LOW-INCOME HOUSING TAX CREDITS IN WASHINGTON STATE

2013 ANNUAL REPORT
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SUMMARY OF 2013 ACCOMPLISHMENTS

- 20 projects were financed using $172.1 million* in 9% Low Income Housing Tax Credits. As a result, 1,230 low-income housing units will be constructed or rehabilitated and an estimated 1,254 construction jobs and 49 non-construction jobs will be generated in Washington State.

- The Housing Finance Commission also awarded $132.5 million in 4% tax credits to 18 tax-exempt bond-financed projects, resulting in 2,748 affordable housing units.

- In total, the 38 projects funded in 2013 will create 3,978 low-income units and 4,058 construction and 119 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 810 tax credit projects with over 60,000 affordable units, financed with 9% and 4% tax credits combined with tax-exempt bonds.
  
  - In 2013, staff monitored 120 properties with over 12,000 affordable and market units financed principally by tax-exempt and taxable bonds, and 437 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, 2013, the system was tracking compliance on 1,600 properties from 7 funders.

* Low Income Housing Tax Credits are allocated for 10 years. Credit amounts used in this report are the 10-year totals.
2013 Tax Credit Funding – 9% and 4% Programs

$304.7 million
3,978 Multifamily Units

Pacific Lewis
Cowlitz Wahkiakum
Yakima
$22.8M
212 units

Thurston
$21.5M
399 units

Pierce
$8.5M
50 units

King
$81.5M
976 units

Whatcom
$26M
397 units

Skagit
$9M
83 units

Snohomish
$47.8M
912 units

Okanogan
$6.8M
35 units

Clallam
$4.2M
21 units

San Juan
Island
$2M
25 units

Grays Harbor

Jefferson

Kitsap

Kitsap

Mason

Grays Harbor

Pacific

Wahkiakum

Cowlitz

Skamania

Klickitat

Skagit

San Juan

Island

Clallam

Skagit

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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.

In return, 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 for households with incomes of 60% or less of the county median income. Rents for low-income units cannot exceed 30% of the qualifying adjusted family income for the county in which the project is located.

The units must be reserved for qualified low-income residents for a Compliance Period of at least 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 three-year period for a maximum of 40 years.

The credit is calculated based on the qualified costs of the building’s low-income units. 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, or acquisition and whether they 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 Housing and Economic Recovery Act of 2008 (HERA) fixed the 9% applicable percentage at 9% for a five-year period, which expired in 2013.

Federal law was amended in 1990 to mandate that all states review the financing of projects seeking tax credits. Therefore, 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 IRS 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, which 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 (Attachment A) and the Allocation Criteria (Attachment B). 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.

Type of Housing Financed With 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.

9% Tax Credit Projects

Applications for 9% tax credits are submitted for an allocation from the State’s annual tax-credit authority on a competitive basis. This annual tax credit authority is provided to the states on a per-capita basis. To qualify for tax credits, each project must fulfill the requirements of the Commission’s Qualified Allocation Plan (Appendix A). 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. The 9% credits can finance up to 70% of the present value of the low-income portion of the project.

In the annual competition, credits are awarded to projects beginning with the highest-rank project 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, see page 8.

4% Tax Credit/Bond Projects

Applications for 4% 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. The 4% credits can finance up to 30% of the present value of the low-income portion of the project.

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, see page 12.
The 9% Tax Credit Program: Allocation Criteria

Because the 9% tax credit is a limited public resource, the annual competition is designed to allocate credit to applicants with projects promising the greatest public benefit. The Commission’s priority for this program is to produce housing affordable to residents with the lowest income for the longest time.

Our policy also promotes a mix of very low-income units (30% to 40% of area median income) with moderately low–income units (50% to 60% AMI) in order to ensure the feasibility and long-term viability of the projects, while at the same time serving very low-income populations.

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

Income and Rent Restrictions

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 a building funded with 9% tax credits can exceed the rent restriction set by the federal standard. For example, a building may have a minimum set-aside of 20% of the units at 50% of median income, but if the owner decides that all 40 units in the building will be low-income units, then all of them must be affordable to residents with incomes no greater than 50% of the median.

The Commission’s Allocation Criteria also award more points to owners who agree to extend the low-income use of their buildings beyond the period required by federal law.

Geographic Distribution

A balanced geographic dispersion of the Low Income Housing Tax Credit across the state is a policy priority of the Commission. Beginning in 2013, the Commission established specific percentages of the Annual Authority for three Geographic Credit Pools:

- **King County**
- **Metro Counties**: Clark, Pierce, Snohomish, Spokane, Whatcom

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 of the Internal Revenue Code mandates that at least 10 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 10 percent of our 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.

**Units for Priority Populations**

In 2013, the Commission changed its point scaling 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.

**The 9% Tax Credit Program: 2013 Update**

**New Allocation Criteria**

In 2013, the Commission made a number of significant changes to our allocation criteria for 9% tax credits. The changes allowed us to improve the balance of allocation across the state geographically, as well as address the growing conflict between the need to preserve existing housing and the priority to create new units.

After much research and many stakeholder policy meetings, the Commission eliminated the Rural, Rural Development, and Qualified Non-Profit credit set-asides as well as the “Housing Needs Points” previously used to determine geographic distribution.

Instead, three distinct Geographic Credit Pools were created: King County, Metro Counties, and Non-Metro Counties (as detailed above). By grouping together similar counties, like projects now compete against like projects based upon the pool in which they are located. The groupings use 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.

To maintain program integrity, projects were held to minimum point-scoring thresholds appropriate to the allocation criteria available in each Credit Pool. Applicants in King County must have at least 139 Allocation Criteria points to qualify, while Applicants in the Metro and Non-Metro counties only need 134 to qualify.

The change to Geographic Credit Pools also provided the opportunity to evaluate the existing Allocation Criteria and their applicability to the various geographies. For example, the Commission changed its point scaling for set-aside units for the following Special Needs populations: Large Households, Persons with Disabilities, Elderly, Farmworkers and the Homeless. Also, the elimination of the Housing Needs Points required adding point differentiators so that the competition does not result in a multi-way tie.

