

Chapter 43.185D RCW
WORKFORCE HOUSING ACCELERATOR REVOLVING LOAN FUND PROGRAM

Sections

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RCW 43.185D.010 Definitions. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Commission" means the Washington state housing finance commission.

(2) "Department" means the department of commerce.

(3) "Eligible organizations" includes nonprofit developers, for-profit developers, public housing authorities, public development authorities, or other applicants eligible under rules established by the commission.

(4) "Low-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or above 50 percent, but not exceeding 80 percent, of the median family income adjusted for family size, for the county where the affordable housing is located, as reported by the United States department of housing and urban development.

(5) "Program" means the workforce housing accelerator revolving loan fund program created under RCW 43.185D.020 and 43.185D.030.

[2024 c 142 s 1.]

RCW 43.185D.020 Program created. The program is created in the department to provide loans to eligible organizations to finance affordable housing for low-income households. The department shall contract with the commission to administer the program, subject to the availability of amounts appropriated for the specific purposes provided in this section. [2024 c 142 s 2.]

RCW 43.185D.030 Loans—Considerations for award—Terms. Under the program, the commission may administer loans to eligible organizations to assist with the development of housing for low-income households subject to the following considerations:

(1) Loans must be awarded to eligible organizations based on criteria established by the commission, including at least the following:

(a) Readiness to proceed with construction, including possession of necessary permits and completed land use entitlements;

(b) Amount and commitment of private capital being leveraged as part of the financing for the project;

(c) Proposed cost efficiency;

(d) Development location, with the goal of awarding funding to projects in as many areas of the state as financially feasible and viable;

(e) The applicant's qualifications and demonstrated capability to develop and manage the proposed project; and

(f) Any other criteria established by the commission, provided that such criteria shall not exceed the priority of any other criterion listed in this subsection (1).

(2) Any housing financed under the program must serve low-income households for at least 99 years; however, the commission, in consultation with program awardees, may establish a longer time period.

(3) Loans awarded under this section may not exceed the lesser of \$20,000,000 or 20 percent of total project costs of the housing to be developed. The commission may exceed this maximum allowable loan amount for cause.

(4) Loans awarded under this section may be used in combination with private sector loans, tax exempt bonds, real estate excise tax abatements, corporate housing funding, or any other source of capital as recognized by the commission.

(5) The commission must structure loans issued pursuant to this section with an interest rate above one percent, but not exceeding 2.5 percent, for the first 20 years. The commission may not require annual loan repayments in excess of 15 percent of annual cash flow. Loans administered under this section may not include repayment timelines longer than 30 years, except as authorized by rules established by the commission.

(6) If a loan recipient refinances, the commission may require loan repayment at an equivalent percentage to the overall capital project financing package at the time of award.

(7) Upon receipt and repayment, any interest earnings and repaid loan funds must be tracked separately from other revenue and must be reloaned to qualifying applicants to finance additional housing serving low-income populations under the program.

(8) All loans issued pursuant to this section must be assumable under terms and conditions established by the commission.

(9) Loan recipients must:

(a) Commit to beginning construction within 180 days of award;

(b) Adhere to the evergreen sustainable development standard adopted by the department;

(c) File an annual compliance report containing information as specified by the commission; and

(d) Restrict use of awarded loan funding to eligible costs of housing as defined under RCW 43.180.020.

(10) The commission must:

(a) Strive to provide as much geographic distribution in areas where this type of financing tool is feasible and viable. The commission may not allocate more than \$20,000,000 per round of funding to projects in each individual county. However, the commission may award more than \$20,000,000 per round of funding to projects in an individual county if there are no qualifying applications in other counties;

(b) Establish criteria and procedures for long-term monitoring of affordability of housing and compliance. The commission may charge monitoring fees; and

(c) Establish annual reporting requirements for loan recipients.

(11) The commission shall adopt policies necessary to administer the program established in this section and RCW 43.185D.020.

(12) No commission general funds shall be expended to implement this program. [2024 c 142 s 3.]