



WASHINGTON STATE
HOUSING FINANCE
COMMISSION

Stakeholder Meeting

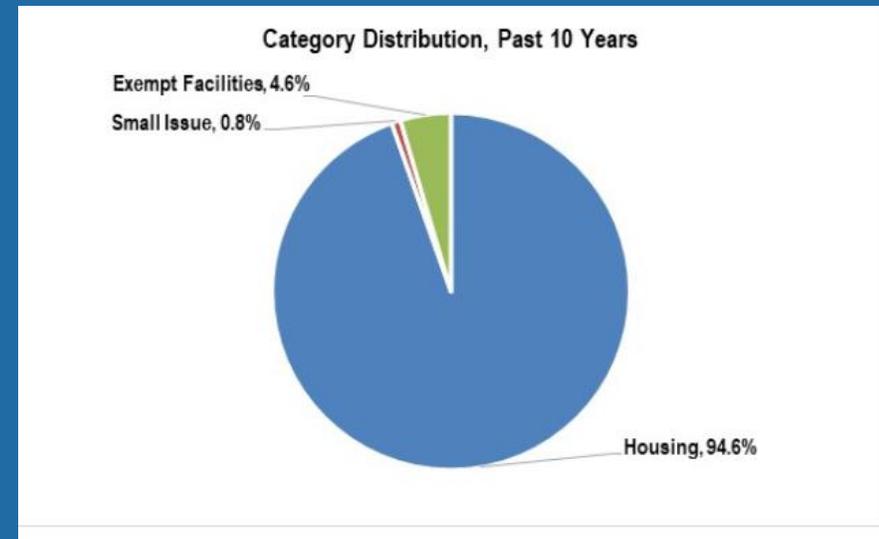
2021 Bond/Tax Credit Program Policies

Lisa Vatske,
Director, Multifamily Housing & Community Facilities

August 2020

Historic Bond Cap Allocation

- From the program's start in 1987, housing has used an average of 74.9 percent of the state's total cap.
- Since 2008, housing has used an average of 94.6 percent issued as housing bonds or allocated as carryforward designated for housing purposes.
- As of August 2020, 737 million out of a total of over 799 million (92%) current year bond cap is allocated to housing.



2011-20 Bond Cap Units Produced (WSHFC MF Hsg Program only)