As a result, there were a number of additions, subtractions and modifications to the Allocation Point Criteria, summarized in the following table:
<table>
<thead>
<tr>
<th>New Criteria</th>
<th>2012 Points</th>
<th>King County</th>
<th>2013 Points</th>
<th>Metro Counties</th>
<th>Non-Metro Counties</th>
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<td>Local Funding Commitment</td>
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<td>Federal Leverage – Capital Funds</td>
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<td>Federal Leverage – Rental Assistance</td>
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<tr>
<td>Efficient Use of Credit</td>
<td>-</td>
<td>1/2/3</td>
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<td>Location-Efficient Projects</td>
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<td>Transit Oriented Development (TOD)</td>
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<td>At Risk Properties with Rental Assistance</td>
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<td><strong>Modified Criteria</strong></td>
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<td>Additional Low Income Set-Aside</td>
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<td>50-60</td>
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<td>20% Farmworker</td>
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<td>At-Risk Properties</td>
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<td>Eligible Tribal Area</td>
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<td><strong>Unchanged Criteria</strong></td>
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<td>Additional Low Income Housing Use Period</td>
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<td>20% Special Needs/100% Elderly</td>
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<td><strong>Criteria Eliminated</strong></td>
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<td></td>
</tr>
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<td>Housing Needs</td>
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<td>Leveraging of Public Resources</td>
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<td>75% Farmworker</td>
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<td>Quality Management Program (WSQA)</td>
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<tr>
<td>Targeted Area - DDA</td>
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<tr>
<td>Targeted Area – QCT (eliminated in 2012)</td>
<td>5</td>
<td>-</td>
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<tr>
<td>Rehabilitation + Community Revitalization Plan</td>
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<td>-</td>
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<tr>
<td>Targeted Area + Community Revitalization Plan</td>
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The 9% Tax Credit Program: 2013 Allocations

The chart below summarizes the total resources available to Washington State in 2013.

<table>
<thead>
<tr>
<th>2013 Available Credit</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Per Capita Authority</strong></td>
<td>($2.25 per capita, multiplied by the state’s population)</td>
</tr>
<tr>
<td><strong>Returned Credit</strong></td>
<td>(from projects that previously received allocations, but failed to complete program requirements or didn’t need their full allocations)</td>
</tr>
<tr>
<td><strong>National Pool</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Plus Total Forward Commitment from 2014</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Less Forward Commitment to 2012 Projects</strong></td>
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<tr>
<td><strong>Total Available Credit Authority</strong></td>
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</tbody>
</table>

2013 Projects

In January 2013, the Commission received 41 applications requesting $358,801,470 in credit. Of those applications, 20 projects were funded in the following geographic pools:

- **King County pool**: 5 projects
- **Metro Counties pool**: 7 projects (3 in Spokane County)
- **Non-Metro Counties pool**: 6 projects (2 in Walla Walla County)
- **Metro and Non-Metro Hold Harmless Reserve**, a special category for 2013 only: 2 projects.

These projects will not only produce a total of 1,230 housing units in 12 counties across Washington State, they will also create an estimated 1,303 jobs.

The highest scoring project in 2013 was Walla Walla VA Housing, with a score of 176 points. The lowest scoring project to receive an allocation of credit was Pioneer Lane II in Omak with 138 points. The median score for all projects receiving an allocation of credit was 165.

All 20 of the 2013 projects committed to set aside 100% of the units for low-income households. All 20 also opted for an additional 22 years of low-income restriction, resulting in a total compliance period of 40 years. Four projects were funded as Qualified Nonprofits.

Project Details

Please see Appendix D for a detailed list of projects that received 9% credits in 2013. That list contains amount of credit requested; project location (geographic distribution); total number of housing units created; total number of low-income housing units created; number of low-income units at 30%, 40%, 50%, and 60% of Area Median Income; and number of units set aside for Priority Populations.
The 4% Tax Credit/Bond Program:
2013 Update

Projects financed with tax-exempt bonds 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 each project that applies for this financing for compliance 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 9% credit projects. Bond/tax-credit projects are usually much larger and serve residents at a higher income level. This is necessary for the projects to be able to pay debt service. The minimum score 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.)

2013 Projects

In 2013, staff processed 18 applications for the 4% credit. These projects, which are eligible for a total of $132,525,240 in tax credits, will produce 2,748 low-income units. The projects range in size from 25 to 289 low-income units and are located in 7 counties across the state: Snohomish (6 projects), King (3 projects), Whatcom (3 projects), Thurston (2 projects), Clark (2 projects), Spokane (1) and Island (1). Tax-exempt bond-financed projects carry greater debt, so they tend to be more viable in higher-income counties.

Fourteen of the 18 projects were financed with bonds issued by the Commission, while bonds issued by other agencies financed the remaining four projects.

Project Details

Please see Appendix E for a detailed list of projects that received 4% credits in 2013. That list contains 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.
Asset Management & Compliance

Ensuring Tax-Credit Compliance

The Commission is required by the Internal Revenue Code to ensure the long-term viability of properties financed either directly by the Commission or assisted through programs administered by the Commission. The Asset Management & Compliance Division is charged with ensuring that owners of tax-credit properties comply with all requirements for the duration of the regulatory period, usually from 20 to 40 years. These requirements include income limits and rent limits, as well as maintaining the property in acceptable condition (asset management).

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, as well as 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. Our staff’s review process in 2013 exceeded the minimum standards required by the IRS.

Annual Monitoring

The Commission’s Asset Management and Compliance Division has eight Portfolio Analysts who share the monitoring of tax credit-financed, bond-financed and FDIC Affordable Housing Disposition Program projects. These staff:

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. Inspect all new construction and rehabilitation properties by the end of the second calendar year following the year the last building is placed in service. Staff inspect 20% of the property’s affordable housing units and review the income certifications and supporting documentation for those units.
3. Inspect all properties at least once every three years. The inspection includes at least 20% of the property’s affordable housing units and a review of 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.

