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HOUSE BILL 1044

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State of Washington

65th Legislature

2017 Regular Session

By Representatives MacEwen and Barkis

Prefiled 12/15/16. Read first time 01/09/17. Referred to Committee on Community Development, Housing & Tribal Affairs.

1 AN ACT Relating to homeownership projects through the housing  
2 trust fund; and amending RCW 43.185.050.

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

4 **Sec. 1.** RCW 43.185.050 and 2013 c 145 s 2 are each amended to  
5 read as follows:

6 (1)(a) The department must use moneys from the housing trust fund  
7 and other legislative appropriations to finance in whole or in part  
8 any loans or grant projects that will provide housing for persons and  
9 families with special housing needs and with incomes at or below  
10 fifty percent of the median family income for the county or standard  
11 metropolitan statistical area where the project is located. At least  
12 thirty percent of these moneys used in any given funding cycle shall  
13 be for the benefit of projects located in rural areas of the state as  
14 defined by the department. If the department determines that it has  
15 not received an adequate number of suitable applications for rural  
16 projects during any given funding cycle, the department may allocate  
17 unused moneys for projects in nonrural areas of the state.

18 (b) At least twenty-five percent of these moneys used in any  
19 given funding cycle must be for homeownership projects. Allowable  
20 activities for eligible homeownership projects include, but are not  
21 limited to: Down payment assistance loans for existing housing, self-

1 help projects, and short-term production loans. Eligible  
2 homeownership projects include, but are not limited to:

- 3 (i) Single-family, duplex, or townhome units;
- 4 (ii) Condominium units;
- 5 (iii) Rental conversion to condominium ownership;
- 6 (iv) Community land trust developments;
- 7 (v) Mobile home parks with a homeownership component; and
- 8 (vi) Purchase or rehabilitation units.

9 (2) Activities eligible for assistance from the housing trust  
10 fund and other legislative appropriations include, but are not  
11 limited to:

12 (a) New construction, rehabilitation, or acquisition of low and  
13 very low-income housing units;

14 (b) Rent subsidies;

15 (c) Matching funds for social services directly related to  
16 providing housing for special-need tenants in assisted projects;

17 (d) Technical assistance, design and finance services and  
18 consultation, and administrative costs for eligible nonprofit  
19 community or neighborhood-based organizations;

20 (e) Administrative costs for housing assistance groups or  
21 organizations when such grant or loan will substantially increase the  
22 recipient's access to housing funds other than those available under  
23 this chapter;

24 (f) Shelters and related services for the homeless, including  
25 emergency shelters and overnight youth shelters;

26 (g) Mortgage subsidies, including temporary rental and mortgage  
27 payment subsidies to prevent homelessness;

28 (h) Mortgage insurance guarantee or payments for eligible  
29 projects;

30 (i) Down payment or closing cost assistance for eligible first-  
31 time home buyers;

32 (j) Acquisition of housing units for the purpose of preservation  
33 as low-income or very low-income housing; and

34 (k) Projects making housing more accessible to families with  
35 members who have disabilities.

36 (3) Legislative appropriations from capital bond proceeds may be  
37 used only for the costs of projects authorized under subsection  
38 (2)(a), (i), and (j) of this section, and not for the administrative  
39 costs of the department.

1           (4) Moneys from repayment of loans from appropriations from  
2 capital bond proceeds may be used for all activities necessary for  
3 the proper functioning of the housing assistance program except for  
4 activities authorized under subsection (2)(b) and (c) of this  
5 section.

6           (5) Administrative costs associated with application,  
7 distribution, and project development activities of the department  
8 may not exceed three percent of the annual funds available for the  
9 housing assistance program. Reappropriations must not be included in  
10 the calculation of the annual funds available for determining the  
11 administrative costs.

12          (6) Administrative costs associated with compliance and  
13 monitoring activities of the department may not exceed one-quarter of  
14 one percent annually of the contracted amount of state investment in  
15 the housing assistance program.

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