

# Bond/Tax Credit Stakeholder Meeting

March 11, 2021

*July 2021 Round and Beyond*



WASHINGTON STATE  
HOUSING FINANCE  
COMMISSION

**Multifamily Housing and Community Facilities**

# Welcome!

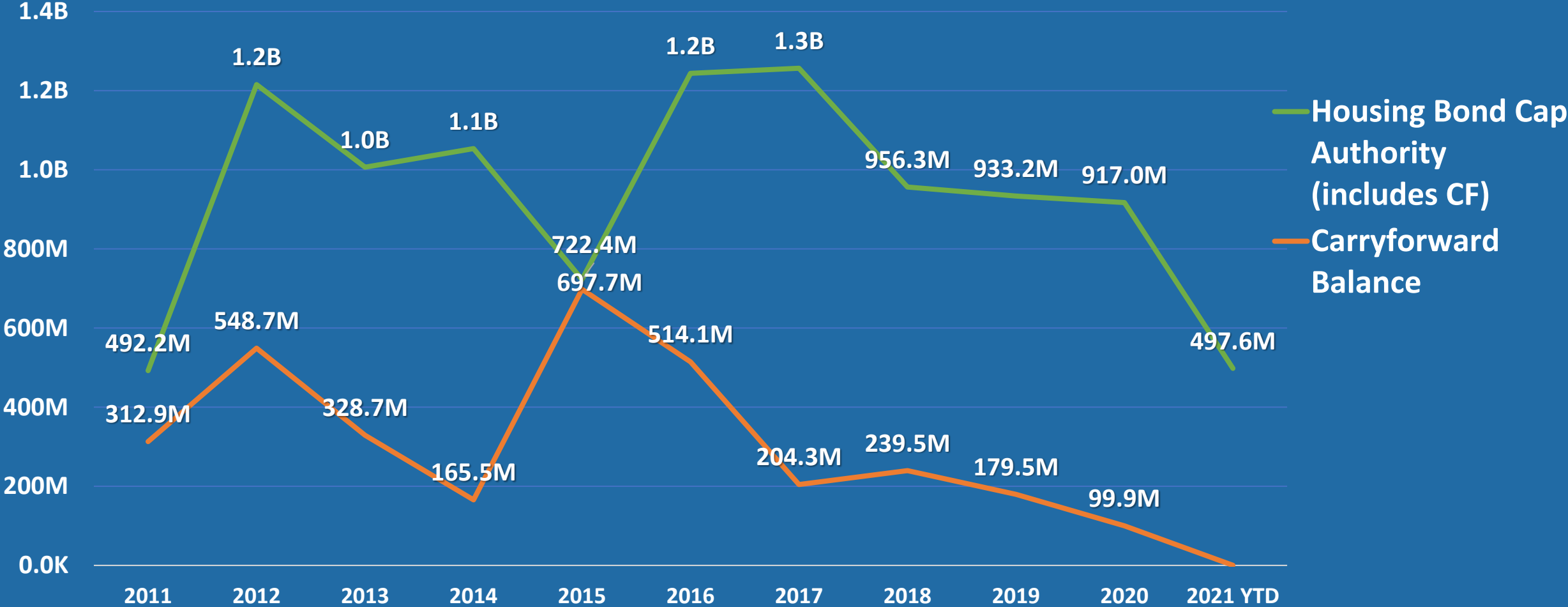
## **Agenda:**

- **Introduction of staff and overview of participants**
- **Context of current bond/4% program dynamics**
- **Short term response plan**
- **Longer term strategy and reset**

