

FINAL BILL REPORT

SB 5452

C 291 L 09
Synopsis as Enacted

Brief Description: Increasing the debt limit of the housing finance commission.

Sponsors: Senators Kauffman, Kohl-Welles, Tom, Delvin, Kline, Honeyford, Kilmer, Jarrett, McCaslin, Fraser, Prentice, Shin and McDermott.

Senate Committee on Financial Institutions, Housing & Insurance
House Committee on Capital Budget

Background: The Housing Finance Commission (Commission) was created by the Legislature 25 years ago to assist in making affordable and decent housing available throughout the state and to encourage the use of Washington forest products in residential construction. At that time, Washington was the only state without a housing finance agency. Now, as then, federal law authorizes state housing finance agencies to issue tax-exempt revenue bonds to fund low-cost housing assistance.

The Commission has the authority to issue up to \$5 billion in outstanding indebtedness. This limitation began in 1983 as \$1 billion and was raised five times since then, including in 2006 when the limitation of \$4.5 billion was enacted, and 2008 when the current limitation was enacted.

The Commission is a financial conduit. It issues nonrecourse revenue bonds and participates in federal, state, and local housing programs, making additional funds available at affordable rates to help provide housing throughout the state.

The Commission's bonds are not debts of the state or any agency of the state, except the Commission. The Commission has no powers of eminent domain or taxation. Its administrative costs may not be paid from state funds.

Summary: The limitation on the Commission's outstanding indebtedness is raised to \$6 billion.

Votes on Final Passage:

Senate 37 10

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

House 73 24 (House amended)
Senate 35 12 (Senate concurred)

Effective: July 26, 2009