2014

Low Income Housing Tax Credit Annual Report

WASHINGTON STATE
HOUSING FINANCE COMMISSION

TABLE OF CONTENTS

SUMMARY OF ACCOMPLISHMENTS FOR 2014

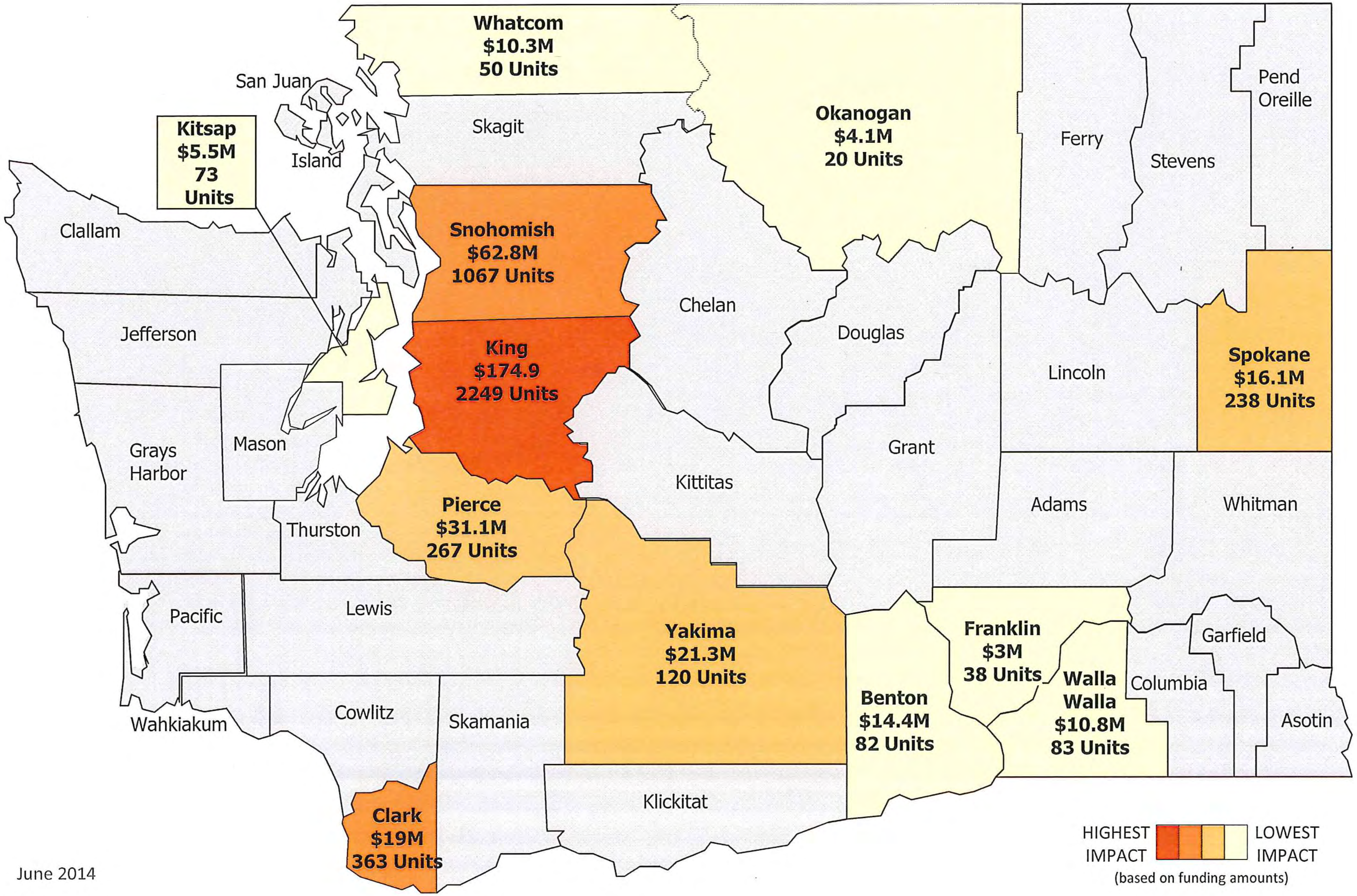
- This year, 17 projects were financed using $158.5M[1] in 9% Low Income Housing Tax Credits. As a result, 940 low-income housing units will be constructed or rehabilitated, and an estimated 958 construction jobs and 38 non-construction jobs will be generated in Washington State.
- The Housing Finance Commission also awarded $214.5M in 4% tax credits to 24 tax-exempt bond-financed projects, resulting in 3,710 low-income housing units.
- In total, the 41 projects funded in 2014 will create 4,650 low-income units and 4,762 construction and 189 non-construction jobs.
- The Asset Management & Compliance Division monitors projects financed with 9% and 4% tax credits for compliance with federal regulation and state policy.
    - Staff monitors approximately 950 tax credit projects with over 65,000 affordable units, financed with 9% and 4% tax credits combined with tax-exempt bonds.
    - Staff also monitors properties for compliance with bond rules and regulations. In 2014, staff monitored 125 properties with over 14,000 affordable and market units financed principally by tax-exempt and taxable bonds, and 449 rental units in three FDIC Affordable Housing Disposition Program properties.
    - Staff also worked in partnership with the Department of Commerce to maintain and enhance a Web Based Annual Reporting System that is used by multiple public funders to track compliance with various state and local funding sources. As of December 31, 2014, the system was tracking compliance on 1,600 properties from 8 funders.

[1] Low Income Housing Tax Credits are allocated for 10 years. Credit amounts used in this report are the 10 year totals.

WASHINGTON STATE HOUSING FINANCE COMMISSION

2014 Tax Credit Funding – 9% and 4% Programs

$373 Million
4650 Multifamily Units



June 2014

HISTORY OF THE LOW INCOME HOUSING TAX CREDIT PROGRAM

Congress created the federal Low Income Housing Tax Credit Program (LIHTC) in 1986 to encourage private investment in the development and rehabilitation of low-income housing. At the same time Congress was engaged in a major overhaul of the tax code that involved the elimination of provisions favorable to owners of apartment buildings. Congress realized that special treatment for low-income housing production was required to meet a growing shortage of affordable rental units. The Tax Reform Act of 1986 launched this new federal initiative. Individual states became the administrators of the low income housing tax credit.

The developer solicits investors to become partners in the ownership of the low-income buildings. In return for their equity investment, the investors receive tax credits. The tax credits provide a dollar for dollar reduction in federal tax liability.

The credits are available to owners of a qualifying project each year for a ten-year period. The owner must agree to set aside either a minimum of 20% of the units in a project for households with incomes of 50% or less of the county median income (as determined by HUD), or 40% of the units must be set aside for households with incomes of 60% or less of the county median income.

The units must be reserved for qualified low-income residents for a Compliance Period of a minimum of 30 years. A Project's Compliance Period is comprised of an initial 15-year period, followed by an Extended Use Period for up to an additional 22 years as elected by the owner, and then a final 3-year period for a maximum of 40 years. Rents for low-income units cannot exceed 30% of the qualifying adjusted family income for the county in which the project is located.

The credit is calculated based on the qualified costs of the low-income units in a rental building. The amount of tax credits that a building qualifies for represents either 30% or 70% of the present value of the depreciable basis of the low-income units. The different present value percentages apply to projects depending on whether they are new construction, rehabilitation, acquisition and/or involve other federal subsidies. In 1987, the percentages were established at 4% and 9%. The lesser percentage was set for projects involving federal subsidies and acquisition, while the 9% credit applied to new construction projects and to substantial rehabilitation projects without federal subsidies. This percentage is computed to provide either 30% or 70% of the present value of the low-income portion of the project over a ten-year period. For projects placed-in-service after 1987, the U.S. Treasury Department establishes the applicable percentage each month. The passage of the "Housing and Economic Recovery Act of 2008" (HERA) in 2008 fixed the 9% applicable percentage at 9% for a 5-year period expiring in 2013.

Federal law was amended in 1990 mandating that all states review the financing of projects seeking tax credits. The Commission must consider all the sources and uses of funds in determining the amount of credit to allocate to a project. Only the amount of tax credits required for the feasibility and viability of the project as a low-income housing project for the credit period can be allocated.

The owner is required to certify the qualified basis and resident income every year. The owner submits certification reports to the Internal Revenue Service and the Commission. The owner is subject to substantial recapture penalties if qualified basis and resident income requirements are not met during the term of the fifteen-year compliance period. The Commission has the right to enforce in court the terms under which the owner received a credit allocation.

HISTORY OF THE LOW INCOME HOUSING TAX CREDIT PROGRAM IN WASHINGTON STATE

Governor Booth Gardner first designated the Washington State Housing Finance Commission as the federal low income housing tax credit allocation agency for the state of Washington on February 20, 1987.

He confirmed the designation by issuance of Executive Order 87-10 on September 4, 1987. The designation was extended until December 30, 1991 by Executive Order 90-01 issued on January 4, 1990. Executive Order 91-07 extended the Commission's authority through 1994 on October 3, 1991. Governor Mike Lowry issued Executive Order 94-05 renewing the Commission's authority to allocate credits. Executive Order 94-05 does not contain a termination date.

The Commission has the following responsibilities as the federal low income housing tax credit allocation agency:

1. To develop a Qualified Allocation Plan, subject to a series of public hearings and approval of the Governor. The Qualified Allocation Plan governs the allocation of tax credits.
2. To allocate tax credits to eligible projects.
3. To report annually to the Internal Revenue Service regarding the allocations made to eligible projects.
4. To monitor compliance of projects receiving low-income tax credits and to report to the Internal Revenue Service instances of noncompliance with tax credit requirements.
5. To report annually to the Governor regarding the allocations made the previous year.

In Washington, the applications are ranked in priority order based on criteria stated in the *Qualified Allocation Plan* and the *Allocation Criteria*. The criteria in the *Qualified Allocation Plan* and the *Allocation Criteria* are designed to encourage proposed developments that provide the following: the greatest public benefit by housing the lowest income residents, units specifically reserved for special-needs residents and units that are distributed throughout the state. The *Qualified Allocation Plan* is attached as Appendix A. The *Allocation Criteria* is attached as Appendix B.

9% Tax Credit Projects

Nine-percent applications for tax credits are submitted for an allocation from the State's annual tax credit authority on a competitive basis. The annual tax credit authority is provided to the states on a per capita basis for competitive 9% tax credit projects. To qualify for tax credits the project must fulfill the requirements of the Qualified Allocation Plan. The Commission must determine that the tax credit amount is limited to the amount necessary for the project to be feasible and viable as a low-income housing project throughout the credit period. Starting with the highest ranked project, credits are awarded to projects until the full annual authority is depleted. Because the 9% credit provides a deeper subsidy, it is often paired with additional public funds. Projects produced under this program typically serve households earning less than 50% of Area Median Income (AMI). For more information on the 9% tax credit projects, see page 8.

4% Tax Credit / Bond Projects

Four-percent applications for tax credits are submitted for an allocation outside the State's annual tax credit authority. Applicants requesting 4% tax credits must also use tax-exempt bonds to finance their projects. When tax-exempt bond financing is used for at least 50% of the total costs, the project can receive 4% tax credits based on the entire project's cost. If less than 50% tax-exempt bond financing is used, projects can receive a smaller amount of credits, based on that percentage. To qualify for 4% tax credits coupled with tax-exempt bond-financing, a project must fulfill the requirements of the Qualified Allocation Plan. Because the 4% credit is a shallower subsidy, projects are required to service debt; therefore, they typically target households earning between 50% and 60% AMI. For more information on tax credit/bond projects, see page 12.

2014 PROGRAM UPDATE FOR 9% CREDIT PROJECTS

Program changes for 2014 revolved around two issues: establishing Preservation and Recapitalization set-asides in the Metro and Non-Metro Credit pools, and reexamining our Cost Containment policies.

The Metro and Non-Metro Credit Pools will each be divided into two parts – Preservation and Recapitalization Set-Aside (the "P&R Set-Aside") and New Production. These will be "soft" set-asides of 25% of the credit available within each pool. Projects that consist of units already in the Affordable Housing Portfolio and that meet the definition of Rehabilitation and the corresponding Minimum Threshold requirements will compete among themselves in the P&R Set-Aside within their respective geographic credit pool.

New Production Projects will compete among themselves within the New Production portion of their Geographic Pool.

A Rehabilitation Project is defined as a project that consists of the rehabilitation of 80% or more of the housing units that exist in the Project prior to rehabilitation. The number of rehabilitated units must be 75% or more of the total units in the project.

A New Production Project is defined as new construction, the creation of new affordable units through the adaptive re-use of an existing non-residential building; or the conversion of existing market-rate units to use-restricted affordable units. A Rehabilitation project that does not meet the new vs. rehab unit percentage thresholds outlined in the Rehabilitation definition above (e.g. a project comprised of 40% rehabilitated units and 60% new construction units) is considered a New Production Project.

Based on the escalation of construction costs that was confirmed by the Commission's research of the construction market as well as input from stakeholders, we revised our total development cost limits as well as redefining the two sets of limits. Projects within King, Pierce, and Snohomish Counties, Supportive Housing for the Homeless projects, and "Urban Type" projects within Spokane, Whatcom, or Clark Counties will be subject to one set of limits (the "King-Pierce-Snohomish County Limits") while projects located in the balance of the state will be held to a separate set of limits (the "Balance of State" limits). Within each dataset, the limits increased between 0 and 10%. While construction costs do not impact unit sizes differently, we are also working to calibrate the costs among the unit sizes appropriately. For that reason, not all unit limits have been increased by the same percentage.

In an environment of constrained resources, staff has been directed by the Commission to reward projects that are able to develop quality housing in a cost efficient manner. The result is a new Cost Containment Incentive allocation criterion that ranks projects in a round against each other and awards points to the ones that are able to develop housing for less. This takes the place of the Efficient Use of Credit allocation criterion, which has been eliminated.

The following table is a summary of the changes to the Allocation Point Criteria for 2014:

	2013 Points			2014 Points		
	King County	Metro Counties	Non-Metro Counties	King County	Metro Counties	Non-Metro Counties
New Criteria						
Cost Containment Incentive	-	-	-	2-3	2-3	2-3
Criteria Eliminated						
Efficient Use of Credit	1/2/3	1/2/3	1/2/3	-	-	-
Rehabilitation	5	5	5	-	-	-
Existing Criteria with Modifications						
At-Risk Properties	7-10	7-10	7-10	4/6	4/6	4/6
Historic Property	5	5	5	5	5	5
Federal Leverage – Capital Funds	3/5	3/5	3/5	3/5	3/5	3/5
Federal Leverage – Rental Assistance	1/3	1/3	1/3	2-4	2-4	2-4
Unchanged Criteria						
Additional Low-Income Set-Aside	50-60	50-60	50-60	50-60	50-60	50-60
Additional Low-Income Housing Use Period	2-44	2-44	2-44	2-44	2-44	2-44
75% Homeless	35	35	35	35	35	35
20% Farmworker	10	10	10	10	10	10
20% Large Households	10	10	10	10	10	10
20% Disabled	10	10	10	10	10	10
20% Homeless	10	10	10	10	10	10
100% Elderly	10	10	10	10	10	10
Local Funding Commitment	5	5	-	5	5	-
State Funding Coordination	2	2	2	2	2	2
Developer Fees	2-10	2-10	2-10	2-10	2-10	2-10
Eligible Tribal Area	6	5	3	6	5	3
Location Efficient Projects	2	2	2	2	2	2
Area Targeted by a Local Jurisdiction	2	2	-	2	2	-
Community Revitalization Plan	1	1	-	1	1	-
Transit Oriented Development	1	-	-	1	-	-
Job Centers	-	1	1	-	1	1
High/Very High Opportunity Areas (2014)	1	-	-	1	-	-
Nonprofit Sponsor	5	5	5	5	5	5
Donation in Support of Local Housing Needs	5	5	5	5	5	5
Eventual Tenant Ownership	2	2	2	2	2	2

2014 PROGRAM ACTIVITY FOR 9% CREDIT PROJECTS

Summary of Resources

The Per Capita Authority for 2014 was $2.30. When multiplied by the State's population, the total 10 year Per Capita Authority was $160,342,340. There was $964,280 in credit returned from projects that had received allocations in prior years but failed to complete program requirements or that were determined not to need their full allocation. In addition, there was $663,370 in credit available through the National Pool.