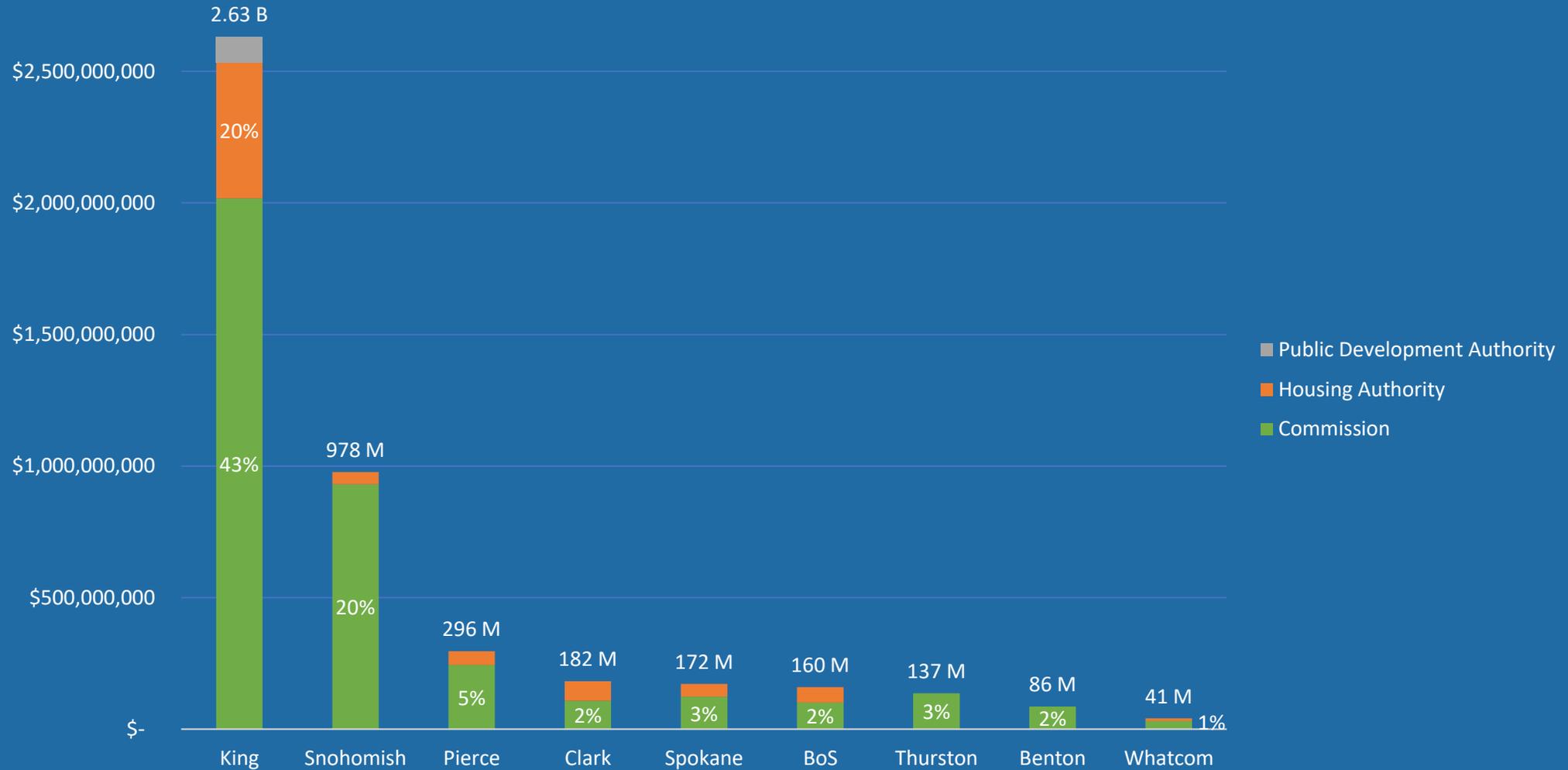


*Estimate for 2020

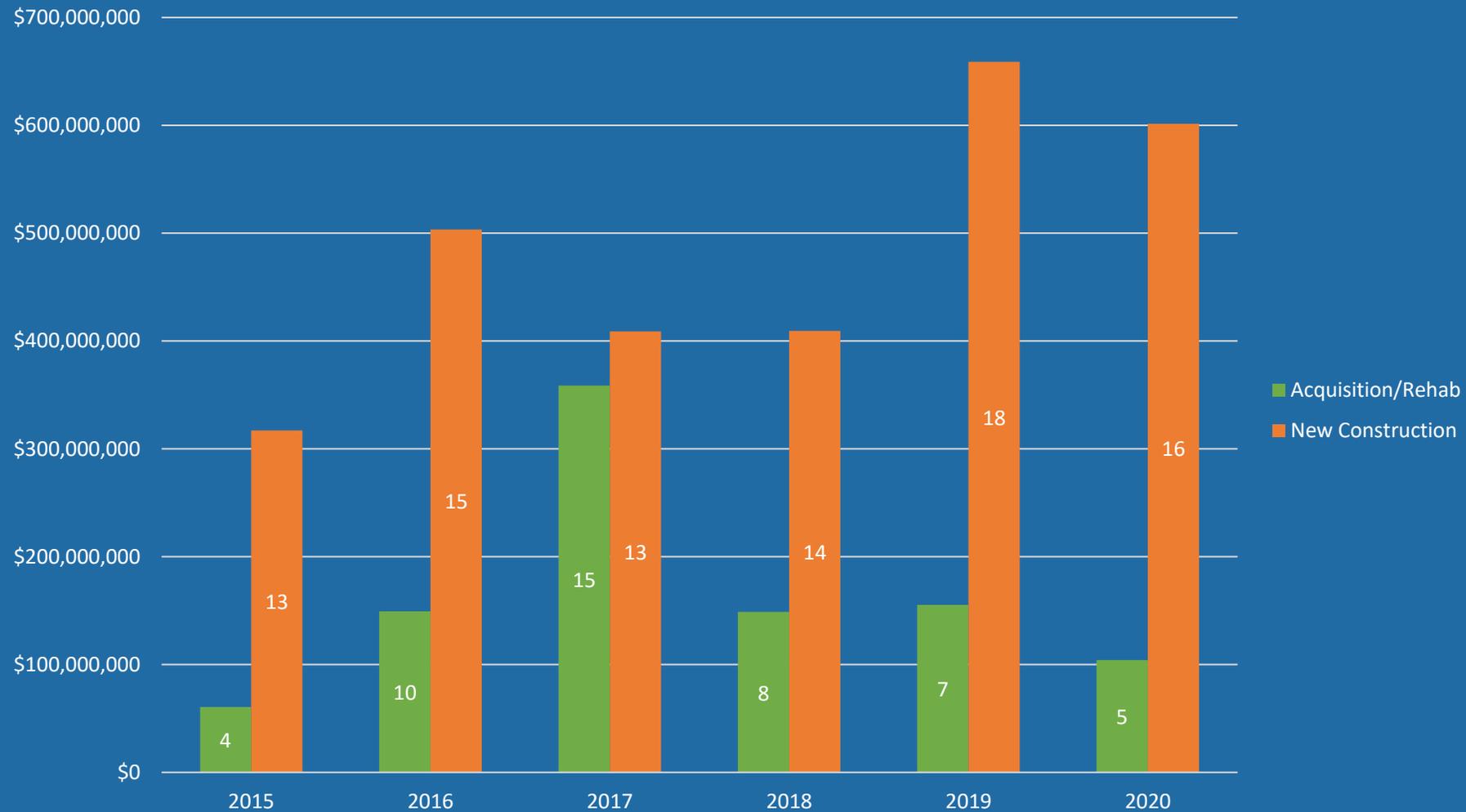
Bond Cap Allocation By County

4.68 Billion Total

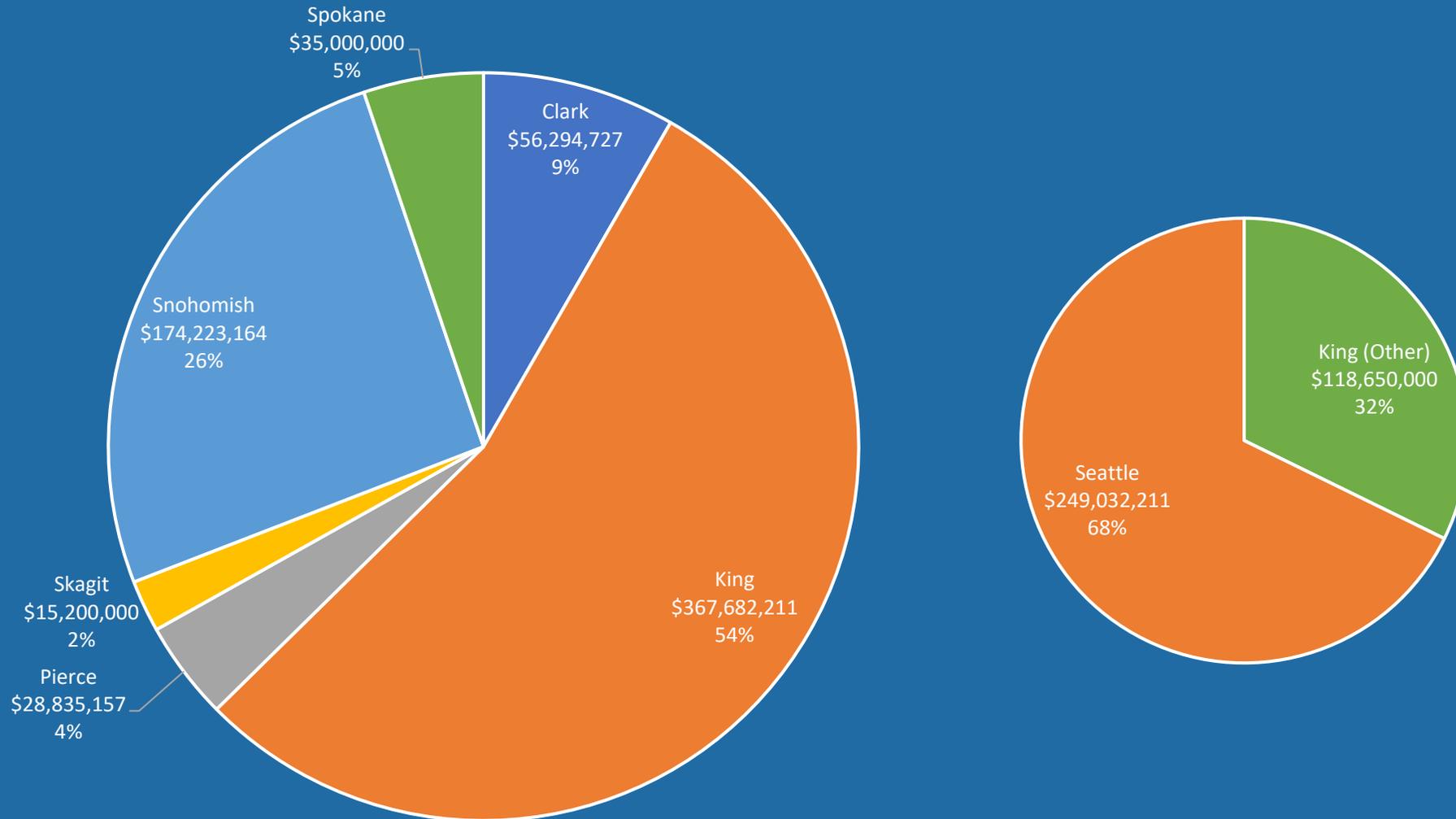
