



WASHINGTON STATE  
HOUSING FINANCE  
COMMISSION



# Bond/Credit Program: Long-Term Strategy



## 2022 and Beyond: **Reorienting for Values and Outcomes**

- **Overview of Values/Outcomes and New Allocation (May 26th presentation) Brief overview today**
- **Threshold criteria**
- **Points and Ranking**
- **Next Steps**



# Expressing the Values in Outcomes

## Targets:

- We will ensure that a certain percentage of projects we fund are:
  - Acquisition/rehab (instead of new production)
  - Financed with public funding
  - Outside King and Snohomish counties

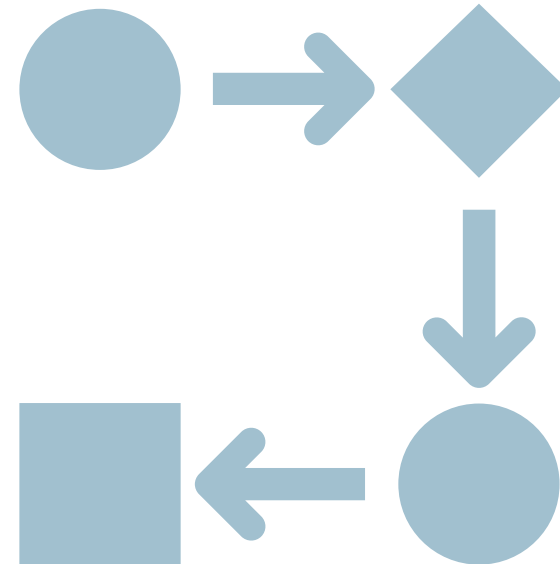
## Point Ranking (highest points go to):

- By or for people of color
- Greater cost-efficiency



## New Allocation Process:

- **One round in 2022**
- **Intent to Apply required**
- **Require more up front**
- **Streamline criteria**
- **Compare like projects**
- **Meet floors and ceilings of spending in target areas**





1

Bond Capacity  
Application Pool

2

New Production

Acquisition/Rehabilitation

3

Public Leverage

No Public Leverage

Public Leverage

No Public Leverage

4



Seattle/King  
County



Balance of State



King/Snohomish  
County



Balance of State



Seattle/King  
County



Balance of State



King/Snohomish  
County



Balance of State

5

(Ranked by  
priorities/  
outcomes)

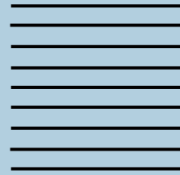
List 1



List 2



List 3



List 4



List 5



List 6



List 7



List 8





# 6 Apply Targets and Adjust List

List 1

List 2

List 3

List 4

List 5

List 6

List 7

List 8

15-25% Acq-Rehab

50-60% Public Leverage

40% Outside Seattle/King/Snohomish

**Acquisition/Rehabilitation**  
(Adding vs. Preserving)

**Public Leverage**  
(Alignment of Resources)

**Balance of State**  
(Geographic Balance)

Lists 5 - 8

Lists 1, 2, 5, 6

Lists 2, 4, 6, 8

**Last: Top projects in List 3 (new, no public \$, King/SnoCo) will be funded with remaining funds**





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## New Program Thresholds

## Low Income Set-Asides

### Balance of State

*(outside King/Snohomish counties):*  
Just 20% of the units set aside for  
people at 50% Area Median Income

### King and Snohomish County:

Sliding scale of points for larger set-  
asides





## Special Populations

**At least 20% of the units – possible to do a mix of both at 10% and 10%**

- People with disabilities
- Large households



## Community Revitalization Plan

Must be in a:

1. **Federal, State, regional, or local community revitalization plan area** – submit copy of the plan, show project location in boundaries