# **January Round Review**

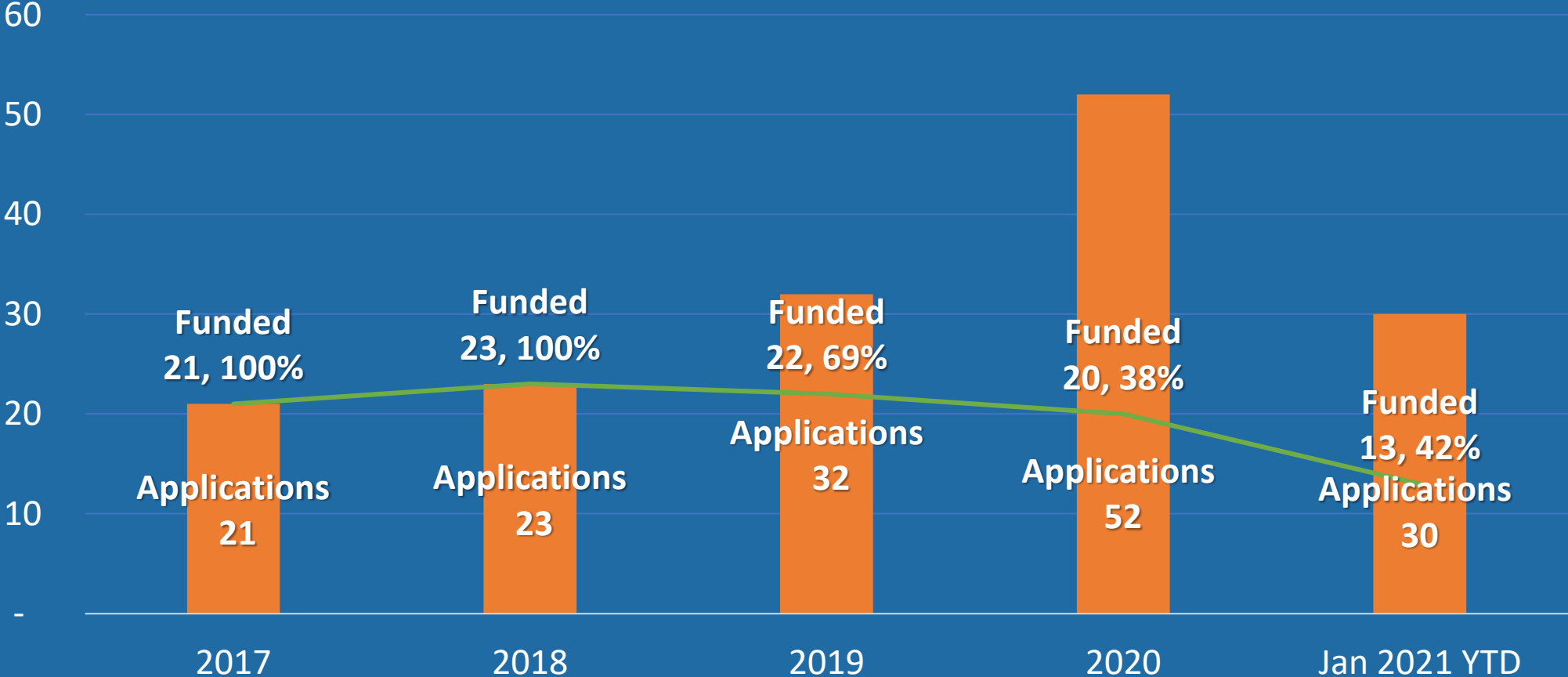
# Bond/4% Tax Credit Recent Results

## Availability of Bond Cap, 2011-21

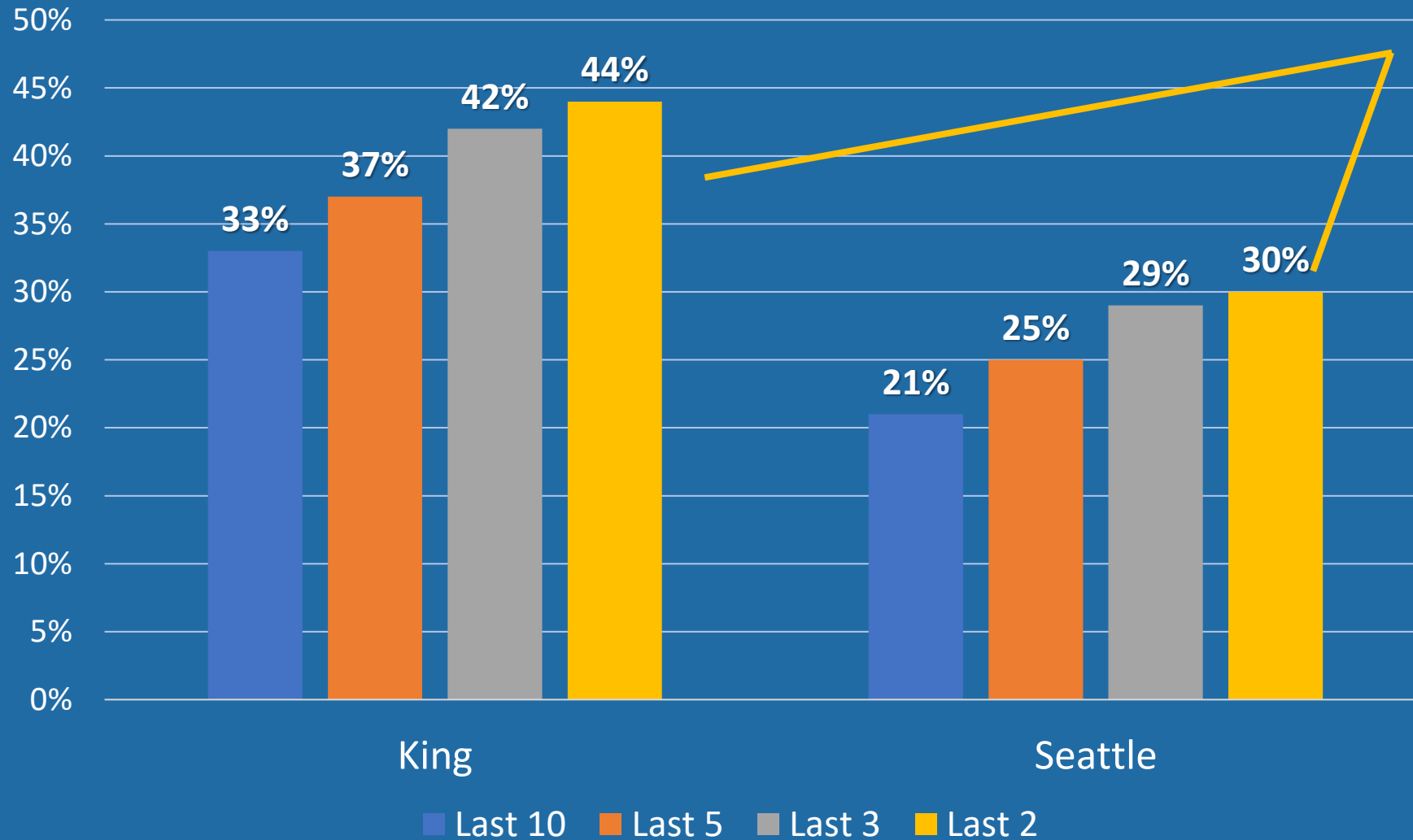


# Bond/4% Tax Credit Recent Results

## Competition Increasing 2017-21



# 4% Bond Cap Allocations Seattle and King County % Over Last 10 Years

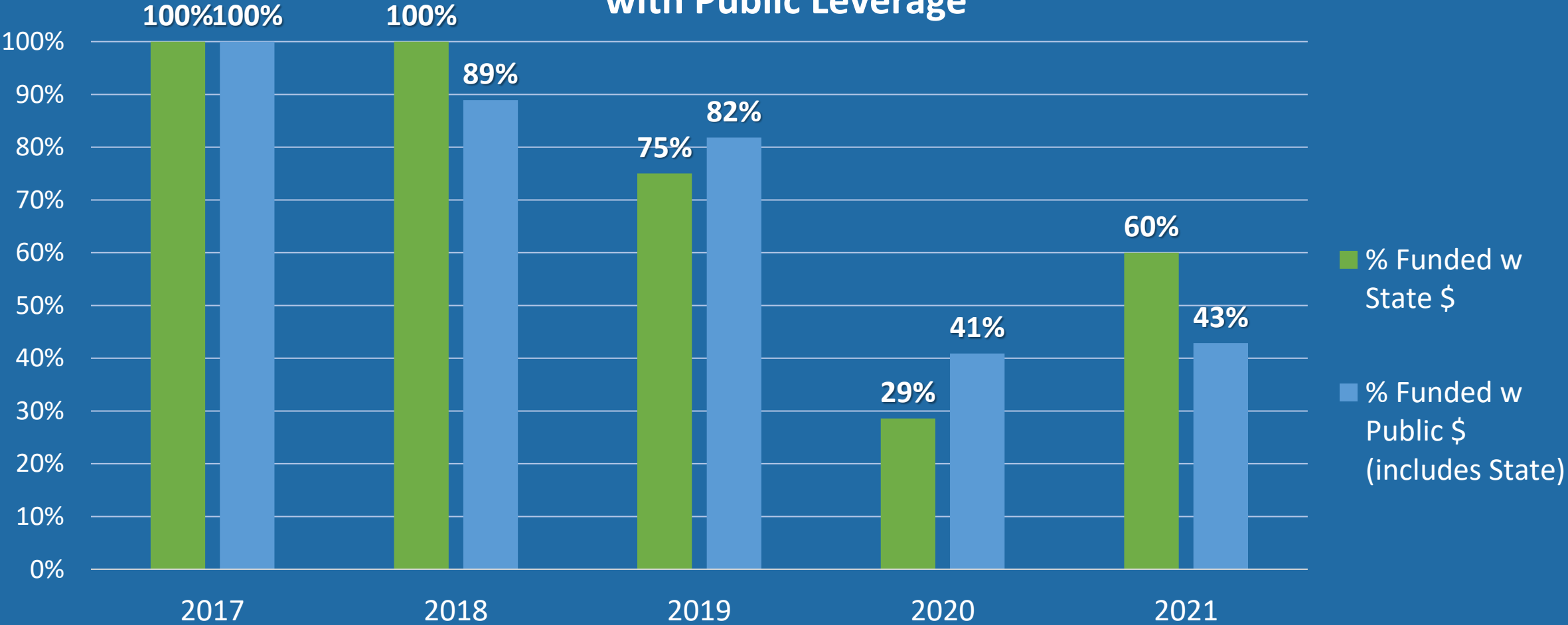


Sea & KC  
received 74% of  
allocation over  
last 2 years

# 4% Bond Cap Allocations

## Projects with Public Leverage (State and Local)

### 2017-21 Success Rate of Applicants with Public Leverage



# **July Round Boundaries**



# Only Two Projects



- Only two projects per sponsor for the entire year.
- Only one project per sponsor for this round.
- If you have already gotten your two in 2021, you can't get more.

# No Acquisition/Rehab

We must develop specific policies for these projects.



# Order of Priority for Bond Cap:

1. Received state **Housing Trust Fund** award by 1/1/2021
2. Be from a **Black/Indigenous organization** or owned by a Black/Indigenous company
3. Be located **outside King County** (remainder of allocation)



