

HOUSE BILL REPORT

ESB 5843

As Passed House:

April 8, 1999

Title: An act relating to the housing finance commission.

Brief Description: Concerning the housing finance commission.

Sponsors: Senators Prentice and Winsley.

Brief History:

Committee Activity:

Economic Development, Housing & Trade: 3/30/99, 4/2/99 [DP];

Capital Budget: 4/5/99 [DP].

Floor Activity:

Passed House: 4/8/99, 92-3.

Brief Summary of Engrossed Bill

- Removes obsolete dates in the Washington Housing Finance Commission statutes that reference initial planning and rule-making requirements.
- Increases the Washington State Housing Commission's outstanding statutory debt limit from \$2 billion to \$3 billion.

HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT, HOUSING & TRADE

Majority Report: Do pass. Signed by 12 members: Representatives Van Luven, Republican Co-Chair; Veloria, Democratic Co-Chair; Dunn, Republican Vice Chair; Eickmeyer, Democratic Vice Chair; Ballasiotes; Gombosky; Miloscia; Morris; Radcliff; Skinner; D. Sommers and Wolfe.

Staff: Kenny Pittman (786-7392).

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: Do pass. Signed by 16 members: Representatives Mitchell, Republican Co-Chair; Murray, Democratic Co-Chair; Edmonds, Democratic Vice Chair; Esser, Republican Vice Chair; Alexander; Anderson; Barlean; Constantine; Dunshee; Hankins; Koster; Lantz; Mastin; Miloscia; O'Brien and Ogden.

Minority Report: Without recommendation. Signed by 1 member: Representative Schoesler.

Staff: Bill Robinson (786-7140).

Background:

The Washington State Housing Finance Commission was created in 1983, with the goal to stimulate the production of affordable single and multifamily housing, and special needs housing. The commission accomplishes this through the (1) issuance of tax-exempt private activity and nonprofit revenue bonds, and taxable revenue bonds; (2) administration of the federal Low-Income Housing Tax Credit Program; and (3) administration of other programs authorized under federal and state law.

When the commission was established, the Legislature imposed several requirements that included the creation of a general plan of housing finance objectives, that required periodic updates, and the adoption of certain rules of procedure. Currently, the total amount of the commission's statutory outstanding debt may not exceed \$2 billion at any time.

Summary of Bill:

The Washington State Housing Finance Commission statutes are revised to (i) remove obsolete dates that reference initial planning and rule-making requirements and (ii) increase the commission's statutory outstanding debt limit from \$2 billion to \$3 billion.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: (Economic Development, Housing & Trade) The commission is near its statutory debt limit. Increasing the debt limit allows the commission to continue

bringing low-cost financing for affordable housing into the state. The dates regarding the housing finance objectives and rule-making are leftovers from when the commission was created in 1983. This would just remove obsolete language.

(Capital Budget) The Housing Finance Commission was created to finance affordable housing and nonprofit facilities without using state money or lending the credit of the state. The commission has \$1.7 billion in outstanding debt and is issuing new debt at a rate of \$150 million per year. At this rate the current \$2 billion debt limit will be reached by the summer of 2001. The commission's debt limit, which is not state debt, needs to be increased to prevent the commission from having to stop financing single family and multifamily affordable housing.

Testimony Against: (Economic Development, Housing & Trade) None.

(Capital Budget) None.

Testified: (Economic Development, Housing & Trade) Kim Herman, Washington State Housing Finance Commission.

(Capital Budget) Kim Herman, Housing Finance Commission; Paula Benson, Housing Finance Commission; Neil Hodge, U.S. Bank; and Racardo McLaughlin, Columbia Bank.