

HOUSE BILL REPORT

HB 1738

As Reported by House Committee On:
Housing, Human Services & Veterans

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:

Committee Activity:

Housing, Human Services & Veterans: 1/21/22, 1/27/22 [DP].

Brief Summary of Bill

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

HOUSE COMMITTEE ON HOUSING, HUMAN SERVICES & VETERANS

Majority Report: Do pass. Signed by 8 members: Representatives Peterson, Chair; Taylor, Vice Chair; Caldier, Ranking Minority Member; Gilday, Assistant Ranking Minority Member; Barkis, Bateman, Donaghy and Leavitt.

Staff: Serena Dolly (786-7150).

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

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.

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.

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.

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

Staff Summary of Public Testimony:

(In support) The Commission is considered one of the best managed and financially responsible housing finance commissions in the country and has won national awards. The Commission is reaching its debt limit and can finance more great shovel ready projects if the limit is increased. The Commission is a critical partner in providing affordable housing and has a direct impact on families in Washington. The Commission's debt is not state debt, and the state is not financially responsible. The Commission leverages federal and private resources. Increasing the debt limit will allow the state to access billions of dollars for housing with no risk, cost, or liability to state. The Commission is engaging in a strategic planning process to ensure equity in its projects. The Commission continues to evolve and explore new opportunities. Increasing the Commission's debt limit is the biggest no-brainer of the year to address housing crisis.

(Opposed) None.

Persons Testifying: Representative Strom Peterson, prime sponsor; Ryan Donohue, Habitat for Humanity Seattle — King and Kittitas Counties; Steve Walker and Lisa Vatske, Washington State Housing Finance Commission; Kim Herman; Carl Schroeder, Association of Washington Cities; and Patience Malaba, Housing Development Consortium of Seattle — King County.

Persons Signed In To Testify But Not Testifying: None.