

# SENATE BILL REPORT

## EHB 3142

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As Reported By Senate Committee On:  
Consumer Protection & Housing, February 26, 2008  
Ways & Means, March 03, 2008

**Title:** An act relating to affordable housing loan programs.

**Brief Description:** Creating the affordable housing and community facilities rapid response loan program.

**Sponsors:** Representatives Lias, Chase, Walsh, Ericks, Loomis, Miloscia, Rolfes, Linville, Dickerson, Green, Morrell, Kelley, Wood, Nelson, Santos and Ormsby.

**Brief History:** Passed House: 2/18/08, 94-1.

**Committee Activity:** Consumer Protection & Housing: 2/26/08 [DPA].

Ways & Means: 3/3/08 [DPA(CPH), w/oRec].

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### SENATE COMMITTEE ON CONSUMER PROTECTION & HOUSING

**Majority Report:** Do pass as amended.

Signed by Senators Weinstein, Chair; Kauffman, Vice Chair; Honeyford, Ranking Minority Member; Delvin, Haugen, Jacobsen, Kilmer, McCaslin and Tom.

**Staff:** Alison Mendiola (786-7483)

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass as amended by Committee on Consumer Protection & Housing.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Pridemore, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Carrell, Fairley, Hatfield, Hobbs, Keiser, Kohl-Welles, Oemig, Parlette, Rasmussen, Regala, Rockefeller, Schoesler and Tom.

**Minority Report:** That it be referred without recommendation.

Signed by Senator Honeyford.

**Staff:** Richard Ramsey (786-7412)

**Background:** In 2007 the Legislature created the Land Acquisition Fund, in the Department of Trade and Economic Development (CTED), administered by the Washington State Housing Finance Commission (Commission).

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Under this program, loans not exceeding 1 percent may be made to eligible organizations to purchase land to develop affordable housing (also known as "land banking"). The housing must be developed within eight years of the loan.

The Commission is to report annually to the Legislature regarding the use of this program.

**Summary of Bill:** The bill as referred to committee was not considered.

**SUMMARY OF BILL (Recommended Amendments):** The rapid response loan fund is created in CTED, to be administered by the Commission.

The purpose of the fund is to provide 0–3 percent interest loans for the purpose of eligible organizations purchasing land or other real property for affordable housing or community facilities preservation or development in rapidly gentrifying neighborhoods.

The Commission is to report annually to the Legislature regarding the use of this program.

Technical changes are made to the land acquisition program.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony (Consumer Protection & Housing):** PRO: Access to funds in real time to purchase property when it becomes available is very important for non-profits. Many places where redevelopment/gentrification is happening is where there are low-income populations, and if we could respond in real time we could prevent people from becoming displaced.

**Persons Testifying (Consumer Protection & Housing):** PRO: June Robinson, Housing Consortium of Everett and Snohomish County; and Kim Herman, Washington State Housing Finance Commission

**Staff Summary of Public Testimony (Ways & Means):** PRO: We've worked with the Senate sponsor on the companion bill (SB 6712). If we can acquire property and buildings in rapidly gentrifying areas we can help low income people secure affordable housing. By keeping these folks in these gentrifying communities we cut long run costs to the state.

**Persons Testifying (Ways & Means):** PRO: Kim Herman, Washington State Housing Finance Commission.