The chart below summarizes the total resources available to Washington State in 2014.

2014 Available Credit

Per Capita Authority	$160,340,340
Returned Credit and Unused 2013 Credit	$7,039,280
National Pool Credit	$663,370
Less Forward Commitment to 2013 Projects	($9,561,390)
Total Available 2014 Credit Authority	**$158,483,600**

2014 Projects

The 9% program received 20 applications requesting $173,912,640 in credit in January 2014. Of those applications, 17 projects were funded in the following geographic pools:

- 5 projects were funded in the King County pool
- 5 projects were funded in the Metro Counties pool
- 7 projects were funded in the Non-Metro Counties pool

A total of 940 units will be produced in 9 counties across Washington State. King County had the most funded projects with 5, followed by Yakima with 3 and Pierce and Benton Counties with 2 projects each. Please see Appendix D for a more detailed description of these projects.

The Low Income Housing Tax Credit Program typically receives more requests than credit available. We estimate that the 17 projects funded in 2014 will create 996 jobs.

Allocation Criteria

Applicants in King County requesting an allocation of 2014 tax credits must have at least a 139 Allocation Criteria points to qualify, while Applicants in the Metro and Non-Metro Counties only need 134 to be considered for an allocation of tax credits.

The competition for this limited public resource is designed to allocate credit to applicants with projects promising the greatest public benefit. The highest scoring project in 2014 was Walla Walla VA Housing in Walla Walla with a score of 172 points. The lowest scoring project to receive an allocation of credit was Mason Avenue Apartments in Tacoma with 148 points. The median score for all projects receiving an allocation of credit was 156.

As mentioned above, the Commission promotes the goal of producing units affordable to residents with the lowest income for the longest time. We also anticipate that our policy of promoting a mixing of very low-income units (30%-40% AMI) with moderately low–income units (50%-60% AMI) ensures feasibility and long-term viability of the projects while at the same time serving very low income populations.

The federal set-aside establishes the minimum number of low-income units at either 50% or 60% of median income with rents restricted to no higher than 30% of the area median income level adjusted for family size. No low-income unit in the building can exceed the rent restriction set by the federal standard. For example, if an owner has agreed to the minimum set-aside of 20% of the units at 50% of median income and the owner decides that all 40 units in the building will be low-income units, then all of the units must be affordable to residents with incomes no greater than 50% of median. All 17 of the 2014 projects committed to set-aside 100% of the units for low-income households.

The Allocation Criteria also award more points to owners who agree to extend the low-income use of their buildings beyond the time period required by federal law. All 17 of the 2014 projects opted for an additional 22 years of low-income use, resulting in a total compliance period of 40 years.

Please see Appendix B for a detailed description of all Allocation Criteria for the 9% program.

Type of Housing Financed With 9% Tax Credits

Tax credits can be used to finance construction of new buildings, rehabilitation of existing buildings and the cost of acquiring buildings when substantial rehabilitation will be done to those buildings.

Geographic Distribution

Statewide geographic dispersion of the Low Income Housing Tax Credit is a policy priority of the Commission. Beginning in 2013, the Commission established specific percentage of the Annual Authority for three geographies called Geographic Credit Pools: King County, Metro Counties and Non-Metro Counties. Similar counties have been grouped together as a way for like projects to compete against like projects using a number of data indicators at the county level: population size, population density, population living in Urbanized Areas, access to local housing funds, development capacity, and housing needs. As a result, the Geographic Credit Pools are made up of the following counties:

- **King County.** Five projects were funded under this set-aside in 2014.
- **Metro Counties** *(Clark, Pierce, Snohomish, Spokane, Whatcom).* Five projects were funded under this set-aside in 2014.
- **Non-Metro Counties** *(Adams, Asotin, Benton, Chelan, Clallam, Columbia, Cowlitz, Douglas, Franklin, Ferry, Garfield, Grant, Grays Harbor, Island, Jefferson, Kitsap, Kittitas, Klickitat, Lewis, Lincoln, Mason, Okanogan, Pacific, Pend Oreille, San Juan, Skagit, Skamania, Stevens, Thurston, Wahkiakum, Walla Walla, Whitman, Yakima).* Seven projects were funded under this set-aside in 2014.

Projects compete for credit allocations based upon the pool in which they are located. Eligibility for each pool is based solely on the location of the project.

Qualified Non-Profit Set-Aside

Although Qualified Non-Profit is no longer a formal credit set-aside for the Commission, Section 42 mandates that a minimum of ten percent of the total amount of Annual Authority be allocated to projects that will be owned directly or indirectly by an organization that is a Qualified Nonprofit Organization. Therefore, the Commission will continue to allocate a minimum of ten percent of their total Annual Authority to these projects. To be considered a Qualified Nonprofit for this purpose, the nonprofit must have an ownership interest in the project, it must materially participate in the development and operation of the project and it must not be controlled by or affiliated with a for-profit entity. One project was funded with this credit in 2014.

Units for Priority Populations

Projects will score allocation points for setting aside units for the following Special Needs populations: Large Households, Persons with Disabilities, Elderly, Farmworkers and the Homeless. Projects that set aside 75% of their units for Supportive Housing for the Homeless receive 35 points; alternatively, projects can choose to set aside 20% of their units for up to 2 Special Needs populations to receive up to 20 points.

Summary

Projects that received a 2014 allocation of 9% tax credits are listed in Appendix D. That list contains information on the amount of credit requested; project location (geographic distribution); total number of housing units created; total number of low-income housing units created; number low-income units at 30%, 40%, 50%, and 60% AMI (Area Median Income); number of units set aside for Priority Populations.

2013 PROGRAM ACTIVITY FOR 4% TAX CREDIT/BOND PROJECTS

Tax-exempt bond financed projects are subject to the volume cap limitation of Section 146 of the Internal Revenue Code and are eligible for 4% tax credit allocation if issued by the Commission or a public housing authority. As the state's allocating agency for tax credits, the Commission evaluates the project to determine whether it complies with the *Qualified Allocation Plan* and determines the amount of credit for which a project is eligible.

Since the 4% credit is a much smaller subsidy and bond issuance costs are high, these projects are typically quite different from the 9% credit projects. The bond/tax credit projects are usually much larger and serve residents at a higher median income level. This is necessary for the projects to be able to pay project debt service. The minimum allocation criteria score level for bond/tax credit projects is 30 points, with many projects scoring at or near the minimum. Please see Appendix C for a detailed description of all Allocation Criteria for the 4% program.

Staff processed 24 applications for the 4% credit in 2014. These projects, which are eligible for a total of $214,536,540 in tax credits, will produce 3,710 low-income units. The projects range in size from 29 units to 299 low-income units. The 24 bond-financed projects receiving allocations in 2014 are located in 8 counties across the state. There are 11 in King County, 5 located in Snohomish County, 2 in Clark County, 1 in Spokane County, 1 in Pierce County, 1 in Franklin County, and 1 in Walla Walla County. Tax-exempt bond-financed projects carry greater debt, so they tend to be more viable in higher income counties.

Seventeen of the 24 projects were financed with bonds issued by the Commission, while non-Commission bonds financed the remaining 7 projects.

Type of Housing Financed With 4% Tax Credits

Tax credits can be used to finance construction of new buildings, rehabilitation of existing buildings and the cost of acquiring buildings when substantial rehabilitation will be done to those buildings.

Summary

Projects that received a 2014 allocation of 4% tax credits are listed in Appendix E. That list contains information on project location (geographic distribution); total number of low-income housing units created; total number of housing units created; amount of 4% tax credit requested; amount of tax-exempt bonds requested; bond type, and total project cost.

2014 ASSET MANAGEMENT & COMPLIANCE DIVISION ACTIVITY

Compliance Activity

Pursuant to Section 42(m)(1)(B)(iii) of the Internal Revenue Code, the Commission is required to include a compliance monitoring procedure in its Qualified Allocation Plan. The procedure includes specific compliance monitoring procedures for the annual review of projects and notification procedures to the IRS when any noncompliance is discovered. Treasury Regulation 1.42-5 sets minimum monitoring standards that must be included in the compliance procedures. The Commission's compliance procedures were developed in accordance with stated Treasury standards and continue to be refined as rules or regulations are implemented on the federal level.

The Asset Management & Compliance Division (the "Division") is charged with the responsibility of ensuring the long-term viability of properties financed either directly by the Commission or assisted through programs administered by the Commission. Staff accomplishes this through annual report and certification monitoring, on-site visits, and compliance training opportunities. On an annual basis, the Division monitors **tax credit** and **bond** properties for compliance under these minimum parameters:

1. Review annual reports and certifications of owners for 100% of tax credit and bond-financed properties. These reports are called "Certificates of Continuing Project Compliance" (CCPC).

2. Conduct on-site inspections of all new construction and rehabilitation properties by the end of the second calendar year following the year the last building is placed in service. Inspect 20% of the property's affordable housing units and review the income certifications and supporting documentation for those units.

3. At least once every three years, conduct on-site visits of all properties. Inspect 20% of the property's affordable housing units and review the income certifications and supporting documentation for those units.

Additional reviews may be performed if problems are discovered during an on-site visit or desk review.

As of December 2014, the Asset Management & Compliance Division was monitoring approximately 950 tax credit projects with over 65,000 affordable units. The above-stated numbers include properties with tax credit financing and those with tax credits combined with tax-exempt bond financing. The Division also monitors properties for compliance with bond rules and regulations. In 2014, staff monitored 125 properties with over 14,000 affordable and market units financed principally by tax-exempt and taxable bonds, and 449 rental units in three FDIC Affordable Housing Disposition Program properties.

The Division has eight Portfolio Analysts who share the monitoring of tax credit-financed, bond-financed and FDIC Affordable Housing Disposition Program projects. Staff consistently provides high-quality information and assistance to on-site management to keep properties in compliance with the Commission's programs. The level of serious noncompliance violations reported to the Internal Revenue Service (IRS) compared to the total number of units continues to be a very low number. Nearly all violations are reported as "corrected" by the owner, but must still be reported to the IRS. Staff assist property owners in returning to "in compliance" status, regardless of the problem.

Compliance to IRS Section 42 requirements begins well before a project is ever placed in service. Staff encourages owners and managers to attend a tax credit or bond compliance monitoring classes early and often. Additionally, the Commission's *Policies* require that the owner and the management company of a project attend a compliance training class no more than 180 days prior to the project completion date. In 2014, the Division conducted 20 bond, tax credit compliance and annual report training classes. These were held primarily in Seattle and Spokane and were attended by over 500 property owners, property managers, and on-site personnel. These classes continue to be well received. The classes also provide a great opportunity for staff to gain feedback from managers and owners who manage properties financed by the Commission.

The Division has several working agreements (Memorandums of Understanding) with other public funding agencies regarding on-site inspections and monitoring of rent and income set-aside commitments. We also collaborate with these agencies by attending bi-monthly multi-funder round-tables, sharing information and co-teaching several annual trainings for our stakeholders regarding how to complete annual reports required for properties with multiple funding sources.

As of December 2014, over 140 properties were participating in Post Year-15 Streamlined Monitoring Procedures for tax credit-financed properties. Most of the properties we monitor have committed to 30 to 40 years of affordable use; however, the IRS is only interested in compliance during the first fifteen years. As properties reach year 16 and beyond, our goal is to preserve affordability status, while maintaining a reasonable level of monitoring requirements.

Another way that the Asset Management & Compliance Division offers assistance to clients is through the Compliance webpage on the Commission's website. The site includes access to compliance manuals, workshops, up-to-date information on our programs and activities, helpful affordable housing links, and a list of all the properties we monitor. In 2014, our staff updated our on-line Tax Credit and Bond Compliance Procedures manuals and revised forms and our FAQ's. Division information is located at www.wshfc.org/managers. In addition to our website, the Division sends monthly E-News newsletters to over 1400 compliance professionals.

WBARS

In 2014, staff continued to work in partnership with the State Department of Commerce to maintain our Web Based Annual Reporting System (WBARS). To our knowledge, this is still the only web-based reporting system in the country that is used by multiple public funders to track compliance from various sources. Participants include WSHFC, State Department of Commerce, City of Seattle, King County, City of Tacoma, Snohomish County, City of Spokane, and City of Bellingham.

At the end of 2014, the system had over 1600 properties from eight funders. Owners and Managers use the WBARS system to satisfy reporting requirements of state, county, city and federal sources obtained from these funders.

The system provides "real-time" compliance that enables owners and managers to see whether they are in compliance with any and all participating funders as soon as they enter information into WBARS.

Preservation Activity

The preservation section of the Division is concerned with pursuing programs and designing methods of preserving existing affordable housing for the residents of Washington State for the longest period possible. Staff developed a Qualified Contract Process in 2004, for properties approaching the "option year" in their extended use agreements. During the IRS-approved option year, Commission staff have one year to find a purchaser who will maintain affordability restrictions. This process allows for smooth transition periods to new owners who will preserve the long-term affordability commitments.

APPENDIX A: QUALIFIED ALLOCATION PLAN

WASHINGTON STATE HOUSING FINANCE COMMISSION
LOW-INCOME HOUSING TAX CREDIT PROGRAM
QUALIFIED ALLOCATION PLAN

I. Introduction

The 1986 Tax Reform Act created the low-income housing tax credit ("tax credit"), under Section 42 of the Internal Revenue Code (the "Code"), to assist the development of low-income rental housing by providing qualified owners with income tax credit to reduce their federal tax obligations. The Washington State Housing Finance Commission ("Commission") is the agency authorized to allocate tax credit for residential rental buildings located in the state of Washington.

This Qualified Allocation Plan is intended to comply with the requirements of Section 42(m)(1)(B) of the Code which requires that a Qualified Allocation Plan set forth (i) the selection criteria to be used to determine the Commission's housing priorities, (ii) the preferences of the Commission in allocating credit dollar amounts among selected projects, and (iii) the procedures that the Commission will follow in monitoring for noncompliance and notifying the Internal Revenue Service of such noncompliance and in monitoring for noncompliance with habitability standards through regular site visits.

II. Project Selection Preferences and Criteria

A. Project Preferences.

For the purposes of ranking projects and allocating credit dollar amounts, the Commission will give preference to projects that serve the lowest income tenants, that are obligated to serve low-income tenants for the longest periods, and that are located in qualified census tracts and the development of which will contribute to a concerted community revitalization plan.

B. Selection Criteria and Set-Asides.

1. Selection Criteria. In determining housing priorities, the Commission will consider sponsor and project characteristics. The Commission will give weight to those projects which, among other things,

    (a) are located in areas of special need as demonstrated by location, population, income levels, availability of affordable housing and public housing waiting lists;

    (b) set aside units for special needs populations, such as large households, the elderly, the homeless and/or the disabled;

(c) preserve federally assisted projects as low-income housing units;

(d) rehabilitate buildings for residential use;

(e) include the use of existing housing as part of a community revitalization plan;

(f) have received written authorization to proceed as a United States Department of Agriculture - Rural Housing Service multifamily new construction project approved by the Commission;

(g) are historic properties;

(h) are located in targeted areas;

(i) leverage public resources;

(j) maximize the use of credits;

(k) demonstrate a readiness to proceed;

(l) serve tenant populations of individuals with children;

(m) are intended for eventual tenant ownership; and

(n) promote energy efficiency.

The Commission may decline to consider a project that fails to meet minimum standards established by the Commission for such an evaluation. Notwithstanding applicant characterization, the Commission may determine the scope of or otherwise define a "project" or "projects" for purposes of ranking applications and reserving and allocating tax credit.

2. Qualified Nonprofit Set-Aside. The Commission will reserve at least ten percent of the state housing credit ceiling for a calendar year for projects in which qualified nonprofit organizations have an ownership interest and materially participate in the development and operation of the projects throughout the compliance period, all as described in the Code. A qualified nonprofit organization is an organization described in section 501(c)(3) or (4) of the Code, which is determined by the Commission not to be affiliated with or controlled by a for-profit organization and one of whose exempt purposes includes the fostering of low-income housing.

3. Other Set-Asides. The Commission may also reserve a portion or portions of its state housing credit ceiling for other types of projects or sponsors.

4. Code Requirements. In order to receive tax credit, a project must meet all of the requirements of Section 42 of the Code.

