

FINAL BILL REPORT

EHB 2190

C 160 L 94
Synopsis as Enacted

Brief Description: Modifying limitations of housing-related capital bond proceeds.

By Representatives Ogden and H. Myers; by request of Department of Community Development.

House Committee on Capital Budget
Senate Committee on Labor & Commerce

Background: The Housing Assistance Program, established in 1986, provides either loans or grants to local governments, nonprofit organizations, and public housing authorities. The loans or grants are provided to increase the availability and affordability of housing for low-income households or households with special housing needs.

Activities eligible for assistance through the Housing Assistance Program include: (1) new construction, rehabilitation or acquisition of housing or homeless shelters; (2) rent or mortgage guarantees and subsidies for housing units; (3) down payment or closing cost assistance for first time home buyers; (4) matching funds for social services directly related to housing for people with special housing needs; (5) technical assistance, design and financial services; and (6) administrative costs of the program and housing organizations receiving grants or loans.

The program is funded by capital budget appropriations of state bond proceeds, interest from real estate brokers' escrow accounts, a portion of the state real estate excise tax, and other legislative appropriations. The capital bond proceeds may be used only for costs normally considered capital costs, such as construction, renovation, acquisition, down payment and closing costs, and mortgage insurance. Costs for administering the program, rent subsidies, technical assistance, and social services cannot to be paid from capital bond proceeds or from loan repayments of capital bond proceeds.

Summary: Money from the repayment of loans from capital bond proceeds may be used for administrative costs and all activities necessary for the functioning of the Housing Assistance Program except that these moneys can not be used for rent subsidies or social programs. Administrative costs

of the program can not exceed 4 percent of the money available for the housing program. Authorized organizations eligible for assistance from the Housing Assistance Program are amended to include federally recognized Indian tribes in the state of Washington. Recipients of grants or loans from the housing programs are required to be in compliance with state revenue and taxation laws at the time of the grant or loan.

Votes on Final Passage:

House	61	31	
Senate	31	17	(Senate amended)
House			(House refused to concur)

Conference Committee

Senate	30	16
House	64	32

Effective: June 9, 1994