

## HB 2849 – Brief Summary

<https://app.leg.wa.gov/billsummary?BillNumber=2849&Year=2019&Initiative=false>

- Combines and de-duplicates the two statutes authorizing the Housing Trust Fund program: 43.185 and 43.185A; removes obsolete language.
- Removes language about the program being a continuously renewable resource.
- Defines extremely low-income as up to 30% AMI in urban and up to 50% AMI in rural areas.
- Defines low-income as up to 80% AMI (instead of *less than* 80% AMI).
- Expands the first-time homebuyer definition to match the definition from the 2019-21 capital budget (which matches the FHA definition).
- Creates a new portfolio monitoring account that Commerce can use for portfolio monitoring and preservation activities, to be funded with revenue from the HTF repayment account. Commerce will annually certify its monitoring and preservation costs to the Treasurer who will transfer funds from the HTF repayment account into the monitoring account, up to 0.35% of the annual portfolio value. *[Discussions are taking place about future sources when the HTF repayment account is empty.]*
- Authorizes Commerce to use up to 4% of the capital appropriation for project development and budget implementation activities (1% of which is subject to approval by OFM). The remaining 96% of capital budget will be allocated to projects.
- Removes Commerce's authority to assess 2% contract fees.
- Combines and clarifies project prioritization criteria to be used in funding rounds.
- Requires that Commerce uses separate application forms for homeownership projects.
- Establishes the preservation program, largely based on the capital budget provisos from the last two biennia.
- Codifies reporting requirements, such as JLARC's recommendations for cost certifications, and reporting awards data including AMIs.
- Codifies loan terms from bill enactment through June 2025:
  - Full deferral for projects with min. 50% of the units dedicated to very low-income (50% AMI), permanent supportive housing, or homeless people.
  - Cash-flow payments for all other loans, and 15-year deferred for LIHTC projects.
- Requires Commerce to convene AHAB and stakeholders and study these loan terms and make recommendations via a report to Legislature and Governor in October 2022.
- Codifies that projects need to stay affordable for min. of 40 years, except for homeownership which need to stay affordable for min. 25 years.