

# Multifamily Bonds & Tax Credits

*March 2022  
Application Round*



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COMMISSION

**Applications are due....**

**Wednesday, March 9, 2022  
At Noon**

# \$200 (ish) million available for the year

- Projects that applied in 2021 that we over-allocated to into 2022 – can they close?
- Will other issuers need all that they get off the top?
- Will more Housing Authority and PDA deals come in?
- Will the federal government give us more authority?



**We may have a waiting list, and allocate as we are surer about the availability of resources**

# Application procedures



1. Use our new on-line application
2. Pay the application fee for each application
3. ACH/wire preferred

# Intent to apply – by January 10, 2022

- Simple form
- We will publish the information, once assembled
- Helps everyone – not just us – know who is applying for what

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
1	PROJECT SUMMARY																
2																	
3																	
4	<b>1. Project Name:</b>																
5	Street Address:																
6	City: State: Zip:																
7	County:																
8																	
9																	
10	<b>2. Main Project Contact</b>																
11	Company:																
12	Street Address:																
13	City: State: Zip:																
14	Telephone: Fax:																
15	Email:																
16	Relationship to Project:																
17																	
18	<b>3. Name of Ownership Entity:</b>																
19	General Partner/Managing Member:																
20																	
21	<b>4. Project type</b>																
22	New Construction																
23	Acquisition/Rehab																
24																	

# TDC Waivers

A	B	C	D	E	F	G	H	I	J	K	
<b>Total Development Cost Limit Waiver Request (2020)</b>											
2	Date of Waiver Request:				Program Type: <input type="text" value="Select from List"/>						
3	Project Name:										
4	Project City, County:										
5	Sponsor Organization:										
6	Project Contact:										
7	Development Phase:				<input type="text" value="Select from List"/>						
8	1. Has this project received a TDC Waiver in the past? If so:										
9	Approval Date:				Approved TDC:						
10	2. Please attach the following forms from the Combined Funder's Application:										
11	Form 2B: Square Footage Details										
12	Form 6C: LIRFC Budget										
13	Form 6D: LIRFC Calculation										
14	Form 3A: Financing Sources										
15	3. Description of Project										
16	Briefly describe the project, the location and population to be served. If project is considered an "Urban-Type Project" for purposes of the TDC limit, explain how it qualifies for that determination.										
17	<input type="text" value="Expand narrative as needed."/>										

- Also due 60 days in advance
- Use forms from the website
- Submit the TDC waiver as an excel document, not PDF
- If costs change between submittal and final application, waiver needs re-approval



