

SENATE BILL REPORT

HB 2097

As Reported by Senate Committee On:
Housing & Local Government, February 23, 2022
Ways & Means, February 28, 2022

Title: An act relating to changing the definition of first-time home buyer.

Brief Description: Changing the definition of first-time home buyer.

Sponsors: Representatives Donaghy, Ryu, Macri, Ramel, Walen, Paul, Frame and Taylor.

Brief History: Passed House: 2/11/22, 95-0.

Committee Activity: Housing & Local Government: 2/17/22, 2/23/22 [DP-WM].
Ways & Means: 2/26/22, 2/28/22 [DP, w/oRec].

Brief Summary of Bill

- Modifies the definition of first-time home buyer under the Housing Trust Fund program.

SENATE COMMITTEE ON HOUSING & LOCAL GOVERNMENT

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Kuderer, Chair; Das, Vice Chair; Fortunato, Ranking Member; Gildon, Assistant Ranking Member; Cleveland, Lovelett, Salomon, Sefzik, Trudeau, Warnick and Wilson, J.

Staff: Brandon Popovac (786-7465)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Capital; Robinson, Vice Chair,

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Operating & Revenue; Wilson, L., Ranking Member; Brown, Assistant Ranking Member, Operating; Schoesler, Assistant Ranking Member, Capital; Honeyford, Ranking Minority Member, Capital; Billig, Carlyle, Conway, Dhingra, Gildon, Hasegawa, Hunt, Keiser, Mullet, Pedersen, Van De Wege, Wagoner, Warnick and Wellman.

Minority Report: That it be referred without recommendation.

Signed by Senators Braun, Muzzall and Rivers.

Staff: Wendy Brown (786-7359)

Background: Established in 1986, the Washington Housing Trust Fund (HTF) program provides grants or loans to help communities develop and preserve affordable housing to meet the needs of low-income and special needs populations. Since 1986, the HTF has awarded over \$1 billion in funding and helped build or preserve over 50,000 units of affordable housing statewide.

Under the HTF program, a first-time home buyer is an individual or their spouse or domestic partner who has not owned a home during the prior three-year period. The 2021-23 biennial capital budget included an expanded definition for first-time home buyer for the purpose of awarding homeownership projects under the HTF to include an individual who meets any of the following:

- a single parent who has only owned a home with a former spouse while married;
- an individual who is a displaced homemaker and has only owned a home with a spouse;
- an individual who has only owned a principal residence not permanently affixed to a permanent foundation; and
- an individual who has only owned a property that is discerned to be uninhabitable by a licensed building inspector.

Summary of Bill: The definition of first-time home buyer as applied to the award of homeownership projects under the HTF program in the 2021-23 capital budget is codified in the HTF program statutes.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony (Housing & Local Government): PRO: The bill will help people from falling through the cracks and aid families who would not otherwise qualify for housing through the HTF. The state definition of first-time homebuyer is too

rigid, causing families to split up in order to become eligible. The new definition would align with the federal definition, which has been instituted for several years through state budget provisos and now would apply to HTF statutes. The bill ensures that persons in these expanded categories are eligible to benefit from HTF homeownership programs.

Persons Testifying (Housing & Local Government): PRO: Representative Brandy Donaghy, Prime Sponsor; Nick Federici, Community Land Trust Coalition of Washington.

Persons Signed In To Testify But Not Testifying (Housing & Local Government): No one.

Staff Summary of Public Testimony (Ways & Means): PRO: The expanded definition is in the capital budget, and this bill codifies the definition. The bill makes the Housing Trust Fund program more inclusive and aligns the definition with the federal definition.

Persons Testifying (Ways & Means): PRO: Nick Federici, Community Land Trust Coalition of Washington.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.