



WASHINGTON STATE
HOUSING FINANCE
COMMISSION

Opening doors to a better life

NOTE: This Powerpoint was presented at the “Metro” working group on 4/13/2016. Some slides have been slightly edited for clarity as noted throughout.



9% Tax-Credit Policy Update Discussion

April 13, 2016



Welcome!

Agenda for Discussion:

- Purpose of the Tax Credit Policies
- Geographic Pools including Metro Pool
- Potential Policy Changes and Discussions
- Other Items





9% Credit – Annual Competition: What are Criteria for Funding?

Commission's Policy Objectives:

- Maximize public benefit
- Appeal to investor
- Geographic dispersion
- Project readiness
- Public funder coordination



9% Credit – Annual Competition

Commission's Allocation Approach:

- Geographic credit pools
- Public benefit point criteria
- Caps and limits



Metro Pool

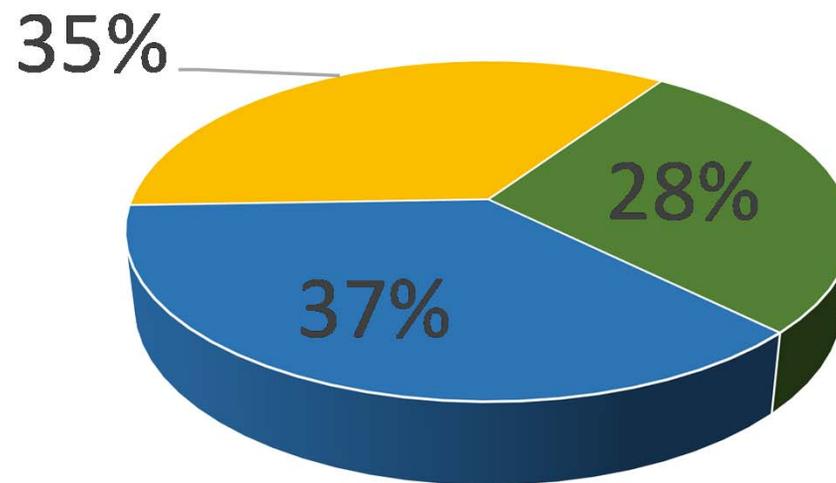
Contains the following Counties:

- Clark
- Pierce
- Snohomish
- Spokane
- Whatcom



Three Geographic Credit Pools:

Area Amounts
By Percentage of Credit Available

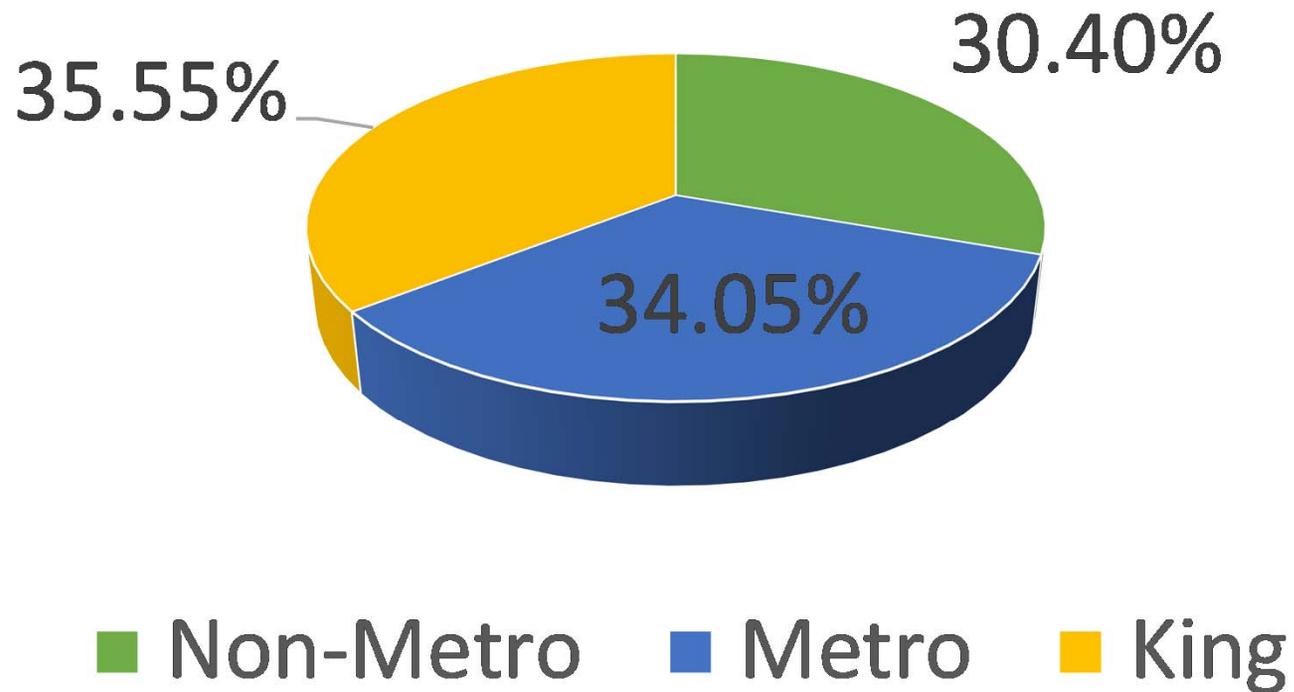


■ Non-Metro ■ Metro ■ King



Three Geographic Credit Pools:

Area Amounts
by Credit Allocation 2012-2016





Projects Funded Between 2012 and 2016

	2012	2013	2014	2015	2016	Total
Clark	1	1	1		2	5
Pierce		1	2	2		5
Snohomish		1		2		3
Spokane	3	3	1	4	4	15
Whatcom	1	1	1		1	4
Total	5	7	5	8	7	32



2017 9% Tax Credit Policy Discussion

- 2016 Tax Credit Policies can be found on the Multifamily Housing, 9% Housing Credit, portion of the WSHFC Website:

www.wshfc.org

(Specifically at:

www.wshfc.org/mhcf/9percent/2016application/c.policies.pdf)



2017 9% Tax Credit Policy Discussion

- No major changes planned.
- Goals:
 - Ensure predictability and stability;
 - Be responsive to current market; and
 - Equitable distribution across regions & populations.
- Seeking thoughts/ideas through April.
- Will bring back proposals to stakeholders this summer.



Policy 6.1 – Additional Low-Income Housing Commitment

Does it matter to the Metro Pool? All projects took these points:

	2012	2013	2014	2015	2016	Total
Clark	1	1	1		2	5
Pierce		1	2	2		5
Snohomish		1		2		3
Spokane	3	3	1	4	4	15
Whatcom	1	1	1		1	4
Total	5	7	5	8	7	32



Policy 6.1 – Additional Low-Income Housing Commitment

Update to Set-Aside Menu and policy language (Page 55-56).

Hi/Lo Counties to be updated (**all Metro counties are now, and will continue to be, considered “Higher Income”**).

Should Set-Aside Menu be Updated, Simplified or Maintained?

Consider waiver/pre-approval options for anomalies, including wage rate levels and city/county discrepancies.



Policy 6.3 – Housing Commitments for Priority Populations

Does it matter to the Metro Pool? Projects taking homeless points:

	2012	2013	2014	2015	2016	Total
Clark	1	1	1		2	5
Pierce		1				1
Snohomish		1		1		2
Spokane	2		1	3	2	8
Whatcom	1	1				2
Total	4	4	2	4	4	18



Policy 6.3 – Housing Commitments for Priority Populations

- Target Populations (Page 58).
 - Maintain current point structure for Permanent Supportive Housing/Homeless units as well as 20% Homeless units.
 - Need to update reference to 10 Year Plan letter-reference All Home Strategic Plan? (King County) Statewide?