## Quick Review of the New Process



# Reorienting for Values and Outcomes

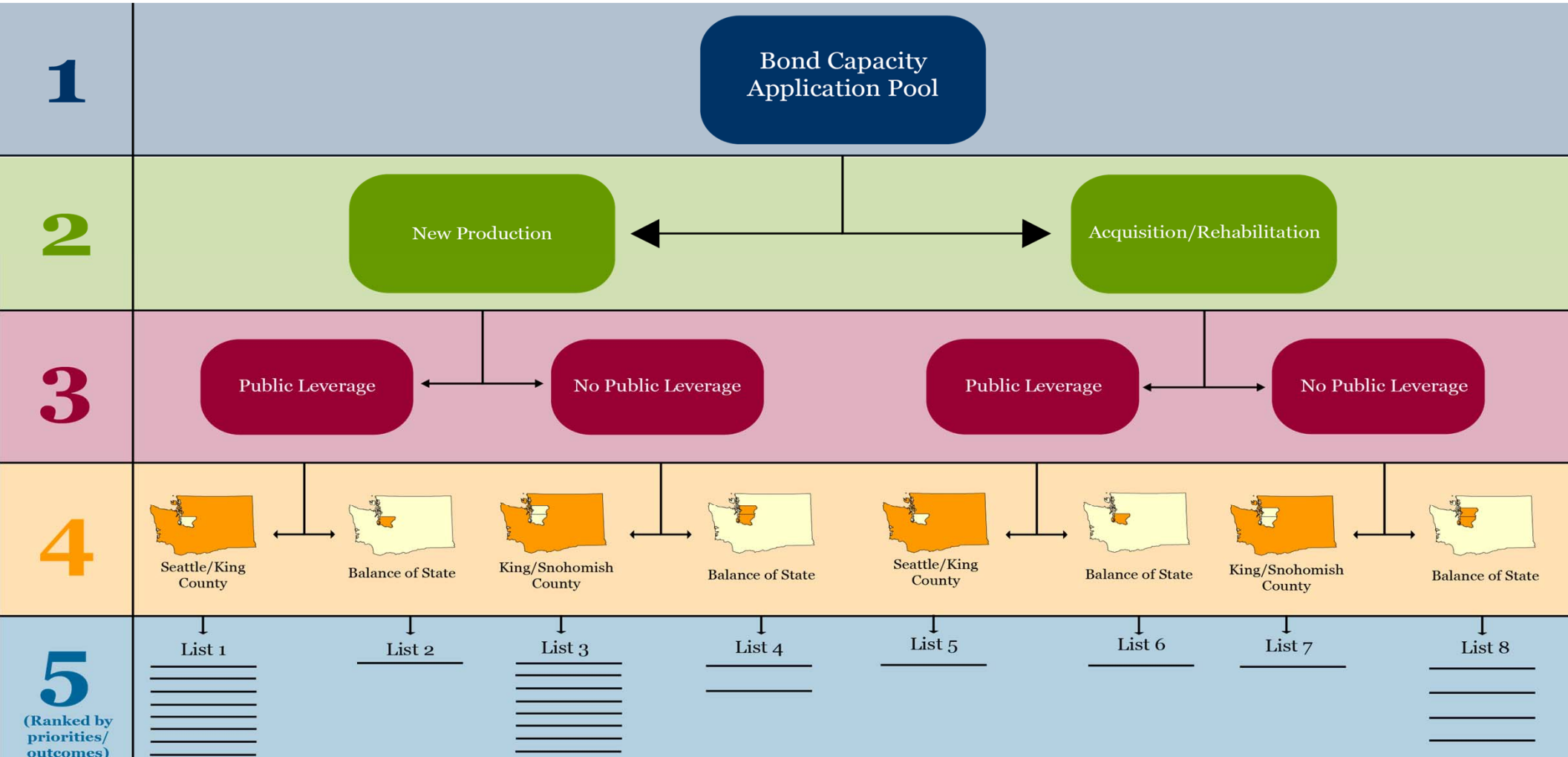
- **New Allocation Process**
- **New Criteria: By and For Community**



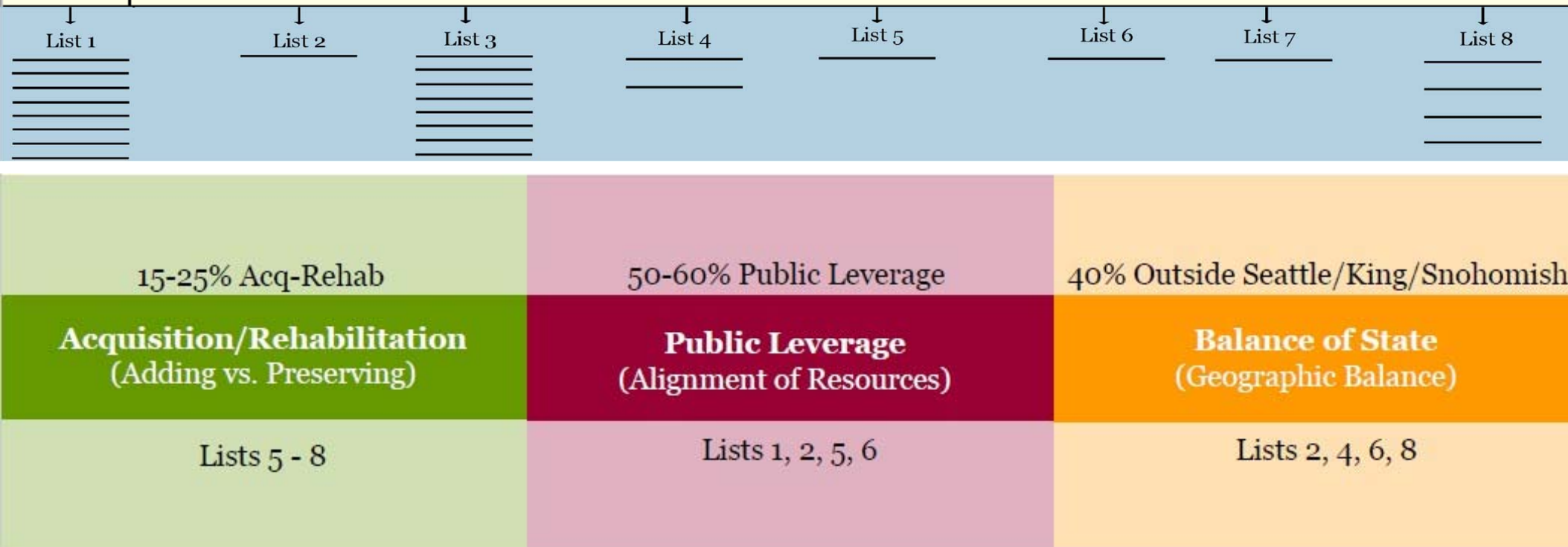
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# Sorting