Staff Assistance

Staff consistently provides high-quality information and assistance to on-site management to keep properties in compliance with the Commission’s programs. The number of serious noncompliance violations reported to the Internal Revenue Service (IRS), compared to the total number of units monitored, continues to be very low. Nearly all of these violations are 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 Training

Compliance with IRS Section 42 requirements begins well before a project is ever placed in service. Staff encourage owners and managers to attend 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.

Agency Partnerships

The Division has several working agreements (Memoranda 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.

Compliance Website and E-News

Another way that the Asset Management & Compliance Division offers assistance to clients is through the Compliance webpage (wshfc.org/managers). 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 addition, the Division sends monthly E-News newsletters to over 2000 compliance professionals.

Web-Based Annual Reporting System

Staff work in partnership with the Department of Commerce to maintain and enhance our Web Based Annual Reporting System (WBARS). This system has been used since 2009 and still represents one of the few (if only) nationwide examples of a reporting system used and accepted by multiple regional funding agencies. These agencies include the Commission, Department of Commerce, City of Seattle, King County, City of Tacoma, Snohomish County, and City of Spokane, and will soon include the City of Bellingham.

At the end of 2013, the system had over 1600 properties from 7 funders. Owners and managers use the WBARS system to satisfy reporting requirements of state, county, city and federal fund sources overseen by the above agencies. 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.

Asset Management

Specific asset-management activities include regular monitoring of annual project income and expense reports to keep track of occupancy levels, unit-leasing frequency and other key indicators of performance. For certain projects, staff review audited financial statements and other documentation to ensure that the projects have adequate financial reserves to address eventual capital needs. As more of our projects advance beyond Year 15, they require greater attention to physical status and cash flow to ensure they continue to stand as quality housing throughout the duration of their Regulatory Agreements.
Asset Management & Compliance: 
2013 Update

As of December 2013, the Asset Management & Compliance Division was monitoring approximately 810 tax-credit projects with over 60,000 affordable units. These 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 2013, staff monitored 120 properties with over 12,000 affordable and market units financed principally by tax-exempt and taxable bonds, and 437 rental units in three FDIC Affordable Housing Disposition Program properties.

In 2013, the Division conducted more than 15 bond and tax credit compliance training classes. These were held in Seattle, Vancouver, Olympia and Spokane and were attended by over 500 property owners, property managers, and on-site personnel. These classes continue to be well received and also provide a great opportunity for staff to gain feedback from managers and owners of properties financed by the Commission. In 2013, staff also updated our online Tax Credit and Bond Compliance Procedures manuals, forms and FAQ’s.

Most of the properties we monitor have committed to 30 to 40 years of affordable use; however, the IRS only requires compliance during the first fifteen years. As properties reach year 16 and beyond, our goal is to preserve affordability, while maintaining a reasonable level of monitoring requirements. As of December 31, 2013, over 170 properties are participating in Post-Year 15 Streamlined Monitoring Procedures.

Staff continue to receive training on the fundamentals of asset management and financial analysis in order to better monitor Commission-funded projects, particularly those projects with more direct financial investments.
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).


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.


Date: 7/23/12

Chris Gregoire, Governor of the State of Washington

Washington State Housing Finance Commission Low-Income Housing Tax Credit Program Qualified Allocation Plan 10
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

<table>
<thead>
<tr>
<th>Category</th>
<th>King County Points</th>
<th>Metro County Points</th>
<th>Non-Metro County Points</th>
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<tr>
<td>Additional Low-Income Set-Aside</td>
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<td>Additional Low-Income Housing Use Period</td>
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<td>Serving Special Needs Populations:</td>
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<td>75% Homeless</td>
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<td>Up to two of the following:</td>
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<td>20% Farmworker</td>
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<td>20% Disabled</td>
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<td>20% Homeless</td>
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<td>Targeted Areas:</td>
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<td>Area Targeted by a Local Jurisdiction</td>
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<td>Community Revitalization Plan</td>
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<td>High/Very High Opportunity Areas (2014)</td>
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<td>Donation in Support of Local Housing Needs</td>
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<td>Eventual Tenant Ownership</td>
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</table>

Appendix B – 2013 Allocation Criteria – 9% Program
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 choose 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.


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.

Appendix B – 2013 Allocation Criteria – 9% Program
### Additional Low-Income Set-Aside Menu

<table>
<thead>
<tr>
<th>Option</th>
<th>30% AMI</th>
<th>40% AMI</th>
<th>50% AMI</th>
<th>60% AMI</th>
<th>Higher Income County Points</th>
<th>Lower Income County Points</th>
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<td>60@50</td>
<td>-</td>
<td>50</td>
<td></td>
</tr>
</tbody>
</table>

*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:

<table>
<thead>
<tr>
<th>% of low-income units selected:</th>
<th>≤ 40% AMI</th>
<th>≤ 50% AMI</th>
<th>≤ 60% AMI</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual units per % selected:</td>
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<td>12.5 units</td>
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<tr>
<td>Units after rounding rule:</td>
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<td>12 units</td>
<td>0</td>
<td>25 units</td>
</tr>
</tbody>
</table>
Example B: 47 unit project selecting Option 5 above:

<table>
<thead>
<tr>
<th>% of low-income units selected:</th>
<th>≤ 30% AMI</th>
<th>≤ 40% AMI</th>
<th>≤ 60% AMI</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual units per % selected:</td>
<td>18.8 units</td>
<td>14.1 units</td>
<td>14.1 units</td>
<td>47 units</td>
</tr>
<tr>
<td>Units after rounding rule:</td>
<td>19 units</td>
<td>15 units</td>
<td>13 units</td>
<td>47 units</td>
</tr>
</tbody>
</table>

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 SPECIAL NEEDS HOUSING COMMITMENTS
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 Special Needs 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 Special Needs 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 special needs populations for a maximum score of 20 points. The selection under #2 cannot be for the same special needs category; 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 Special Needs Housing Commitments, 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.

