

2022 9% Tax Credit Program Policy Amendments

Existing policy	Amended policy
3.2.5 Supportive Housing for the Homeless	The Commission will allow Metro projects seeking to serve a lower percentage of Supportive Housing for the Homeless (PSH) population to continue to achieve the maximum points for this category (see Section 6 below). If a Metro project wishes to use a higher TDC limit they will need to serve at least 50% of their units as Homeless to bump up to the next higher TDC limit.
3.2.7 Total Development Cost Unit Limit Schedule <i>(updated limits)</i>	See below.
3.4 Maximum Annual Credit Per Low-Income Housing Unit – WAC 262-01-130(8)(c)	See below.
5.2.2 Geographic Credit Pools (below is the proposed language and changes to the Metro Pool Allocation.)	<p>Metro Pool Allocation Methodology</p> <p>Each county in the Metro Geographic Pool will be allocated 9% Tax Credits based on the following formula:</p> <ul style="list-style-type: none"> • Base Allocation of \$1,000,000 per county. • Additional Allocation based upon need as calculated by the most current CHAS housing needs data available (rounded to the nearest \$100,000). <p>Anticipate that each county will receive an allocation of approximately \$1.2M to \$1.7M.</p> <p>This methodology will remain in place over a five-year period and a rolling average reconciled at year five for each county will be done. Additional stakeholder engagement if the expiring additional 12.5% per capita credit is extended will be considered. Should significant program changes be enacted the Commission reserves the right to implement appropriate changes with input from program stakeholders.</p> <p>As a part of this allocation process, each county shall develop or modify current processes to select one prioritized project per year. The county’s prioritization process shall be submitted to the Commission. As a part of this process, each county shall designate a contact person(s) that is familiar with the process and understands the local pipeline and prioritization structure. It is expected that the key public funders, affordable housing development consortia and the development community will work together to establish a pipeline and prioritize pending projects to be brought forward each county’s portion of the allocation. Proposed projects will need to participate in the local designated process to be eligible for the per county 9% Tax Credit allocation.</p>

<p>5.2.9 Tiebreakers</p>	<p>In view of the change to increase the Credit Per Unit policy, we are changing the Tiebreaker. The new language reads as follows:</p> <p>If projects receive equal scores within the same Geographic Credit Pool the first tie breaker will be if a project is in a Qualified Census Tract (QCT). The second tie breaker will be to the project that request the least amount of Credit. The third tie breaker will be to the project that request the least amount of Credit per Low-Income Housing Unit.</p> <p>This policy change is more in line with the new policy allowing more Credit Per Bedroom for 3- & 4-bedroom units being allow a credit “boost”.</p>
<p>Chapter 6: Allocation Criteria</p>	<p>The Commission is proposing changes to the minimum score per Pool. The changes are:</p> <p>King County: 164 Metro Counties: 158 Non-Metro Counties: 154</p> <p>The Commission, in consultation with Stakeholders is lowering the Homeless threshold to achieve maximum points for Metro Homeless PSH projects from 50% to 25%. Please note that if a Metro PSH project wishes to “bump up” their TDC they will still need to do 50% of the units as Homeless PSH (see Section 3.2.5 Supportive Housing for the Homeless.</p>
<p>6.3.1 Housing for the Homeless</p>	<p>Points will be awarded based on the Applicant’s Commitment to provide low-income housing units for Homeless households (the “Housing for the Homeless Commitment”).</p> <p>In providing Housing for the Homeless, the Applicant may select only one of these options:</p> <ul style="list-style-type: none"> • Permanent Supportive Housing for the Homeless: <ul style="list-style-type: none"> • Metro Geographic Pool – 25 Points • All other Geographic Pools – 35 Points • 20% Permanent Housing for the Homeless – 10 Points • 20% Transitional Housing for the Homeless – 10 Points <p>Each unit must be set-aside to serve Homeless households as defined under the Stewart B. McKinney Homeless Assistance Act or under RCW 43.185c010(3) and must provide supportive services designed to promote self-sufficiency, meeting the needs of the target population. Any Household initially qualifying as Homeless counts toward the Homeless Set-Aside Commitment for as long as the household remains in the project.</p>