# 6 Apply Targets and Adjust List



**Last: Top projects in List 3 (new, no public \$, King/SnoCo) will be funded with remaining funds**



**New Program  
Thresholds**

# 20% of the units set aside for Target Populations

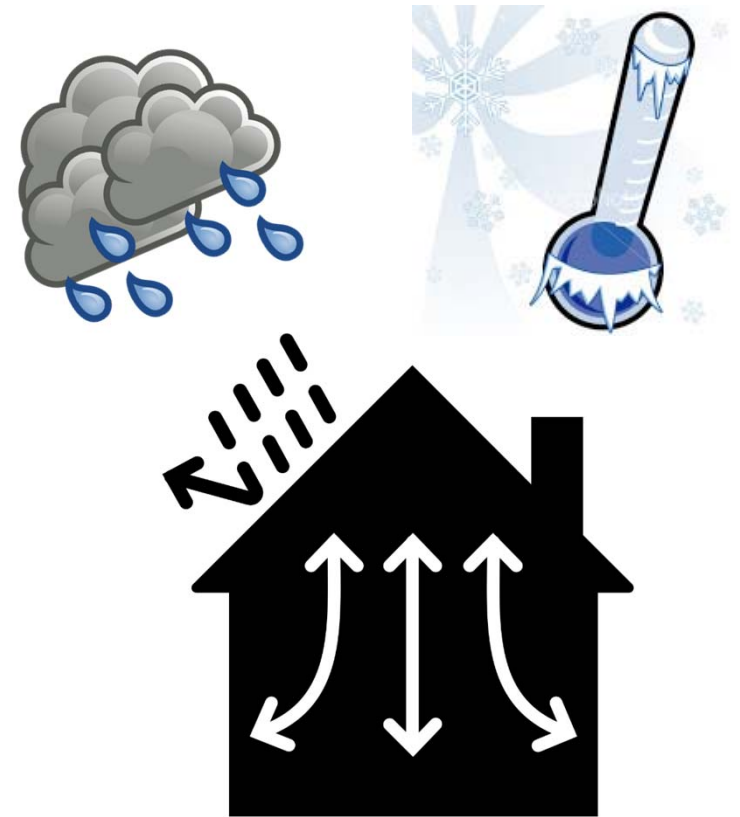
- Large Households      AND/OR      • People with disabilities



**10% of each category, or 20% of one category  
Projects serving older adults? Choose disabilities.**

# Weatherization and Ventilation

- Projects complying with the residential provisions of the Washington State Energy Code are required to implement the “Deemed Measures List” from ESDS Section 5.01b
- If the project is not required, or planning to, upgrade the ventilation system to the latest version of the Washington Mechanical Code, at minimum it must achieve ASHRAE 62.2-2019 or 2015 Washington State Mechanical Code



# Community Revitalization Plan

Must be in a:

