

WSHFC 2017 9% TAX CREDIT POLICIES
INITIAL POLICY CONSIDERATIONS-APRIL 2016
DRAFT—FOR DISCUSSION PURPOSES ONLY

Topics under consideration:

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.
 - Should Set-Aside Menu be Updated, Simplified or Maintained?
 - Consider waiver/pre-approval options for anomalies, including wage rate levels and city/county discrepancies

Discussion at Stakeholder Meeting: Agreement around simplifying if possible, keep as is, consider feasibility versus public benefit, as table clearly focuses on public benefit, but not necessarily on project feasibility. Agreement on waiver, based on wage rate or weighted average of local income levels. As follow-up will look at what points have been taken and point calibration issues.

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?

Discussion at Stakeholder Meeting-Brief discussion around homeless points, around homeless families with children, and acknowledgement that projects targeting permanent supportive housing will always be the most competitive. No changes proposed.

- Farmworker points (Page 60)
 - 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

Discussion at Stakeholder Meeting- Given that there has only been one farmworker project in the metro pool, suggestion was made to make this non-metro only and leave the metro points the same.

Policy 6.4 – Local Funding Commitment

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

Discussion at Stakeholder Meeting-There was a lot of discussion on this topic, including the amounts that have been set, and specifically concerns around the Snohomish amount being the highest, and what is the appropriate levels for public funding commitment. Also, discussion around private sources, and should private donations or grants be considered for local support. Discussed fee waivers and exemptions being included as part of public funding commitment.

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.

Discussion at Stakeholder Meeting- Quite a bit of reaction to this proposal with concerns being raised. Discussed the ability to allow HTF to prioritize based on their targets and allow for some flexibility within the current point structure. 10 out of 12 projects being funded is a good success rate, not sure this is broken, or needs to be fixed.

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.

Discussion at Stakeholder Meeting- general agreement on this proposal.

Policy 6.8 – Cost Containment Incentive.

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

Policy 3.2 – Total Development Costs.

Review impact of changes made in 2015; evaluate against internal and external data; adjust if necessary.

- Will be developing the TDC review and proposal for the WSHFC May 2016 Budget Planning session to allow for ENR to continue to update its cost data. Based upon data through the end of 2015, it appears a small increase will be proposed.
- Offsite infrastructure costs: can these be balanced within cost-containment areas?
 - Need to consider a specific definition and costs truly not part of a project's footprint.

Discussion at Stakeholder Meeting- general agreement on approach with cost incentive and TDC limit approach. Many comments regarding the offsite infrastructure costs and differing opinions on needing them to be subtracted out of the TDC limits.

Additional Considerations

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

Discussion at Stakeholder Meeting- many participants like the distressed community points, for a wide range of purposes with a wide range of definitions, making this difficult to manage. Discussed the need specifically for housing authorities in non-metro area, and the need for private stock as well.

- 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.

Discussion at Stakeholder Meeting- this topic was a main reoccurring theme and discussion point. Participants had many thoughts and questions, and more analysis will be provided. The main focus of the conversation, centered on the option of lowering the percentage, to maybe 40% and keep the existing policy. Another consideration might be to allocate to the highest project per jurisdiction and then go back and fund additional projects if there are still available credits. Upon further reflection, this issue may be more appropriately addressed as part of the overall pool discussion, as just modifying the existing policy would have no effect on next year's allocation.