
Housing Committee

HB 3184

Brief Description: Modifying provisions relating to the Washington state housing finance commission.

Sponsors: Representatives Miloscia and Santos.

Brief Summary of Bill
<ul style="list-style-type: none">Increases the Housing Finance Commission's debt limit to \$6.5 billion.Requires the Housing Finance Commission (HFC) plan to be updated annually and adds additional objectives.

Hearing Date: 1/30/08

Staff: Robyn Dupuis (786-7166).

Background:

Housing Finance Commission:

The Washington State Housing Finance Commission (HFC) was created by the Legislature in 1983, however it is not a state agency. The HFC does not receive state funds, it does not lend state funds, and the state is not liable for any of the HFC's debt. The HFC acts as a financial conduit of federal funds and has the authority to issue bonds for the development of affordable housing and non-profit facilities.

The HFC acts as a conduit of federal financing for housing and nonprofit facilities. It issues both tax-exempt and taxable bonds to provide below market-rate financing to nonprofit and for-profit developers who set aside a certain percentage of their units for low income individuals and families. To date, the HFC has financed more than 126,000 affordable housing units and elderly beds, and provided over 38,000 loans for home ownership. It has also financed 127 nonprofit facilities throughout the state.

Debt Limit:

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.

When created in 1983, the HFC's statutory debt limit was \$1 billion. The debt limit was raised to \$2 billion in 1985, to \$3 billion in 1999, and to \$4.5 billion in 2006. The debt limit is the total amount of debt the HFC is authorized to have outstanding at any one time. As of January 2008, the HFC's outstanding debt reached \$4 billion. Once the HFC reaches the current debt limit of \$4.5 billion, it must stop issuing debt to finance additional affordable housing and nonprofit facilities.

Housing Finance Commission Plan

The HFC is required to adopt and periodically update a plan. Within the plan the HFC sets objectives regarding its use of funds.

Summary of Bill:

Debt Limit:

The HFC's debt limit is raised to \$6.5 billion.

Housing Finance Commission Plan

One major objective of the HFC is to increase the supply of affordable and decent housing throughout the state. Within its plan, amongst other objectives, the HFC must consider and set objectives for the use of funds to promote increased housing density.

The HFC must update its plan every two years and report annually to the Legislature regarding the implementation of the plan.

Appropriation: None.

Fiscal Note: Not requested.

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