Continued . . .



Policy 6.3 – Housing Commitments for Priority Populations (Continued)

- Farmworker points (Page 60) **(One metro project—Whatcom 2014—has taken farmworker points)**.
 - Consider increase in amount of points, up to 5, with relative increase in population served.
 - Consider points for AG centers, high unemployment area, or distressed area, related to farmworker.
 - Consider eliminating the limit of rent and income to be restricted at or below 50%.
 - Consider cap on amount of allocation awarded to Farmworker projects.



Policy 6.4 – Local Funding Commitment

Does it matter to the Metro Pool? Projects taking Local Funding Points:

	2013	2014	2015	2016	Total
Clark		1		2	3
Pierce	1	1	2		4
Snohomish	1		2		3
Spokane	2	1	3	2	8
Whatcom	1	1		1	3
Total	5	4	7	5	21



Policy 6.4 – Local Funding Commitment

- Public Participation (Page 62-64):
- Considering defining additional “eligible sources”, such as Tax Exemptions; Fee Waivers
- However, “60-day preapproval” allows for non-listed sources.
 - Consider revising current amounts.
 - Consider Local Funding points in Non-Metro Area.

NOTE: This slide was edited for clarity.



Policy 6.6 - State Funding Coordination (Page 65)

- Consider point range from 1-3 points based on HTF prioritization with an average of maintaining 2 pts per project.





Policy 6.7 – Project Based Rental Assistance

- Review Points Structure (page 65).
- Consider a modification of the point system from number of units to percentage of units to capture smaller projects.

	2015	2016	Total
Pierce	1		1
Snohomish	1		1
Spokane	2	2	4
Total	4	2	6



Policy 6.8 – Cost Containment Incentive.

- Review 2016 applications; no change being proposed for 2017.

Note: Geographic Pools are not the same as Total Development Cost (“TDC Limits”) areas:

- Pierce & Snohomish TDC Limit Area
- Metro TDC Limit Area:
 - Clark, Whatcom, Spokane and **Thurston**



Policy 3.2 – Total Development Costs.

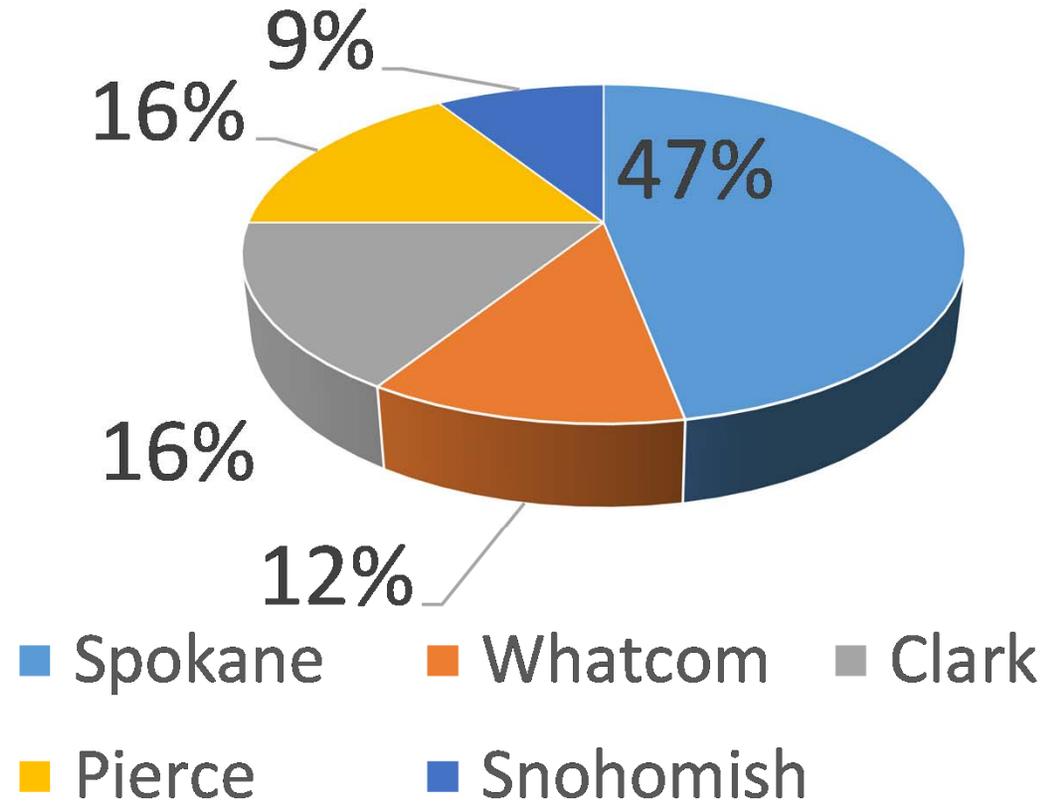
- TDC policy will be reviewed for the WSHFC May 2016 Budget Planning session using ENR and internal data.
 - Based upon initial review, it appears a small increase will be proposed.
- Offsite infrastructure costs: can these be balanced?
 - Need to consider a specific definition and costs truly not part of a project's footprint.