# PDA's: A Separate Conversation

Two Public Development Authorities will get an allocation so they may issue on the behalf of their 2021 projects (Africatown and North Lot)



# More Parameters

- Estimated \$200 million available – maybe more, but don't count on it.
- Everyone who applied in January 2021 must reapply to be considered
- Must score at least 70 points



# **July Round Fixes and Tweaks**

Fixes



# Pre-Submittal Review



- No longer called “pre-approval” (having your project or application reviewed is not approval)
- All projects can request staff review before submittal
- Consultation with staff encouraged – ensure application meets feasibility and readiness and gets the most points it can
- Allow time to make additions or corrections



# Community Facilities

- “Other Community Service” must be a **licensed facility**.
- Will specifically allow licensed food banks and licensed communal meal facilities.
- License is for the facility, not for the professionals working there



# Total Development Cost limits

- We will adjust the limits
- Submit as real numbers as you can for your TDC limit waiver
- The costs in an approved TDC limit waiver **must match** the costs in the application
- You can submit a TDC limit addendum with the application

# Tweaks



# Nonprofit donation



- Minimum of 50% to a BIPOC-led organization serving the project's county
- Up to 25% can go to a housing consortium
- As usual, can donate to community service organizations in the county

# Location Efficiency



- Grocery or supermarket with produce within half mile no longer required
- Added option: Proximity to market serving a specific ethnic or cultural group with specialty food items

# Transit-Oriented Development

## **Adding language in red:**

*An urban or rural project will be awarded 3 points if they are within a 0.5 mile walking distance of: a Park & Ride, **Transit Center, Streetcar stop, Bus Rapid Transit stop, Light Rail Station, Commuter Rail Station, or Ferry Terminal.***



# Online application



- We're working on it
- Goal is July 2021 application
- Probably phased in – some parts of the application online, other parts still submitted via excel

**LIVE**

breakyourownnews.com

**BREAKING NEWS**

# RECYCLED BOND CAP AVAILABLE

9:34

**MUST BE USED BY JUNE 1 - NO TAX CREDITS AVAILABLE WITH RECYCLED CAP**



# Feds to the Rescue?

Congress considering  
bond cap increase,  
lowering 50% test, etc.