Appendix B – 2013 Allocation Criteria – 9% Program
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.

Appendix B – 2013 Allocation Criteria – 9% Program
• 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 SPECIAL NEEDS HOUSING COMMITMENTS

All Applicants who select one or more Special Needs Housing Commitments must comply with all the following requirements:

A. The Applicant must address the special needs population in the Affirmative Marketing Plan. See Section 4.10 for the specific requirement for the Affirmative Marketing Plan.

B. The Applicant must address the need for housing for the special needs population in the Market Study. See Section 4.8 for the specific requirements of the Market Study.

C. The Applicant agrees that any Special Needs Housing Commitment 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.

D. 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.

E. 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.

F. With the exception of the 100% Elderly Housing Commitment, the same housing unit cannot be used for more than one Special Needs Housing Commitment, 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 each Special Needs Housing Commitments 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.

G. When a project with any Special Needs Housing Commitment 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.

H. If, after initial occupancy by a qualified resident, a housing unit subject to a Special Needs Housing Commitment (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 Special Needs Housing Commitment.

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 not 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 are eligible sources, but preapproval is required to demonstrate how the funds are providing a direct subsidy to the project.

**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.

**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

Appendix B – 2013 Allocation Criteria – 9% Program
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 L 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:

\[
\text{FMR of $489 minus 30% AMI Tax Credit rent of $336 = a rent subsidy of $153 per unit per month} \\
\text{$153 \times 12 \text{ months} \times 25 \text{ units} \times 5 \text{ years} = $229,500}
\]

**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.

### 6.5 FEDERAL LEVERAGE 1-8 POINTS

Points will be awarded to projects that leverage federal resources. 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 or rental assistance contract. Both federal capital funds and federal rental assistance 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 and rental assistance, USDA RD 514 and 515 loans and rental assistance. 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.

**Capital Funds**

- 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

**Rental Assistance**

- 3 points for projects with federal rental assistance on 75% or more of the Low-Income units
- 1 point for projects with federal rental assistance on 50% to 74% of the Low-Income units.

Projects may claim points under both the Capital and Rental Assistance Categories. However, projects claiming points for Rental Assistance under the Federal Leverage criterion may not also select points for Rental Assistance under the At Risk Properties Criterion (See Section J below).

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 D above).

### 6.7 EFFICIENT USE OF CREDIT

**1-3 POINTS**

Projects will be awarded points based on how far a Project’s requested Credit per Low-Income Housing Unit is below the applicable Credit per Low-Income Unit Limit (See Section 3.4 and Exhibit J of the Application Packet). Projects that are using the 130% basis boost and Projects located in King County will compare their credit per unit to the higher credit per unit limit. A project without the boost will use the lower credit per unit limit. As with the Credit per Unit Limit policy, only Low-Income Housing Units will be recognized in this calculation.

Points will be awarded according to the following scale:

<table>
<thead>
<tr>
<th>Efficient Use of Credit Point Scale</th>
<th>Per unit reduction in the Lower Limit</th>
<th>Per unit reduction in the Higher Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 point</td>
<td>-</td>
<td>$750-$999</td>
</tr>
<tr>
<td>2 points</td>
<td>$575-$749</td>
<td>$1000-$1249</td>
</tr>
<tr>
<td>3 points</td>
<td>&gt; $750</td>
<td>&gt; $1250</td>
</tr>
</tbody>
</table>

For example, a project subject to the Lower Credit per Unit Limit that is requesting $14,440 ($684 below a limit of $15,124) would be awarded 2 points. A project requesting more than $14,549 (less than $575 below a limit of $15,124) would get zero points.

The points assigned above are scaled to recognize that it is more difficult to reduce the credit per unit in a project that is subject to the lower limit.

### 6.8 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:

<table>
<thead>
<tr>
<th>% of Total Project Cost*</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>10%</td>
<td>10 Points</td>
</tr>
<tr>
<td>11%</td>
<td>8 Points</td>
</tr>
<tr>
<td>12%</td>
<td>6 Points</td>
</tr>
</tbody>
</table>

Appendix B – 2013 Allocation Criteria – 9% Program
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.

6.9 REHABILITATION PROJECTS
5 POINTS

Five points will be awarded to the Applicant’s project if it consists of one or more buildings which will be rehabilitated and returned to, or converted to, residential use as follows:

A. The Project 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 50% or more of the total units in the project; or

B. The Project consists of a building use conversion where 50% or more of the total residential units in the Project will be included in the converted building(s).

6.10 AT RISK PROPERTIES
7-10 POINTS

6.10.1 Expiring Federal Use Agreement
Seven points will be awarded to Applications that meet each 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. Examples include a prepayment option, cancellation, or expiration of a project-based Section 8 rental assistance contract or other comparable project-based Federal rental assistance contract, or other factors approved by the Commission; 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.
Note: One or more years of eligibility for renewal of rental assistance alone does not qualify the project for these points. Only on a case by case basis will expiring/expired projects that are passed from one nonprofit to another nonprofit to be considered at risk for the purposes of these points.

6.10.2 Rental Assistance
Projects eligible for the Expanding Federal Use Restriction points will be awarded additional points for units with project-based rental assistance as follows:

- 3 points for projects with rental assistance on 75% or more of the Low-Income units
- 1 point for projects with rental assistance on 50% to 74% of the Low-Income units

Projects selecting points for rental assistance under this Allocation Criterion are not eligible for Rental Assistance Points under the Federal Leverage Criterion.

If the project has project-based Section 8 rental assistance or other comparable project-based Federal rental assistance, 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.

6.11 HISTORIC BUILDINGS
5 POINTS

Points will be awarded to Projects using the federal Historic Tax Credit (RTC) as part of the project financing and that 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 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.

Appendix B – 2013 Allocation Criteria – 9% Program
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.

