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**Community Development, Housing &  
Tribal Affairs Committee**

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**HB 1616**

**Brief Description:** Clarifying the type of land eligible for purchase under the affordable housing land acquisition revolving loan fund program.

**Sponsors:** Representatives McBride, Johnson, Stanford, Pollet and Jinkins; by request of Housing Finance Commission.

**Brief Summary of Bill**

- Expands the type of property eligible for purchase under the Affordable Housing Land Acquisition Revolving Loan Fund Program.

**Hearing Date:** 2/8/17

**Staff:** Kirsten Lee (786-7133).

**Background:**

The Legislature created the Affordable Housing Land Acquisition Revolving Loan Fund Program (LAP). The LAP is managed by the Washington State Housing Finance Commission and consists of a revolving loan fund for land acquisition by eligible organizations who intend to develop affordable housing or develop facilities intended to provide supportive services to affordable housing residents and low-income households. Loan interest rates may not exceed 1 percent. An affordable housing development plan is required as part of the loan application process and loan recipients must develop and place affordable housing into service within eight years of loan receipt. If a housing development does not comply with the requirements of the LAP, a penalty is imposed on the loan recipient, which consists of the principal of the loan plus compounded interest calculated at the current market rate.

Forty percent of loans must be made to eligible applicants operating homeownership programs

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for low-income households in which the households participate in the construction of their homes. Sixty percent of loans must be made to other eligible organizations.

**Summary of Bill:**

The type of allowable land that loans may be made for, under the Affordable Housing Land Acquisition Revolving Loan Fund Program, is expanded to include vacant or improved land.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.