
**Housing, Community Development &
Veterans Committee**

HB 2010

Brief Description: Evaluating options for increasing involvement of for-profit housing developers in the nine percent low-income housing tax credit program.

Sponsors: Representatives Gildon, Walsh, Barkis, Hoff, Vick, Stokesbary and Chambers.

Brief Summary of Bill

- Requires the Housing Finance Commission to research and evaluate options by which to increase the participation of for-profit developers in the 9% Low-Income Housing Tax Credit Program and report its findings to the relevant committees of the Legislature by December 1, 2019.

Hearing Date: 2/20/19

Staff: Cassie Jones (786-7303).

Background:

Housing Finance Commission (HFC).

The Housing Finance Commission (HFC) was created in 1983 to act as a financial conduit that, without lending the credit of the state, can issue nonrecourse revenue bonds; participate in federal, state, or local housing programs; make additional funds available at affordable rates to help provide housing throughout the state; and encourage the use of Washington forest products in residential construction. The HFC administers the 9% Low-Income Housing Tax Credit Program (LIHTC) which allocates federal income tax credit to developers to encourage the construction and rehabilitation of affordable multifamily housing.

Joint Legislative Audit and Review Committee.

The Joint Legislative Audit and Review Committee (JLARC) is comprised of an equal number of House of Representatives and Senate members, Democrats and Republicans. The nonpartisan

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staff of the JLARC conduct performance audits, program evaluations, sunset reviews, and other analyses assigned by the Legislature and the JLARC itself. In 2017, the Legislature directed JLARC to analyze the costs of developing low-income housing and compare them with market-rate costs. Since comparable market-rate data was not available, JLARC staff analyzed development costs for state low-income housing development programs. The study resulted in recommendations by the Legislative Auditor. One of those recommendations was that the HFC should identify and evaluate options for increasing the participation of for-profit developers in the LIHTC Program.

Summary of Bill:

The HFC must research and evaluate options by which to increase the participation of for-profit developers in the LIHTC Program and report its findings to the relevant committees of the Legislature by December 1, 2019.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.