5. Housing and Economic Recovery Act of 2008 (HERA) Basis Boost. Pursuant to HERA, the Commission has been provided authority to increase the eligible basis of certain buildings to 130% of the eligible basis, when the Commission determines that the financial feasibility of the building so requires. The Commission, through its policies, shall establish criteria and procedures for implementing such designations. The criteria and procedures shall apply to all projects seeking the boost regardless of the year of the allocation to the projects, to the extent that the projects were not placed in service prior to July 30, 2008.

C. Project Feasibility and Viability.

The Commission will determine the amount of tax credit necessary for a project's financial feasibility and viability as a qualified low-income housing project. The Commission will not allocate or award to a project more than the minimum amount of tax credit required to ensure a project's financial feasibility and viability. If a project is financed in part with tax-exempt bonds, the Commission's responsibility to determine the financial feasibility and viability of a project shall be co-extensive with the responsibility of the governmental unit which issued the bonds (or on behalf of which the bonds were issued) to make a financial feasibility and viability determination under Section 42(m)(2)(D) of the Code. In the event a feasibility and viability determination is made by the Commission and the governmental unit which issued the bonds (or on behalf of which the bonds were issued) for the same project, the Commission will not certify to an award of tax credit for the project in an amount that is greater than the lesser of (i) the minimum amount of tax credit as determined by the Commission or (ii) the minimum amount of tax credit as determined by the local government, which is required to ensure the project's feasibility and viability.

III. Project Monitoring Procedures and Notification

At a minimum, each project that has been placed in service shall be subject to the following monitoring requirements:

A. Recordkeeping, Record Retention and Data Collection.

1. Recordkeeping. The owner of a low-income housing project must keep records for each building in the project that show for each year throughout the term of the Regulatory Agreement (Extended Use Agreement) in effect for such project:

   (a) The total number of residential rental units in the building (including the number of bedrooms and the size in square feet of each residential rental unit);

   (b) The percentage and number of residential rental units in the building that are low-income units;

   (c) The percentage and number of residential rental units in the building that are subject to the additional low-income unit set-aside requirements;

(d) The percentage and number of residential rental units in the building that are subject to the special-needs unit set-aside requirements;

(e) The rent charged for each low-income unit in the building (including any utility allowances);

(f) The number of occupants in each low-income unit;

(g) The number of occupants in each residential rental unit in the building that is subject to a special-needs unit set-aside requirement related to household size;

(h) The low-income unit vacancies in the building and information that shows when, and to whom, the next available units were rented;

(i) The vacancies of any additional low-income set-aside units in the building and information that shows when, and to whom, the next available units were rented;

(j) The vacancies of any special-needs set-aside units in the building and information that shows when, and to whom, the next available units were rented;

(k) The initial annual income certification of each low-income resident and any recertifications of income that may be required by the Commission;

(l) Documentation to support each low-income household's income certification;

(m) Documentation to support that each household that is subject to a special-needs unit set-aside meets the Commission's criteria for such special-needs unit set-aside or commitment;

(n) The eligible basis and qualified basis of the building at the end of the first year of the credit period;

(o) The character and use of the nonresidential portion of the building included in the building's eligible basis under Section 42(d) of the Code; and

(p) The date that a resident initially occupies a rental unit and the date that a resident moves-out of a rental unit.

The owner shall also keep such additional records throughout the term of the Regulatory agreement (Extended Use Agreement) as the Commission determines are necessary or appropriate to demonstrate compliance with the Code, the tax credit program and the owner's commitments and obligations under the tax credit program contracts, including the Regulatory Agreement (Extended Use Agreement).

2. Record Retention. The owner of a low-income housing project must, during the term of the Regulatory Agreement (Extended Use Agreement) in effect for such project, retain the records described above: (i) for at least six (6) years after the due date (with extensions) for filing the federal income tax return for that year; and, (ii) with respect to any year for which an income tax return is not filed or does not reflect the Credit for such project, for at least six (6) years after the end of that year. The records for the first year of the credit period as defined under Section 42(f)(1) of the Code, however, must be retained for at least six (6) years beyond the due date (with extensions) for filing the federal income tax return for the last year of the compliance period as defined under Section 42(i)(1) of the Code with respect to a building in the project.

Except as otherwise provided by the Commission, the owner of a low-income housing project must, during the term of the Regulatory Agreement (Extended Use Agreement), in effect for such project, retain the original local health, safety, or building code violation reports or notices that are issued by any state or local government unit.

3. Data Collection. To the extent required of the Commission by federal law, the owner will assist the Commission with meeting federal reporting requirements by collecting and submitting information to the Commission annually concerning the race, ethnicity, family composition, age, income, use of rental assistance under section 8(o) of the United States Housing Act of 1937 or other similar assistance, disability status, and monthly rental payments of all low-income households.

B. Certification and Review Provisions.

1. Certification. The owner of a low-income housing project must certify in a form acceptable to the Commission at least annually to the Commission that during the preceding twelve (12) month period (the "Certification Period"):

(a) The project at all times met the requirements of:

(1) The 20-50 test under Section 42(g)(1)(A) of the Code, or the 40-60 test under Section 42(g)(1)(B) of the Code, whichever minimum set-aside test is applicable to the project, or, if applicable to the project, the 15-40 test under Sections 42(g)(4) and 142(d)(4)(B) of the Code for "deep rent skewed" projects;

(2) If applicable to the project, the additional low-income unit set-aside; and

(3) If applicable to the project, the special-needs unit set-aside(s).

(b) There was no change at any time in the applicable fraction (as defined in Section 42(c)(1)(B) of the Code) of any building in the project, or that there was a change, and a description of the change;

(c) The owner has received an initial income certification for each new low-income household, and documentation to support that the certifications met applicable income set-aside requirements; and any annual recertifications of income that may be required by the Commission;

(d) At all times each low-income unit in the project was rent-restricted under Section 42(g)(2) of the Code;

(e) At all times all units in the project were for use by the general public, including the requirement that no finding of discrimination under the Fair Housing Act occurred for the project;

(f) At all times each building in the project was suitable for occupancy, taking into account local health, safety, and building codes and Uniform Physical Condition Standards (UPCS) as defined by HUD, and the state or local government unit responsible for making local health, safety, or building code inspections did not issue a violation report for any building or low-income unit in the project. If a violation report or notice was issued by the governmental unit, the owner must attach a statement summarizing the violation report or notice or a copy of the violation report or notice to the annual certification submitted to the Commission under paragraph III.B.1 and must state whether the violation has been corrected;

(g) At all times there was no change in the eligible basis (as defined in Section 42(d) of the Code) of any building in the project, or if there was a change, a written explanation of the change;

(h) At all times all resident facilities included in the eligible basis under Section 42(d) of the Code of any building in the project, such as swimming pools, other recreational facilities, and parking areas, were provided on a comparable basis without a separate fee to all residents in the building;

(i) If the income of a low-income household increased above the limit allowed in Section 42 (g)(2)(D)(ii), the next available unit of comparable size or smaller in the building was rented to an income qualified household;

(j) At any time if a special-needs set-aside unit in the project became vacant, that reasonable attempts were made to rent that unit or the next available unit to applicants who qualify for the special-needs unit set-aside;

(k) At all times an extended low-income housing commitment as described in Section 42(h)(6) of the Code was in effect (for buildings subject to Section 7108(c)(1) of the Revenue Reconciliation Act of 1989), including the requirement under Section 42(h)(6)(B)(iv) of the Code that an owner cannot refuse to lease a unit in the project to an applicant who holds a voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937, 42 U.S.C. 1437.

(l) All low-income units in the project were used on a nontransient basis (except as otherwise permitted by the Code).

(m) Pursuant to IRS Revenue Ruling 2004-82, the owner has not evicted any residents, or refused to renew any leases, except for good cause.

(n) To the extent required by federal law the property is in compliance with the Fair Housing Accessibility Guidelines as issued in the Federal Register Vol. 56, No. 44, issued March 6, 1991.

The certification referenced in this paragraph III.B.1. shall also address such other matters as the Commission determines are necessary or appropriate to ensure compliance with the Code, the tax credit program, and the owners commitments and obligations under the tax credit program contracts, including the Regulatory Agreement (Extended Use Agreement).

2. Review. The Commission:

(a) Will review the annual certifications submitted by owners of low-income housing households under paragraph III.B.1. above, for compliance with the requirements of Section 42 of the Code and with the requirements of the Commission's Low-Income Housing Tax Credit Program;

(b) May, in addition to the review process described in paragraphs III.B.2. (a) and (c), randomly select low income units for each project each year and obtain from the owner and review the documentation of the residents who have occupied these units within the Certification Period, including a copy of the annual income certification and the documentation (in a form prescribed by or acceptable to the Commission) the owner has received to support that certification.

(c) Will, with respect to each low-income housing project –

(i) Conduct on-site inspections of all buildings in the project by the end of the second calendar year following the year the last building in the project is placed in service and, for at least 20 percent of the project's low-income units, inspect the units and review the low-income certifications, the documentation supporting the certifications, and the rent records for the residents in those units;

(ii) At least once every 3 years, conduct on-site inspections of all buildings in the project and, for at least 20 percent of the project's low-income units, inspect the units and review the low-income certifications, the documentation supporting the certifications, and the rent records for the residents in those units; and

(iii) Randomly select, in the manner described in Section 42 of the Code and the Regulations thereunder, which low-income units and resident records are to be inspected and reviewed by the Commission.

Provided, subparagraph (i) above shall apply only to buildings placed in service on or after January 1, 2001 (subparagraph (ii) shall apply to all buildings regardless of their placed in service date).

3. Frequency and Form of Certification. The certifications and reviews described in paragraphs III.B.1. and 2. will be made at least annually covering each year of the term of the Regulatory Agreement (Extended Use Agreement) (except for certain buildings financed by Rural Housing Service ("RHS") or certain tax-exempt bond issuers, as permitted by Section 42 of the Code and the regulations thereunder).

4. Commission Reports of Compliance Monitoring. The Commission will report its compliance monitoring activities annually on Form 8610, "Annual Low-Income Housing Credit Agency's Report."

C. Inspection Provision.

1. General. The Commission has the right to perform on-site review(s) of any building in a low-income housing project throughout the term of the Regulatory Agreement (Extended Use Agreement) in effect for such project. Such on-site review shall include, but not be limited to, the right to interview any resident of the project, to review resident applications and financial information submitted to the owner, and to review information, including without limitation, the owner's books and records relating to the project upon a minimum of three (3) days advance notice. The on-site review provision of this paragraph is separate from any review of low-income certifications and supporting documents under paragraph III.B.2.(b).

2. Inspection Standard. For the on-site inspections of buildings and low-income units required by paragraph III.B.2.(c), the Commission will review any local health, safety, or building code violations reports or notices retained by the owner under paragraph III.A.3.
The Commission will use the Uniform Physical Conditions Standard (UPCS) established by HUD to determine whether projects are safe, decent, sanitary condition and in good repair.

(3) Exception. The Commission is not required to inspect a building under this paragraph III.C. if the building is financed by the RHS under the section 515 program, the RHS inspects the building, and the RHS and the Commission have entered into a

memorandum of understanding, or other similar arrangement, under which the RHS agrees to notify the Commission of the inspection results.

D. Notification of Noncompliance.

1. In General. The Commission shall notify the owner of a low-income housing project and the Internal Revenue Service of any required reportable noncompliance of which the Commission becomes aware.

2. Notice to Owner. The Commission shall promptly notify the owner of a low-income housing project in writing if the Commission does not receive the certification described in paragraph B.1. above, or does not receive or is not permitted to inspect the resident income certifications, supporting documentation, and rent records described in paragraphs III.B.2(b) or (c) above, or discovers by inspection, review, or in some other manner, that the project is not in compliance with the provisions of Section 42 of the Code or the Low-Income Housing Tax Credit Program.

3. Notice to Internal Revenue Service. The Commission shall file Form 8823, *Low-Income Housing Credit Agencies Report of Noncompliance*, with the Internal Revenue Service no later than forty-five (45) days after the end of the correction period (as described in paragraph F below, including extensions permitted under that paragraph) and no earlier than the end of the correction period, whether or not the noncompliance was corrected. The Commission shall explain on Form 8823 the nature of the noncompliance and indicate whether the owner has corrected the noncompliance. If the noncompliance is corrected within 3 years after the end of the correction period, the Commission will file Form 8823 with the Service reporting the correction of the non-compliance. If the Commission reports on Form 8823 that a building is entirely out of compliance and will not be in compliance at any time in the future, the Commission need not file Form 8823 in subsequent years to report that building's noncompliance.

E. Commission Retention of Records.

The Commission shall retain the certifications and records described in paragraph III.B.1. for three (3) years from the end of the calendar year the Commission receives the certifications and records. The Commission shall retain records of noncompliance or failure to certify for six (6) years beyond the Commission's filing of the respective Form 8823.

F. Correction Period.

An owner shall have thirty (30) days beginning on the date of the Commission's notice to the owner of noncompliance during which time the owner must supply any missing certifications and bring the project into compliance with the provisions of Section 42 of the Code and the requirements of the Commission's Low-Income Housing Tax Credit Program. The Commission may in its sole discretion extend the correction period for up to six (6) months, but only if the Commission determines there is good cause for granting the extension.

G. Delegation of Authority.

The Commission may in its sole discretion delegate compliance monitoring functions to the extent permitted under Section 42 of the Code and the Regulations thereunder.

H. Liability.

Compliance with the requirements of Section 42 of the Code and the Commission's Low-Income Housing Tax Credit Program is the responsibility of the owner of the building which received low-income housing tax credit. The Commission is not liable for an owner's noncompliance or for any damages or losses arising as a result of notifying the Internal Revenue Service of noncompliance.

I. Applicability and Amendments.

These compliance monitoring procedures shall be applicable to all owners, buildings and projects that are subject to the Commission's tax credit program. These compliance monitoring procedures are subject to modification and waiver by the Commission to the extent permitted or required to conform to Section 42 of the Code or Regulations thereunder.

J. Fees.

Annual compliance monitoring fees are established by the Commission and are payable by the owner on an annual basis upon notification by the Commission. Fees may be adjusted at the discretion of the Commission to cover increases in compliance monitoring expenses of the Commission.

V. Effective Date.

This Qualified Allocation Plan shall be effective upon its approval and execution by the Governor.

I hereby approve the amended Qualified Allocation Plan as set forth in Resolution 12-74 adopted by the Washington State Housing Finance Commission on June 28, 2012.

7/23/12
Date

Christine Gregoire
Chris Gregoire, Governor of the State of Washington

APPENDIX B: 2013 ALLOCATION CRITERIA – 9% PROGRAM

Chapter 6: Allocation Criteria

Commission staff will use the Allocation Criteria described below and the points assigned to each Allocation Criteria to assess the degree to which the proposed projects promote the Commission's housing priorities. The points associated with these Allocation Criteria, when satisfied, facilitate ranking of projects by the staff as described in Chapter 5.

Allocation Point Criteria have been tailored to meet the specific needs and priorities of each Geographic Credit Pool (described in Chapter 5). Not all Allocation Criteria are available in all locations, and some points are weighted differently depending on location. The summary chart on the following page outlines these differences.

The Applicant must select Allocation Criteria in the Application that total a minimum number of Allocation Criteria points according to Geographic Credit Pool in which the project is competing. The minimum points required are as follows:

- King County: 139 points
- Metro Counties: 134 points
- Non-Metro Counties: 134 points

Any Application that does not have the minimum number will be disqualified, and the Application fee will not be refunded.

The Applicant is responsible for demonstrating in the Application that the project meets the requirements for all of the Allocation Criteria selected. However, it is the MHCF Director who will make the final determination as to whether a Project meets the requirements of a specific Allocation Criterion.

The total possible number of Allocation Criteria points is 222. However, no one project can meet all the Allocation Criteria or, consequently, receive a total of 222 points. The number of points that a specific qualified project will need to be recommended by Commission staff for a Credit reservation and allocation will depend on, among other things:

- the number of qualified Applications the Commission receives;
- the number of points received by other projects;
- the total amount of Credit requested by Applicants;
- the amount of Annual Authority available;
- the number of other projects that qualify for the same Geographic Credit Pool; and
- the amount of Credit the Applicant is requesting for the project.