# **Beyond the July Round**

# Focus is on **OUTCOMES**

None of this is in stone (yet)



# Direct allocation

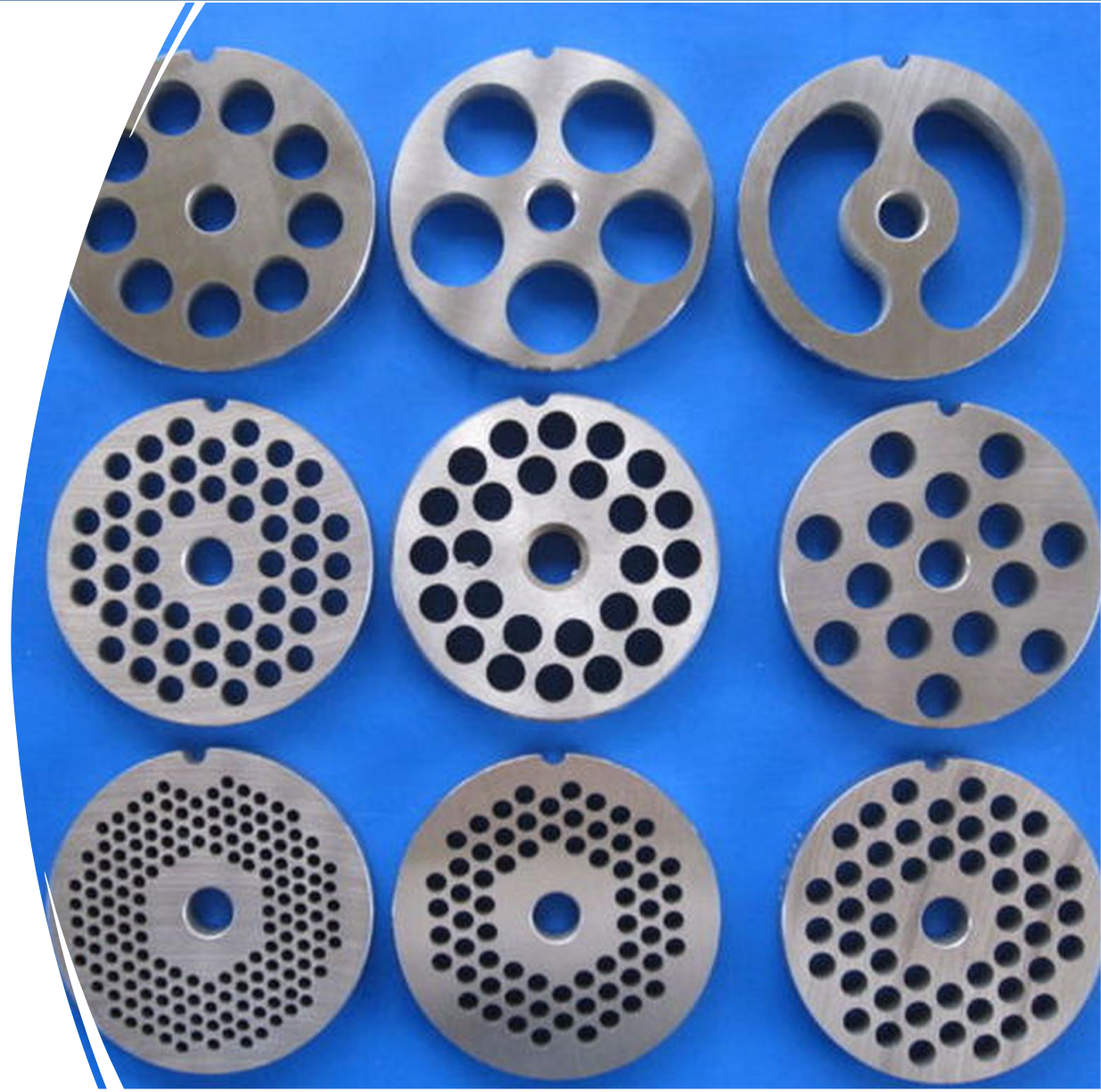


- Housing Authorities
- Public Development Authorities (PDAs)
- Sound Transit's projects

# Outcomes to Prioritize

*With estimated \$500M:*

- Efficient use of the bond cap
- Quality acquisition/rehab
- Public funding coordination
  - State Housing Trust Fund
  - What about local funds?
- Geographic distribution
- BIPOC developers