<p>8.1 Compliance Training: (Changes to required Compliance Training.)</p>	<p>The Applicant and The Applicant's property management representative must attend a Commission Tax Credit Compliance Workshop or receive equivalent training by a Commission Portfolio Analyst compliance officer by the earlier of:</p> <ul style="list-style-type: none"> • at least 120 days before the first building is placed-in service or • prior to commencement of initial rent-up activities for the project. Certificates cannot be more than 18 months old by placed-in-service date. <p>An Applicant's 3rd party property management representative must attend compliance training. We are no longer requiring the Applicant to attend training unless they are self-managing.</p>
<p>Race & Equity Questionnaire</p>	<p>The Commission is seeking a better understanding on how our Stakeholders and Partners are working to create a more equal society. We are asking questions of our Stakeholders to better understand the impacts of our past policies and how we should evolve to make Diversity, Equity & Inclusion a major component in our programs. Below is the questionnaire which can also be found on our website at http://www.wshfc.org/mhcf/9percent/2021PreapprovalRequests/RSJQuestionnaire.pdf.</p> <p>Race, Social Justice and Equity</p> <p>Black, Indigenous and People of Color (BIPOC) disproportionately experience housing instability because of institutional racism.</p> <p>To help the Commission understand what applicants may already be doing to address these inequities, please answer the following questions:</p> <ol style="list-style-type: none"> 1. Are there specific steps your organization has taken to address institutionalized racism or promote racial equity (e.g., through a strategic planning process, administration of a Race and Social Justice toolkit, leadership, or board training, etc.)? Please describe. 2. Are there specific aspects of the proposed project that address institutionalized racism or further race and social equity in Washington State, including but not limited to the project location, target population(s), screening criteria and outreach and marketing efforts? Please describe. Further, WSHFC is considering additional training for property managers to our placed-in-service requirement around racial equity and social justice. 3. What training (if any) is already in place for your property managers or for the property management company you are proposing for this application? If so, please describe. If you are not currently requiring any training but are considering training, please describe this as well. <p>Note: your answers do not have a bearing on our approval of your application – it is for our informational purposes only but could lead to policy or training requirements in the future.</p>

3.2.7 Total Development Cost Unit Limit Schedule (updated limits)

Area/Bedroom	Studio	One Bedroom	Two Bedroom	Three Bedroom	Four + Bedroom
2022 King/Seattle*	\$317,700	\$367,800	\$390,800	\$438,300	\$482,800
2022 Pierce/Snohomish/Clark*	\$305,800	\$356,700	\$377,800	\$425,100	\$468,300
2022 Metro*	\$274,200	\$309,300	\$338,500	\$390,600	\$430,200
2022 Balance of State^	\$193,300	\$217,700	\$246,700	\$320,500	\$352,700

*8% Increase

^5% Increase

3.4 Maximum Annual Credit Per Low-Income Housing Unit – WAC 262-01-130(8)(c)

For the first time the Commission is moving to a variable Credit Per Unit to better align the costs to develop and the credit resources needed to fill those costs. Below are the recommended limits per “Bedroom”.

Area/Bedroom	Studio	One Bedroom	Two Bedroom	Three Bedroom	Four + Bedroom
Seattle/King	\$27,640	\$27,640	\$27,640	\$31,000	\$34,500
Pierce/Snohomish/Clark	\$27,640	\$27,640	\$27,640	\$30,000	\$33,000
Metro	\$27,640	\$27,640	\$27,640	\$29,500	\$31,000
Balance of State	\$27,640	\$27,640	\$27,640	\$29,000	\$30,000

Total Development Cost

King/Seattle	\$311,900	\$361,000	\$383,600	\$432,500	\$476,100
Pierce / Snohomish / Clark	\$300,200	\$350,200	\$370,800	\$419,600	\$461,800
Metro (Thurston, Spokane & Whatcom)	\$261,500	\$303,600	\$332,200	\$385,900	\$424,200
Balance of State	\$189,700	\$213,600	\$242,100	\$318,000	\$347,600