



WASHINGTON STATE
HOUSING FINANCE
COMMISSION

Opening doors to a better life



9% Tax-Credit Policy Update Discussion (Non-Metro)

April 20, 2016



Welcome!

Agenda for Discussion:

- Purpose of the Tax Credit Policies
- Geographic Pools including Non-Metro (aka Balance of State)
- 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



Non-Metro Pool

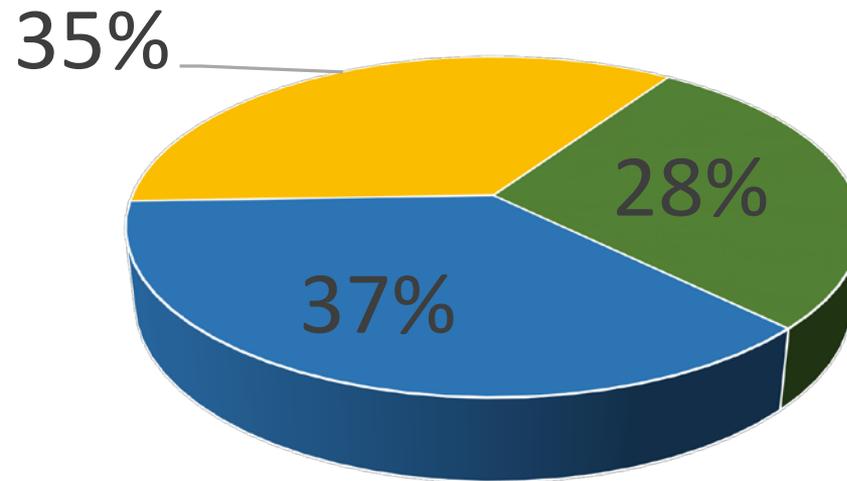
Every County EXCEPT:

- King
- Clark
- Pierce
- Snohomish
- Spokane
- Whatcom



Three Geographic Credit Pools:

Area Amounts
By Percentage of Credit Available

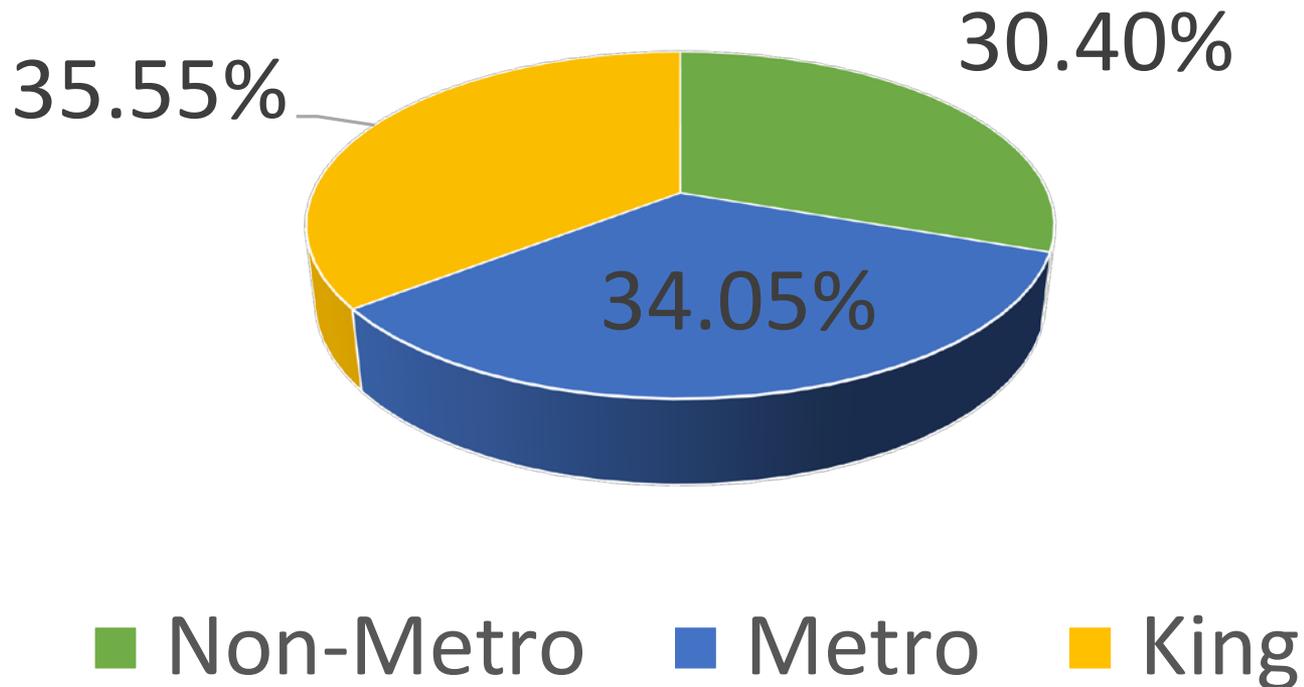


■ Non-Metro ■ Metro ■ King



Three Geographic Credit Pools:

Area Amounts
by Credit Allocation 2012-2016





Non-Metro Pool Historical Allocation

Projects Funded Between 2012 and 2016

	2012	2013	2014	2015	2016	Total
Adams				1		1
Benton		1	2		1	4
Clallam	1	1			1	3
Grant	1					1
Kitsap	1			1		2
Lewis	2				1	3
Okanogan		1	1		1	3
Skagit		1				1
Thurston				2		2
Walla Walla		1	1			2
Yakima	1	2	3	1	1	8
Total	6	7	7	5	5	30



Non-Metro Pool Historical Allocation

Projects NOT Funded Between 2012 and 2016

	2012	2013	2014	2015	2016	Total
Asotin		1				1
Benton		1				1
Clallam	1	1				2
Douglas		1				1
Franklin	1	1			1	3
Grant				2	1	3
Island	1					1
Kittitas	1					1
Lewis				1		1
Mason		1				1
Okanogan	1					1
Pacific				2		2
Walla Walla	1	3		2		6
Yakima	2	2		2	1	7
Total	8	11	0	9	3	31



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 Non-Metro Pool? All projects took these points:

	2012	2013	2014	2015	2016	Total
Adams				1		1
Benton		1	2		1	4
Clallam	1	1			1	3
Grant	1					1
Kitsap	1			1		2
Lewis	2				1	3
Okanogan		1	1		1	3
Skagit		1				1
Thurston				2		2
Walla Walla		1	1			2
Yakima	1	2	3	1	1	8
Total	6	7	7	5	5	30



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:

Lower:

Adams, Asotin, Chelan,
Columbia, Cowlitz, Douglas,
Ferry, Grant, Grays Harbor,
Klickitat, Lewis, Lincoln, Mason,
Okanogan, Pacific, Pend Oreille,
Stevens, Wahkiakum, Yakima

Higher*:

Benton, Clark, **Clallam**, Franklin,
Garfield, Island, **Jefferson**, King,
Kitsap, **Kittitas**, Pierce, San Juan,
Skagit, Skamania, Snohomish,
Spokane, Thurston, **Walla Walla**,
Whatcom, **Whitman**

***Yellow** denotes change in classification.



Policy 6.1 – Additional Low-Income Housing Commitment

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

- Should Set-Aside Menu be Updated, Simplified or Maintained?
 - 98% (109 of 111) of Projects took either 60 or 58 points using options 1-8;
 - No one used options 10-15 and 20.

Continued



Policy 6.1 – Additional Low-Income Housing Commitment

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

- Consider waiver/pre-approval to move from lower/higher, because to anomalies, including wage rate levels and city/county discrepancies.



Policy 6.3 – Housing Commitments for Priority Populations

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

	2012	2013	2014	2015	2016	Total
Benton			1			1
Clallam	1	1				2
Lewis					1	1
Okanogan			1			1
Thurston				2		2
Walla Walla			1			1
Total	1	1	3	2	1	8



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). Non-Metro Projects funded and taking Farmworker points:

	2012	2013	2014	2015	Total
Adams				1	1
Benton			1		1
Grant	1				1
Walla Walla		1			1
Yakima	1		3		4
Total	2	1	4	1	8



Policy 6.3 – Housing Commitments for Priority Populations (Continued)

- Non-Metro Projects NOT funded and taking Farmworker points:

Not Funded	2012	2013	2015	2016	Total
Benton		1			1
Douglas		1			1
Franklin	1	1		1	3
Grant			1	1	2
Yakima		2			2
Total	1	5	1	2	9

Funded	2012	2013	2014	2015	Total
Adams				1	1
Benton			1		1
Grant	1				1
Walla Walla		1			1
Yakima	1		3		4
Total	2	1	4	1	8



Policy 6.3 – Housing Commitments for Priority Populations (Continued)

- Farmworker points (Continued)
 - 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

This option is not available to the Non-Metro Pool.