Summary of Allocation Criteria	King County Points	Metro County Points	Non-Metro County Points
Additional Low-Income Set-Aside	50-60	50-60	50-60
Additional Low-Income Housing Use Period	2-44	2-44	2-44
Serving Special Needs Populations:			
75% Homeless	35	35	35
Up to two of the following:			
20% Farmworker	10	10	10
20% Large Households	10	10	10
20% Disabled	10	10	10
20% Homeless	10	10	10
100% Elderly	10	10	10
Funding:			
Local Funding Commitment	5	5	-
Federal Leverage of Capital Funds	3/5	3/5	3/5
State Funding Coordination	2	2	2
Project Based Rental Assistance	2-4	2-4	2-4
Development Costs:			
Cost Containment Incentive	2-3	2-3	2-3
Developer Fees	2-10	2-10	2-10
Targeted Areas:			
Eligible Tribal Area	6	5	3
Location Efficient Projects	2	2	2
Area Targeted by a Local Jurisdiction	2	2	-
Community Revitalization Plan	1	1	-
Transit Oriented Development	1	-	-
Job Centers	-	1	1
High/Very High Opportunity Areas	1	-	-
At-Risk of Market Conversion (Rehab only)	4/6	4/6	4/6
Historic Property (New Production Only)	5	5	5
Nonprofit Sponsor	5	5	5
Donation in Support of Local Housing Needs	5	5	5
Eventual Tenant Ownership	2	2	2

6.1 ADDITIONAL LOW-INCOME HOUSING COMMITMENT

2-44 POINTS

Points will be awarded to projects based on the Applicant's Commitment to provide selected percentages of the total low-income units for occupancy by households at or below selected area median income levels (the "Additional Low-Income Housing Commitment"). An Applicant may chose only one option listed in the table below. Units subject to the Additional Low-Income Housing Commitment are both rent and income restricted at the selected income levels.

Recognizing that the area median income (AMI) across the state varies greatly, counties are divided into Lower Income and Higher Income Counties, and the Additional Low-Income set-aside combinations have been specifically configured to take into consideration the differing levels of rents in the two groupings. The Lower Income Counties are those counties whose 50% AMI income for a four person household is $32,000 or less as documented on the Commission's Rent and Income Limits webpage. Higher Income Counties are those whose 50% AMI income for a four person household is greater than $32,000 per year.

Lower Income Counties: Adams, Asotin, Chelan, Clallam, Columbia, Cowlitz, Douglas, Ferry, Garfield, Grant, Grays Harbor, Jefferson, Kittitas, Klickitat, Lewis, Lincoln, Mason, Okanogan, Pacific, Pend Oreille, Spokane, Stevens, Wahkiakum, Walla Walla, Whitman, Yakima.

Higher Income Counties: Benton, Clark, Franklin, Island, King, Kitsap, Pierce, San Juan, Skagit, Skamania, Snohomish, Thurston, Whatcom.

Projects may select one of 20 different set-aside combinations valued between 50 and 60 points. The project's location in a Lower or Higher Income County determines the point value of a specific set-aside combination. Projects in Lower Income Counties receive a two point advantage over the Higher Income Counties when the same set-aside combination is chosen in recognition that the same income targets are more difficult to serve in Lower Income Counties where the allowable rents do not generate as much operating income.

Points have been assigned to the set-aside combinations according to the income generated at the Maximum Allowable Tax Credit rents. The lower the income generated, the deeper the income targeting; therefore, the higher the points. The set-aside combinations are grouped into point levels according to the average weighted AMI served.

In the Higher Income Counties, the Additional Low-Income Set-Aside options are based on the principle that all 9% tax credit projects in the Higher Income Counties should serve a significant number of households at 30% AMI. In the Lower Income Counties, the presumed percentage of units set aside at 30% AMI has been reduced. In the Lower Income Counties, combinations that have 40-50% of the units at 30% AMI cross-subsidized by a large number of units at 60% AMI are not allowed because 60% AMI rents are typically not achievable in those counties. In recognition that 60% AMI rents are not always achievable, there are options that use 50% AMI as the highest income served.

Additional Low-Income Set-Aside Menu							
Option	30% AMI	40% AMI	50% AMI	60% AMI	Higher Income County Points	Lower Income County Points	Weighted Average Income Served
1	50@30	25@40		25@60	60	-	40%
2	50@30		50@50		60	-	40%
3	50@30		30@50	20@60	58	-	42%
4	40@30		60@50		58	60	42%
5	40@30	30@40		30@60	58	60	42%
6	10@30	60@40	30@50		-	60	42%
7	25@30	25@40	50@50		56	58	42.5%
8	25@30	50@40		25@60	56	58	42.5%
9	50@30		25@50	25@60	56	-	42.5%
10	50@30	10@40		40@60	54	-	43%
11	40@30		50@50	10@60	54	56	43%
12	10@30	50@40	40@50		-	56	43%
13	40@30		40@50	20@60	52	54	44%
14	40@30	20@40		40@60	52	54	44%
15	50@30			50@60	50	-	45%
16	25@30		75@50		50	52	45%
17	40@30		30@50	30@60	50	52	45%
18	10@30	60@40		30@60	-	52	45%
19		50@40	50@50		-	52	45%
20		40@40	60@50		-	50	46%
*A dash (-) in the points column indicates a combination that is not available in that location.							

6.1.1 Rounding Rule

For instances where the respective percentage of units that are subject to the commitment do not distribute evenly (i.e. 50% of 25 units = 12.5), start by rounding the lowest income targeting category up to the next unit, then round the 2nd lowest income set-aside category up to the next unit. The remaining number of units will then be assigned to the highest income set-aside category.

Example A: 25 unit project selecting Option 20 above:				
	≤ 40% AMI	≤ 50% AMI	≤ 60% AMI	Total
% of low-income units selected:	50%	50%	0%	100%
Actual units per % selected:	12.5 units	12.5 units	0	25 units

Units after rounding rule:	13 units	12 units	0	25 units

Example B: 47 unit project selecting Option 5 above:				
	≤ 30% AMI	**≤ 40% AMI**	**≤ 60% AMI**	**Total**
% of low-income units selected:	40%	30%	30%	100%
Actual units per % selected:	18.8 units	14.1 units	14.1 units	47 units
Units after rounding rule:	19 units	15 units	13 units	47 units

6.2 ADDITIONAL LOW-INCOME HOUSING USE PERIOD

2-44 POINTS

Two points will be awarded (up to a maximum of 44 points) for every year of the additional low-income housing use period selected by the Applicant in the Application, up to a maximum of 22 years (the "Additional Low-Income Housing Use Period"). The Additional Low-Income Housing Use Period commences upon the close of the compliance period. If the Applicant makes this Commitment, the Applicant agrees to maintain the low-income housing units and all applicable Commitments made by the Applicant in the Application to receive Allocation Criteria points for the duration of the Project Compliance Period.

6.3 HOUSING COMMITMENTS FOR PRIORITY POPULATIONS

10-35 POINTS

Points will be awarded based upon the Applicant's Commitment in the Application to provide housing units for the populations listed below in the following manner:

A. A Housing Commitment providing a minimum of 75% of the total housing units as Supportive Housing for the Homeless is worth **35 allocation points**.

OR

B. The following Housing Commitments are worth **10 allocation points each**. A maximum of two options may be selected for a total of 20 points.

- Provide a minimum of 20% of the total housing units as Housing for Farmworkers
- Provide a minimum of 20% of the total housing units as Housing for Large Households
- Provide a minimum 20% of the total housing units as Housing for Persons with Disabilities
- Provide a minimum of 20% of the total housing units as Housing for the Homeless
- Provide an Elderly Housing Project

Applicants may not combine the 75% Supportive Housing for the Homeless Commitment with any of the other options. Under #2 above, Applicants may select no more than two priority populations for a maximum score of 20 points. The selection under #2 cannot be for the same priority population; for example, an Applicant may not select 20% Large Household twice to achieve 20 points for a 40% Large Household set-aside.

In order to receive points for Housing Commitments for Priority Populations, the Applicant must agree to comply with all the requirements and conditions described in this section, as applicable.

6.3.1 HOUSING FOR THE HOMELESS

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").

In providing Housing for the Homeless, the Applicant may select only one of these options:

- Permanent Supportive Housing for the Homeless – 35 Points
- 20% Permanent Housing for the Homeless – 10 Points
- 20% Transitional Housing for the Homeless – 10 Points

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.

Permanent Supportive Housing for the Homeless

Projects providing a minimum of 75% of the total housing units in the project as Supportive Housing for the Homeless will be awarded 35 points.

Supportive Housing for the Homeless projects located outside of King County require preapproval in order to be eligible for these points. A request for preapproval should be submitted no less than 60 days before the application deadline. Applicants failing to obtain preapproval from the Commission as described above will not be eligible for the 35 allocation points.

The preapproval process is intended to provide an opportunity for sponsors to demonstrate to the satisfaction of the Commission that they have a financially feasible project and a successful track record for serving this population and operating this type of housing. Preapproval will be based upon demonstration of each of the following:

- Development and operational capacity and experience with this type of service intensive supportive housing;
- A comprehensive service plan
- A comprehensive funding strategy;
- A comprehensive operating subsidy strategy; and

- A description of the target population, including a marketing plan and screening criteria.

20% Permanent Housing for the Homeless

Projects providing a minimum of 20% of the total housing units in the project as housing for the homeless will be awarded 10 points.

20% Transitional Housing for the Homeless

Projects providing a minimum of 20% of the total housing units in the project as transitional housing for the homeless as prescribed under the Code will be awarded 10 points.

Each housing unit in a building used for transitional housing for the Homeless must contain sleeping accommodations as well as kitchen and bathroom facilities. The building must be used exclusively to ease the transition of homeless persons to independent living within 24 months. A building must be 100% transitional housing if any housing unit in the building is used for transitional housing.

Applicants selecting Transitional Housing for the Homeless must provide evidence in their application that a governmental body or Qualified Nonprofit Organization (QNP) will provide Homeless individuals with temporary housing and supportive services designed to assist them in locating and retaining permanent housing. For a governmental body, the Applicant must submit a resolution authorizing the governmental body to provide temporary housing and supportive services for the project. For a Qualified Nonprofit Organization, the Applicant must submit all documentation required of a QNP outlined in Section 5.2.2.5.

Requirements for all Projects electing the Housing for the Homeless Commitment

Applicants must complete **Section 10 of the Combined Funders Application** which includes:

- A comprehensive service plan including both an assessment and identification of the service needs of the targeted population and a specific strategy for service delivery (i.e., what services, who will provide them, how and where they will be provided).
- A detailed funding strategy for the provision of services, including annual budget, proposed funding sources, and respective funding cycles with letters of interest from each service provider and funder.

All Homeless projects must be **consistent with the Ten-Year Plan to End Homelessness** at the time the Application is submitted and must submit a certification that is dated no more than 6 months prior to the Application date.

- A copy of the Certification of Consistency with the Ten-Year Plan to End Homelessness is located in Exhibit H. If a project is located in the City of Seattle or King County, the applicant must use the jurisdiction's Certification of Consistency with the Ten-Year Plan to End Homelessness.
- If a project is located in a community covered by a Ten-Year Plan to End Homelessness, the Certification of Consistency with the Ten-Year Plan to End Homelessness must be signed by the contact person for the Plan at the local jurisdiction.

- If a project is located in a community that has opted out of the Ten-Year Plan to End Homelessness, the Certification of Consistency with the Ten-Year Plan to End Homelessness must be signed by the Washington State Department of Commerce.
- The State contact and a list of county contacts are provided on the Department of Commerce's Homelessness Housing and Assistance Act website.

Memorandum of Understanding: If primary support services for the Homeless are provided by an agency or organization that is different from the Project Sponsor, then a Memorandum of Understanding (MOU) must be submitted that defines the roles and responsibilities of each entity, including the nature and scope of duties for each. The MOU must also include how costs will be covered.

6.3.2 FARMWORKER HOUSING

Farmworker means a household whose Income is derived from farmwork in an amount not less than $3,000 per year and which, at the time of initial occupancy at the project, has an Income at or below 50% of the area median gross income. See Glossary for a complete definition of "farmwork." All Farmworker units must be rent and income restricted at or below 50% AMI.

All housing units subject to the Farmworker Housing Commitment must be rented to qualifying Farmworker households at initial project occupancy.

6.3.3 HOUSING FOR LARGE HOUSEHOLDS

Points will be awarded based on the Applicant's Commitment to provide a minimum of 20% of the total housing units in the project as low-income housing units with three bedrooms or more that are reserved for Large Households (the "Housing for Large Households Commitment"). A Large Household consists of four or more persons who are not necessarily related.

6.3.4 ELDERLY HOUSING

Points will be awarded on the Applicant's Commitment to maintain the project as an Elderly Housing Project (the "Elderly Housing Commitment").

At Application, the Owner must commit to one of the following elderly options:

- 62 or over: A Project in which all Housing Units are intended for, and solely occupied by, Residents who are 62 or older.
- 55 or older: A Project in which all Housing Units are intended and operated for occupancy by at least one Resident who is 55 or older, where at least 80% of the Total Housing Units in the Project are in fact occupied by at least one Resident who is 55 or older.
- RD 515 or HUD: A Project subject to either the Rural Development (RD) Section 515 program for elderly persons or a HUD elderly program.

The Elderly Housing Commitment is for 100% of the Housing Units in the project, regardless of the elderly option chosen.

6.3.5 HOUSING FOR PERSONS WITH DISABILITIES

Points will be awarded based on the Applicant's Commitment to provide a minimum of 20% of the total housing units in the project for persons with Disabilities (the "Housing for Persons with Disabilities Commitment").

6.3.6 REQUIREMENTS OF ALL HOUSING COMMITMENTS FOR PRIORITY POPULATIONS

All Applicants who select one or more Housing Commitments for Priority Populations must comply with all the following requirements:

A. The Applicant must address the need for housing for the priority population in the Market Study. See Section 4.8 for the specific requirements of the Market Study.

B. The Applicant agrees that any Housing Commitment for Priority Populations will be established, implemented, and kept in compliance with the Fair Housing Act, as amended; the Architectural Barriers Act of 1968; the Americans with Disabilities Act; and any other local, state, and Federal nondiscrimination or accessibility laws, regulations, or requirements.

C. All housing units subject to the Housing for Large Households Commitment, the Housing for the Homeless Commitment, or the Farmworker Housing Commitment must be rent-restricted, low-income housing units.

D. With respect to the Housing for Persons with Disabilities Commitment and the Elderly Housing Commitment, the Applicant may reserve a combination of the low-income housing units and the market-rate housing units for the given Commitment if a project includes both low-income housing units and market-rate housing units. The Applicant agrees that the gross rent for the low-income housing units must be rent-restricted.

E. With the exception of the 100% Elderly Housing Commitment, the same housing unit <u>cannot</u> be used to satisfy more than one Housing Commitment for Priority Populations, regardless of whether a resident is eligible for more than one. Further, the Applicant must provide a minimum of 20% of the total housing units in the project for <u>each</u> Housing Commitment for Priority Populations selected. For example, if the Applicant selects the 20% Housing for Large Households Commitment and the 20% Housing for Persons with Disabilities Commitment, the Applicant must provide a minimum of 40% of the total housing units in the project, including specifically a minimum of 20% of the total housing units for Large Households and a minimum of 20% of the total housing units for Persons with Disabilities.

F. When a project with any Housing Commitment for Priority Populations is placed-in-service and ready for initial occupancy, each housing unit subject to such a Commitment must first be rented to and occupied by a resident who qualifies for the commitment (e.g., in the case of the Farmworker Housing Commitment, by a Farmworker household), or else the unit must be held unoccupied. Upon taking possession of an acquisition/rehabilitation project, the project owner may satisfy all Commitments, beyond any Federal minimums, through attrition.

G. If, after initial occupancy by a qualified resident, a housing unit subject to a Housing Commitment for Priority Populations (other than Elderly Housing Commitment and the Housing for the Homeless Commitment) is subsequently vacated, the project owner shall actively market any vacant housing units that are necessary to comply with the applicable Commitment(s) for a minimum of 30 days. The owner shall not rent such units to anyone who is not eligible for the selected Commitment(s) during this 30-day period. More specifically, a housing unit in this Special Needs Housing Commitment must remain vacant during this 30-day recruitment period until the Applicant can rent it to a person or household who meets the eligibility criteria for the Housing Commitment for Priority Populations.