<table>
<thead>
<tr>
<th>Eligible Tribes</th>
<th>Poverty Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chehalis</td>
<td>20%</td>
</tr>
<tr>
<td>Colville</td>
<td>21%</td>
</tr>
<tr>
<td>Hoh</td>
<td>35%</td>
</tr>
<tr>
<td>Kalispel</td>
<td>30%</td>
</tr>
<tr>
<td>Lower Elwha</td>
<td>26%</td>
</tr>
<tr>
<td>Makah</td>
<td>27%</td>
</tr>
<tr>
<td>Nooksack</td>
<td>30%</td>
</tr>
<tr>
<td>Quileute</td>
<td>37%</td>
</tr>
<tr>
<td>Quinault</td>
<td>27%</td>
</tr>
<tr>
<td>Skokomish</td>
<td>24%</td>
</tr>
<tr>
<td>Spokane</td>
<td>24%</td>
</tr>
<tr>
<td>Squaxin Island</td>
<td>24%</td>
</tr>
<tr>
<td>Upper Skagit</td>
<td>47%</td>
</tr>
<tr>
<td>Yakama</td>
<td>24%</td>
</tr>
</tbody>
</table>

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 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 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 Rural Projects 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.

<table>
<thead>
<tr>
<th>CIVIC &amp; COMMUNITY FACILITIES</th>
<th>SERVICES</th>
<th>RETAIL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical clinic or office</td>
<td>Police or fire station</td>
<td>Bank</td>
</tr>
<tr>
<td>Licensed Adult or senior care</td>
<td>Public Library</td>
<td>Supermarket</td>
</tr>
<tr>
<td>Licensed Childcare</td>
<td>Public park</td>
<td>Other food store with produce</td>
</tr>
<tr>
<td>Community or recreation center</td>
<td>Post office</td>
<td>Farmers’ market</td>
</tr>
<tr>
<td>Entertainment venue (theater, sports)</td>
<td>Place of worship</td>
<td>Hardware store</td>
</tr>
<tr>
<td>Educational facility (including k-12 school, university, adult education, vocational school, community college)</td>
<td>Government office that serves public on-site</td>
<td>Pharmacy</td>
</tr>
<tr>
<td>Cultural arts facility (museum, performing arts)</td>
<td>Social services center</td>
<td>Clothing retail</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other retail</td>
</tr>
</tbody>
</table>
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.

Appendix B – 2013 Allocation Criteria – 9% Program
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](#).

Appendix B – 2013 Allocation Criteria – 9% Program
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.
<table>
<thead>
<tr>
<th>City or CDP</th>
<th>County</th>
<th>2010 Jobs</th>
<th>2005 Jobs</th>
<th>2005-2010 Job Growth</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Everett</td>
<td>Snohomish</td>
<td>82,643</td>
<td>75,211</td>
<td>7,432</td>
<td>1</td>
</tr>
<tr>
<td>Vancouver</td>
<td>Clark</td>
<td>77,603</td>
<td>71,511</td>
<td>6,092</td>
<td>2</td>
</tr>
<tr>
<td>Spokane</td>
<td>Spokane</td>
<td>119,405</td>
<td>113,364</td>
<td>6,041</td>
<td>3</td>
</tr>
<tr>
<td>Mount Vista CDP</td>
<td>Clark</td>
<td>3,616</td>
<td>1,879</td>
<td>1,737</td>
<td>4</td>
</tr>
<tr>
<td>Lakewood</td>
<td>Pierce</td>
<td>25,409</td>
<td>23,797</td>
<td>1,612</td>
<td>5</td>
</tr>
<tr>
<td>Airway Heights</td>
<td>Spokane</td>
<td>3,700</td>
<td>2,425</td>
<td>1,275</td>
<td>6</td>
</tr>
<tr>
<td>Battle Ground</td>
<td>Clark</td>
<td>4,556</td>
<td>3,283</td>
<td>1,273</td>
<td>7</td>
</tr>
<tr>
<td>Blaine</td>
<td>Whatcom</td>
<td>3,151</td>
<td>1,954</td>
<td>1,197</td>
<td>8</td>
</tr>
<tr>
<td>Bothell (Partial)</td>
<td>Snohomish</td>
<td>11,432</td>
<td>10,318</td>
<td>1,114</td>
<td>9</td>
</tr>
<tr>
<td>Fife</td>
<td>Pierce</td>
<td>14,887</td>
<td>13,792</td>
<td>1,095</td>
<td>10</td>
</tr>
<tr>
<td>North Lynnwood CDP</td>
<td>Snohomish</td>
<td>2,478</td>
<td>1,458</td>
<td>1,020</td>
<td>11</td>
</tr>
<tr>
<td>Mukilteo</td>
<td>Snohomish</td>
<td>7,852</td>
<td>6,843</td>
<td>1,009</td>
<td>12</td>
</tr>
<tr>
<td>Fairwood</td>
<td>Spokane</td>
<td>2,176</td>
<td>1,308</td>
<td>868</td>
<td>13</td>
</tr>
<tr>
<td>Spokane Valley</td>
<td>Spokane</td>
<td>49,060</td>
<td>48,208</td>
<td>852</td>
<td>14</td>
</tr>
<tr>
<td>Bonney Lake</td>
<td>Pierce</td>
<td>2,593</td>
<td>1,743</td>
<td>850</td>
<td>15</td>
</tr>
<tr>
<td>Hazel Dell CDP</td>
<td>Clark</td>
<td>6,664</td>
<td>5,824</td>
<td>840</td>
<td>16</td>
</tr>
<tr>
<td>South Hill</td>
<td>Pierce</td>
<td>6,330</td>
<td>5,705</td>
<td>625</td>
<td>17</td>
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<tr>
<td>Sumner</td>
<td>Pierce</td>
<td>9,290</td>
<td>8,750</td>
<td>540</td>
<td>18</td>
</tr>
<tr>
<td>Five Corners</td>
<td>Clark</td>
<td>2,847</td>
<td>2,314</td>
<td>533</td>
<td>19</td>
</tr>
<tr>
<td>Fort Lewis</td>
<td>Pierce</td>
<td>2,567</td>
<td>2,063</td>
<td>504</td>
<td>20</td>
</tr>
<tr>
<td>Mill Creek</td>
<td>Snohomish</td>
<td>3,915</td>
<td>3,440</td>
<td>475</td>
<td>21</td>
</tr>
<tr>
<td>Ferndale</td>
<td>Whatcom</td>
<td>5,029</td>
<td>4,575</td>
<td>454</td>
<td>22</td>
</tr>
<tr>
<td>Cheney</td>
<td>Spokane</td>
<td>3,938</td>
<td>3,497</td>
<td>441</td>
<td>23</td>
</tr>
<tr>
<td>Salmon Creek CDP</td>
<td>Clark</td>
<td>4,862</td>
<td>4,460</td>
<td>402</td>
<td>24</td>
</tr>
<tr>
<td>Parkland CDP</td>
<td>Pierce</td>
<td>7,091</td>
<td>6,721</td>
<td>370</td>
<td>25</td>
</tr>
</tbody>
</table>