**OR**

2. **QCT or DDA**

**AND**

- **High or Very High Opportunity Area**

**OR**

- **Area of Low Environmental Health Disparity**





## Nonprofit Sponsor

Same as existing policy language







## Letter of Intent

Tell us in broad strokes  
what you have in mind,  
60 days in advance





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# “Bucket” Requirements



# 6 Apply Targets and Adjust List

List 1

List 2

List 3

List 4

List 5

List 6

List 7

List 8

15-25% Acq-Rehab

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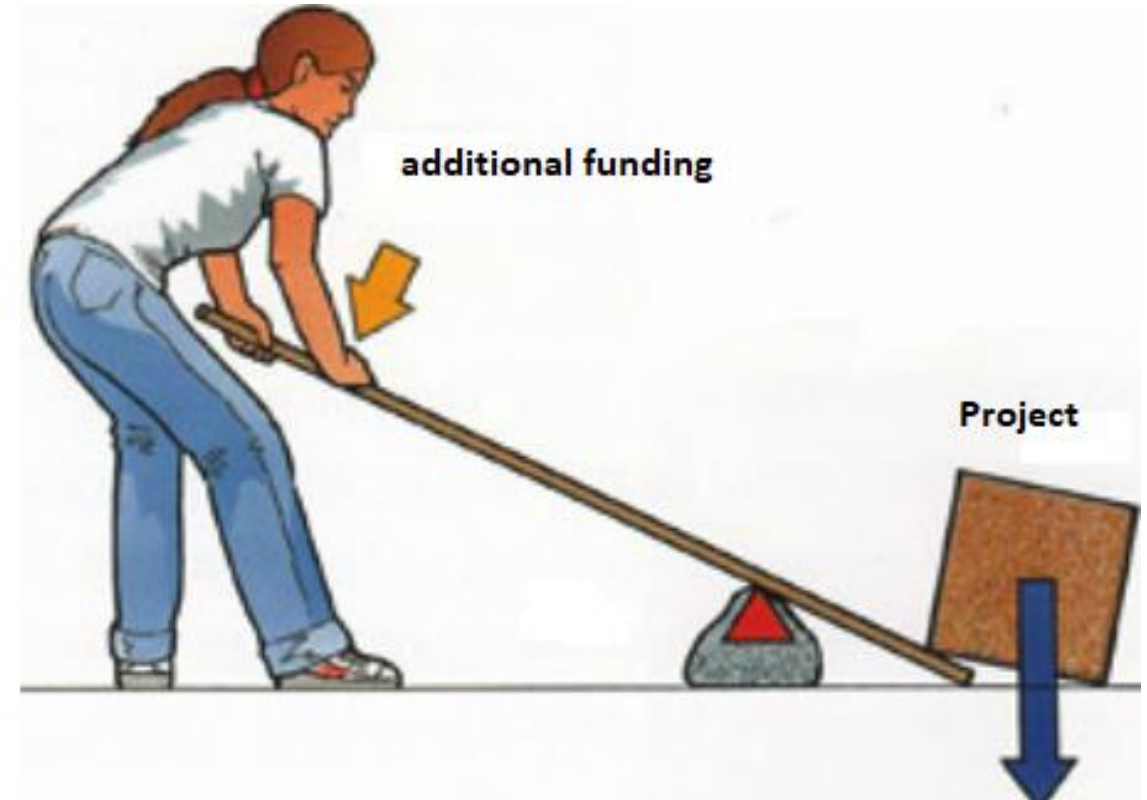
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## Public Leverage Definition