2015-20



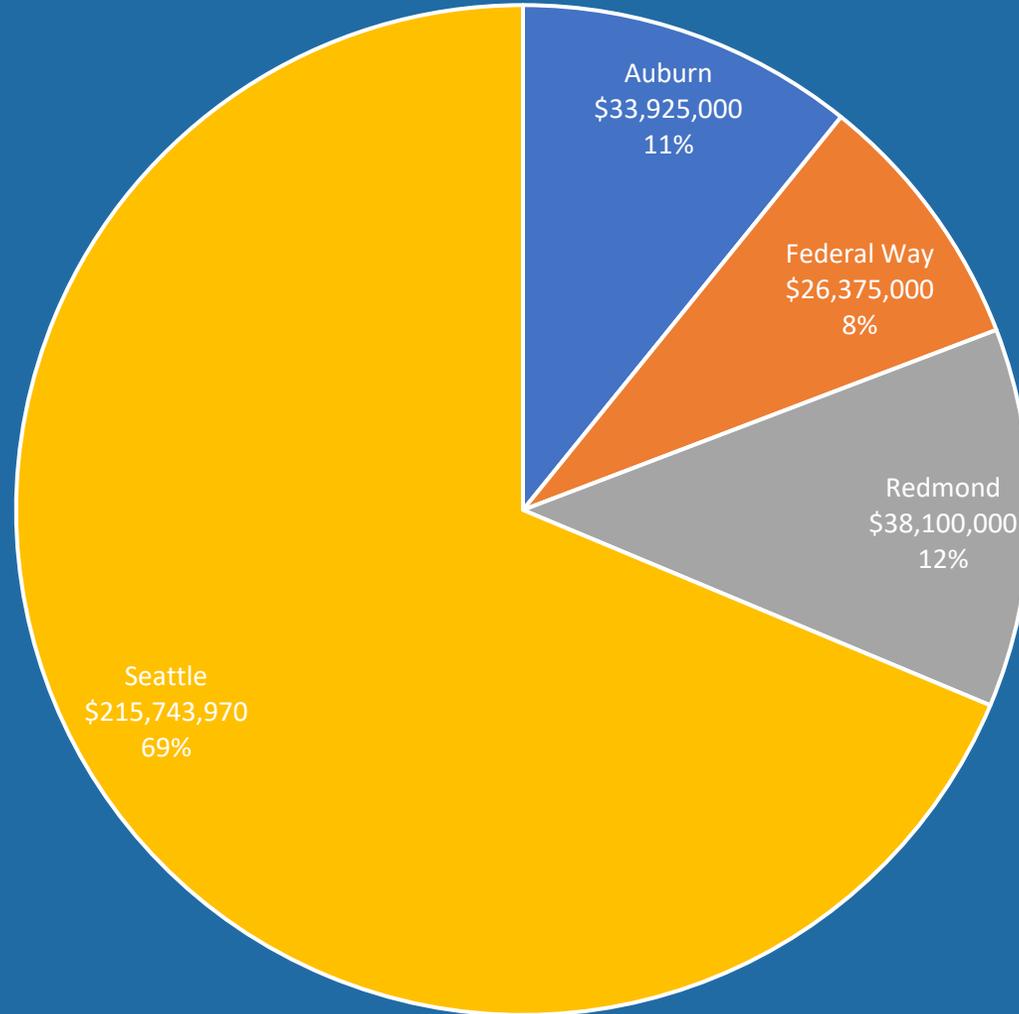
Bond Cap Allocation by Type 2015-20



2020 Second-Round 22 Applications 677 Million Requested - 4,171 Units



2020 Second-Round 9 Applications 314 Million Allocated – 1,773 Units