*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

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

*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. This Allocation Criterion will be implemented in the 2014 Allocation Round. More information on Opportunity Mapping is available on PSRC’s website: [http://www.psrc.org/growth/growing-transit-communities/oppmap](http://www.psrc.org/growth/growing-transit-communities/oppmap).

Appendix B – 2013 Allocation Criteria – 9% Program
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

Appendix B – 2013 Allocation Criteria – 9% Program
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.

Projects seeking these points are encouraged to discuss their proposal with Commission staff prior to submitting an Application.
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.

Appendix C – 2013 Allocation Criteria – 4% Tax Credit/Bond Program
### Summary of Tax Credit/Bond Program Scoring

<table>
<thead>
<tr>
<th>Category</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Additional Low-Income Set-Asides:</strong></td>
<td></td>
</tr>
<tr>
<td>90% at 60% AMI, 10% at 40% AMI</td>
<td>5</td>
</tr>
<tr>
<td>70% at 60% AMI, 30% at 50% AMI</td>
<td>10</td>
</tr>
<tr>
<td>50% at 60% AMI, 50% at 50% AMI</td>
<td>15</td>
</tr>
<tr>
<td>30% at 60% AMI, 70% at 50% AMI</td>
<td>20</td>
</tr>
<tr>
<td>100% at 50% AMI</td>
<td>25</td>
</tr>
<tr>
<td><strong>Additional Low-Income Housing Use Period</strong></td>
<td>1-22</td>
</tr>
<tr>
<td><strong>Serving Priority Populations:</strong></td>
<td></td>
</tr>
<tr>
<td>10% for Large Households</td>
<td>5</td>
</tr>
<tr>
<td>10% for Persons with Disabilities</td>
<td>5</td>
</tr>
<tr>
<td>20% for Large Households</td>
<td>10</td>
</tr>
<tr>
<td>20% for Persons with Disabilities</td>
<td>10</td>
</tr>
<tr>
<td>100% Seniors with Some Services</td>
<td>10</td>
</tr>
<tr>
<td><strong>Project-Based Rental Assistance:</strong></td>
<td></td>
</tr>
<tr>
<td>25-49% of low-income units</td>
<td>10</td>
</tr>
<tr>
<td>50-74% of low-income units</td>
<td>15</td>
</tr>
<tr>
<td>75-100% of low-income units</td>
<td>20</td>
</tr>
<tr>
<td><strong>Leveraging of Public Resources:</strong></td>
<td></td>
</tr>
<tr>
<td>5% of Total Project Costs</td>
<td>3</td>
</tr>
<tr>
<td>10% of Total Project Costs</td>
<td>5</td>
</tr>
<tr>
<td>15% of Total Project Costs</td>
<td>10</td>
</tr>
<tr>
<td><strong>Leveraging of Taxable Bonds</strong></td>
<td>1-7</td>
</tr>
<tr>
<td><strong>Limiting of Developer Fee</strong></td>
<td>2-10</td>
</tr>
<tr>
<td><strong>Rehabilitation Project</strong></td>
<td>3</td>
</tr>
<tr>
<td><strong>At-Risk Properties</strong></td>
<td>5</td>
</tr>
<tr>
<td><strong>Property Type:</strong></td>
<td></td>
</tr>
<tr>
<td>Grayfield, Adaptive Reuse or Historic Property</td>
<td>3</td>
</tr>
<tr>
<td>Brownfield</td>
<td>10</td>
</tr>
</tbody>
</table>

### Tax Credit/Bond Program Scoring cont’d.

<table>
<thead>
<tr>
<th>Category</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Location Efficient Projects</strong></td>
<td>3</td>
</tr>
<tr>
<td><strong>Area Targeted by a Local Jurisdiction</strong></td>
<td>3</td>
</tr>
<tr>
<td><strong>Community Revitalization Plan</strong></td>
<td>3</td>
</tr>
<tr>
<td><strong>Nonprofit Sponsor</strong></td>
<td>2</td>
</tr>
<tr>
<td><strong>Donation in Support of Local Housing Needs</strong></td>
<td>5</td>
</tr>
<tr>
<td><strong>Development Amenities:</strong></td>
<td></td>
</tr>
<tr>
<td>Onsite Community Garden</td>
<td>1</td>
</tr>
<tr>
<td>Onsite Business/Learning Center</td>
<td>1</td>
</tr>
<tr>
<td>Onsite Playground/Fitness Trail</td>
<td>1</td>
</tr>
<tr>
<td>Bicycle Storage</td>
<td>1</td>
</tr>
</tbody>
</table>
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.