- Should it be?
- Consideration being given to add “fee waivers” to eligible sources.



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
Clallam		1	1
Lewis		1	1
Okanogan		1	1
Thurston	1		1
Yakima	1	1	2
Total	2	4	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:

- Non-Metro is referred to as “Balance of State” TDC Limit Area
- Metro TDC Limit Area:
 - Clark, Whatcom, Spokane and Thurston
- Pierce & Snohomish TDC Limit Area
- King/Seattle TDC Limit Area



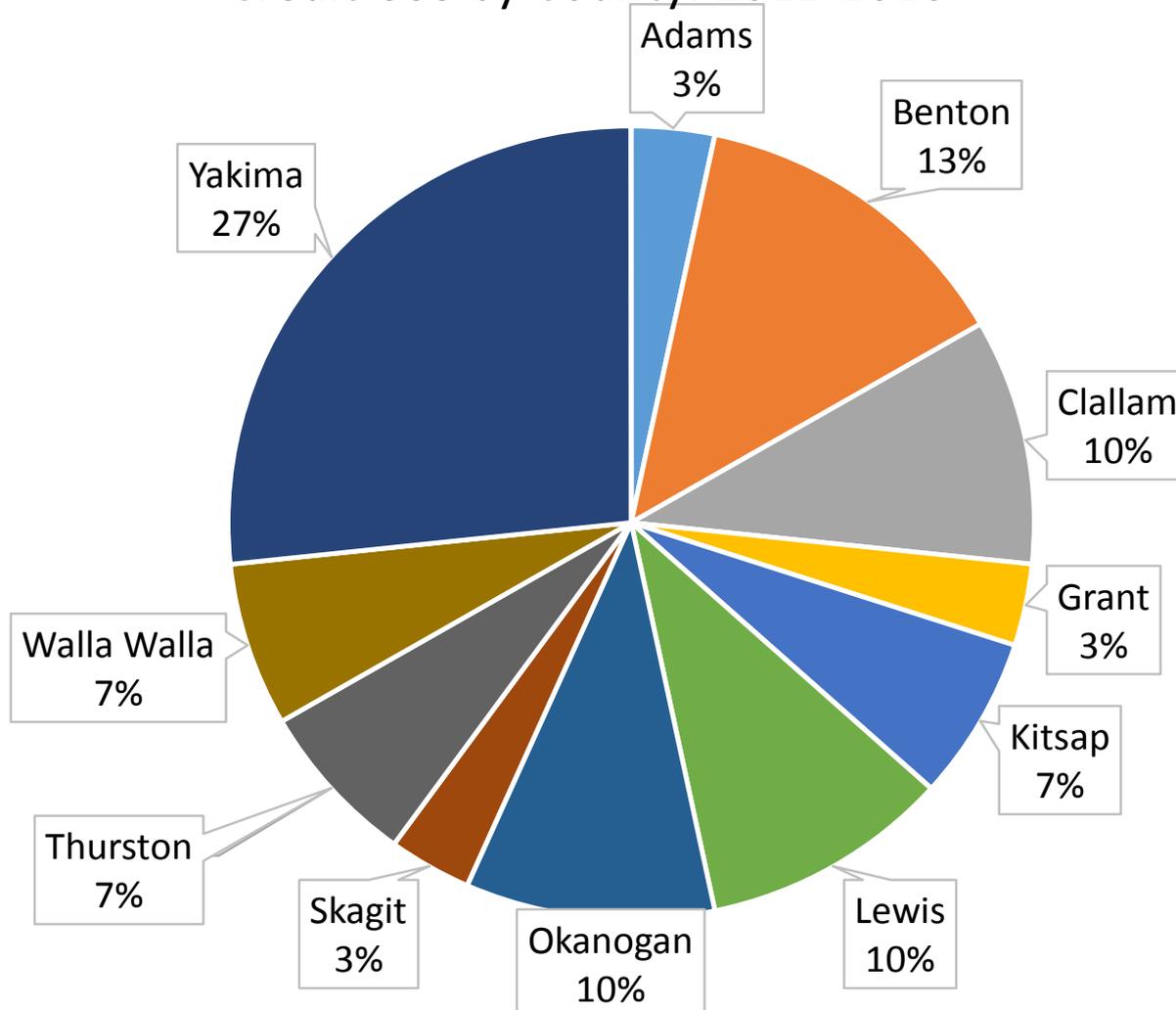
Policy 3.2 – Total Development Costs.