NOTE: This slide was edited for clarity.



Distribution of Metro Projects

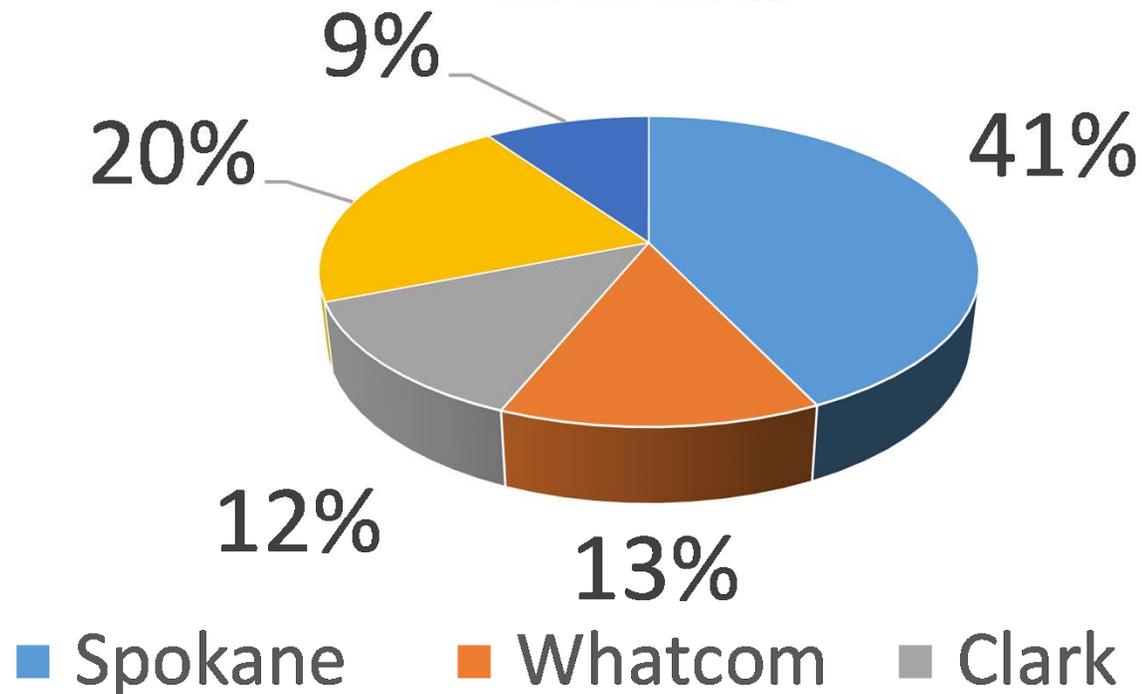
Metro Project Distribution between 2012-2016