The minimum 30-day recruitment period begins when the housing unit becomes vacant and ready for occupancy and the Applicant begins to actively market the housing unit. The Applicant must document recruitment efforts (e.g., the active use of the project's referral and marketing agreements).

The Applicant cannot rent the housing units to a person or household who does not meet the eligibility criteria for the specific Commitment(s) during the minimum 30-day recruitment period. If the Applicant is unable to secure an individual or household who meets the eligibility criteria after 30 days of active marketing, the Applicant may rent the housing unit to another resident as applicable.

If the Applicant rents a housing unit to an individual or household who does not meet the eligibility criteria after completing the minimum 30 day recruitment period, the Applicant must actively market the next available housing units of comparable size and type, following the same recruitment procedures, until all the Commitment(s) are achieved and maintained.

The recruitment requirements described in this subsection apply to all housing units in the Farmworker Housing Commitment, the Housing for Large Households Commitment, and the Housing for Persons with Disabilities Commitment, including both low-income housing units and market rate housing units.

For the Elderly Housing Commitment or the Housing for the Homeless Commitment, the Applicant must actively market and exclusively rent all the housing units for the duration of the Project Compliance Period to persons who meet the eligibility criteria of the applicable Special Needs Housing Commitment.

In the event of reasonably unforeseen circumstances that prevent a project from fully meeting its Commitments, the project owner may seek a waiver or modification to any such Commitments. This request must be made in writing and approval is at the sole discretion of the Commission.

6.4 LOCAL FUNDING COMMITMENT

5 POINTS IN KING COUNTY AND METRO COUNTIES ONLY

In an effort to advance those projects that have been prioritized by the local jurisdiction, five points will be awarded to projects that have a significant funding commitment from the local or county government.

There is the potential for unequal access to these points in the Non-Metro counties where there are only a few Participating Jurisdictions with HOME allocations. The majority of Non-Metro counties have very little local funding for housing. Therefore, Local Funding Commitment points will only be available to projects in the King County and Metro Credit Pools, locations where local funding exists in meaningful amounts.

For the purposes of this allocation criterion, Public Housing Authorities (PHAs) are considered a local government. PHAs are a municipal corporation organized pursuant to Revised Code of Washington Chapter 35.82 and a political subdivision of the state of Washington. They have the express statutory authority and power to exercise all public and essential government functions necessary to fulfill their purposes (RCW 35.82.070). The powers of the PHA are vested in the commissioners who are appointed by the governing body of the applicable City or County.

Likewise, federally recognized Indian tribes or their tribally designated housing entity (TDHE) are also considered local government for the purposes of this policy.

A list of eligible funding sources and types has been provided below. For any source or type of funds <u>not</u> listed, preapproval must be requested at least 60 days before the application deadline. If an eligible source is being used in a way that is not listed on the Eligible Types of Financing list, preapproval is also required (e.g., Local housing levy funds used as construction financing). Public Housing Authority Funds used for development capital is an eligible source, but preapproval is required to demonstrate how the funds are providing a direct subsidy to the project. Preapproval is not required for Project-Based Rental Assistance provided by the PHA.

Eligible Sources: HOME, CDBG, 2060, 2163, land donation, local housing levy funds, local housing trust funds, HOPWA, McKinney-Vento Homeless Assistance Grants, NAHASDA Indian Housing Block Grant funds, Section 8 (Project Based only).

Eligible Types of Financing: Permanent Financing, Capital Grants, Land Donation, Project-Based Rental Assistance, Operating and Maintenance Subsidies.

Required Funding Commitment Levels: The minimum funding thresholds below may be met using a combination of local funding sources or types.

- King County = 15% of Total Project Cost
- Snohomish County
  - Funding from the City of Everett alone = $200,000
  - Funding from Snohomish County (with or without the City of Everett) = $600,000
- Pierce County
  - Funding from the City of Tacoma or Pierce County = $300,000

    - Funding from Tacoma Housing Authority = $600,000 (preapproval required)
- Spokane County = $300,000
- Whatcom County = $100,000
- Clark County
    - Funding from either Vancouver or the county = $100,000
    - Funding from both Vancouver and the county = $200,000
    - Funding from Vancouver Housing Authority = $600,000 (preapproval required)
- Indian Tribes or Tribally Designated Housing Entities = a commitment of funds in an amount equal to 50% or more of the most recent year's allocation of NAHASDA Indian Housing Block Grant funds.

Rental Assistance: The value of project-based rental assistance allocated by the PHA or the local jurisdiction will be calculated taking the difference between the current Fair Market Rents (FMR) as published by HUD and the maximum tax credit rents at 30% AMI multiplied by the number of units multiplied by the term of the rental assistance contract. A link to the FMR is provided in Exhibit K of the Application Packet. Documentation of this calculation must be provided with the Application.

For example, if a project in Spokane County has 25 studios with a 5 year commitment for project-based rental Assistance, the formula to compute the Development Capital Equivalent would be as follows:

> FMR of $489 minus 30% AMI Tax Credit rent of $336 = a rent subsidy of $153 per unit per month
> $153 x 12 months x 25 units x 5 years = $229,500

Ineligible Financing: The following are not considered local funding for the purposes of this Policy: federal resources not allocated through the local/county jurisdiction, State Housing Trust Fund monies, taxable or tax-exempt bond financing, in-kind contributions of goods and services, or any funding awarded as pre-development capital or acquisition bridge loans/grants.

All sources must be committed at the time of Application to be eligible for Local Funding Commitment points. Evidence of the Local Funding Commitment(s) must be submitted with the Application. If the Local Funding Commitment is in the form of land donation, the Applicant must also submit a copy of a current appraisal to establish the value of the contributed land and provide a legal description of the land being contributed.

Projects that use project-based rental assistance to establish eligibility for the Local Funding Commitment points are not eligible for points under the Project Based Rental Assistance Criterion.

6.5 FEDERAL LEVERAGE

3-5 POINTS

Points will be awarded to projects that leverage federal capital resources based on the following scale:

- 5 points for projects where Federal Funds equal 25% or more of the Total Project Cost
- 3 points for projects where Federal Funds equal between 15% and 24% of the Total Project Cost

For the purposes of this policy, Federal Funds must be awarded through a national competition, a direct congressional appropriation, or through the assumption of an existing federally subsidized loan. Only federal capital funds are eligible. Federal funds administered by the local, county or state jurisdictions are not eligible for the points in this category. The funds must be committed to the project at the time of application.

Examples of eligible sources include HUD 202 and 811 capital advances, USDA RD 514 and 515. Other federal sources may be eligible with preapproval at least 60 days before the application deadline. A commitment is not necessary at the time of preapproval, but must be in place by the application deadline in order to maintain eligibility.

NAHASDA funds will qualify as Federal Funds for the purposes of this policy only in the Non-Metro Credit Pool. In the King County and Metro Credit Pools, NAHASDA funds are recognized under the Local Funding Commitment policy and are may not be used to generate points under this policy.

All sources must be committed at the time of Application to be eligible for Federal Leverage points. Evidence of the Federal Funds commitment(s) must be submitted with the Application.

6.6 STATE FUNDING COORDINATION

2 POINTS

The Commission and the State Department of Commerce, as administrator of the Housing Trust Fund, are Washington's two statewide agencies with low-income housing as a fundamental part of their missions. Financing support from both agencies is often necessary to serve the State's lower income and special needs populations. Strategic coordination of the two agencies when setting policy ensures successful collaboration in funding decisions to meet the housing needs of Washington's low-income and special needs households.

In recognition of the intrinsic partnership between Washington's two statewide housing agencies, 2 points will be awarded Applicants holding a commitment of funds from the Department of Commerce in the amount of $750,000 or more.

Department of Commerce funds must be committed at the time of Application to be eligible for State Funding Coordination points. Evidence of the HTF commitment must be submitted with the Application.

King County Projects: A project located in King County may not claim the State Funding Coordination points unless it is also eligible for the Local Funding Commitment points (see Section 6.4).

6.7 PROJECT-BASED RENTAL ASSISTANCE

2-4 POINTS

Points will be awarded to projects that meet the following threshold for federal project-based rental assistance (PBRA):

Number of Units with PBRA	Points
30-49	2 points
50-79	3 Points
80 or more	4 Points

The rental assistance may be an existing or a new contract. Federal rental assistance may be administered by HUD, USDA Rural Development or by the local Public Housing Authority. The rental assistance must be committed at the time of application. Projects that use project-based rental assistance to establish eligibility for the Local Funding Commitment points are not eligible for points under this policy.

The Applicant must agree to renew such subsidy for as long as the rental assistance is available. In the event that rental assistance is eliminated, rents charged to the residents may not exceed 30% of their gross income at that time. The Applicant may request that the Commission waive or modify this requirement if the rental income is insufficient to support the economic viability of the project.

6.8 COST CONTAINMENT INCENTIVE

2-3 POINTS

Points will be awarded to projects based on how they compare to the median cost per square foot in the allocation round in which they apply.

When Applications are received, the Residential Cost per Square Foot (Cost/SF) of each project will be calculated per the following definitions:

- ***Residential Project Square Footage*** is defined as the gross residential square footage of the buildings to be constructed or rehabilitated.
    - Gross residential square footage is to be measured from the outside face of the exterior walls and the centerline of party walls.
    - Everything within the building envelope will be included in the calculation, including unheated mechanical space, common area, circulation area and structured parking.

  - Anything outside of the building envelope such as balconies, roof top decks, carports, and surface parking is to be excluded.
  - Commercial spaces to be owned under a separate legal entity and whose costs are not reflected in the Residential Project Budget may not be included in the total project square footage.
  - Space that is shared between a Residential Project Condominium and other condominiums in a building may be included on a pro rata basis.
  - A certification of the Project's Gross Residential Square Footage by the project architect must be included in the Application and recertified at the time of final cost certification.
- ***Total Development Cost*** is defined in the same way as it is under the existing TDC Limit Policy: Total Residential Project Cost minus the cost of land and minus capitalized reserves.
- ***Cost per Square Foot*** is determined by dividing the Total Development Cost by the project's Residential Project Square Footage.

Projects competing in the same allocation round that are subject to the King-Pierce-Snohomish County TDC Limits (see Section 3.2) will be grouped together to determine the median King-Pierce-Snohomish County Cost/SF for the round. Those same projects will then be ranked against that median and points will be assigned based on the scale below.

The same approach will be used to develop the median Balance of State Cost/SF. Projects competing in the same allocation round that are located in Clark, Spokane, Whatcom and Non-Metro Counties and subject to the Balance of State Limits will be grouped together to determine the median Balance of State Cost/SF for the round. Those projects will then be ranked against that median.

Cost Incentive Point Scale:

- A Project whose Cost/SF is more than 15.0% above the applicable median Cost/SF will receive 0 points.
- A Project whose Cost/SF is 15.0% above to 5.0% below the applicable median will receive 2 points.
- A Project whose Cost/SF is more than 5.0% below the applicable median will receive 3 points.

Projects must maintain eligibility for the points awarded. If at the time of Final Cost Certification, a project has failed to maintain its Cost/SF in the range for which it was awarded points, an equal number of points will be deducted from the Project Sponsor's next complete, Fully Funded 9% tax credit application that satisfies all applicable Minimum Threshold criteria.

6.9 DEVELOPER FEES

2-10 POINTS

Points will be awarded based on the Applicant's Commitment in the Application to limit the maximum developer fees, in the aggregate, for the project to:

% of Total Project Cost*	Points
10%	10 Points
11%	8 Points
12%	6 Points
13%	4 Points
14%	2 Points
15%	0 Points

*For a discussion of how and when the developer fee is calculated with respect to a Project, see Section 3.7 and 3.8.

6.10 PROPERTIES AT RISK OF MARKET CONVERSION

4-6 POINTS

This Allocation Criterion prioritizes projects that are at imminent risk of loss to the State's affordable housing portfolio due to the potential conversion of use-restricted units to market rate units. Projects must have an expiring use restriction and the units must be at risk of loss under one of two scenarios:

> Scenario 1: The current ownership is selling the property and the units will no longer be use restricted and will convert to market.
>
> Scenario 2: The Project has significant and immediate capital needs and the Project Sponsor is faced with letting the use restriction lapse as a way to increase cash flow to fund capital expenditures.

Eligible Projects will be awarded points based on the number of units At Risk of Market Conversion:

	Points
79 units or less	4 points
80 units or more	6 Points

Projects are eligible for the At Risk of Market Conversion Criterion if all of the following requirements are met:

- Projects must have one or more Federally Assisted Buildings.
- The Federal Agency regulating the low-income use must certify that the owner may be released from all low-income use restrictions within three years of the date of the preapproval request.
- The Applicant must demonstrate that a market exists for the project to be converted to market rate housing and that the existing residents are likely to be displaced should the project not be purchased or recapitalized by the Sponsor.
    - A market study or at least 3 market rate comparables for each bedroom size must be provided to indicate the market rents that might be achievable at the property without the federal assistance restriction.
    - The Applicant must supply the rent rolls that show the incomes of the residents to demonstrate that the population living in the units is unable to afford market rate rents in the same market area.
- Projects qualifying under Scenario 2: The project must have significant and immediate capital needs evidenced by a required 3^{rd} party Capital Needs Assessment.

Preapproval is required for At Risk of Market Conversion Points:

Scenario 1: Projects must seek preapproval of their status once the Sponsor has gained site control through a Purchase and Sale Agreement but before the Sponsor waives any financing contingencies of the agreement. Projects applying in the 2014 round that have already passed this milestone may seek preapproval as part of the regularly scheduled 2014 Preapproval process.

Scenario 2: Projects must seek preapproval of their status as part of the regularly scheduled preapproval process for the Allocation Round in which they are applying.

Preapproval will be based on the requirements stated above. The Commission must concur that the project is "at-risk," that a true threat for conversion of the property to market rate housing exists, and that the displacement of the existing residents is imminent.

Once preapproval has been granted, it is valid for three allocation rounds after the date the preapproval is granted. The acquisition price in the eventual Tax Credit Application must be supported by a current appraisal. Preapproval is for the points only. The project must compete for credit in the round in which it applies.

At Risk of Market Conversion points are not available to projects competing in the New Production pool, e.g. a project made up of units that are 40% rehab and 60% new construction.

6.11 HISTORIC BUILDINGS

5 POINTS

Points will be awarded to Projects that fit the definition of New Production, are using the federal Historic Tax Credit (RTC) as part of the project financing, and are:

- **A.** Listed, or have been determined eligible for listing, in the National Register of Historic Places administered by the U.S. Department of the Interior in accordance with the National Historic Preservation Act of 1996; or
- **B.** Located in a registered historic district and certified by the Secretary of the U.S. Department of the Interior as being of historic significance to that district.

To receive points, 50% or more of the total housing units in the project must be located in the building(s) designated as historic property. Projects must submit evidence of the historic designation and a Title Report that shows no existing Affordable Housing Use Restrictions with the Application. Applicants must also complete the Historic Tax Credit tab of the LIHTC addendum as well as show Historic Tax Credits as part of the Project financing.

6.12 ELIGIBLE TRIBAL AREA

6 POINTS IN KING COUNTY / 5 POINTS IN METRO / 3 POINTS IN NON-METRO

Points will be awarded to Projects located within the boundaries of an eligible Indian Reservation or within the service area of an eligible tribe provided that the project is sponsored by the Indian tribe or tribally designated housing entity. Indian Tribes eligible for these points are those where the percentage of households living below the poverty level is 20% or more of the total tribal households.

Eligible Tribes	Poverty Rate
Chehalis	20%
Colville	21%
Hoh	35%
Kalispel	30%

Lower Elwha	26%
Makah	27%
Nooksack	30%
Quileute	37%
Quinault	27%
Skokomish	24%
Spokane	24%
Squaxin Island	24%
Upper Skagit	47%
Yakama	24%

Tribal eligibility is based upon poverty rate levels as determined by the U.S. Census. For tribes not listed as eligible, on a case by case basis, the Commission will consider supplemental demographic data provided by the Applicant that demonstrates that 20% or more of the total Indian households are living below the poverty level. To be considered for these points using supplemental data, the Applicant must present their data to the Commission for preapproval at least 30 days prior to the application deadline.