<table>
<thead>
<tr>
<th>Example: 125 unit project</th>
<th>≤ 50% AMI</th>
<th>≤ 60% AMI</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of low-income units selected:</td>
<td>30%</td>
<td>70%</td>
<td>100%</td>
</tr>
<tr>
<td>Actual units per % selected:</td>
<td>37.5 units</td>
<td>87.5 units</td>
<td>125 units</td>
</tr>
<tr>
<td>Units after rounding rule:</td>
<td>38 units</td>
<td>87 units</td>
<td>125 units</td>
</tr>
</tbody>
</table>

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
- 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
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 each 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 awarded 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.

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

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

Appendix C – 2013 Allocation Criteria – 4% Tax Credit/Bond Program
• 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](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.
### King County Pool

<table>
<thead>
<tr>
<th>TC#</th>
<th>Project Status</th>
<th>Project Name</th>
<th>Project Sponsor</th>
<th>City</th>
<th>County</th>
<th>Points</th>
<th>Credit/Unit</th>
<th>Credit Request</th>
<th>Total Low-Income Units</th>
<th>Low-Income Housing Units</th>
<th>Units for Priority Populations</th>
</tr>
</thead>
<tbody>
<tr>
<td>13-20</td>
<td>Approved 8/22/13</td>
<td>Bellevue Apartments</td>
<td>Low Income Housing Institute</td>
<td>Bellevue</td>
<td>King</td>
<td>145</td>
<td>17,889</td>
<td>1,007,383</td>
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<td>134 79 17 11</td>
<td>$ 1,689,167</td>
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**King County Credit Allocated:**

- $1,689,167

**King County Credit Available:**

- $1,689,167

**King County Credit Remaining:**

- $1,689,167

### Metro and Non-Metro Hold Harmless Reserve (max 2 projects)

<table>
<thead>
<tr>
<th>TC#</th>
<th>Project Status</th>
<th>Project Name</th>
<th>Project Sponsor</th>
<th>City</th>
<th>County</th>
<th>Points</th>
<th>Credit/Unit</th>
<th>Credit Request</th>
<th>Total Low-Income Units</th>
<th>Low-Income Housing Units</th>
<th>Units for Priority Populations</th>
</tr>
</thead>
<tbody>
<tr>
<td>13-36</td>
<td>Approved 4/25/13</td>
<td>Walla Walla Family Homes Too</td>
<td>Walla Walla Housing Authority</td>
<td>Walla Walla</td>
<td>King</td>
<td>107</td>
<td>19,316</td>
<td>1,294,177</td>
<td>67 7 41 10</td>
<td>14 24</td>
<td>-</td>
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<tr>
<td>13-34</td>
<td>Approved 4/25/13</td>
<td>Pioneer Line II</td>
<td>Timberline Development</td>
<td>Okanogan</td>
<td>King</td>
<td>138</td>
<td>19,367</td>
<td>977,850</td>
<td>35 18 17</td>
<td>0 7</td>
<td>-</td>
</tr>
</tbody>
</table>

**Credit Allocated:**

- $1,372,037

**Credit Available:**

- $1,372,037

**Credit Remaining:**

- $1,372,037

### Metro Pool

<table>
<thead>
<tr>
<th>TC#</th>
<th>Project Status</th>
<th>Project Name</th>
<th>Project Sponsor</th>
<th>City</th>
<th>County</th>
<th>Points</th>
<th>Credit/Unit</th>
<th>Credit Request</th>
<th>Total Low-Income Units</th>
<th>Low-Income Housing Units</th>
<th>Units for Priority Populations</th>
</tr>
</thead>
<tbody>
<tr>
<td>13-15</td>
<td>Approved 8/22/13</td>
<td>South KNAP Pavement</td>
<td>Catholic Housing Services of E. Wash.</td>
<td>Spokane</td>
<td>King</td>
<td>175</td>
<td>7,443</td>
<td>610,140</td>
<td>82 9 50 23</td>
<td>- 82</td>
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<tr>
<td>13-44</td>
<td>Approved 4/24/13</td>
<td>Nettleton House</td>
<td>Catholic Community Services of W. Wash.</td>
<td>Tacoma</td>
<td>King</td>
<td>172</td>
<td>6,937</td>
<td>585,870</td>
<td>50 26 21</td>
<td>25</td>
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<tr>
<td>13-23</td>
<td>Approved 4/25/13</td>
<td>Pivotal Point Apartments</td>
<td>Housing Authority of the City of Everett</td>
<td>Everett</td>
<td>King</td>
<td>169</td>
<td>25,568</td>
<td>511,160</td>
<td>20 10 5</td>
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<tr>
<td>13-13</td>
<td>Approved 4/27/13</td>
<td>Freedom Path at Vancouver WA</td>
<td>Communities for Veterans</td>
<td>Vancouver</td>
<td>King</td>
<td>168</td>
<td>19,063</td>
<td>953,159</td>
<td>50 25 13</td>
<td>- 12</td>
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<tr>
<td>13-45</td>
<td>Approved 4/25/13</td>
<td>Cornwall</td>
<td>Catholic Housing Services of W. Wash.</td>
<td>Bellingham</td>
<td>King</td>
<td>166</td>
<td>20,068</td>
<td>842,856</td>
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<tr>
<td>13-12</td>
<td>Approved 4/25/13</td>
<td>Nega Arms</td>
<td>Western Region Nonprofit Housing Corp.</td>
<td>Spokane</td>
<td>King</td>
<td>165</td>
<td>8,478</td>
<td>542,570</td>
<td>64 20</td>
<td>38</td>
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<td>13-11</td>
<td>Approved 4/25/13</td>
<td>Inter Mix</td>
<td>Spokane Baptist Association Homes</td>
<td>Spokane</td>
<td>King</td>
<td>164</td>
<td>9,300</td>
<td>1,167,247</td>
<td>70 104</td>
<td>- 174</td>
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</tbody>
</table>

