
SUBSTITUTE HOUSE BILL 1892

State of Washington

68th Legislature

2024 Regular Session

By House 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)

READ FIRST TIME 01/19/24.

1 AN ACT Relating to the workforce housing accelerator program; and
2 adding a new chapter to Title 43 RCW.

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

4 NEW SECTION. **Sec. 1.** The definitions in this section apply
5 throughout this chapter unless the context clearly requires
6 otherwise.

7 (1) "Commission" means the Washington state housing finance
8 commission.

9 (2) "Department" means the department of commerce.

10 (3) "Eligible organizations" includes nonprofit developers, for-
11 profit developers, public housing authorities, public development
12 authorities, or other applicants eligible under rules established by
13 the commission.

14 (4) "Low-income household" means a single person, family, or
15 unrelated persons living together whose adjusted income is at or
16 above 50 percent, but not exceeding 80 percent, of the median family
17 income adjusted for family size, for the county where the affordable
18 housing is located, as reported by the United States department of
19 housing and urban development.

20 (5) "Program" means the workforce housing accelerator revolving
21 loan fund program created under sections 2 and 3 of this act.

1 NEW SECTION. **Sec. 2.** The program is created in the department
2 to provide loans to eligible organizations to finance affordable
3 housing for low-income households. The department shall contract with
4 the commission to administer the program, subject to the availability
5 of amounts appropriated for the specific purposes provided in this
6 section.

7 NEW SECTION. **Sec. 3.** Under the program, the commission may
8 administer loans to eligible organizations to assist with the
9 development of housing for low-income households subject to the
10 following considerations:

11 (1) Loans must be awarded to eligible organizations based on
12 criteria established by the commission, including at least the
13 following:

14 (a) Readiness to proceed with construction, including possession
15 of necessary permits and completed land use entitlements;

16 (b) Amount and commitment of private capital being leveraged as
17 part of the financing for the project;

18 (c) Proposed cost efficiency;

19 (d) Development location, with the goal of awarding funding to
20 projects in as many areas of the state as financially feasible and
21 viable;

22 (e) The applicant's qualifications and demonstrated capability to
23 develop and manage the proposed project; and

24 (f) Any other criteria established by the commission, provided
25 that such criteria shall not exceed the priority of any other
26 criterion listed in this subsection (1).

27 (2) Any housing financed under the program must serve low-income
28 households for at least 99 years; however, the commission, in
29 consultation with program awardees, may establish a longer time
30 period.

31 (3) Loans awarded under this section may not exceed the lesser of
32 \$20,000,000 or 20 percent of total project costs of the housing to be
33 developed. The commission may exceed this maximum allowable loan
34 amount for cause.

35 (4) Loans awarded under this section may be used in combination
36 with private sector loans, tax exempt bonds, real estate excise tax
37 abatements, corporate housing funding, or any other source of capital
38 as recognized by the commission.

1 (5) The commission must structure loans issued pursuant to this
2 section with an interest rate above one percent, but not exceeding
3 2.5 percent, for the first 20 years. The commission may not require
4 annual loan repayments in excess of 15 percent of annual cash flow.
5 Loans administered under this section may not include repayment
6 timelines longer than 30 years, except as authorized by rules
7 established by the commission.

8 (6) If a loan recipient refinances, the commission may require
9 loan repayment at an equivalent percentage to the overall capital
10 project financing package at the time of award.

11 (7) Upon receipt and repayment, any interest earnings and repaid
12 loan funds must be tracked separately from other revenue and must be
13 reloaned to qualifying applicants to finance additional housing
14 serving low-income populations under the program.

15 (8) All loans issued pursuant to this section must be assumable
16 under terms and conditions established by the commission.

17 (9) Loan recipients must:

18 (a) Commit to beginning construction within 180 days of award;

19 (b) Adhere to the evergreen sustainable development standard
20 adopted by the department;

21 (c) File an annual compliance report containing information as
22 specified by the commission; and

23 (d) Restrict use of awarded loan funding to eligible costs of
24 housing as defined under RCW 43.180.020.

25 (10) The commission must:

26 (a) Strive to provide as much geographic distribution in areas
27 where this type of financing tool is feasible and viable. The
28 commission may not allocate more than \$20,000,000 per round of
29 funding to projects in each individual county. However, the
30 commission may award more than \$20,000,000 per round of funding to
31 projects in an individual county if there are no qualifying
32 applications in other counties;

33 (b) Establish criteria and procedures for long-term monitoring of
34 affordability of housing and compliance. The commission may charge
35 monitoring fees; and

36 (c) Establish annual reporting requirements for loan recipients.

37 (11) The commission shall adopt policies necessary to administer
38 the program established in this section and section 2 of this act.

39 (12) No commission general funds shall be expended to implement
40 this program.

1 NEW SECTION. **Sec. 4.** Sections 1 through 3 of this act
2 constitute a new chapter in Title 43 RCW.

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