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**Housing, Community Development &  
Veterans Committee**

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**HB 2011**

**Brief Description:** Concerning accountability in affordable housing policy and investments.

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

**Brief Summary of Bill**

- Requires the Washington State Housing Finance Commission (Commission) to prepare an annual report of unit production, development, and operating costs.
- Directs the State Auditor to conduct an annual examination of the Commission's performance in meeting its objectives in the most cost-effective and efficient manner.

**Hearing Date:** 2/20/19

**Staff:** Serena Dolly (786-7150).

**Background:**

Washington State Housing Finance Commission (Commission).

The Washington State Housing Finance Commission (Commission) is a finance authority established to act as a financial conduit to make additional funds available at affordable rates to help provide housing throughout the state. The Commission is financially self-supported and does not receive funding from the state.

To provide financing, the Commission may:

- issue bonds;
- make loans to or deposits with mortgage lenders for the purpose of making mortgage loans;
- make loans for down payment assistance to home buyers; and
- participate in federal and other government programs to carry out its purpose.

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*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.*

The Commission may also issue nonrecourse bonds for capital projects, which are bonds that are not obligations of the state. Repayment of these bonds is payable solely from the funds received as repayment of loans for which the bonds were issued.

Office of the Washington State Auditor.

The Office of the Washington State Auditor (SAO) holds state and local governments accountable for the use of public resources. The State Auditor has the power to examine the financial affairs of all governments in the state, including local governments, schools, state agencies, and institutions of higher education. In addition, the SAO carries out special investigations and performance audits of state agencies and local governments.

The SAO is required to conduct an annual audit of the Commission to determine if the use of bond proceeds complies with the general plan of housing finance objectives.

**Summary of Bill:**

The SAO must conduct an annual examination of the performance of the Commission in meeting its housing finance objectives in the most cost-effective and efficient manner.

The Commission must provide an annual report that includes the following information about each project receiving funding in the previous biennium:

- the total unit production and development cost;
- a brief summary of all funding sources used;
- the geographic distribution; and
- the annual operating per unit cost.

The SAO must analyze the report and any additional relevant information. The analysis must include a comparison of the costs of projects developed with funding from the Commission with the costs of developing similar market rate housing.

**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.