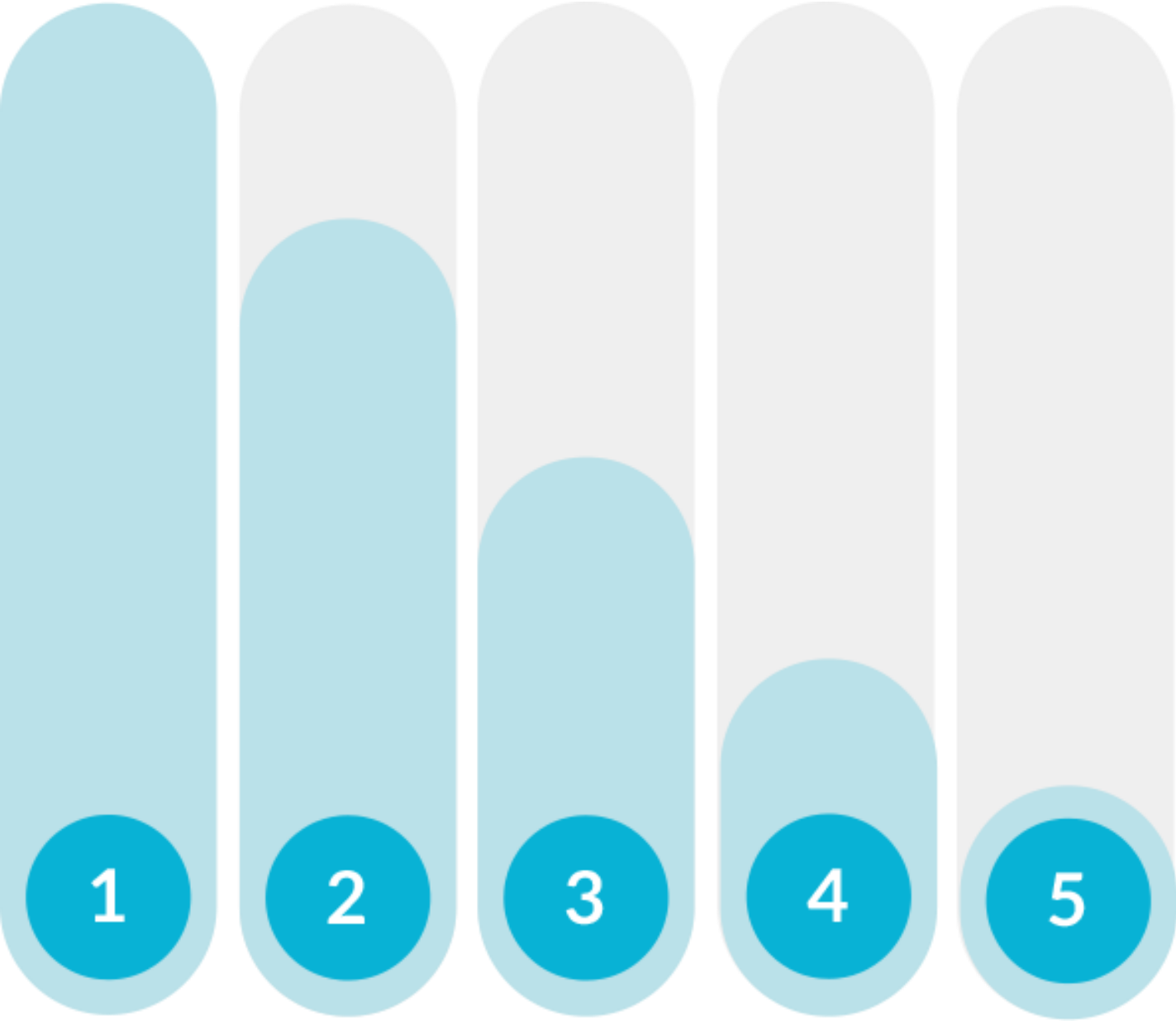
- **Seattle:**  
10% of project
- **King outside of Seattle:**  
5-8% of project
- **Balance of state:**  
5% of project



## Acquisition/Rehab Definition

- For projects that have some sort of income restriction on them, such as resyndications, projects with HAP contracts, RD projects, etc.
- Acquisition/Rehab of buildings outside of these government programs are “new production”
- New policies coming – stakeholder presentation on June 10<sup>th</sup>





# List Ranking

## By and For BIPOC Communities

<p><b>DEVELOPMENT BY AND FOR THE COMMUNITY 26 POINTS</b></p>	<u>Four Standards:</u>	<u># Points</u>
	1. Ownership Entity is more than 50% BIPOC owned or controlled	0-8
	2. Development will be owned long term by a community-based organization	0-8
	3. Development Entity or Partnership includes a CBO that has a history of supporting the community	0-5
	4. Development Entity engages in a meaningful community participation and decision input process	0-5

## 1. Ownership Entity is **more than 50% BIPOC owned or controlled**

“BIPOC” means a Black, Indigenous, or other Person of Color identity that reflects the identity of the community to be served. If there is no clear community racial or ethnic identity, “BIPOC” means any Black, Indigenous, or Person of Color.

SOLE ENTITY SPONSORS	# Points
For-profit: More than 50% BIPOC owned	8
Nonprofit: More than 50% BIPOC staff	5
Nonprofit: BIPOC Executive Director	2
Nonprofit: More than 50% BIPOC Board	1

PARTNERSHIPS	# Points
Sponsor partners with a BIPOC organization wherein the BIPOC organization has <b>MORE than 50% ownership</b> in the GP	8
Sponsor partners with a BIPOC organization wherein the BIPOC organization has <b>LESS than 50% ownership</b> in the GP, and BIPOC organization receives more than 40% of the developer fee and significant development decision-making power.	3

## 2. Development will be **owned long term by a community-based organization**

**CBO = any organization or group of individuals with demonstrated value to the community.**

**Some examples are:**

- **BIPOC developer that reflects the identity of the community**
- **Service provider that provides programming aside from housing**
- **Community Land Trust specific to the community**
- **Business owner(s) in the community**
- **Tenant(s) of a redeveloped building (commercial or residential)**

**Points available: 0-8, depending on how favorable the back-end agreement is to the CBO.**





### **3. Development entity **includes a CBO** that has a history of supporting the community**

- **No ownership requirement for CBO**
- **The CBO will determine what benefits it requires in order to lend its community credibility to this category**

**Points available: 0-5 depending on CBO's documentation about the partnership process and results**

## 4. Development entity engages in a **meaningful community participation and decision input process**

“Community” definition depends on location of project.

