

Date: 4/8/2021

To: Focus group on Acquisition/Rehabilitation

From: Claire Petersky, MHCF Manager; Jason Hennigan, Senior Bond Analyst

Re: Outcome related to acquisition/rehab

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This group is gathered to discuss the outcome of **low-income tenants remaining in their housing and not suffering displacement. Their housing is maintained, and ideally improved, improving the quality of their lives.**

Please note: with this outcome, we are only considering projects that are either re-syndications of existing projects with WSHFC Low Income Housing Tax Credits, or financing the acquisition and rehabilitation of projects with existing rental subsidies. For the purposes of this policy, projects that do not have regulatory agreements for affordability would not qualify and would instead be considered as part of our new production pool.

To achieve these outcomes:

1. How do we determine which projects are using the bond cap effectively? Criteria may include:
  - a. Prioritizing projects with health and safety concerns
  - b. Preventing bond cap going towards acquiring a project too costly compared to market
  - c. Preventing monetary equity being pulled out of the projects and ensuring that resources are reinvested into the project's long-term systems, sustainability, and livability of the units
2. Do we want to consider the age of the project in achieving this outcome, such as prioritizing projects at a landmark year such as Year 20.

Assuming the Commission has \$500 million in total Bond Cap available annually – we are thinking that we would allocate 15 – 25% of the bond cap towards these projects.

Additional policies we may want to apply, maybe as thresholds, or for points:

1. Project is at or under TDC limits
2. Making the project more energy efficient
3. Targeting special populations
4. Location efficiency
5. Using Rural Development programs
6. Capital Needs Assessment required to be submitted with application
7. Developer Fee limitations
8. Projects “at risk” for going to market