

HOUSE BILL REPORT

HB 2097

As Passed House:
February 11, 2022

Title: An act relating to changing the definition of first-time home buyer.

Brief Description: Changing the definition of first-time home buyer.

Sponsors: Representatives Donaghy, Ryu, Macri, Ramel, Walen, Paul, Frame and Taylor.

Brief History:

Committee Activity:

Capital Budget: 2/1/22, 2/4/22 [DP].

Floor Activity:

Passed House: 2/11/22, 95-0.

Brief Summary of Bill

- Changes the definition of first-time home buyer for the Housing Trust Fund program.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: Do pass. Signed by 22 members: Representatives Tharinger, Chair; Callan, Vice Chair; Hackney, Vice Chair; Steele, Ranking Minority Member; Abbarno, Assistant Ranking Minority Member; McEntire, Assistant Ranking Minority Member; Bateman, Dye, Eslick, Gilday, Kloba, Kraft, Leavitt, MacEwen, Mosbrucker, Peterson, Riccelli, Rule, Santos, Sells, Shewmake and Volz.

Staff: Kelci Karl-Robinson (786-7116).

Background:

Established in 1986, the Washington Housing Trust Fund (HTF) program provides grants or

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loans to help communities develop and preserve affordable housing to meet the needs of low-income and special needs populations. Since 1986, the HTF has awarded over \$1 billion in funding and helped build or preserve over 50,000 units of affordable housing statewide.

The definition of "first-time home buyer" in the statute governing the HTF program is an individual or his or her spouse or domestic partner who has not owned a home during the prior three-year period. The 2021-23 biennial capital budget includes an expanded definition for "first-time home buyer" for the HTF appropriation to include an individual who meets any of the following:

- a single parent who has only owned a home with a former spouse while married;
- an individual who is a displaced homemaker and has only owned a home with a spouse;
- an individual who has only owned a principal residence not permanently affixed to a permanent foundation; and
- an individual who has only owned a property that is discerned to be uninhabitable by a licensed building inspector.

Summary of Bill:

The expanded definition of "first-time home buyer" governing the HTF in the 2021-23 biennial capital budget is codified into ongoing statutory law.

Appropriation: None.

Fiscal Note: Not requested.

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

Staff Summary of Public Testimony:

(In support) The goal of the legislation is to align the state definition with the federal definition to prevent prospective homeowners from falling through the cracks. The impetus for this bill was a situation in which a couple went through a divorce and was not able to maintain their home due to the fact that the definitions did not align. The definition was fixed in the capital budget, but it is time to make the temporary fix permanent. Everyone wins when families can stay in their homes. This bill will provide more housing for more people at warp speed. Washington is in an affordable housing crisis and needs to streamline the process and encourage homeownership.

(Opposed) None.

Persons Testifying: Representative Brandy Donaghy, prime sponsor; Joe Kunzler; Nick

Federici, Washington Low Income Housing Alliance; and Lisa Byers, Northwest Community Land Trust Coalition.

Persons Signed In To Testify But Not Testifying: None.