

**Dear Chair Peterson, Ranking Member Low,
and the distinguished members of the House Housing Committee,**

As you know, the Washington State Legislature established the Covenant Homeownership Program (CHP) via the enactment of HB 1474, and the Covenant Homeownership Account and Program Act of 2023. As part of this act, the CHP Oversight Committee was also established to review the operation, activities, and performance of the program, as administered by the Washington State Housing Finance Commission. Under the terms of the act, the CHP Oversight Committee may, from time to time, make recommendations to the appropriate committees of the Washington State Legislature regarding the CHP Program.

In 2024, the CHP Oversight Committee held quarterly meetings, during which reports were received from the Department of Commerce regarding the standing of the Covenant Homeownership Account (fund 28G), and from the Washington State Housing Finance Commission concerning the operational status of the Covenant Homeownership Program.

Based on the data conveyed within the reports noted above, combined with the conclusions included within the [Washington State Covenant Homeownership Program Study](#) (WSCHPS), the CHP Oversight Committee recommends by a majority vote that the Washington State Legislature address the below priorities during the 2025 session:

2025 PRIORITY RECOMMENDATIONS

Expand Eligibility to Impacted Residents up to 140% of the Area Median Income (AMI)

The analysis presented in Section 5 (Recommendation 4) of the WSCHPS demonstrates that impacted residents with incomes between 100% and 140% of AMI face the same challenges as lower-income renters in affording the costs of even a modest-cost home in their county. As outlined in the report, expanding eligibility creates paths to assistance for additional impacted residents, decreasing the homeownership gap, with no changes to current revenue models.

Develop a Method for Repayment Flexibility

Households who receive large amounts of down payment assistance may find the requirement to repay, in full, at the time of sale creates a financial barrier. In the case where an individual needs to move to accommodate life events such as a new job and/or growing family, these families may instead find themselves 'financially locked' in their purchased home. As described in Section 5 (Recommendation 3) of the of the WSCHPS, alternate repayment approaches - via methods such as repayment flexibility or forgiveness - will allow residents greater abilities to build generational wealth over time and sustain homeownership even in the case where their circumstances change.

In addition to the above priorities for evaluation during the 2025 Legislative session, the CHP Oversight Committee will continue to evaluate the below ongoing priorities for recommendation during future legislative sessions.

ONGOING PRIORITIES

Explore Inclusion of Other Impacted Groups

The CHP currently serves households within impacted racial or ethnic groups, specifically, Black, Latino, Native American, Alaska Native, Native Hawaiian or other Pacific Islander, Asian Indian and Korean residents. The State may explore the inclusion of other economically disadvantaged households within the CHP who may have also been adversely impacted by the State's history of unlawful discrimination.

Develop Support for Legacy Homeowners

Beyond the needs of new homeowners, policies to prevent displacement of existing impacted groups from their historic communities by addressing concerns related to the upkeep of their homes should be adopted. Expanding support for improvements related to homeownership - such as foundational work, modernization, weatherization, the addition of solar energy and/or establishing Accessory Dwelling Unit (ADU's) - will help solidify the ability to pass along existing generational wealth within impacted groups.

On behalf of the members of the CHP Oversight Committee, I urge you to adopt the recommendations we have provided above. We believe these recommendations are essential improvements that will help bring homeownership to individuals within our community that have been excluded from this dream, and along the way increase generational wealth for families for over time.

Thank you for your attention in this matter, and please know that as the Chair of the CHP Oversight Committee, I am happy to speak to the members of your committee regarding these recommendations at your convenience.

Sincerely,

Patience Malaba

Chair, CHP Oversight Committee

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10. Sen. Chris Gildon
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