

FINAL BILL REPORT

HB 1928

C 163 L 97

Synopsis as Enacted

Brief Description: Allowing the housing finance commission to impose covenants running with the land.

Sponsors: Representatives Skinner, Mason, Van Luven, Radcliff and D. Schmidt; by request of Housing Finance Commission.

House Committee on Trade & Economic Development
Senate Committee on Financial Institutions, Insurance & Housing

Background: The Washington State Housing Finance Commission (WSHFC) was created in 1983. The purpose of the WSHFC is to stimulate the production of affordable single family, multifamily, and special needs housing through the (1) issuance of tax-exempt or taxable nonrecourse revenue bonds; (2) administration of federal Low-Income Housing Tax Credit Program; and (3) administration of other programs authorized under federal and state law.

Financial advantages and incentives are often made available to developers and owners of housing on the condition that certain requirements of applicable federal and state law and the WSHFC policy are met. Typically, these requirements relate to making a percentage of the housing units available to households of a given income level for a certain period of time. These conditions may be enforced by the WSHFC by the filing of regulatory agreements with the title. The WSHFC is not statutorily authorized to impose covenants that run with the land as a means to enforce requirements of the regulatory agreements.

Summary: The Washington State Housing Finance Commission (WSHFC) is authorized to impose covenants on housing or other facilities that are financed by the WSHFC or programs administered by the WSHFC. The regulatory covenants that run with the land are used to satisfy and enforce requirements of applicable federal and state laws and WSHFC policy, and are enforceable against any successor owners of the housing or other facilities. The term of the regulatory covenant must be part of the recorded agreement. The WSHFC may impose regulatory covenants on existing as well as future agreements.

Votes on Final Passage:

House 76 17

Senate 48 0

Effective: July 27, 1997