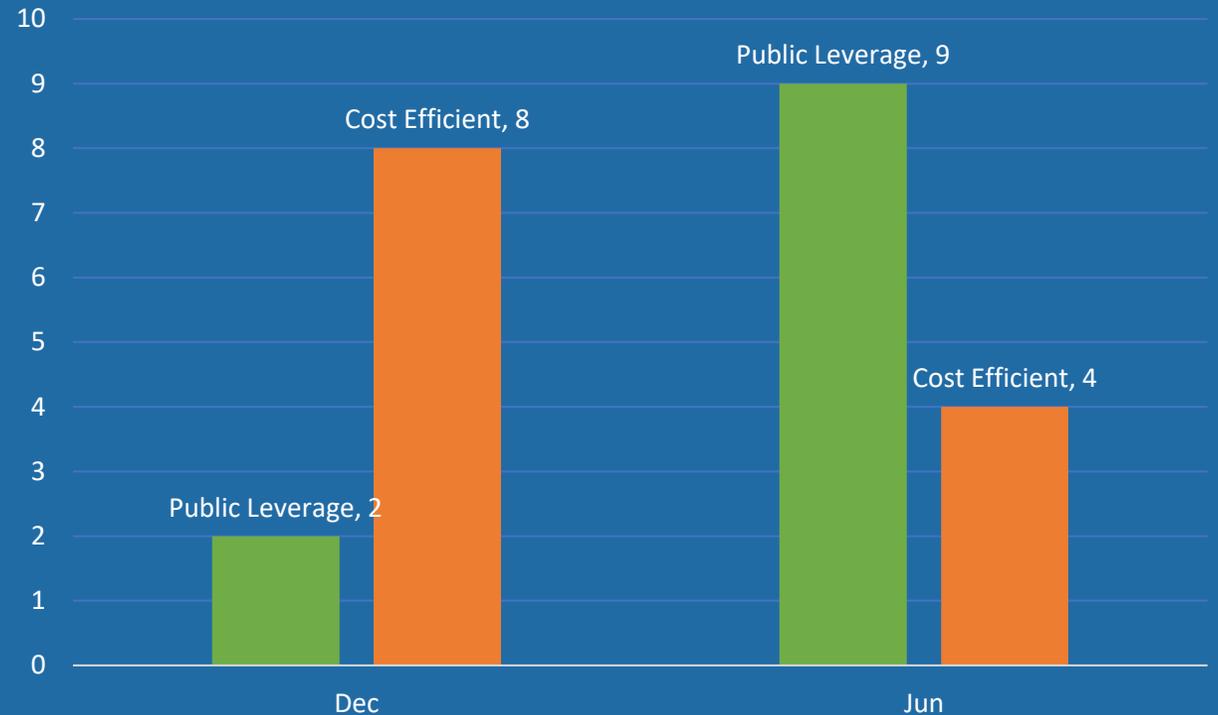


Scoring Observations

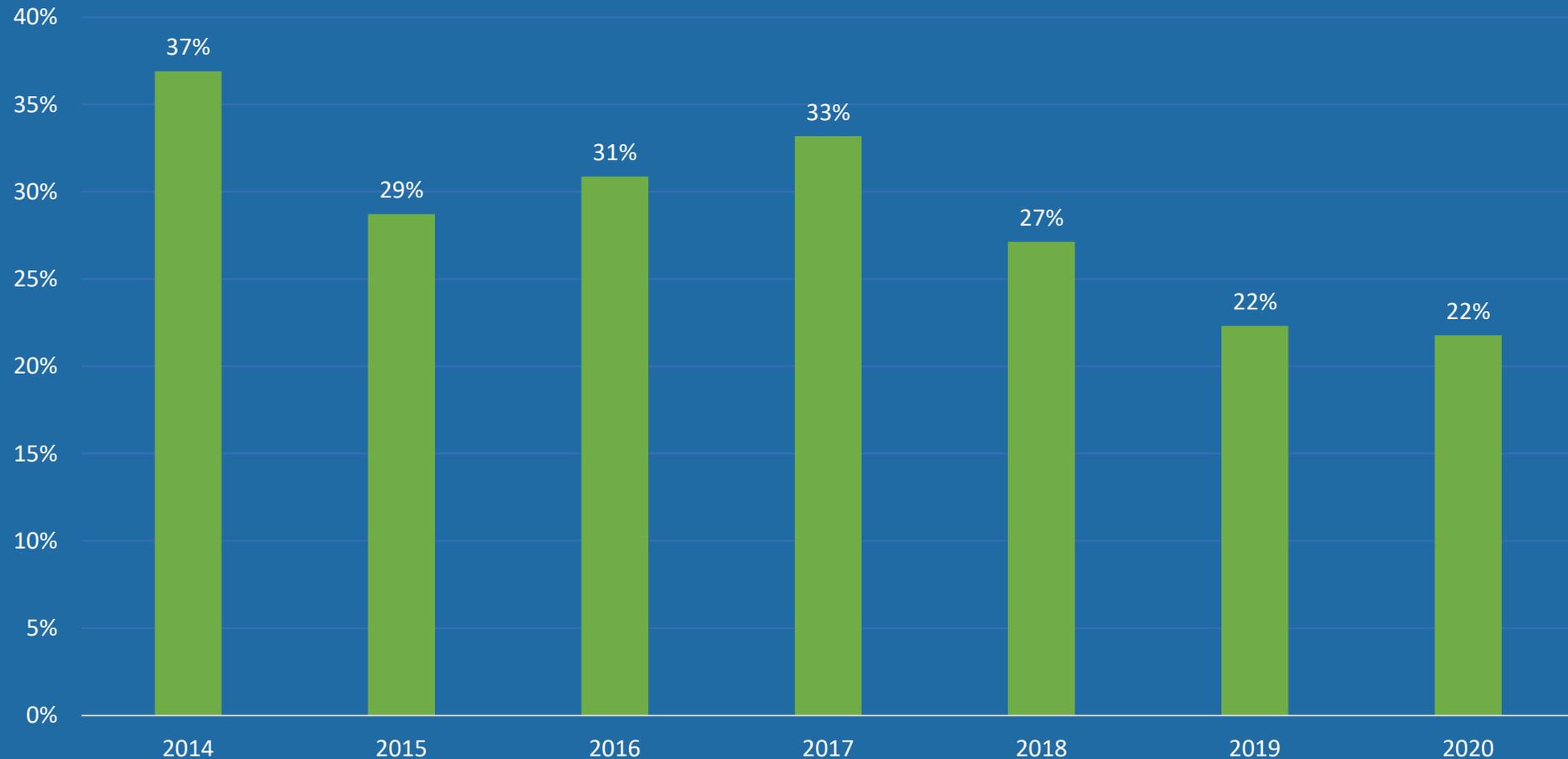
- Second-Round Scoring Summary
 - Mean: 87
 - Median: 88.5
 - Min: 76
 - Max: 98
- Threshold Point Categories
 - Additional LIH Use Period
 - Donation in Support of Local Nonprofit
 - Nonprofit Sponsor

Scoring Observations

- Dec 2019 Bond Round:
 - Out of 25 cost efficient projects, 8 funded
 - Out of 11 public leverage projects, 2 funded
- Jun 2020 Bond Round:
 - Out of 14 cost efficient projects, 4 funded
 - Out of 13 public leverage projects, 9 funded



