

# FINAL BILL REPORT

## HB 1616

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Synopsis as Enacted

**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.

**House Committee on Community Development, Housing & Tribal Affairs**  
**Senate Committee on Human Services, Mental Health & Housing**

**Background:**

The Affordable Housing Land Acquisition Revolving Loan Fund Program (LAP) is managed by the Washington State Housing Finance Commission and consists of a revolving loan fund for land acquisition by eligible organizations that 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 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:**

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.

**Votes on Final Passage:**

House	79	19
Senate	45	1

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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.*

**Effective:** July 23, 2017