;
- administrative and technical costs for housing assistance groups;
- homeless shelters;
- mortgage and down payment assistance; and
- accessibility in housing for persons with disabilities.

Summary of Bill:

At least 25 percent of Housing Trust Fund appropriated funding must be used for homeownership projects. A homeownership project may include, but is not limited to, down payment assistance, self-help projects, and short-term production loans. The funding set-aside may be used nonexclusively for:

- single-family, duplex, or townhome units;
- condominium units and rental conversion to condominium ownership;
- community land trust development;
- mobile home parks with a homeownership component; and
- purchase or rehabilitation units.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.