1. **Federal, state, regional, or local community revitalization plan area** (including Urban Growth Boundary (UGB) - If in an UGB, submit a map showing UGB boundaries and project location. If in a different plan area, submit copy of the plan, and show project location in boundaries on a map

**OR**

2. **QCT AND**

- **High or Very High Opportunity Area**

**OR**

- **Area of Low Environmental Health Disparity**



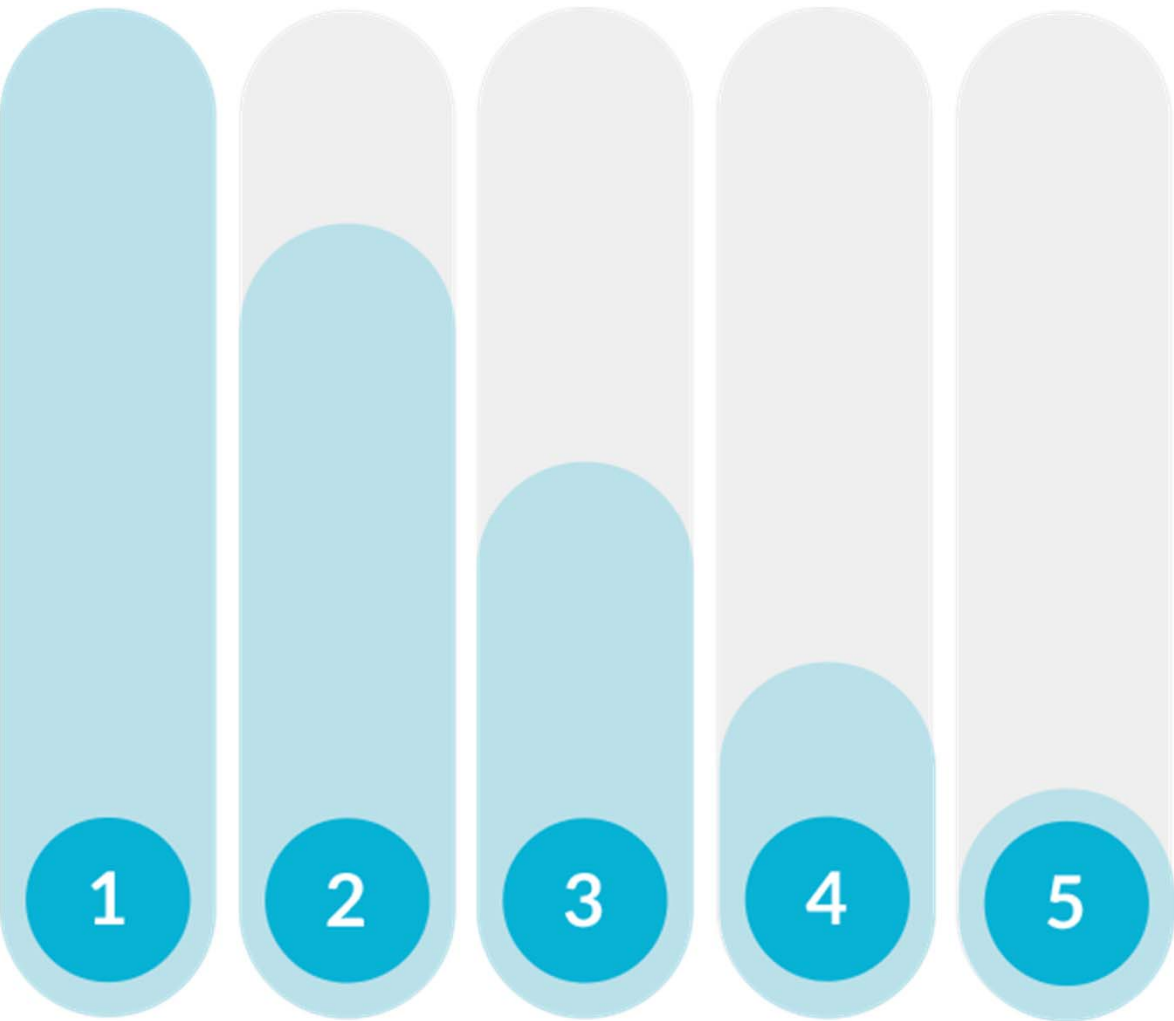


# **Nonprofit Sponsor**

**Same documentation as before**







## List Ranking

# General “Pointers”

- When documenting each point category, hold open the policy and make sure you can draw a line between the policy specifications and your documentation
- Don’t leave points on the table. Take all points that you qualify for and can afford to accomplish – and then document them.