<u>Elements</u>	<u># Points</u>
Conduct a community engagement process using a Commission-approved toolkit	3
Demonstrate that significant development decisions were made as a result of community input	2



## Cost Efficiency

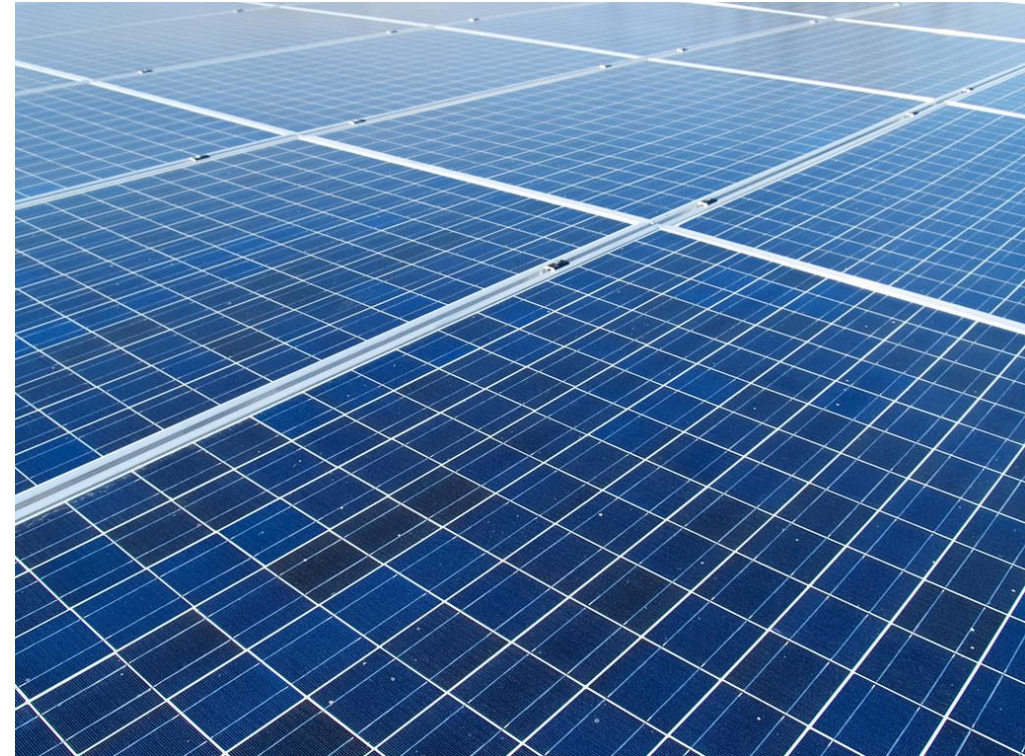
Maintain current point structure

Review TDC limits –  
adjust for higher costs  
in Seattle



## Solar, Energy Efficiency, and EV chargers

- Streamlined and fewer points available
- One option for solar: 0.28 kWh/SF/year or higher – 3 points
- One option for Energy Efficient Buildings: 10 ESDS Points in ESDS V 4.0 Section 5.02a – 5 points
- EV charging stations for at least 10% of parking spaces – 2 points
  - Starting July 1, RCW requires 10% of parking spaces to be wired for 240v charging stations



## Additional Low-income Set-Asides

**For King and Snohomish counties only:**

- 70% of the housing units at 60% AMI, or 30% at 50% AMI: 2 points
- 50% of the housing units at 60% AMI, or 50% at 50% AMI: 4 points
- 30% of the housing units at 60% AMI, or 70% at 50% AMI: 6 points







## Combo Deals

Bond/Tax Credits + 9% Tax Credits – 5 points







## Special land use issues

- Brownfields – 3 points
- Historic or Adaptive Reuse – 1 point each



## Special Populations

- Large Households – 2 points
- Older Adults – 2 points





## Nonprofit donation

Donation of 10 basis points – 1 point





## Next Steps

- **Stakeholder Meetings**
  - ~~May 26: Values/Outcomes/Process~~
  - ~~June 3: Thresholds & Points~~
  - **June 10: New Acq/Rehab Policies**
- **Public Comment via Email/Survey**
- **July: Back to Commission**