Distribution of Metro Credit

Metro Credit Using Estimated Credit Amount
2012-2016

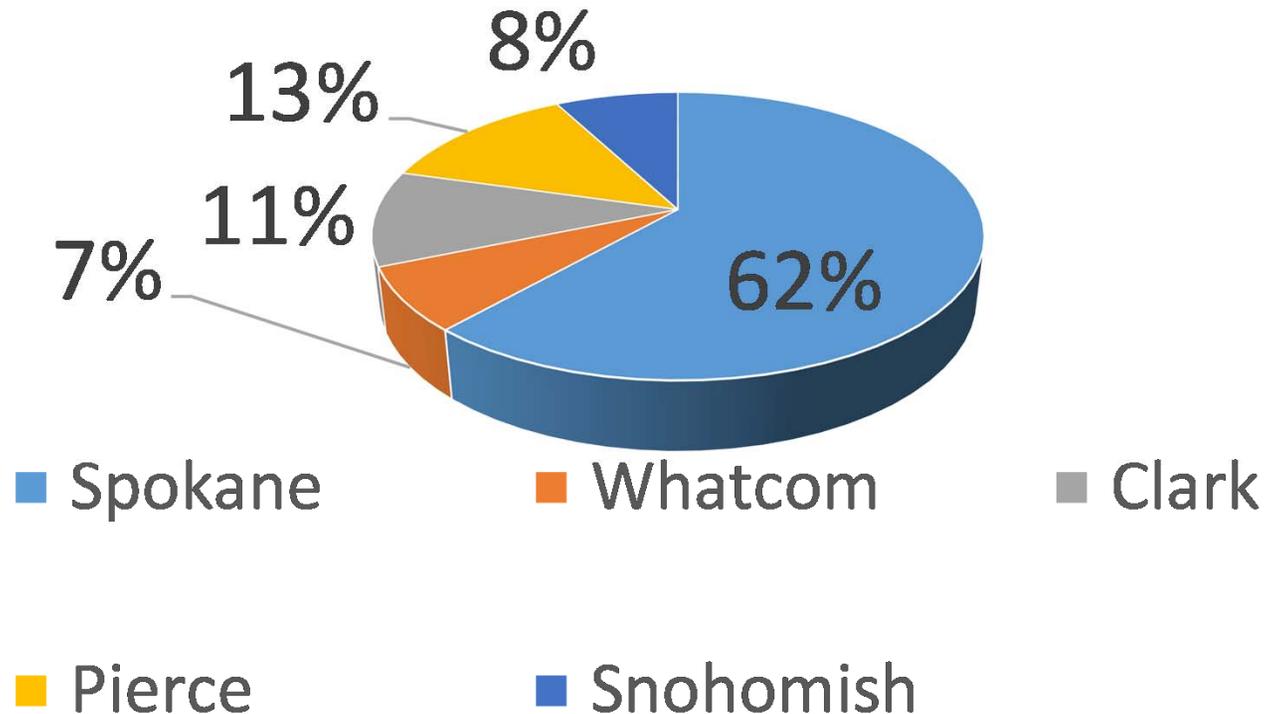


NOTE: The data behind this slide needs refinement and this slide should be considered informational only; not citable data.



Distribution of Metro Credit

Metro Credit Allocation Using Final Allocation
Amounts Since 2012



NOTE: The data behind this slide needs refinement and this slide should be considered informational only; not citable data.



Additional Items Being Considered

- **Metro Pool limits** – currently have more than 50% of credit allocated in any one round, and the county sits out the next year, until other projects are funded- looking at lowering the percentage or limiting the amount of projects in a county to ensure other counties have a chance to compete.



Additional Items Being Considered

- At risk /rehab points for public housing stock in distressed communities, or distressed community points.



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Thank you!

Thank you!

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