## BOND / TAX CREDIT PROGRAM POLICIES

2022

Washington State Housing Finance Commission  
*Approved July 22<sup>nd</sup>, 2021*

## By and For Community (26 points)



- Section 4.4: Overcoming historic and systemic barriers for developers who are Black, Indigenous, or People of Color (BIPOC)
  - Developer Entity Ownership/Control (8 points possible)

### Section 4.5: Projects that are By and For the Community

- CBO Ownership (8 points possible)
- CBO Inclusion (5 points possible)
- Meaningful Community Engagement (5 points possible)

# Section 4.4 Development Entity (up to 8 points)

## PARTNERSHIP

- Document outlining roles and responsibilities of each entity within the GP
- Documentation that BIPOC entity meets requirements of Sole Entity (**BOTH** elements for Nonprofits)
- >50% BIPOC Ownership in GP- **8 points**
  - Documentation shows that BIPOC entity has full control of development decisions and full financial risk and reward
- <50% BIPOC Ownership in GP- **6 points**
  - Documentation shows that BIPOC entity will receive more than 40% of the developer fee and significant decision-making power

## SOLE ENTITY

- FOR PROFIT
  - Documentation showing BIPOC individual(s) having over 50% ownership of entity- **8 points**
- NONPROFIT
  - List of Board Members showing >50% are BIPOC- **5 points**
  - CEO/ED has BIPOC identity- **3 points**

## BIPOC IDENTITY

- Signed Self Certification



# Community Engagement Response Form Sections

- 1  
Community Based Organization Qualification
- 2  
Internal Preparation (Developer/Sponsor Organization)
- 3  
Identifying Community
- 4  
Approaching Community
- 5  
Establishing Relationships
- 6  
Partnering With a Community Based Organization
- 7  
Community Engagement Process
- 8  
Planning Community Engagement
- 9  
Establishing Goals of Engagement
- 10  
Implementing Community Input

# Section 4.5 By and For Community (up to 18 points)

Documentation	4.5.1 CBO OWNERSHIP Up to 8 points	4.5.2 CBO INCLUSION Up to 5 points	4.5.3 MEANINGFUL ENGAGEMENT Up to 5 points
Operating Agreement/Other Documentation of CBO ownership at Year 15	✓		
Community Benefits Agreement/Documentation of benefits to CBO		✓	
Community Engagement Response Form Sections 1 through 5	✓	✓	✓
Community Engagement Response Form Section 6		✓	
Community Engagement Response Form Sections 7-10			✓
CBO Perspective Form (by CBO)	✓	✓	✓

