

Multifamily Bonds & Tax Credits

*King County Projects Info
Session
2024 Process*



WASHINGTON STATE
HOUSING FINANCE
COMMISSION

Important 2024 Policy Changes to Qualify

- **King County projects are required to have Public Leverage**
 - At least 10% public support in Seattle and 5% in King County to be considered for an allocation of bond cap.
 - Public Leverage = permanent capital as part of the financing stack, secured through the public funders (city, county, and/or state funders) through their standard rounds of competitive financing.
- **Minimum Threshold of 30 Points**
 - 5 of which **must** be in Section 4.5 Projects that are By and For the Community.
- **NEW Tiered Pre-Allocation Process**
 - Projects added/evaluated every January and July



Overview of Tiered Pre-Allocation Process

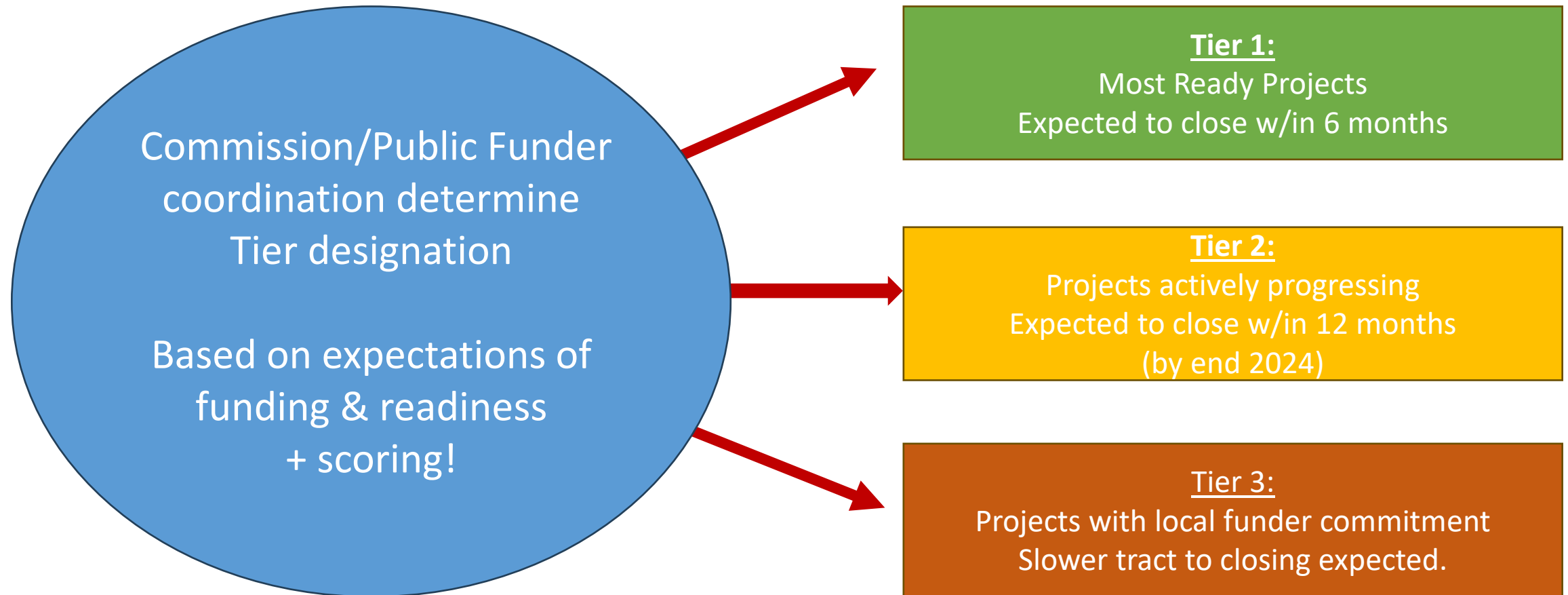
- Projects located in King County **first apply and secure funding award(s) from Public Funders** (local level – city, county, ARCH, SKHHP, and/or Washington State Department of Commerce)
- Public Funders and Commission **coordination generates a Pre-Allocation list** of projects meeting threshold, designated into initial Tiers (1-3), based on readiness.
- The **Commission invites Projects on the Pre-Allocation list to apply** for bonds, no later than 90 days before closing.
- **Sound Transit Projects remain a priority** for bonds under an MOU with the Commission



WASHINGTON STATE
HOUSING FINANCE
COMMISSION



Determining Tiered Designations – 3 Tiers!



It's a Dynamic Process!

*Projects in King County without public support do not move beyond this stage.

Bond/Tax Credit Program Allocation Framework for Projects in King County

State and Local Funding Sources*

City of Seattle, King County, ARCH, SKHHP, Commerce, Sound Transit

- ✔ WSHFC Minimum Score Met and CBO Qualified
- ✔ Public Support Secured

Initial Considerations

- \$100 million for Sound Transit/year x5
- Geographic Distribution
- Expiring DDA/QCT
- Combined planned 4% and 9%
- Competitive score, i.e., cost efficiency and by and for community

Tier 3 (> 1 yr)

- Closing date > 1 yr
- Some public funding commitment

Tier 2 (> 6 mo)

- Closing date > 6 mo < 1 yr
- Expectation of fully funded
- >6 mo before permit ready and NEPA

Tier 1 (<6 mo)

- Closing date < 6 mo
- Expectation of fully funded
- Permit Ready and NEPA
- Availability of Bond Cap
- WSHFC minimum score reviewed

Bond Allocation (<3 mo)

Invited to Apply to the Commission:

- Lender and Investor Commitments
- TDC Waiver and SLR (if applicable)

Close Financing



King County Projects Only

Estimated cap available: \$238 million

Includes available cap for Sound Transit projects

More cap may become available as the year progresses

How do I get ready to apply for bonds/tax credits?

- Scoring matters – sharpen your pencils
- Make progress on getting your permits
- Get your investor/lender commitments in place
- Communicate with the Commission on when ready to apply
- Work with Commission on confirming CBO participation



How does the CBO vetting work?

CBO Qualifying Interview – ALL TIERS

- Once you have received your public funder award, reach out to Keri.Williams@wshfc.org to schedule
- 1 hour interview with Commission Staff to confirm CBO qualification according to policy
- Not all terms need to be ironed out.



Next Steps

For 2024 Cycle:

- Expect Pre-Allocation List available by end of Jan. 2024
- Commission will send out Invites to Apply based on Tier designations
- Continued coordination with Public Funders and Developers about status/progress of projects on the list

For 2025 & Beyond:

- Continued process improvement and alignment toward a single application
- Apply learnings from this initial pilot year

Questions?