
HOUSE BILL 2689

State of Washington

64th Legislature

2016 Regular Session

By Representatives Pettigrew, Zeiger, Santos, and Pollet

Read first time 01/18/16. Referred to Committee on Community Development, Housing & Tribal Affairs.

1 AN ACT Relating to the financing of historic building
2 rehabilitation projects; adding new sections to chapter 43.330 RCW;
3 adding a new section to 2015 3rd sp.s. c 3 (uncodified); and making
4 an appropriation.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.330
7 RCW to read as follows:

8 (1) The historic building rehabilitation financing program is
9 established in the department. The purposes of the program are to
10 support the public interest in preserving the state's historical
11 heritage; protect public safety and health in and around historic
12 buildings; and contribute to the economic stability of Washington
13 communities by keeping historic buildings functional and economically
14 viable.

15 (2)(a) The program must make available gap financing to private
16 building owners for historic building rehabilitation projects that
17 otherwise could not be completed due to the financial circumstances
18 of their owners. Financing may be provided for rehabilitation work
19 that makes a building safe and secure, such as fire sprinkler systems
20 and reinforcing walls. Financing may also be provided for

1 rehabilitation work that is required to make space habitable and in
2 compliance with code requirements.

3 (b) The department must issue a competitive request for
4 qualifications and quotations and select a certified nonprofit
5 community development financial institution to implement the program.
6 The department and the certified nonprofit community development
7 financial institution must enter into a contract and jointly develop
8 a project solicitation, evaluation, and selection process.

9 (3)(a) To be eligible for financing, a historic building must
10 either:

11 (i) Be eligible for listing, or already listed, on the United
12 States department of the interior's national register of historic
13 places, or be designated as a landmark by the city of Seattle
14 landmarks preservation board or similar organizations in other
15 jurisdictions; or

16 (ii) Be at least fifty years old, retain authentic, distinctive
17 physical characteristics from its historic period of construction,
18 and through rehabilitation, be expected to contribute to the economic
19 vitality of the surrounding area.

20 (b) Projects must be evaluated on criteria including but not
21 limited to the following:

22 (i) Whether the project meets at least one of the public purposes
23 stated in subsection (1) of this section;

24 (ii) The extent to which the project has leveraged funding from
25 public and private lenders and applicable tax credits; and

26 (iii) The extent to which the building owner has committed cash
27 and in-kind resources to the project.

28 (4) The department and the selected certified nonprofit community
29 development financial institution must consult with the state
30 department of archaeology and historic preservation to determine
31 which proposed projects involve historically significant buildings
32 and whether the rehabilitation plans for those buildings are
33 consistent with the United States department of the interior's
34 standards for rehabilitation.

35 (5)(a) Financing must be in the form of low-interest rate loans
36 to building owners. Forgivable interest loans or grants may be
37 allowed under certain circumstances, as determined by the department.
38 Loan repayments must be deposited into the historic building
39 rehabilitation revolving loan fund established in section 2 of this
40 act, to be available as financing for future projects.

1 (b) The selected certified nonprofit community development
2 financial institution must work with other public and private lenders
3 to underwrite financing packages that leverage additional funding
4 resources and applicable tax credits.

5 (c) At least five percent of the total project cost must be
6 contributed by the building owner in cash.

7 (6) The department must conduct due diligence activities
8 associated with the use of public funds, including oversight of the
9 project selection process and project monitoring.

10 (7) By December 1, 2017, the department must provide a report to
11 the governor and appropriate legislative committees on the results of
12 the program and recommendations as to any needed statutory changes.

13 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.330
14 RCW to read as follows:

15 The historic building rehabilitation revolving loan fund is
16 created in the state treasury. All receipts from the repayment of
17 historic building rehabilitation loans must be deposited into the
18 account. Moneys in the account may be spent only after appropriation.
19 Expenditures from the account may be used only for loans to historic
20 building rehabilitation projects as provided for in section 1 of this
21 act.

22 NEW SECTION. **Sec. 3.** A new section is added to 2015 3rd sp.s. c
23 3 (uncodified) to read as follows:

24 **FOR THE DEPARTMENT OF COMMERCE**

25 Historic Building Rehabilitation Financing Program

26 Appropriation:

27	State Taxable Building Construction Account—State.	\$10,000,000
28	Prior Biennia (Expenditures).	\$0
29	Future Biennia (Projected Costs).	\$0
30	TOTAL.	\$10,000,000

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