



2017

Bond/Tax Credit Policy

Proposed Changes

WSHFC Stakeholder Meeting

Presenter: Lisa Vatske

Current Situation

- 2016: started with \$852 million from 2013—2015.
- In addition, have pulled down close to \$400 million in 2016 allocation.

urrent Situation

Per Commission policies, notification required for a competitive process.

Announcing Semi-Annual Bond Rounds to assess supply and demand in 2017:

- December 20, 2016 application deadline for projects closing by July 31, 2017;
- June 2017 application deadline for projects closing by December 2017.

Current Situation

- Timing a key threshold issue.
- Points could matter.
- Maintaining current priorities—Just considering minor adjustments and calibration.

CHANGES: INTRODUCTION TO SECTION 2

Modification:

language modifications; no major policy revisions.

Added overview and framework of private activity bond authority.

CHANGES: 2.2 – MAXIMUM ALLOCATION OF BOND CAP

Modification:

Limiting amount to 50% of the Bond Cap to any one developer in any given round and for the year.

ES NEW: 2.3 – MAXIMIZING THE USE OF RECYCLED BOND C

ification:

Explaining the use of recycled bond cap allowed under the Recovery Act of 2008 and maximizing its use at no detriment to borrowers.

To be discussed at scoping meeting.

ITEMS: 2.3.5 – URBAN PROJECT TDC LIMIT INCREASE

Modification:

Adding DDA to the list consistent with 9% policy change proposal.

ITEMS: 2.3.6 – TDC PER UNIT LIMIT SCHEDULE

Modification:

Limits updated to be consistent with 9% policy change proposal.
Adding infrastructure to be consistent with 9% proposal.

RIES: **2.3.7 – WAIVER OF THE TDC LIMIT—NEW CONSTRUCTION**

modification:

Costs that result in energy or water cost savings beyond local building code or Evergreen Sustainable Development Standard (“ESDS”) may be considered.

ES: **2.4.7.1 – REHABILITATION AND RE-SYNDICATION**

OBJECTS **Modification:**

Added specific waiver criteria language.

The Commission is not likely to grant a TDC waiver when the acquisition price is the primary reason for the waiver request.

ARTICLES: 3.9 – CONSISTENCY WITH LOCAL CONSOLIDATED PLAN

Modification:

Added language to address circumstance in which a local jurisdiction does not cooperate.

CHANGES: 3.12 – FINANCIAL FEASIBILITY AND VIABILITY ANALYSIS

Modification:

Added language to clarify and stress the importance of credit pricing to the analysis.

ARTICLES: **3.18 – PROPERTY MANAGEMENT CAPACITY**

Modification:

Added language to clarify requirements and Commission options.

Specifically outlining qualifications and evidence of successful managing a LIHTC property.

ARTICLES: **3.25 – RE-SYNDICATION**

Modification:

Modified language addressing changes to existing Regulatory Agreement(s).

Always good to contact us in advance –meeting may be required.

ITEMS: 4 – BOND CAP AND TAX CREDIT ALLOCATION CRITERIA

Clarification:

Portfolio and scattered site scoring clarification, weighted average of all sites.

RIES: 4.3 – HOUSING COMMITMENTS FOR PRIORITY POPULAT

modification:

100% of housing units set aside for Seniors—changing points
from 3 to 5.

PROVISIONS: 4.4 – PROJECT BASED RENTAL ASSISTANCE

Modification:

Adding new sub-category of 15% or below.

Lowering score range from 2 to 10.

ES NEW: 4.5 – 811 PROJECT RENTAL ASSISTANCE PROGRAM

Modification:

point for participants in addition to previous.

- Department of Commerce and DSHS Demonstration program

ITEMS: 4.7 – LIMITING OF DEVELOPER FEE

Modification:

Points awarded for Developer Fee will be recalibrated to allow a maximum of 5 points (down from the current maximum of 10 points).

RIES: **4.9 – AT-RISK PROPERTY**

Modification:

No score change; minor clarification to definition.

ES NEW: **4.10 – RE-SYNDICATION PROJECT**

ification:

5 points for such projects.

DEFINITIONS: 4.10 AND 4.11 – PROPERTY TYPE AND LOCATION EFFICIENT PROJECTS

Modification:

Conformance to ESDS definitions.

RIES: **4.10.4 – BROWNFIELDS**

Modification:

Reduces points from 10 to 6.

RIES: 4.14 – AREA TARGETED BY LOCAL JURISDICTION

modification:

Points lowered from 3 to 2.

RIES: 4.13 – TRANSIT ORIENTED DEVELOPMENT

modification:

New category; 3 points.

RIES: 4.15 – NONPROFIT SPONSOR

modification:

Raised from 2 points to 3 points.

ARTICLE 4.16 – DONATION IN SUPPORT OF LOCAL NONPROFIT PROGRAMS

Modification:

Points lowered from 5 to 4 for 10 bps/\$10,000.

Points lowered from 10 to 8 for 20 bps/\$20,000.

ES NEW: **4.XX – UTILITY ALLOWANCE OPTION**

Modification:

2 points for using Method 6 or 8 of Appendix O of Tax Credit
Compliance Procedure Manual.

ES NEW: **4.XX – SOLAR OPTIONS**

modification:

3 points for various installed solar options.

- 2 options:
 - Solar Photovoltaic (PV) system—3 points—but consider lowering this category.
 - Installation of a hot water system (solar thermal)—3 po

ES NEW: **4.XX – PROJECT INNOVATION**

Modification:

5 points for project innovation.

Reviewed by independent panel.

Pre-approved limited award.

FEES: 9.1.2 – RESERVATION FEE

FEES: 9.1.3 – COST OF ISSUANCE DEPOSIT

ification:

The following language was added for nonprofit sponsored projects:

“For project sponsors who claim three points under Section 4.18 Subsection A, the deposit will be greater than \$50,000.”

NEW THOUGHT: ½ percent of total request or \$75,000 max (which ever is greater) for all applicants

R CONSIDERATION – **NEW THOUGHTS**

Credit/Cost Efficiency points.

- Scale of up to 5 points for up to 15% below TDC limits, if po
taken, required to include at least 3 amenities
- Increase list of amenities

Additional Considerations?



WASHINGTON STATE
**HOUSING FINANCE
COMMISSION**

g doors to a better life

Thank You



WSHFC.



@WSHF