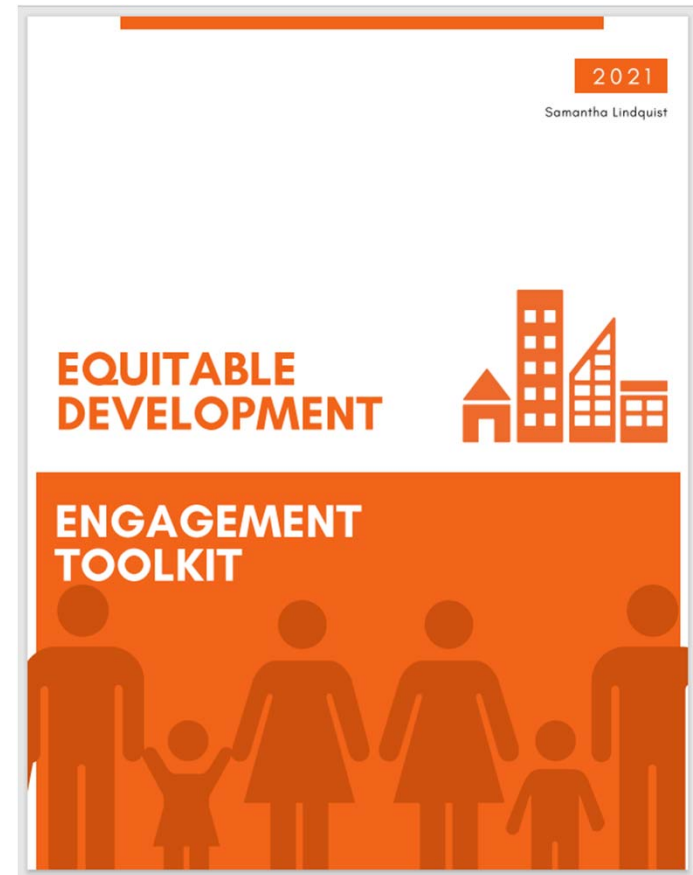
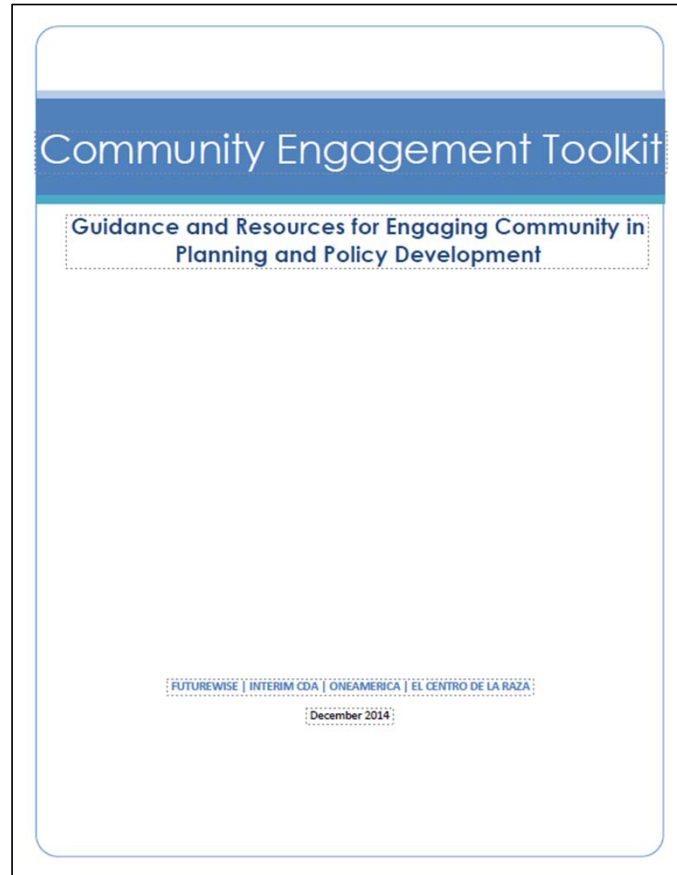
# Community Engagement Rubric



	INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
PROMISE	We will keep you informed about this project.	We will listen to you and incorporate your feedback into our project.	We will ensure your concerns and needs are reflected in our project.	We will work with you in planning all aspects of this project.	We will implement the project designed by you.
PURPOSE	One-way Communication One interaction	Primarily one-way communication One or more interactions Short-to-medium term	Two-way communication Multiple Interactions Medium-to-long term	Two-way communication Multiple Interactions Medium-to-long term	Two-way communication Multiple Interactions Medium-to-long term
METHODS	Town halls Community Meetings Media Social Media Materials Web	Focus Groups Interviews Surveys Stakeholder Groups	Advisory Groups Steering Committees Community Conversations	Collective Impact Coalition Building Partnership Building	Community Immersion Community Mobilization



# Community Engagement Toolkits



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# Cost Efficiency (TDC 'Boosts')

Cost drivers are eligible for a **boost** up to an aggregate of 10% of the project's total development cost (minus the cost of land, the costs associated with offsite infrastructure improvements and the capitalized reserves).

## Required Documentation

- Cover letter explaining how the cost submitted for each 'boost' was derived
- Form of construction cost estimate from the General Contractor, delineating the costs described in the cover letter



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# Wage Rate Boost

- **Commercial Wage Rates:** the additional cost of labor for federal, state, or local commercial wage rates (for projects that trigger a commercial wage rate). The amount is the difference between total commercial wages paid and the alternative residential wage rate.



