

SENATE BILL REPORT

HB 1738

As of February 18, 2022

Title: An act relating to changing the total amount of outstanding indebtedness of the Washington state housing finance commission.

Brief Description: Changing the total amount of outstanding indebtedness of the Washington state housing finance commission.

Sponsors: Representatives Peterson, Bateman, Macri, Wylie, Tharinger and Ormsby; by request of Housing Finance Commission.

Brief History: Passed House: 2/12/22, 66-32.

Committee Activity: Housing & Local Government: 2/22/22.

Brief Summary of Bill

- Increases the Housing Finance Commission's debt limit from \$8 billion to \$14 billion.

SENATE COMMITTEE ON HOUSING & LOCAL GOVERNMENT

Staff: Jeff Olsen (786-7428)

Background: The Housing Finance Commission (Commission) is a public body created in 1983 to act as a financial conduit which, without using public funds or lending the credit of the state or local government, can issue nonrecourse revenue bonds and participate in federal, state, and local housing programs. The Commission issues both tax-exempt and taxable bonds to provide below market-rate financing to nonprofit and for-profit housing developers who set aside a certain percentage of their units for low-income individuals and families. In addition, the Commission issues tax exempt bonds to provide below market-rate financing for sustainable energy projects, nonprofit facilities, and beginning farmers and ranchers.

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

The Commission's statutory debt limit is \$8 billion. The debt limit is the total amount of debt the Commission is authorized to have outstanding at any one time. The Commission's debt limit was last raised in 2018 from \$6 billion to \$8 billion.

The Commission is not a state agency, it does not receive or lend state funds, and its debt is not backed by the full faith and credit of the state.

Summary of Bill: The Commission's debt limit is increased from \$8 billion to \$14 billion.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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