**Credit Allocated:**

- $5,442,372

**Credit Available:**

- $5,095,683

**Credit Remaining:**

- $286,689

### Non-Metro Pool

<table>
<thead>
<tr>
<th>TC#</th>
<th>Project Status</th>
<th>Project Name</th>
<th>Project Sponsor</th>
<th>City</th>
<th>County</th>
<th>Points</th>
<th>Credit/Unit</th>
<th>Credit Request</th>
<th>Total Low-Income Units</th>
<th>Low-Income Housing Units</th>
<th>Units for Priority Populations</th>
</tr>
</thead>
<tbody>
<tr>
<td>13-04</td>
<td>Approved 6/27/13</td>
<td>Walla Walla WA Housing</td>
<td>Catholic Housing Services of E. Wash.</td>
<td>Walla Walla</td>
<td>King</td>
<td>176</td>
<td>15,577</td>
<td>607,500</td>
<td>39 4 24 11</td>
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<tr>
<td>13-92</td>
<td>Approved 4/24/13</td>
<td>Inner West Village</td>
<td>American Baptist Homes of the West</td>
<td>Richland</td>
<td>King</td>
<td>165</td>
<td>19,048</td>
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<tr>
<td>13-49</td>
<td>Approved 4/24/13</td>
<td>Second Century Apartments</td>
<td>Trible Housing Services</td>
<td>Yakima</td>
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<td>160</td>
<td>19,248</td>
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<td>13-16</td>
<td>Approved 6/27/13</td>
<td>San Antonio Linwood</td>
<td>Makah Tribal Housing Association</td>
<td>Seattle</td>
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<td>20,068</td>
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<tr>
<td>13-28</td>
<td>Approved 4/25/13</td>
<td>Villa Kathleen, Evergreen Manor, and Freest Apts.</td>
<td>Mercy Housing Northwest</td>
<td>Scattered Sites</td>
<td>King</td>
<td>162</td>
<td>10,882</td>
<td>901,549</td>
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<td>13-97</td>
<td>Approved 4/25/13</td>
<td>Takoma Family Housing</td>
<td>Takoma Housing Authority</td>
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</tr>
</tbody>
</table>

**Credit Allocated:**

- $4,725,510

**Credit Available:**

- $4,060,060

**Credit Remaining:**

- $669,450

### 2013 Credit Allocated Under NIMBY Policy & Special Commission Action*

<table>
<thead>
<tr>
<th>TC#</th>
<th>Project Status</th>
<th>Project Name</th>
<th>Project Sponsor</th>
<th>City</th>
<th>County</th>
<th>Points</th>
<th>Credit/Unit</th>
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<th>Total Low-Income Units</th>
<th>Low-Income Housing Units</th>
<th>Units for Priority Populations</th>
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<tbody>
<tr>
<td>13-30</td>
<td>Approved 9/16/2013</td>
<td>S. Kirkland Park and Ride</td>
<td>Imagine Housing</td>
<td>Kirkland</td>
<td>King</td>
<td>1,137 333</td>
<td>29 15 0 14</td>
<td>- 12</td>
<td>12 32</td>
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</table>

**Credit Allocated:**

- $10,584,446

**Credit Available:**

- $18,102,307

**Credit Remaining:**

- $956,139

### 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 2014 Tax Credit Round.

*Units listed under this heading are not included in the totals as they were accounted for in the original allocation year.

### Statewide "Above the Line" Totals

<table>
<thead>
<tr>
<th>2013 Projects: 20</th>
<th>Total Low-Income Units</th>
<th>Low-Income Housing Units</th>
<th>Units for Priority Populations</th>
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<tbody>
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<td>13-37</td>
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</table>

**Total 2013 Credit Allocated:**

- $15,058,446

**Total 2013 Credit Available:**

- $18,102,307

**Total 2014 Credit Forecast:**

- $956,139

---

Appendix D - 2013 List of 9% Program Activity
### Metro Waiting List

<table>
<thead>
<tr>
<th>TC#</th>
<th>Project Status</th>
<th>Project Name</th>
<th>Project Sponsor</th>
<th>City</th>
<th>County</th>
<th>Points</th>
<th>Credit/Unit</th>
<th>Credit Request</th>
<th>Total Low-Income Units</th>
<th>30% AMI</th>
<th>40% AMI</th>
<th>50% AMI</th>
<th>60% AMI</th>
<th>Farm workers</th>
<th>Large Households</th>
<th>Elderly</th>
<th>Persons with Disabilities</th>
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**Total Projects: 41**

### Non-Metro Waiting List

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<th>Project Sponsor</th>
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<th>County</th>
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<th>Credit/Unit</th>
<th>Credit Request</th>
<th>Total Low-Income Units</th>
<th>30% AMI</th>
<th>40% AMI</th>
<th>50% AMI</th>
<th>60% AMI</th>
<th>Farm workers</th>
<th>Large Households</th>
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<td>Housing Authority of Pasco &amp; Franklin County</td>
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<td>Franklin</td>
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**Total Projects: 41**

### Statewide Allocation Round Totals:

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<th>Category</th>
<th>Total Projects</th>
<th>Total Credit Requested</th>
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<td>Units for Priority Populations</td>
<td>$896,467,753</td>
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### Appendix D - 2013 List of 9% Program Activity

WASHINGTON STATE HOUSING FINANCE COMMISSION

9% Competitive Housing Tax Credit Program

Total Projects: 41

Total Credit Requested: $35,880,147
<table>
<thead>
<tr>
<th>Project Name</th>
<th>City</th>
<th>County</th>
<th>LIH Units</th>
<th>Total Units</th>
<th>Tax Credit Amt</th>
<th>Bond Amount</th>
<th>Bond Type</th>
<th>Total Project Costs</th>
<th>Organization Name</th>
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<tbody>
<tr>
<td>Family Tree Apartments</td>
<td>Everett</td>
<td>Snohomish</td>
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<td>149</td>
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<td>Sunny View Village</td>
<td>Freeland</td>
<td>Island</td>
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<td>26</td>
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<td>Federal Way</td>
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<td>293</td>
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Total: 2748 units, 2915 LIH units, $13,252,524 total tax credit, $253,674,000 total bond amount, $443,818,644 total project costs.