- 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 within cost-containment areas?
 - Need to consider a specific definition and costs truly not part of a project's footprint.



Distribution of Non-Metro Credit

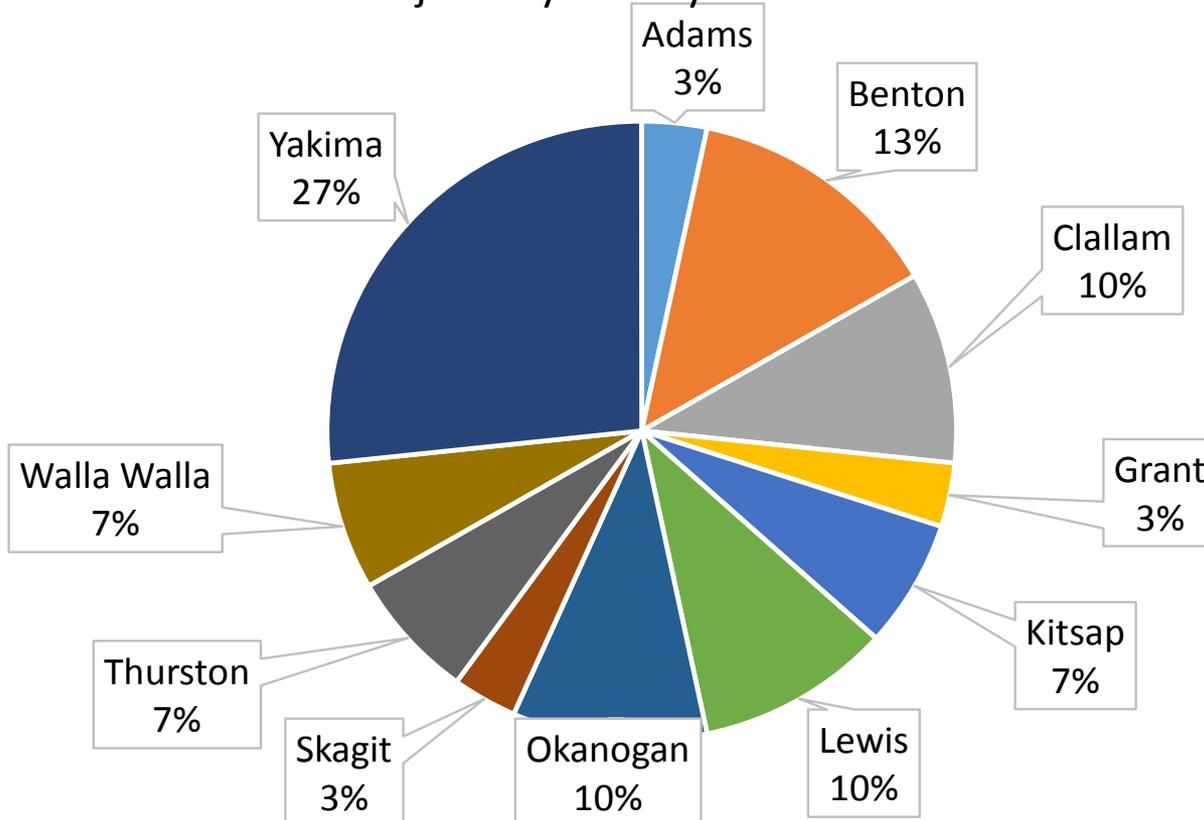
Credit Use by County: 2012-2016





Distribution of Non-Metro Projects

Projects by County: 2012-2016



	Total
Adams	1
Benton	4
Clallam	3
Grant	1
Kitsap	2
Lewis	3
Okanogan	3
Skagit	1
Thurston	2
Walla Walla	2
Yakima	8
Total	30



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



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Thank you!

Thank you!

Contact us any time:

Lisa Vatske

***Multifamily Housing &
Community Facilities***

lisa.vatske@wshfc.org

Bob Peterson

***Multifamily Housing &
Community Facilities***

bob.peterson@wshfc.org

Rich Zwicker

Administration Division
rich.zwicker@wshfc.org