# Structured Parking Boost

- **Structured Parking:** costs related to construction of structured parking in an above- or below-ground garage.



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# Sustainable Building Features Boost

The sustainable building features listed below are each eligible for a 'boost' and are not subject to the 10% cap.

- Heat pump hot water heating
- Ductless/or ducted heat pumps for HVAC
- Balanced ventilation with energy recovery and MERV 17 or greater filtration (rehab only)

# Adaptive Reuse

Non-residential  
building into  
residential use –  
1 point

Need letter from  
architect



new production only



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# Historic Property

## Preservation projects only – 1 point



**Evidence of historic designation + Form 7B**



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# Brownfield

- Must be “dirty dirt”
- Provide Phase II Environmental Site Assessment and remediation plan



# Solar Options

## Section 4.8.1 or 4.9.1 Requires:

- Amount of solar needed is calculated off all conditioned floor area i.e., including communal spaces
- An architect's certification attesting the building can support the system
- Solar contractor's assessment
  - *A general contractor's assurance will not qualify*



# Electric Vehicle Charging Stations

## **Section 4.8.3 or Section 4.9.4:**

- Site plan must note the location of all the chargers
- If the chargers are included in basis, then you cannot charge the tenants for their use
- 10% of spots for new construction and 5% for rehab. Minimum one accessible stall.



# New Construction Energy Efficient Buildings

Section 4.20: new construction only, acquisition/rehab projects are not eligible. Projects must:

- Submit with their application a compliance narrative. E.g. narrative of all C406 measures.
- Make sure points are included in ESDS Checklist
- If you are ever in doubt, email [eli.lieberman@wshfc.org](mailto:eli.lieberman@wshfc.org)



# Rehab Energy Efficiency and Healthy Living

## Section 4.9.2- Rehab Heat Pump Option

- Submit with their application a compliance narrative.
- Make sure points are included in ESDS Checklist

## Section 4.9.3- Rehab Balanced Ventilation with Wildfire Smoke Filters

- Submit with their application a compliance narrative.
- Make sure points are included in ESDS Checklist
- These points will satisfy the ventilation standard outlined in Section 3.17



If you are ever in doubt, email [eli.lieberman@wshfc.org](mailto:eli.lieberman@wshfc.org)



## Major Systems – Preservation projects only

10 points for each major system (using HUD standards), **up to 3 systems**

- Roofing
- Cladding and weatherproofing - windows, doors, siding, and gutters
- Plumbing
- Electrical
- Heating, ventilation, and air conditioning
- Elevators
- Seismic Upgrades



Submit a third-party capital needs assessment to verify need

# Installation of Broadband



Preservation Projects Only  
– 1 point

Architect's Certification

# Additional Set-Asides



King and Snohomish projects only

- **70% of the housing units at 60% AMI, 30% at 50% AMI 2 points**
- **50% of the housing units at 60% AMI, 50% at 50% AMI 4 points**
- **30% of the housing units at 60% AMI, 70% at 50% AMI 6 points**