# One Way to Get There: Pools?



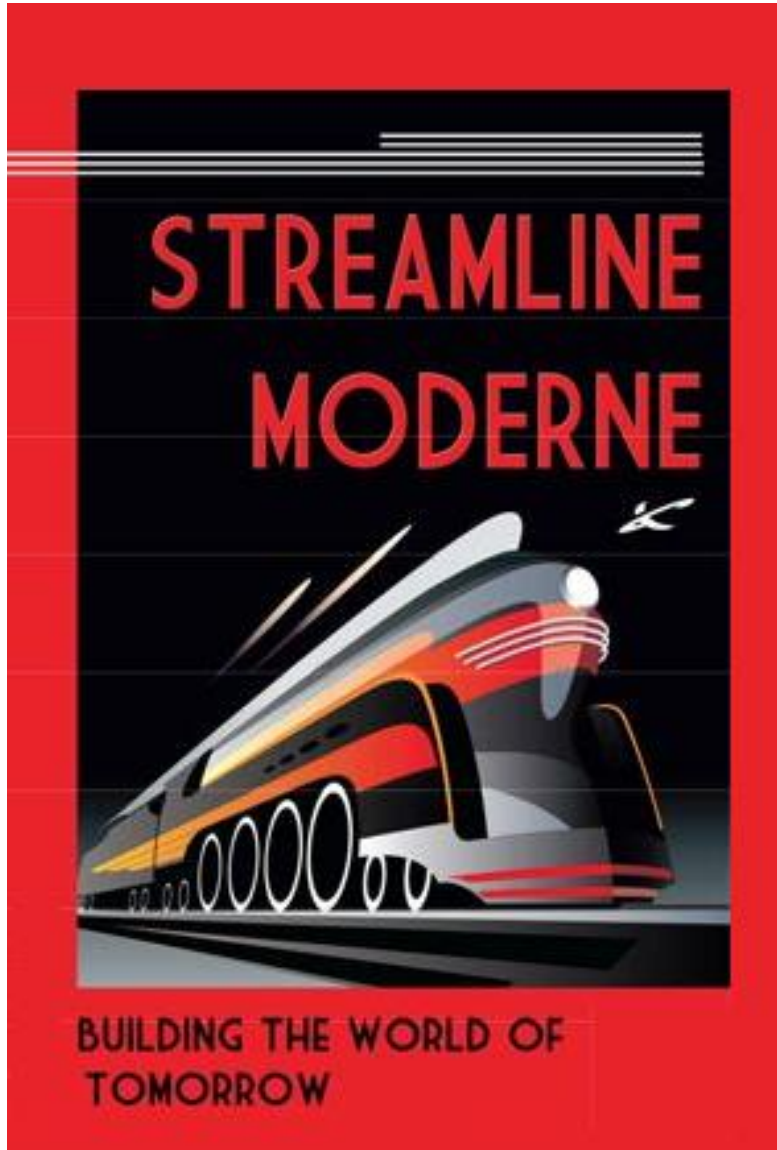
- One per outcome:
  - Geographic distribution
  - BIPOC
  - Acquisition/Rehab
  - Public leverage
  - General
- Each pool then relatively small – some might have just one or two projects in the pool

# Another Option: Pools + Overlay/Set-aside



- Fewer pools:
  - ✓ Acquisition/Rehab
  - ✓ Public Leverage
  - ✓ General
- Then an overlay or set aside for each of these categories for geographic distribution and BIPOC developers

# Streamline the application



Which of these should be threshold?  
Dropped? Still held as points?

- Donation
- Nonprofit/Nonprofit partner
- Special population – large household, or older adults, or disabled
- Incomes served
- Location efficiency
- Energy standards
- Etc. It's all up for discussion



# Then projects are ranked

By bond cap per unit in their pool.

Maybe nothing else.

# Broader engagement



- Would continue to reach out to our “interested party list” – this means you right now
- Reaching out to the greater community, too
- Think about participating in one of the outcome groups

# Next steps



## **For the July 2021 Round**

1. Continue to take in public comment
2. Seek Commission approval April 2021

## **For 2022 Policies**

1. Discussion groups for outcome areas:
  - Acquisition/Rehab
  - Public leverage
  - BIPOC
  - Geographic distribution
2. Reconvene for a general review
3. Seek Commission approval July 2021

# Your Turn: What Do You Think?



# Contact Us!

## Multifamily Housing and Community Facilities

**Lisa Vatske, Director**

**[lisa.vatske@wshfc.org](mailto:lisa.vatske@wshfc.org)**

**Claire Petersky, Manager**

**[Claire.Petersky@wshfc.org](mailto:Claire.Petersky@wshfc.org)**

**For programs that use bonds (including this one)**

**Bob Peterson, Manager**

**[Bob.Peterson@wshfc.org](mailto:Bob.Peterson@wshfc.org)**

**For 9% Tax Credit, Land Acquisition Program, and more**