

HOUSE BILL REPORT

HB 2275

As Amended by Senate

Title: An act relating to mortgage and rental assistance for dislocated forest products workers.

Brief Description: Modifying the emergency mortgage and rental assistance program for dislocated forest products workers.

Sponsors: Representatives Kessler, H. Myers, Springer, Jones, Morris, Sheldon, Wineberry, King, Campbell, Holm, Chandler and Foreman; by request of Department of Community Development.

Brief History:

Reported by House Committee on:
Trade, Economic Development & Housing, January 27, 1994, DP;
Appropriations, February 5, 1994, DP;
Passed House, February 10, 1994, 93-0;
Amended by Senate.

HOUSE COMMITTEE ON TRADE, ECONOMIC DEVELOPMENT & HOUSING

Majority Report: Do pass. Signed by 11 members:
Representatives Wineberry, Chair; Shin, Vice Chair;
Schoesler, Ranking Minority Member; Chandler, Assistant
Ranking Minority Member; Backlund; Campbell; Casada; Conway;
Sheldon; Valle and Wood.

Staff: Kenny Pittman (786-7392).

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 24 members:
Representatives Sommers, Chair; Valle, Vice Chair; Silver,
Ranking Minority Member; Carlson, Assistant Ranking Minority
Member; Appelwick; Ballasiotes; Basich; Cooke; Dellwo; Dorn;
Dunshee; G. Fisher; Foreman; Jacobsen; Leonard; Linville;
H. Myers; Peery; Rust; Sehlin; Stevens; Talcott; Wang and
Wolfe.

Staff: Susan Nakagawa (786-7145).

Background: The 1991 Legislature created the Emergency Mortgage and Rental Assistance Program to provide financial assistance to households unable to make either mortgage or rent payments due to loss of employment in the timber industry. The Department of Community Development administers the program.

The Department of Community Development makes grants to local organizations that develop and administer local mortgage and rental assistance programs. Emergency mortgage assistance loans are limited to 24 months or \$20,000. Emergency rental assistance loans or grants are limited to 24 months.

According to an informal attorney general opinion, it is not clear: (1) if local organizations can retain loan repayments of emergency mortgage or rental assistance to continue assisting dislocated forest products workers, or (2) if loan repayments of emergency mortgage or rental assistance are to be returned to the Department of Community Development.

Summary of Bill: The Department of Community, Trade and Economic Development is authorized to make grants to local organizations. The local organizations are authorized to establish a revolving grant and loan fund to receive repayments of mortgage and rental assistance. Repayments are to be used to provide additional financial assistance to households unable to make either mortgage or rent payments due to loss of employment in the timber industry.

Local organizations that dissolve or become ineligible must assign all repayments of mortgage or rental assistance to the local county government. If the local county government declines to operate the program, the mortgage and rental repayments must be returned to the Department of Community, Trade and Economic Development.

The June 30, 1996, application deadline for participants to request mortgage and rental assistance from the local organization is eliminated.

EFFECT OF SENATE AMENDMENT(S): The amendment specifies that temporary emergency mortgage assistance is provided as a loan to program participants.

Fiscal Note: Available.

Effective Date: The act takes effect July 1, 1994.

Testimony For: (Trade, Economic Development & Housing) A need still exists for mortgage and rental assistance in timber-dependent communities. While the initial mortgage

and rental assistance pilot programs have helped keep families in their homes, the problems still persist. The bill will allow those communities to re-use the repayments to help more families.

(Appropriations) This bill re-invents government and helps people put their lives back in order. Distressed communities need these funds; demand has outstripped resources. Allowing communities to re-use funds for loans was the intent of the original timber legislation. This bill allows communities to prioritize needs and serve those in greatest need of assistance.

Testimony Against: (Trade, Economic Development & Housing)
None.

(Appropriations) None.

Witnesses: (Trade, Economic Development & Housing)
Representative Lynn Kessler, prime sponsor (pro); and Corine Foster, Department of Community Development (pro).

(Appropriations) (In favor) Representative Lynn Kessler, prime sponsor; Corine Foster, Department of Community Development; and Maikeu Ryherd Keira, Washington Low-Income Housing Congress.

VOTE ON FINAL PASSAGE:

Yeas 93; Excused 4; Absent 1

Excused: Representatives Dunshee, Forner, Riley, Springer

Absent: Representative Ebersole