

CHRISTINE O. GREGOIRE
Governor



STATE OF WASHINGTON
OFFICE OF THE GOVERNOR

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EXECUTIVE ORDER 08-04

**ADMINISTRATION OF VOLUME CAP AUTHORIZED UNDER THE
HOUSING AND ECONOMIC RECOVERY ACT OF 2008**

WHEREAS, Chapter 39.86 RCW establishes the state of Washington's method for allocating the bond volume cap limit on federally tax-exempt private activity bonds as required by the Internal Revenue Code (Code) and the Tax Reform Act of 1986; and

WHEREAS, Chapter 39.86 RCW specifies that the state's volume cap will be divided among several categories of private activity projects according to specific percentages; and

WHEREAS, the Federal Housing and Economic Recovery Act of 2008 (Act), which was passed by Congress and signed by the President on July 30, 2008, allows a one-time, temporary increase in the national bond volume cap. The increase became available immediately upon the President signing the bill and must either be allocated and used prior to the end of the 2008 calendar year; or, once allocated and not used, carried forward prior to the end of the 2008 calendar year for use in 2009 or 2010. The new cap authorized under the Act is to be used for Housing category projects only; and

WHEREAS, Chapter 39.86 RCW does not address cap allocation awarded to the state at any other time than in the regular annual allocation at the beginning of the calendar year nor does it address the allocation of cap awarded by federal law for a specific purpose; and

WHEREAS, Chapter 39.86.160 authorizes the Governor to establish by executive order an alternative system to allocate state volume cap if federal legislation is passed that affects the state volume cap when the state Legislature is not in session, taking into consideration the requirements of federal law, the policy choices expressed in state law, and the projected needs of issuers; and

WHEREAS, it is in the best interests of the residents of the state of Washington to allocate and use the additional volume cap awarded under the Act and designated for Housing prior to the end of the 2008 calendar year; or, to allocate and carry-forward the volume cap for use in future years prior to the end of 2008.

NOW THEREFORE, I, Christine O. Gregoire, Governor of the state of Washington, do hereby order as follows:

1. The Department of Community, Trade and Economic Development shall allocate the additional cap authorized under the Act to the Housing Finance Commission (Commission) and other issuing authorities in accordance with the procedures outlined in RCW 43.180.200(5) for the allocation of volume cap for housing purposes with the following changes:
 - a. The February 1 date for awarding the preliminary allocations will be changed to October 1 only for the purposes of allocating the additional cap authorized by the Act.
 - b. The June 1 date for issuing authorities other than the Commission to confirm their intent to issue a bond by the December 15 issuance deadline will be changed to December 1 only for the purposes of allocating the additional cap authorized by the Act.
 - c. Any portion of the additional cap authorized by the Act that is unused in 2008 and eligible for carryforward under the Code shall be carried forward by the Commission. The Commission's initial 2009 allocation shall be modified by any carryforward of cap authorized under the Act as permitted under RCW 39.86.120(2) only to the extent necessary to ensure that a 20-percent portion of the additional cap authorized by the Act is made available for use by local housing authorities.
 - d. No allocations awarded to the Commission under this order shall limit the Commission's authority to assign a portion of its allocation to other issuing authorities as described in RCW 43.180.200(5)(c).
2. The allocation of the additional cap authorized by the Act according to the provisions of this Executive Order shall be effective until (a) all the additional cap authorized by the Act has been allocated and used, or (b) this Executive Order is rescinded.
3. This Executive Order supersedes Executive Orders 86-06 and 86-07, which are hereby rescinded, and will take effect immediately.

Signed and sealed with the official seal of the State of Washington, on this 31st day of October, 2008, at Olympia, Washington.

By:

/s/

Christine O. Gregoire
Governor

BY THE GOVERNOR:

/s/

Secretary of State