Average % Public Leverage of Total Project Cost, 2014-Present



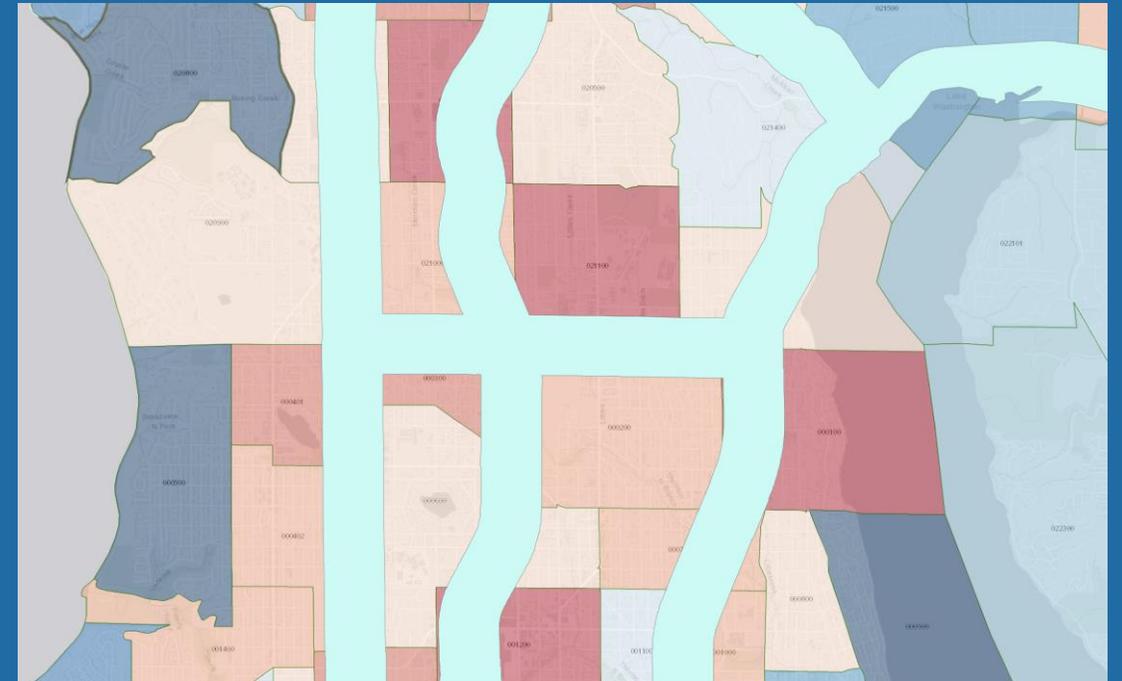
Ongoing Discussion Topics

- Program Outcomes
- Restructure of Total Development Cost Limits based on construction type and cost drivers
- Weighting and type of cost efficiency points
- Acquisition/rehab-how much and what type
- Energy efficiency and solar points -tracking with code changes
- Geographic distribution
- Competitiveness of projects targeting older adults

Ongoing Discussion Topics

Race, Social and Environmental justice outcomes

- Revisit Opportunity Areas
- Help address race and social inequalities using environmental justice best practices
- Incorporate the University of Washington's Environmental Health Disparities Map
 - <https://deohs.washington.edu/washington-environmental-health-disparities-map-project>
- Contact Eli Lieberman, Senior Sustainable Energy Coordinator, with questions or comments.
 - eli.lieberman@wshfc.org



*Particulate Matter 2.5 Exclusion Zone Layer in UW Health Disparities Map

Ongoing Discussion Topics

Building Features split into 3-postponed

1. Building Features (1 point each, max of 3 points)

- Onsite Community Garden
- Onsite Fitness Center
- An Onsite Business/Learning Center
- Media Room
- Onsite Playground or Fitness Trail
- Bicycle Storage

Ongoing Discussion Topics

Building Amenities changes- postponed

2. Resident Services (1 point each, for a max of 2 points)

- Meal program
- Supportive Services/Community Space with Service Coordinator

3. Community Services (2 points, choose just one)

- Onsite Early Learning Facility
- Onsite Adult Daycare Facility
- Onsite Health Care Clinic
- Other Community Service (with pre-approval)