The Applicant must provide a site map identifying the project location and the boundaries of the Indian Reservation or the Service Area of the Tribe. If a project consists of multiple sites, all sites must be located within the Eligible Tribal Area.

Note: If a Project selects points under this Allocation Criterion, it is not eligible to select points under the other allocation criteria that target specific locations: Location Efficient Projects, Area Targeted by a Local Jurisdiction, Community Revitalization Plan, Transit Oriented Development, Job Centers, and High Opportunity Areas as outlined in Sections 6.13 to 6.18 below.

6.13 LOCATION EFFICIENT PROJECTS

2 POINTS

Points will be awarded to Projects that provide nearby access to food and go beyond the minimum Access to Services criterion of the Evergreen Sustainable Development Standard (ESDS). Under ESDS Criterion 2.5, urban projects should be located within ¼ mile walking distance of at least two or a ½ mile of at least 4 community, retail or service facilities. Rural projects should be located within 2 miles of at least 2 facilities. For the purposes of this Allocation Criterion, urban and rural hold the same definitions as under ESDS (See Section 4.9) and the same distance measurement, from the center of the site to the entrance of the facility, will be used.

Two points will be awarded to **<u>Urban Projects</u>** that are:

- located within ¼ mile walking distance of at least 3 community, retail or service facilities or within a ½ mile walking distance of 5 facilities from the list below; AND
- located within ½ mile walking distance of a supermarket, a grocery store with produce or a farmers' market. This does not count as one of the 3 or 5 facilities referenced in number 1 above.

Two points will be awarded to **<u>Rural Projects</u>** that are:

- located within a 2 mile driving distance of 4 or more facilities from the list below; AND
- one of the 4 facilities must be a supermarket, a grocery store with produce or a farmers' market supermarket, a grocery store with produce or a farmers' market.

CIVIC & COMMUNITY FACILITIES		SERVICES	RETAIL
• Medical clinic or office • Licensed Adult or senior care • Licensed Childcare • Community or recreation center • Entertainment venue (theater, sports) • Educational facility (including k-12 school, university, adult education, vocational school, community college) • Cultural arts facility (museum, performing arts)	• Police or fire station • Public Library • Public park • Post office • Place of worship • Government office that serves public on-site • Social services center	• Bank • Restaurant, café, diner Laundry, dry cleaner • Gym, health club, exercise studio	• Supermarket • Other food store with produce • Farmers' market • Hardware store • Pharmacy • Clothing retail • Other retail

The facilities used to meet this criterion must be built at the time of application. Facilities that are planned, but not built, may be eligible with preapproval.

A Farmer's Market must operate at least once a week for at least 5 months of the year.

Each establishment must be a separate and distinct business and may only count as one facility. Separate and distinct businesses under one roof will each count as a facility. For example, a Safeway that also houses a Wells Fargo Bank and a Starbucks will count as 3 facilities.

If a project includes multiple sites, each of the sites must be with the required distance of the specified number of facilities.

The Applicant is responsible for explaining and demonstrating how the listed facilities meet the intent of this policy; however, it is the Commission, in its sole discretion, who will determine whether the specific facilities, services and/or retail presented qualify.

Applicants must attach (1) a list of the required number of services, facilities, and/or retail establishments including the name, type of facility and address; and (2) a context map demonstrating that the **center of the Project site** is within the required walking or driving distances of the required number of services. Google Maps offers a function to demonstrate walking or driving distance. On Google Maps, go to "Get Directions" and then click on the image of a pedestrian or a car. The Commission will, in its sole discretion, determine whether the specific facilities, services and/or retail presented meet the intent of this policy.

6.14 AREA TARGETED BY A LOCAL JURISDICTION

2 POINTS IN KING COUNTY AND METRO COUNTIES

Points will be awarded to a Project that is located within the defined geographic boundaries of a planning document approved by the governing body of the local jurisdiction. The planned targeted area must provide for a mix of housing, retail and services and have zoning provisions to accommodate new growth in the area. The plan must include policies addressing the creation or preservation of affordable housing serving households at 80% AMI or below. The targeted area cannot be an entire local jurisdiction, nor can it be a site level designation.

The Applicant must submit documentation of the targeted area designation by the local jurisdiction and a site map showing the Project's location within the designated area. If a project includes multiple sites, each of the sites must each be located within an area targeted by a local jurisdiction.

6.15 COMMUNITY REVITALIZATION PLAN (CRP)

1 POINT IN KING COUNTY AND METRO COUNTIES ONLY

One point will be awarded to a Project that is located within the defined geographic boundaries of a Community Revitalization Plan.

A Community Revitalization Plan must:

- Be a published document, approved and adopted by a governing body, by ordinance, resolution, or other legal action; and
- Target funds or tax incentives to specific geographic areas for either:
  - economic development, including economic related initiatives
  - commercial/retail development, including infrastructure and community facility improvement.

Community Revitalization Plan points require preapproval. Applicants must submit the CRP Preapproval Form at least 60 days prior to the Application deadline. If a project includes multiple sites, each of the sites must each be located within an area covered by a Community Revitalization Plan.

6.16 TRANSIT ORIENTED DEVELOPMENT (TOD)

1 POINT IN KING COUNTY ONLY

Projects will be awarded 1 point if they are located within a 10-minute walkshed of Fixed Transit Infrastructure and located in an area zoned for high-capacity transit-supported density. TOD points are only available to Projects in King County. Puget Sound Regional Council (PSRC) has generously developed a map to locate properties to fit the TOD definition outlined below. The map is available on our website. If a property meets the intent of the policy but fails to appear on the map, a location that meets the intent of the policy may still be eligible for the TOD point with preapproval.

"**Fixed Transit Infrastructure**" is defined as Light Rail Stations, Commuter Rail Stations, Ferry Terminals, Bus Rapid Transit Stations, Streetcar Stops, and Major Bus Transit Centers.

The major bus transit centers in King County are Auburn Transit Center, Aurora Village Transit Center, Bellevue Transit Center, Burien Transit Center, Federal Way Transit Center, Issaquah Transit Center, Kent Transit Center, Kirkland Transit Center, Mount Baker Transit Center, Northgate Transit Center, Overlake Transit Center, Redmond Transit Center, Renton Transit Center, and Totem Lake Transit Center.

Metro has certain Rapid Ride stops designated as "stations" that will receive higher levels of improvement and will always be served. Rapid Ride stops that are not designated as "stations" are not eligible TOD locations.

If the Fixed Transit Infrastructure does not yet exist, the transit investment must be planned, approved, and funded at the time of Application. Transit investments that have been funded, but not yet been sited, will not be considered.

A "**10-minute walkshed**" is defined as the area surrounding the Fixed Transit Infrastructure that is comfortably walkable within 10 minutes, typically an area that is within ½ mile of the transit. The size and shape of a walkshed takes into account the existence of freeways, the street grid, topography and other obstacles that might impede access to the transit site. The 10-minute Walkshed around each of the eligible TOD locations is shown on the TOD map.

An area is considered to be zoned for "**high-capacity-transit-supportive density**" when the overall zoning for the area within the walkshed of the Fixed Transit Infrastructure allows for at least 20 dwelling units per gross acre.

The Applicant must submit a site map with the application demonstrating that the Project's location is within the boundaries of an eligible TOD's 10-minute walkshed. If a project includes multiple sites, each of the sites must each be located within a TOD walkshed to be eligible for the TOD point.

6.17 JOB CENTERS

1 POINT IN METRO AND NON-METRO COUNTIES

One point will be awarded to Projects located in or near the top 25 cities and Census Designated Places (CDP) within each of the Metro and Non-Metro Credit Pools that have experienced the highest absolute job growth over the five year period from 2005 to 2010.

Projects must be located within a 5 mile radius of the top growth places in the Metro Credit Pool and within a 10 mile radius of the places in the Non-Metro Credit Pool.

The list of Top Job Growth Cities and Places will remain constant for a five year period. Updates will occur one year prior to implementation of the updated list to take development pipeline into account. For example, the proposed list will remain in place for the allocation years of 2013 to 2017. The list will be updated and published in 2016, but will not take effect until 2018.

If the Project's address clearly demonstrates that the Project is located in a Job Growth Place, no documentation needs to be submitted with the Application. If the Project's address shows the project is not located in a Job Growth Place, the Applicant must submit a site map demonstrating that the Project is located within the required distance of a Job Growth Place.

If a project includes multiple sites, each of the sites must demonstrate eligibility in order for points to be awarded under the Job Center criterion.

Top 25 Job Growth Places in Metro Counties					
City or CDP	County	2010 Jobs	2005 Jobs	2005-2010 Job Growth	Rank
Everett	Snohomish	82,643	75,211	7,432	1
Vancouver	Clark	77,603	71,511	6,092	2
Spokane	Spokane	119,405	113,364	6,041	3
Mount Vista CDP	Clark	3,616	1,879	1,737	4
Lakewood	Pierce	25,409	23,797	1,612	5
Airway Heights	Spokane	3,700	2,425	1,275	6
Battle Ground	Clark	4,556	3,283	1,273	7
Blaine	Whatcom	3,151	1,954	1,197	8
Bothell (Partial)	Snohomish	11,432	10,318	1,114	9
Fife	Pierce	14,887	13,792	1,095	10
North Lynnwood CDP	Snohomish	2,478	1,458	1,020	11
Mukilteo	Snohomish	7,852	6,843	1,009	12
Fairwood	Spokane	2,176	1,308	868	13
Spokane Valley	Spokane	49,060	48,208	852	14
Bonney Lake	Pierce	2,593	1,743	850	15
Hazel Dell CDP	Clark	6,664	5,824	840	16
South Hill	Pierce	6,330	5,705	625	17
Sumner	Pierce	9,290	8,750	540	18
Five Corners	Clark	2,847	2,314	533	19
Fort Lewis	Pierce	2,567	2,063	504	20
Mill Creek	Snohomish	3,915	3,440	475	21
Ferndale	Whatcom	5,029	4,575	454	22
Cheney	Spokane	3,938	3,497	441	23
Salmon Creek CDP	Clark	4,862	4,460	402	24
Parkland CDP	Pierce	7,091	6,721	370	25

*Places must have at least 2,000 jobs in 2010 to be considered as a Top Job Growth Location.

Top 25 Job Growth Places in Non-Metro Counties					
City or CDP	County	2010 Jobs	2005 Jobs	2005-2010 Job Growth	Rank
Kennewick	Benton	31,260	27,032	4,228	1
Lacey	Thurston	17,433	14,034	3,399	2
Pasco	Franklin	18,634	15,624	3,010	3
Grandview	Yakima	3,354	507	2,847	4
Richland	Benton	35,816	33,065	2,751	5
Hoquiam	Grays Harbor	2,927	338	2,589	6
East Port Orchard CDP	Kitsap	2,507	202	2,305	7
Wenatchee	Chelan	18,451	16,567	1,884	8
Olympia	Thurston	49,968	48,381	1,587	9
Terrace Heights CDP	Yakima	3,078	1,566	1,512	10
Pullman	Whitman	13,084	11,751	1,333	11
Tumwater	Thurston	13,259	11,955	1,304	12
Yelm	Thurston	2,180	1,177	1,003	13
Ellensburg	Kittitas	8,024	7,238	786	14
Sunnyslope CDP	Chelan	3,863	3,112	751	15
Port Angeles	Clallam	9,133	8,540	593	16
Clarkston	Asotin	4,236	3,707	529	17
Walla Walla	Walla Walla	15,327	14,835	492	18
Moses Lake	Grant	10,258	9,795	463	19
Longview	Cowlitz	19,477	19,051	426	20
Ephrata	Grant	3,607	3,215	392	21
Sequim	Clallam	3,889	3,498	391	22
Bainbridge Island	Kitsap	5,889	5,516	373	23
Sunnyside	Yakima	5,902	5,554	348	24
Chehalis	Lewis	6,317	5,976	341	25

*Places must have at least 2,000 jobs in 2010 to be considered as a Top Job Growth Location.

6.18 HIGH AND VERY HIGH OPPORTUNITY AREAS

1 POINT IN KING COUNTY ONLY

Projects located in a census tract that is rated High or Very High on the Comprehensive Opportunity Index as defined by the Puget Sound Regional Council will be awarded 1 point. More information on Opportunity Mapping is available on PSRC's website: http://www.psrc.org/growth/growing-transit-communities/regional-equity/opportunity-mapping/.

If a project includes multiple sites, each of the sites must each be located within a High or Very High Opportunity Census Tract to be eligible for this point.

6.19 NONPROFIT SPONSOR

5 POINTS

Nonprofit Organizations are critical to the delivery of affordable housing for low-income households in Washington. Nonprofit housing developers are mission driven entities that do not need to produce economic profits for investors and thus are able to place a very high priority on the needs and interests of residents most in need. They have a vested and long-term interest in developing, maintaining and preserving safe, quality and affordable housing options for low-income individuals and families.

Across our state, the organizational capacity and housing development experience of Nonprofit Organizations is uneven. In certain areas of the state, especially in rural areas, the existing capacity of Nonprofit Organizations is not sufficient to meet the affordable housing needs.

For-profit entities also provide an important vehicle for the provision of affordable housing. In certain parts of the state they are the only developers of such housing and they often bring equity and expertise to transactions that would not otherwise be available to Nonprofit Organizations. Because of their need to produce returns on investment and their sensitivity to the tax treatment of investments, for-profit entities as a group may not provide the sustained development capacity needed to meet the long term affordable housing needs of low-income individuals and families.

It is the primary intent of this policy to increase the capacity of Nonprofit Organizations to provide affordable housing and thereby increase the number of affordable housing projects developed and owned by Nonprofit organizations now and in the future. The secondary objective is to encourage partnerships between Nonprofits Organizations and for-profit entities, thereby expanding the capacity of Nonprofit Organizations and recognizing the important contribution that for-profit entities can provide to meet our housing needs. The third objective is to recognize situations where there is simply insufficient Nonprofit Organization capacity or other unique circumstances and provide incentives to for-profit entities to develop affordable housing.

For the purposes of this policy, a Nonprofit Organization is defined as an organization organized and operated exclusively for Charitable Purposes and that is tax-exempt under Section 501(a) of the Code. Examples of these are organizations described in Sections 501(c)(3) and 501(c)(4) of the Code. A Nonprofit Organization also includes public housing authorities, public development corporations, Tribes, and Tribally Designated Housing Entities.

In order to be considered for the five Nonprofit Sponsor points, Applicants must qualify under one of the following three scenarios:

A. **Nonprofit only:** Developed, owned and operated solely by a credible and viable Nonprofit Organization, recognizing that there may be for-profit partners or participants to provide tax-credit equity.

B. **For-Profit Nonprofit Partnership:** Developed owned and operated by a partnership between a for-profit entity and a Nonprofit Organization as co-owners (FP and NP Partnership). For example, a Limited Partnership may have a for-profit and a Nonprofit Organization as co-general partners or in the case of a Limited Liability Company, co-managing members. Also projects may be co-developed by partnerships between for-profit entities and Nonprofit Organizations. The Nonprofit Organization should have a material role in the development or management of the project, provide services or otherwise contribute to the project.

C. **Nonprofit Sponsor Waiver:** Under certain circumstances and only after making specific findings, the MHCF Director may waive the required Nonprofit Organization involvement. The findings must demonstrate that either no credible and viable Nonprofit Organization is willing and/or able to participate in the project development and ownership, or that unique conditions exist such that only a for-profit entity can complete the project. Approval for such waiver requests must be granted in advance of the published application deadline. Waiver requests must be made in writing at least 60 days in advance of application submittal deadline.

All Applicants selecting the Nonprofit points must submit the following (as applicable) with their Application:

A. A copy of the Nonprofit Organization's IRS determination letter;
B. A complete and current as amended copy of the Nonprofit Organization's articles of incorporation as filed with the Secretary of State;
C. Complete and current as amended copies of the bylaws and other governing instruments of the Nonprofit Organization;
D. Evidence that the Nonprofit Organization has an ownership interest in the project and that the Nonprofit Organization will materially participate in the development and operation of the project throughout the project compliance period;
E. A certification by the Nonprofit Organization that it is not Affiliated With, or Controlled By, a for-profit organization, entity, or individual; and
F. A current list of names of all board members and officers of the Nonprofit Organization and any affiliation (plus the nature of the affiliation) such board member or officer has with any for-profit entities or individuals.

