

Annual Out-of-State Issuer (OOSI) Report to Legislature 2020 - 2024

December 31, 2024

Prepared by:

**Washington State Housing Finance Commission (WSHFC) and
Washington Higher Education Facilities Authority (WHEFA)**

Background:

On April 29, 2011 Governor Gregoire signed new legislation regulating the ability of out-of-state bond issuers to issue private activity bonds for a project in the State of Washington.

Effective on July 22, 2011, the legislation (SHB 1761) amended RCW 39.46 by adding RCW 39.46.170 to the laws of the State of Washington.

The basic legislative controls consist of:

1. Requiring an out-of-state issuer proposing to issue bonds for a project in Washington to submit specified information to the relevant Washington statewide bond issuing authority. That authority will then determine whether the project may proceed to public hearing, based on the project's consistency with state laws, public policies, and the best interests of Washington State.
2. Prohibiting the Department of Commerce from allocating a portion of the state's tax-exempt private activity bond cap to an out-of-state issuer.

The law requires Washington State issuers to report to the legislature if out-of-state issuers apply to finance a project within the state.

In Washington there are now 4 state-chartered issuing authorities:

- the Washington State Housing Finance Commission (WSHFC),
- the Washington Higher Education Facilities Authority (WHEFA),
- the Washington Health Care Facilities Authority (WHCFA),
- the Washington Economic Development Finance Authority (WEDFA), and

These issuers are responsible for insuring that the facilities financed with tax-exempt bonds in the State of Washington are used for the purposes for which the financing was provided and continue to provide the public benefit for which the facilities were approved for specific periods of time.

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Summary of Annual Reporting Requirements:

RCW 39.46.170 requires that by December 1, 2011, annually each December 1st until December 1, 2014, and December 1st every five years thereafter, each statewide issuer receiving the notice required by the Law from an issuer formed or organized under the laws of another state shall, within existing funds, submit a report to the appropriate committees of the legislature.

Each report must provide the following information from the previous fiscal year and for other reports the following information from each of the previous fiscal years:

1. The number of proposed projects for which the statewide issuer received notice and the information about the projects as described under the Law;
2. A description of the projects for which notice was submitted;
3. The dollar amount of each proposed project;
4. The location of each proposed project;
5. Whether the proposed project was approved by the statewide issuer; and
6. For any project that was not approved by the statewide issuer, the reasons for the statewide issuer's decision.

Following is a summary of Out-of-State Issuer inquiries received by the Washington State Housing Finance Commission (WSHFC), the Washington Higher Education Facilities Authority (WHEFA), the Washington Health Care Facilities Authority (WHCFA), and the Washington Economic Development Finance Authority (WEDFA) covering fiscal years 2020 through 2024.

WSHFC:

In 2021 WSHFC received an application for the purchase of 16 properties in Seattle for future development of artist workshops and potentially affordable housing.

Equinox Studios Projects

Dollar Amount: \$45,000,000
Purpose: Land acquisition
Location: 16 scattered locations in Seattle's Georgetown neighborhood

This was a financing that we could not proceed with the proposed structure and borrowing entity. The portfolio of projects was financed through the Industrial Development Authority of the City of Sierra Vista in Arizona.

For more information about these projects, please contact Jason Hennigan at WSHFC (jason.hennigan@wshfc.org or 206-254-5370).

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WHEFA:

No inquiries were received by the Washington Higher Education Facilities Authority.

WHCFA:

No inquiries were received by the Washington Health Care Facilities Authority.

WEDFA:

No inquiries were received by the Washington Economic Development Finance Authority.