Ongoing Discussion Topics

Proposed New TOD points- postponed

Points	Criterion
1	0.5 mile walking distance of any transit service
2	(Rural Only) a 0.5 mile walking distance of a bus stop or within a 5-mile distance of transit options (vehicle share program, dial-a-ride program, employer vanpool, Park & Ride lot, public-private regional transportation)
2	0.5 walking distance of transit service that has frequent service*
3	0.5 walking distance Park & Ride, Light Rail Station, Commuter Rail Station, or Ferry Terminal (Trolley and streetcar stops are not Light Rail Stations)
5	0.5 mile walking distance a Park & Ride, Light Rail Station, Commuter Rail Station, or Ferry Terminal, and within a 0.5 mile walking distance of 3 different lines of frequent service*

* Frequent service defined as providing service, or have services planned, at least every 30 minutes between 6am and 6pm on weekdays.



January 2021 Recommendations

Leveraging

Change the name of the criterion to “Leveraging” and expand the sources eligible to be considered to include social impact funds and philanthropy. Add clarification that leveraged funds need to be subordinate and have favorable terms.

Change the point distribution to 1 point per 3% of Total Project Costs leveraged, with a range of 1 to 10 points (3% to 30% of Total Project Costs).

3% of the Total Project Costs	1 point
6% of the Total Project Costs	2 points
9% of the Total Project Costs	3 points
12% of the Total Project Costs	4 points
15% of the Total Project Costs	5 points
18% of the Total Project Costs	6 points
21% of the Total Project Costs	7 points
24% of the Total Project Costs	8 points
27% of the Total Project Costs	9 points
30% of the Total Project Costs	10 points

The proposed changes will expand eligibility of these points to acknowledge smaller contributions, allow funders more options for prioritizing projects, and incentivize new sources of funding.

2021 Total Development Cost Limits

Proposed 2021 TDC Limits - Seattle/King					
	Studio	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
Current	\$282,891	\$327,414	\$347,924	\$390,196	\$429,834
4% Increase*	\$294,207	\$340,511	\$361,841	\$405,804	\$447,027
Proposed 2021 TDC Limits - Pierce and Snohomish					
	Studio	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
Current	\$272,248	\$317,590	\$336,330	\$378,489	\$416,940
4% Increase*	\$283,138	\$330,294	\$349,783	\$393,629	\$433,618
Proposed 2021 TDC Limits - Metro (Clark; Thurston; Spokane & Whatcom)					
	Studio	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
Current	\$248,884	\$280,791	\$307,264	\$354,536	\$390,551
2% Increase**	\$253,862	\$286,407	\$313,409	\$361,627	\$398,362
Proposed 2021 TDC Limits - Balance of State					
	Studio	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
Current	\$180,509	\$203,240	\$230,371	\$299,233	\$329,280
2% Increase**	\$184,119	\$207,305	\$234,978	\$305,218	\$335,866

*Increase calculated by rounding an average of Engineering News Record's Seattle Building Cost Index (BCI) and Construction Cost Index (CCI) month versus month increase/loss for the prior year of available data.

**Increase calculated by rounding an average of Engineering News Record's National Building Cost Index (BCI) and Construction Cost Index (CCI) month versus month increase/loss for the prior year of available data.

Section 4.20 Utility Allowance Option change to Energy Efficiency Modeling or Audits

The proposed changes will expand the eligibility of these points to all projects and move the energy modeling and audits into the pre-development stage to better incorporate cost effective, energy efficiency measures.

- **Points for Alternate Utility Allowances Removed**
- **New points and specific criteria for both new construction or rehabilitation are tied to ESDS standards. Points will parody changes already implemented in the 9% Program.**

Additional Changes

- Length of Commitment becomes a threshold item
- Add project weighted average as an option for 100% at 50% AMI
- Maintain building features list- limit 5 points
- Maintain current Transit-Oriented Development points
- Maintain 2 applications per sponsor limit

Process Changes

- Add language clarifying priorities for Recycled Bond Cap.
- No longer waive application fees for submission in same year, require application fees for each application submitted in each round.
- Clarifying language on property transfers

Thank you!

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Opening doors to a better life