6.20 DONATION IN SUPPORT OF LOCAL HOUSING NEEDS

5 POINTS

Points will be awarded to projects based on the Applicant's Commitment to contribute funds to a local Nonprofit Organization in an amount equal to the greater of either 25 basis points (0.0025) of Total Project Costs; or $10,000. The local Nonprofit Organization must not be Affiliated With or Controlled by the Applicant. The contribution must be in support of a low-income housing program that provides housing or housing-related services in the same county where the Project is located.

The Applicant does not need to identify the proposed recipient or use of the donation funds at the time of the Application. If the Applicant selects this Allocation Criterion, the Applicant will need to submit this information for review and approval by the Commission as a placed-in-service allocation requirement.

At Placed-in-Service, the Applicant must provide the Commission with certifications from both the Applicant/donor and the proposed recipient of the contribution confirming that the contribution was made or received, respectively, without any benefit given or expected in return for such contribution. The Applicant must provide a letter from the Nonprofit Organization acknowledging receipt of the contribution amount as well as a copy of the cancelled check from the donation.

Clarification: The method of calculating the donation changed in 2011. Projects applying before 2011 calculate the donation by (1) subtracting out the Intermediary Costs and Capitalized Reserves from the Total Project Cost and then (2) multiplying by 0.25%. Projects applying in 2011 and later, multiply Total Project Cost by 0.25% without removing Intermediary Costs or Capitalized Reserves.

6.21 EVENTUAL TENANT OWNERSHIP

2 POINTS

Two points will be awarded to Projects that are intended for eventual tenant ownership after the initial 15-year compliance period. Intent to convert must be expressed in a clear and comprehensive plan at the time of the Application in a manner satisfactory to the Commission. This plan must address financial and programmatic structure; timing of ownership transfer; eligibility and selection process for potential owners; and all lienholder interests. The project development team must also demonstrate capacity for designing, developing and managing the eventual ownership program.

Eventual Tenant Ownership points require preapproval. Applicants must submit the Eventual Tenant Ownership Preapproval Form at least 60 days prior to the Application deadline.

Appendix B – 2014 Allocation Criteria – 9% Program

APPENDIX C: 2013 ALLOCATION CRITERIA – 4% TAX CREDIT/BOND PROGRAM

6 Tax Credit and Bond Cap Allocation Criteria

Commission staff will use the Tax Credit and Bond Cap Allocation Criteria described below and the points assigned to each Allocation Criteria to assess the degree to which a proposed project promotes the Commission's housing priorities as outlined in WAC 262-01-140 "Private Activity Bond Cap allocation" and WAC 262-01-130 "Tax Credit Program Rules".

When market conditions develop so that demand for private activity bonds exceeds the amount of Bond Cap available, the Commission may implement a reservation requirement for bonds and hold competitive rounds in order to allocate Bond Cap and 4% Tax Credits. In that circumstance, the allocation criteria below would be used for the purposes of ranking projects.

Currently, the bond cap available exceeds the expected demand. Therefore, the allocation criteria below act as a minimum threshold requirement. A **minimum of 30 points** must be selected from the options below in order to apply for the Tax Credit/Bond Program.

Summary of Tax Credit/Bond Program Scoring	Points
• **Additional Low-Income Set-Asides:**	
90% at 60% AMI, 10% at 40% AMI	5
70% at 60% AMI,30% at 50% AMI	10
50% at 60% AMI, 50% at 50% AMI	15
30% at 60% AMI, 70% at 50% AMI	20
100% at 50% AMI	25
• **Additional Low-Income Housing Use Period**	1-22
• **Serving Priority Populations:**	
10% for Large Households	5
10% for Persons with Disabilities	5
20% for Large Households	10
20% for Persons with Disabilities	10
100% Seniors with Some Services	10
• **Project-Based Rental Assistance:**	
25-49% of low-income units	10
50-74% of low-income units	15
75-100% of low-income units	20
• **Leveraging of Public Resources:**	
5% of Total Project Costs	3
10% of Total Project Costs	5
15% of Total Project Costs	10
• **Leveraging of Taxable Bonds**	1-7
• **Limiting of Developer Fee**	2-10
• **Rehabilitation Project**	3
• **At-Risk Properties**	5
• **Property Type:**	3
Grayfield, Adaptive Reuse or Historic Property	3
Brownfield	10
Tax Credit/Bond Program Scoring cont'd.	**Points**
• **Location Efficient Projects**	3
• **Area Targeted by a Local Jurisdiction**	3
• **Community Revitalization Plan**	3
• **Nonprofit Sponsor**	2
• **Donation in Support of Local Housing Needs**	5
• **Development Amenities:**	
Onsite Community Garden	1
Onsite Business/Learning Center	1
Onsite Playground/Fitness Trail	1
Bicycle Storage	1

6.1 Additional Low-Income Housing Commitment

Points will be awarded to projects based on the Applicant's Commitment to provide selected percentages of the total low-income units for occupancy by households at or below selected area median income levels. Units are both rent and income restricted at the selected income levels. This commitment will be reflected in the Tax Credit Extended Use Agreement and the Bond Regulatory Agreement.

- 100% of the low-income units at 60% AMI ....0 points
- 90% of the low-income units at 60% AMI, 10% at 40% AMI ....5 points
- 70% of the low-income units at 60% AMI, 30% at 50% AMI ....10 points
- 50% of the low-income units at 60% AMI, 50% at 50% AMI ....15 points
- 30% of the low-income units at 60% AMI, 70% at 50% AMI ....20 points
- 100% of the low-income units at 50% AMI ....25 points

Rounding Rule: For instances where the respective percentage of units that are subject to the commitment do not distribute evenly (i.e. 50% of 25 units = 12.5), the number of units in the lowest income targeting category must be rounded up the next unit. The remaining number of units will then be assigned to the higher income set-aside category.

Example: 125 unit project			
	≤ 50% AMI	**≤ 60% AMI**	**Total**
% of low-income units selected:	30%	70%	100%
Actual units per % selected:	37.5 units	87.5 units	125 units
Units after rounding rule:	38 units	87 units	125 units

6.2 Additional Low-Income Housing Use Period

One point will be awarded for every year that the Additional Low-Income Housing Use Period is extended in the Tax Credit Regulatory Agreement, up to a maximum of 22 years (the "Additional Low-Income Housing Use Period"). The Additional Low-Income Housing Use Period commences upon the close of the compliance period (i.e. after the first 15 years). In making this commitment, the Applicant agrees to maintain the low-income housing units and all applicable Commitments made by the Applicant in the Application for the duration of the Project Compliance Period and waives the ability to terminate the Extended Use Regulatory Agreement through the Qualified Contract Process until the end of the Additional Low-Income Housing Use Period. The term of the Tax Credit Regulatory Agreement will be a minimum of 30 years as required by Code. If the Additional Low-Income Housing Use Period selected is greater than 15 years, the term of the Tax Credit Regulatory Agreement will be the 15 year Compliance Period plus the term of the Additional Low-Income Housing Use Period.

For example, if an Applicant selects an Additional Low-Income Use Period of 18 years, the project's regulatory agreement term will be 33 years and the owner may engage the Qualified Contract Process at the end of the Regulatory Agreement. If an Applicant selects an Additional Low-Income Use Period of 10 years, the project's regulatory agreement will be the mandatory 30 years, but the owner defers the right to engage the Qualified Contract Process until year 25 (15 year compliance period + 10 year Additional Low-Income Housing Use Period).

A full explanation of the various Affordable Use Periods is available in the "Compliance Affordable - Use Periods" section of the Tax Credit Compliance Procedures Manual, Chapter 2.

The term of the Bond Regulatory Agreement will be guided by the minimum requirements of the IRS Code; no points will be awarded for the extension of the Bond Regulatory Agreement.

Additional Low-Income Housing Use Periods may range from

- 1 year .... 1 point
  to
- 22 years ....22 points

6.3 Housing Commitments for Priority Populations

Points will be awarded based on the Applicants Commitment in the Application to provide housing units for the following priority populations: Large Households, Persons with Disabilities or Seniors. Applicants may select no more than two of the following options. If an Applicant chooses two priority population set-asides, the set-asides must be for different populations.

- 10% of total housing units set aside for Large Households ....5 points
- 10% of total housing units set aside for Persons with Disabilities...........................5 points

- 20% of total housing units set aside for Large Households ....10 points
- 20% of total housing units set aside for Persons with Disabilities.........................10 points

- 100% of total housing units set aside for Seniors with some services. A project must commit to providing at least three of the following onsite: food service, housekeeping and linen service, transportation services, social coordinator and activities, or other services approved by the Commission ....10 points

Applicants should review Chapter 3 of the Tax Credit Compliance Manual and Appendix P for further information on Housing Commitments for Priority Populations (also referred to as "Special Needs Housing Commitments").

6.4 Project-Based Rental Assistance

Points will be awarded to projects that create or preserve project-based government rental assistance covering at least 25% of the total low-income units. The Applicant must agree to renew the rental assistance for as long as the rental assistance is available. In the event that the rental assistance is eliminated, rents charged to the existing residents may not exceed 30% of their household income at that time. The Applicant may request the Commission waive or modify this requirement if the rental income is insufficient to support the economic viability of the project.

- Less than 25% of the low-income housing units..0 points
- 25-49% of the low-income housing units...10 points
- 50-74% of the low-income housing units...15 points
- 75% or more of the low-income housing units...20 points

For a project to be eligible for these points, the rental assistance must be committed at the time of application. Applicants must include a copy of the Rental Assistance contract under the Project Operations section of the Application.

6.5 Leveraging of Public Resources

Points will be awarded to projects that have received a substantial funding commitment from a federal, state or local government in the form of a loan, grant or contribution of land for the project's development with a combined value of at least:

- 5% of the Total Project Costs ....3 points
- 10% of the Total Project Costs ....5 points
- 15% of the Total Project Costs ....10 points

Funds must be committed at the time of application in order to be eligible for these points. Applicants must include evidence of public funding commitments under the Project Financing section of the Application. Land donation and nominal value land leases will be valued according to the Fair Market Value of the property substantiated by a recent appraisal.

Capital contributions by Public Housing Authorities who are also serving as the developer in the project are eligible for these points.

Neither tax-exempt bonds nor credit enhancement associated with bond financing are considered a "public resource" for the purposes of this policy. In-kind contributions such as goods and services are also not considered eligible for the purposes of this policy.

6.6 Leverage of Taxable Bonds

Points will be awarded to projects that use taxable bonds as a portion of the project's total bond issue according to the following scale:

- 2% of the Total Bond Issue...1 points
- 4% of the Total Bond Issue...2 points
- 6% of the Total Bond Issue...3 points
- 8% of the Total Bond Issue...4 points
- 10% of the Total Bond Issue...5 points

- 12% of the Total Bond Issue .... 6 points
- 14% of the Total Bond Issue .... 7 points

In order to be eligible for points under this criterion, the appropriate amount of taxable bonds must be listed in the Project Financing section of the application.

6.7 Limiting of Developer Fee

Points will be awarded to Applicants that commit to limit the Project's maximum developer fee, in aggregate, according to the following schedule:

- 10% of the Total Project Costs less Reserves, Intermediary Costs & Donation ..... 10 points
- 11% of the Total Project Costs less Reserves, Intermediary Costs & Donation .... 8 points
- 12% of the Total Project Costs less Reserves, Intermediary Costs & Donation .... 6 points
- 13% of the Total Project Costs less Reserves, Intermediary Costs & Donation .... 4 points
- 14% of the Total Project Costs less Reserves, Intermediary Costs & Donation .... 2 points

6.8 Rehabilitation Project

Three points will be awarded to a Project in which 80% or more of the housing units that exist at the time of application are to be renovated as part of the Project. In a situation where the Project proposal involves both rehabilitation and new construction, the rehabilitated units must make up more than 50% of the total housing units in the Project to be eligible for these points.

6.9 At-Risk Property

Projects will be awarded 5 points if they meet <u>each</u> of the following criteria:

- The project has one or more Federally Assisted Building(s);
- At least 50% of the total Housing Units in the project are low-income;
- The Applicant agrees to maintain the low-income housing units included in the project for a minimum of 30 years (i.e., make an additional low-income housing use period Commitment of at least 12 years);
- The Federal agency regulating the low-income use certifies that the owner may be released from all low-income use restrictions within five years of the date of the Application; and
- The market study clearly demonstrates that (1) market rate rents are significantly greater than current rents being charged and (2) that those market rate rents are achievable, creating the likelihood that existing residents will be displaced as a result of increasing rents.

The application must include a copy of the Federal agency's certification and if applicable, the written notice required by RCW 59.28.040.

6.10 Property Type – Grayfield, Brownfield, Adaptive Reuse or Historic Building

Points will be awarded to projects that are located in the following types of properties. Only one category may be selected.

6.10.1 Grayfield

Three points will be awarded to a project located on a Grayfield Site, defined as a site that was previously developed for a non-residential use where the improvements are functionally obsolete and in need of redevelopment. To qualify for these points, the application must include photographs of the site, a description of the current land use and the recent history of the property.

6.10.2 Adaptive Reuse Site

Three points will be awarded to an Adaptive Reuse Site, defined as a site that was previously developed for non-residential purposes, in which at least 25 percent of the proposed development will reuse existing non-residential structures. To qualify for these points, the application must include a letter from the project architect describing the previous use and certifying that at least 25% of the proposed development will reuse the existing structure.

6.10.3 Historic Property

Three points will be awarded to a project that is an Historic Property, defined as a project that uses the federal Historic Tax Credit (RTC) as part of the project financing and that is either (1) listed, or have been determined eligible for listing, in the National Register of Historic Places administered by the U.S. Department of the Interior in accordance with the National Historic Preservation Act of 1996; or (2) located in a registered historic district and certified by the Secretary of the U.S. Department of the Interior as being of historic significance to that district. To qualify for these points, 50% or more of the total housing units in the project must be located in the building(s) designated as historic property. The application must include documentation of the historic designation and Form 7B of the application workbook must be completed.

6.10.4 Brownfields

Ten points will be award to a project located on a Brownfield site, defined as a site where the expansion, redevelopment, or reuse is complicated by the presence of a hazardous substance, pollutant, or contaminant including petroleum. To qualify for these points, the application must include a copy of the site's Phase II Environmental Assessment and a remediation plan for the environmental issues.

6.11 Location Efficient Projects

Three points will be awarded to projects that provide nearby access to food and go beyond the minimum Access to Services criterion of the Evergreen Sustainable Development Standard (ESDS). Under ESDS Criterion 2.5, urban projects should be located within ¼ mile walking distance of at least two or a ½ mile of at least 4 community, retail or service facilities. Rural projects should be located within 2 miles of at least 2 facilities. For the purposes of this Allocation Criterion, urban and rural hold the same definitions as under ESDS (See Section 4.4.1) and the same distance measurement, from the center of the site to the entrance of the facility, will be used.

Three points will be awarded to **Urban Projects** that are:

- located within ¼ mile walking distance of at least 3 community, retail or service facilities or within a ½ mile walking distance of 5 facilities; AND
- located within ½ mile walking distance of a supermarket, a grocery store with produce or a farmers' market. This does not count as one of the 3 or 5 facilities referenced in the bullet above.

Three points will be awarded to **Rural Projects** that are:

1. located within a 2 mile driving distance of 4 or more facilities; AND
2. one of the 4 facilities must be a supermarket, a grocery store with produce or a farmers' market supermarket, a grocery store with produce or a farmers' market.

CIVIC & COMMUNITY FACILITIES		SERVICES	RETAIL
• Medical clinic or office • Licensed Adult or senior care • Licensed Childcare • Community or recreation center • Entertainment venue (theater, sports) • Educational facility (including k-12 school, university, adult education, vocational school, community college) • Cultural arts facility (museum, performing arts)	• Police or fire station • Public Library • Public park • Post office • Place of worship • Government office that serves public on-site • Social services center	• Bank • Restaurant, café, diner Laundry, dry cleaner • Gym, health club, exercise studio	• Supermarket • Other food store with produce • Farmers' market • Hardware store • Pharmacy • Clothing retail • Other retail

The facilities used to meet this criterion must be built at the time of application. Facilities that are planned, but not built, may be eligible with preapproval.

A Farmer's Market must operate at least once a week for at least 5 months of the year.