# Do more for Target Populations

- 20% Large Households



- 100% Older Adults

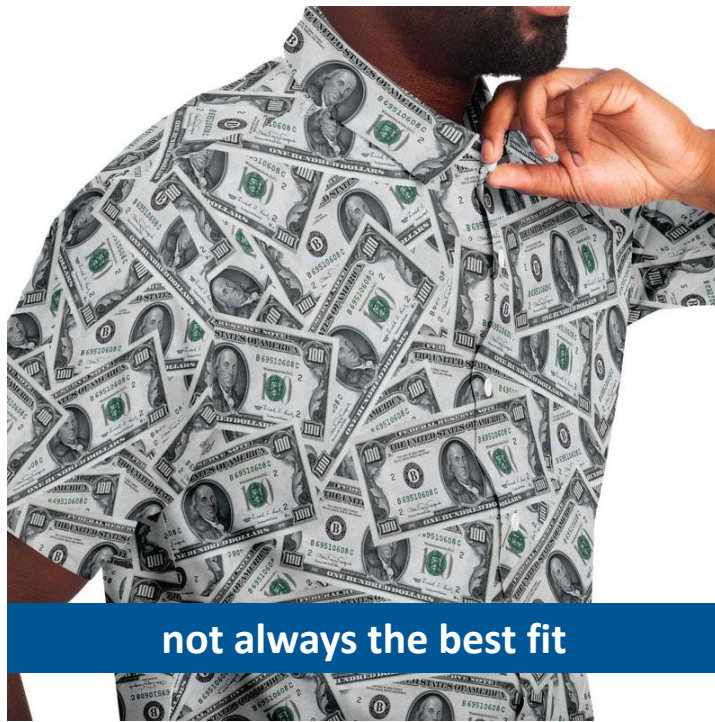


2 points for one or the other



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# Criteria for Income Averaging



not always the best fit

- Plan and unit configuration
- Written agreement from the investor and all other funders
- Market study that addresses income mix
- Commitment in writing to the compliance implications
- See policy for more

# Nonprofit donation

Donation of 10 basis points

2 points

Consider  
relationship to  
“For Community”  
priority



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# Combo Deals

Bond/Tax Credits + 9% Tax Credits – 5 points

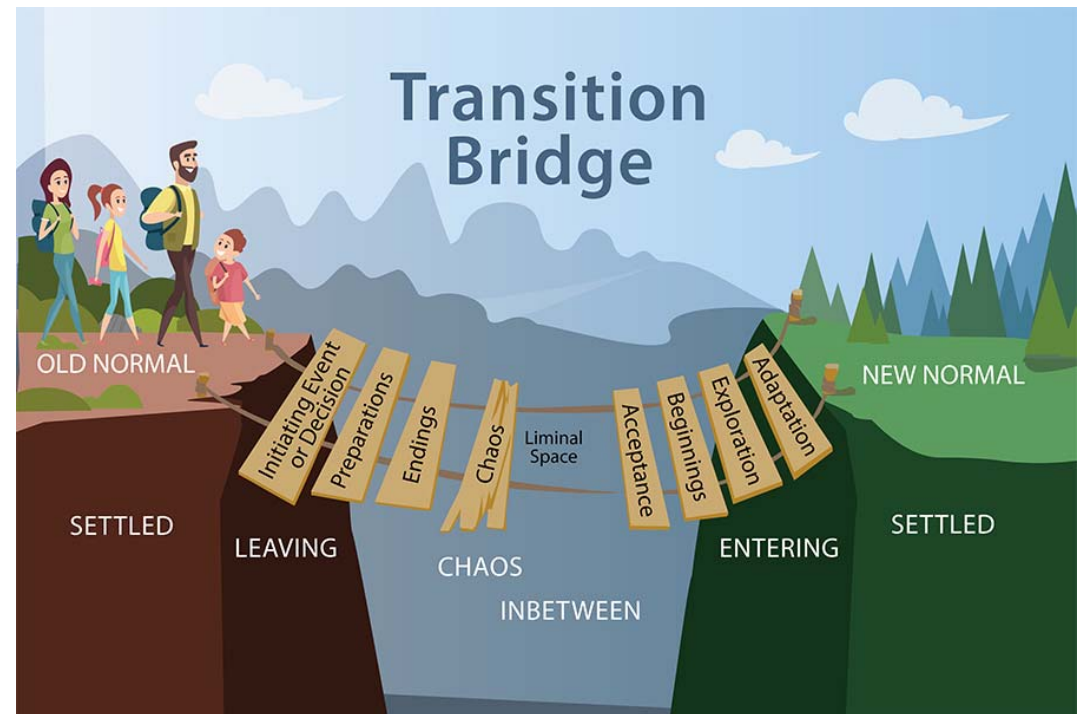


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# Pipeline Transition

2022 Round only – 5 points

- Application for project was submitted January 2021
- Evaluated to be “ready”
- Received at least 70 points
- Meets all the 2022 policy and application requirements





# It's ok to ask for help!

We are here to answer your questions or review your application before submittal



**Questions?**