Each establishment must be a separate and distinct business and may only count as one facility. Separate and distinct businesses under one roof will each count as a facility. For example, a Safeway that also houses a Wells Fargo Bank and a Starbucks will count as 3 facilities.

If a project includes multiple sites, each of the sites must be with the required distance of the specified number of facilities.

The Applicant is responsible for explaining and demonstrating how the listed facilities meet the intent of this policy; however, it is the Commission, in its sole discretion, who will determine whether the specific facilities, services and/or retail presented qualify.

Applicants must attach (1) a list of the required number of services, facilities, and/or retail establishments including the name, type of facility and address; and (2) a context map demonstrating that the center of the Project site is within the required walking or driving distances of the required number of services. Google Maps offers a function to demonstrate walking or driving distance. On Google Maps, go to "Get Directions" and then click on the image of a pedestrian or a car.

6.12 Area Targeted by a Local Jurisdiction

Three points will be awarded to a Project that is located within the defined geographic boundaries of a planning document approved by the governing body of the local jurisdiction. The planned targeted area must provide for a mix of housing, retail and services and have zoning provisions to accommodate new growth in the area. The plan must include policies addressing the creation or preservation of affordable housing serving households at 80% AMI or below. The targeted area cannot be an entire local jurisdiction, nor can it be a site level designation.

The Applicant must submit documentation of the targeted area designation by the local jurisdiction and a site map showing the Project's location within the designated area. If a project includes multiple sites, each of the sites must each be located within an area targeted by a local jurisdiction.

6.13 Community Revitalization Plan

Three points will be awarded to a Project that is located within the defined geographic boundaries of a Community Revitalization Plan (CRP).

A Community Revitalization Plan must:

- **A.** Be a published document, approved and adopted by a governing body, by ordinance, resolution, or other legal action; and
- **B.** Target funds or tax incentives to specific geographic areas for
  - o economic development, including economic related initiatives or
  - o commercial/retail development, including infrastructure and community facility improvement.

If a project includes multiple sites, each of the sites must each be located within an area covered by a Community Revitalization Plan.

The applicant must submit each of the following to be eligible for these points:

- A copy of the Community Revitalization plan with the specifics relative to the project and this policy highlighted
- A narrative explanation of how the CRP meets the intent of this policy

- A site map identifying the geography covered by the CRP and the location of the project
- Evidence of funding for the specified revitalization initiatives

6.14 Nonprofit Sponsor

Two points will be awarded to Projects that are sponsored by:

- **A Nonprofit Organization:** The Project is developed, owned and operated solely by a credible and viable Nonprofit Organization, recognizing that there may be for-profit partners or participants to provide tax-credit equity. Public Housing Authorities are eligible for points under this option.

- **A For-Profit / Nonprofit Partnership:** The Project is developed, owned and operated by a partnership between a for-profit entity and a Nonprofit Organization as co-owners. The Nonprofit Organization must have a material role in the development or management of the project, provide services or otherwise contribute to the project.

The Applicant must submit each of the following to be eligible for these points:

- Nonprofit Organization's IRS determination letter
- Articles of Incorporation as filed with the Secretary of State
- Bylaws and/or other governing instruments of the organization
- Evidence of project ownership and material participation in the project
- Certification that the Nonprofit is not affiliated with a for-profit organization
- Board Member List

6.15 Donation in Support of Local Nonprofit Programs

Five points will be awarded to Projects based on the Applicant's Commitment to contribute funds to a local Nonprofit Organization in an amount equal to the greater of either 0.20% (20 basis points) of the total bond issue or $10,000.

The local Nonprofit Organization must not be affiliated with or controlled by the Applicant. The nonprofit program being supported must include in its service area the county in which the Project is located and must provide housing, housing-related services, or nearby community/social services that are available to the residents of the Project. However, the nonprofit donation cannot be used to fund support services provided within the project. The program receiving the donation cannot require participants to have a specific religious affiliation. The donation recipient must be approved by the Commission prior to the approval of the Project's Finance Resolution and the donation must be paid at the time of bond closing.

6.16 Development Amenities

One point will be awarded for each of the following amenities that a Project provides for its residents. The amenities must not currently exist. More than one amenity may be selected for points.

6.16.1 Onsite Community Garden

An Onsite Community Garden must provide raised beds and access to water for resident use at no additional cost to residents. The Garden must consist of at least 1 plot for every 10 units up to a maximum of 25 plots. Plots must be at least 32 square feet each. The applicant must submit a site plan of the garden and a management plan describing how access to the Garden will be managed and how it will be maintained.

6.16.2 Onsite Business/Learning Center

An Onsite Business/Learning Center must have at least 1 computer per 25 units (max of 5 computers required), at least 1 printer and high speed internet access. The use of the computers must be provided to the residents free of charge. The application must include a site plan documenting the site location of the center within the project, the number of computers and location of printer. It must also include a management plan that describes how access to the Center will be managed and how the facilities will be maintained and upgraded over time.

6.16.3 Onsite Playground or Fitness Trail

Applicants must submit a site plan and description of the proposed amenity with the application for approval.

6.16.4 Bicycle Storage

Covered and secured Bicycle Storage must be provided free of charge to residents and must meet the recommended practices of the Association of Pedestrian and Bicycle Professionals: http://www.apbp.org/resource/resmgr/publications/bicycle_parking_guidelines.pdf. Multifamily Properties must have 1 space for every 4 units of the first 200 units, and 1 for every 8 units for any units over the first 200. Senior properties must have 1 bicycle parking space for every 10 units. Applicants must submit a site plan, a description of how the storage meets the recommended guidelines, and a plan for how access will be managed with the application.

APPENDIX D: 2013 LISTS OF 9% PROGRAM ACTIVITY

WASHINGTON STATE HOUSING FINANCE COMMISSION
9% Housing Tax Credit Program
2014 Allocation List

King County Pool

TC#	Project Status	Project Name	Project Sponsor	City	County	Points	Credit/Unit	Credit Request	Total Low-Income Units	% of Low-Income Housing Units: 30% AMI	40% AMI	50% AMI	60% AMI	Units for Priority Populations: Farm workers	Large Households	Elderly	Persons with Disabilities	Homeless
14-03	Approved 2/27/14	MSC Federal Way Veterans' Program*	Multi Service Center	Federal Way	King	171	$ 18,956	$ 834,070	44	50%	-	50%	-	-	-	-	-	33
14-12	Approved 2/27/14	DESC Interbay Supportive Housing*	Downtown Emergency Service Center	Seattle	King	169	$ 15,471	$ 1,500,696	97	50%	25%	-	25%	-	-	-	-	73
14-15	Approved 2/27/14	Plaza Roberto Maestas*	El Centro de la Raza	Seattle	King	157	$ 18,655	$ 2,052,032	110	50%	-	30%	20%	-	22		22	-
14-16	Approved 3/27/14	Western Avenue Senior Housing	Pike Place Market PDA	Seattle	King	156	$ 18,718	$ 748,725	40	50%	-	50%	-	-	-	40	8	-
14-17	Approved 2/27/14	Vantage Point Apartments (Phase 2)	King County Housing Authority	Renton	King	156	$ 20,510	$ 922,950	45	50%	-	50%	-	-	-	45	9	-
					King County Credit Allocated			$ 6,058,473	336					0	22	85	39	106
					King County Credit Available:			$ 5,142,041										
					King County Forward Commitment:			$ (916,432)										

Metro Pool

Preservation and Recapitalization Set-aside

None

New Production

TC#	Project Status	Project Name	Project Sponsor	City	County	Points	Credit/Unit	Credit Request	Total Low-Income Units	30% AMI	40% AMI	50% AMI	60% AMI	Farm workers	Large Households	Elderly	Persons with Disabilities	Homeless
14-05	Approved 4/24/14	Lincoln Place	Vancouver Affordable Housing	Vancouver	Clark	168	$ 13,418	$ 402,549	30	50%	-	50%	-	-	-	-	-	23
14-11	Approved 3/27/14	New Tacoma 2 Senior Housing	Mercy Housing Northwest	Tacoma	Pierce	157	$ 21,859	$ 874,361	40	50%	25%	-	25%	-	-	40	8	-
14-04	Approved 3/27/14	Pine Rock Apartments (formerly Summit Ridge)	Commonwealth Agency, Inc.	Spokane	Spokane	152	$ 9,963	$ 1,185,617	119	10%	60%	30%	-	-	-	-	24	24
14-13	Approved 4/24/14	Bakerview Family Housing	Catholic Housing Services of Western WA	Bellingham	Whatcom	150	$ 20,510	$ 1,025,500	50	25%	25%	50%	-	10	10	-	-	-
14-18	Approved 4/24/14	Mason Avenue Apartments	Trillium Housing Services	Tacoma	Pierce	148	$ 14,615	$ 1,505,392	103	50%	-	50%	-	-	21	-	21	-
					Total Metro Credit Allocated:			$ 4,993,419	342					10	31	40	52	46
					Metro Credit Available:			$ 6,006,134										
					Metro Balance:			$ 1,012,715										

Non-Metro Pool

Preservation and Recapitalization Set-aside

None

New Production

TC#	Project Status	Project Name	Project Sponsor	City	County	Points	Credit/Unit	Credit Request	Total Low-Income Units	30% AMI	40% AMI	50% AMI	60% AMI	Farm workers	Large Households	Elderly	Persons with Disabilities	Homeless
14-14	Approved 7/24/14	Walla Walla VA Housing	Catholic Housing Services of Eastern WA	Walla Walla	Walla Walla	172	$ 20,510	$ 820,400	40	10%	60%	30%	-	-	-	-	-	30
14-01	Approved 3/27/14	Eagle Nest	Colville Indian Housing Authority	Omak	Okanogan	156	$ 20,508	$ 410,159	20	40%	30%	-	30%	-	4	-	-	4
14-19	Approved 4/24/14	Granger Family Housing	Genesis Housing Services	Granger	Yakima	152	$ 16,798	$ 839,916	50	10%	60%	30%		10	10			
14-20	Approved 4/24/14	Prosser Family Housing	Genesis Housing Services	Prosser	Benton	155	$ 17,992	$ 899,575	50	50%		50%		10	10			
14-10	Approved 4/24/14	Volland Street	Housing Authority City of Kennewick	Kennewick	Benton	152	$ 16,934	$ 541,902	32	50%	25%	-	25%	-	-	-	6	6
14-08	Approved 4/24/14	Sunnyside Family Housing	Sunnyside Housing Authority	Sunnyside	Yakima	151	$ 18,462	$ 738,477	40	10%	60%	30%	-	8	8	-	-	-
14-09	Approved 4/24/14	Toppenish Family Housing	Housing Authority of the City of Yakima	Toppenish	Yakima	150	$ 18,237	$ 547,109	30	10%	60%	30%	-	6	6	-	-	-
					Non-Metro Credit Allocated:			$ 4,797,538	262					34	38	0	6	40
					Non-Metro Credit Available:			$ 4,700,186										
					Non-Metro Forward Commitment:			$ (97,352)										

Statewide Allocation Round Totals:

Total Projects: 16

	Credit	Total Low-Income Units	Farm workers	Large Households	Elderly	Persons with Disabilities	Homeless
Total Credit Requested:	$ 15,849,430	940	44	91	125	98	192
Total Credit Available:	$ 15,848,360						
Statewide Balance:	$ (1,070)						

Waiting List

There are no projects on the waiting list.

TC#	Project Status	Project Name	Project Sponsor	City	County	Points	Credit/Unit	Credit Request	Total Low-Income Units	30% AMI	40% AMI	50% AMI	60% AMI	Farm workers	Large Households	Elderly	Persons with Disabilities	Homeless
14-02	Withdrawn	Skokomish Homes I	Skokomish Indian Tribe	Skokomish	Mason	155	$ 17,177	$ 343,549	20	40%	-	60%	-	-	4	-	-	4
14-06	Disqualified	Skyline Crest Renovation	Vancouver Affordable Housing	Vancouver	Clark	158	$ 8,559	$ 1,198,285	140	50%	-	50%	-	-	28	-	28	-
14-07	Withdrawn	Granger-Prosser Family Housing**	Genesis Housing Services	Granger/Prosser	Yakima/Benton	155	$ -	$ -	100	10%	60%	30%	-			-	-	-

*Credit allocated under the Qualified Nonprofit requirement of Section 42.

**Units at the Prosser site are income restricted at 50% @30% AMI and 50% @ 50% AMI.

Geographic Dispersion: No county was allocated more than 50% of the credit in its respective Geographic Pool; therefore, all counties may equally compete in the 2015 Tax Credit Round.

APPENDIX E: 2013 LIST OF 4% PROGRAM ACTIVITY

WASHINGTON STATE HOUSING FINANCE COMMISSION
4% Tax Credit Program
2014 Program Activity

Project Name	City	County	Credit Amount*	Bond Amount	LIH Units	Total Units	Bond Type	Total Project Cost
Copper Lane Apartments	Vancouver	Clark	$ 872,357	$ 19,000,000	214	214	Commission	$ 28,885,817
15 West Apartments	Vancouver	Clark	$ 605,690	$ 12,850,000	119	119	Commission	$ 17,390,035
Varney Court (Fourth and Pearl Family Housing)	Pasco	Franklin	$ 299,047	$ 4,725,000	38	38	Non Commission Bonds	$ 8,310,276
Parker Apartments	Seattle	King	$ 284,770	$ 6,665,000	50	50	Non Commission Bonds	$ 11,745,756
Kitts Corner	Federal Way	King	$ 1,083,908	$ 27,500,000	213	213	Commission	$ 36,930,000
Uptown Square	Federal Way	King	$ 1,498,639	$ 44,000,000	296	296	Commission	$ 54,138,604
GrandView Apartments	Kent	King	$ 1,559,623	$ 42,000,000	258	258	Commission	$ 62,243,023
Haines Apartments	Seattle	King	$ 186,573	$ 3,650,000	29	29	Non Commission Bonds	$ 7,680,767
Polaris at Covington	Covington	King	$ 1,053,012	$ 24,800,000	198	198	Commission	$ 35,807,998
Hirabayashi Place	Seattle	King	$ 1,111,919	$ 14,700,000	95	95	Commission	$ 30,750,754
820 Yesler Way	Seattle	King	$ 1,124,697	$ 15,000,000	82	82	Non Commission Bonds	$ 27,732,726
Celebration Senior Living East	Federal Way	King	$ 1,261,644	$ 22,400,000	186	186	Commission	$ 31,883,574
The Reserve at Renton	Renton	King	$ 1,021,201	$ 24,000,000	219	219	Commission	$ 36,168,439
The Reserve at SeaTac	SeaTac	King	$ 1,245,887	$ 33,000,000	287	287	Commission	$ 47,998,300
Marion Court Preservation Portfolio (Marine Plaza)	Bremerton	Kitsap	$ 546,022	$ 13,200,000	39	39	Commission	$ 17,512,134
Marion Court Preservation Portfolio (Marion Court)	Bremerton	Kitsap	see above	see above	34	34	Commission	see above
Market Street Apartments	Tacoma	Pierce	$ 731,070	$ 12,000,000	124	124	Commission	$ 23,000,590
Everett Affordable Housing Portfolio LLLP	Everett	Snohomish	$ 920,005	$ 15,400,000	159	159	Non Commission Bonds	$ 29,495,090
Bakerview Grandview Affordable Housing LLLP	Everett	Snohomish	$ 2,160,620	$ 31,750,000	299	299	Non Commission Bonds	$ 60,511,646
AXIS Apartments	Everett	Snohomish	$ 1,162,163	$ 41,500,000	276	276	Commission	$ 52,338,352
The Douglas	Lynnwood	Snohomish	$ 352,471	$ 9,000,000	61	61	Commission	$ 11,460,145
Scriber Creek	Lynnwood	Snohomish	$ 1,685,626	$ 44,400,000	272	272	Commission	$ 57,466,000
Summit Ridge Apartments	Spokane	Spokane	$ 428,195	$ 11,600,000	119	119	Commission	$ 14,072,971
Lariat Gardens	Walla Walla	Walla Walla	$ 258,515	$ 5,000,000	43	43	Non Commission Bonds	$ 8,201,116
Total			**$ 21,453,654**	**$ 478,140,000**	**3710**	**3710**		**$ 711,724,113**

*per year credit for 10 years