



Existing Policy	Proposed Changes	Rationale																														
NEW – 1.1.1. Program Values	<p><u>Program Values are used as a framework to guide Tax Credit Program policy development, including determining how projects are prioritized. Program Values for the Tax Credit Program include the following:</u></p> <ul style="list-style-type: none"><u>Advance Racial Equity</u><u>Align Resources</u><u>Meet Affordable Housing Needs Everywhere</u><u>Ensure High-Quality and Affordable Housing for Residents in the Long Term</u><u>Use Our Limited Resources Efficiently</u><u>Prioritize Populations Who Most Need Help</u><u>Foster Healthy and Sustainable Homes in a Changing Climate</u> <p><u>For more information on the Commission’s 9% Program Values, visit: 9% Tax Credit Program Values Statement</u></p>	The Program Values Statement should be more directly tied to the Program Policies and easily accessible.																														
3.2.7. TDC Per Unit Limit Schedule	<p><u>To be able to be as responsive as possible in a volatile cost environment, the Commission will publish a TDC per Unit Limit Schedule to its website rather than have it set in policy.</u></p> <table><tr><th></th><th>Studio</th><th>One Bedroom</th><th>Two Bedroom</th><th>Three Bedroom</th><th>Four+ Bedroom</th></tr><tr><td>2022 King/Seattle*</td><td>\$317,700</td><td>\$367,800</td><td>\$390,800</td><td>\$438,300</td><td>\$482,800</td></tr><tr><td>2022 Pierce/Snohomish/Clark*</td><td>\$305,800</td><td>\$356,700</td><td>\$377,800</td><td>\$425,100</td><td>\$468,300</td></tr><tr><td>2022 Metro*</td><td>\$274,200</td><td>\$309,300</td><td>\$338,500</td><td>\$390,600</td><td>\$430,200</td></tr><tr><td>2022 Balance of StateΔ</td><td>\$193,300</td><td>\$217,700</td><td>\$246,700</td><td>\$320,500</td><td>\$352,700</td></tr></table>		Studio	One Bedroom	Two Bedroom	Three Bedroom	Four+ Bedroom	2022 King/Seattle*	\$317,700	\$367,800	\$390,800	\$438,300	\$482,800	2022 Pierce/Snohomish/Clark*	\$305,800	\$356,700	\$377,800	\$425,100	\$468,300	2022 Metro*	\$274,200	\$309,300	\$338,500	\$390,600	\$430,200	2022 Balance of StateΔ	\$193,300	\$217,700	\$246,700	\$320,500	\$352,700	TDC limits are now published at a different time than the Program Policies. To avoid confusion with “outdated” schedules in Program Policies, language that directs applicants to the appropriate webpage will further clarify the current TDC limits in effect.
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6.3 Housing Commitments for Priority Populations	<p>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:</p> <p>A. Housing Commitment providing a minimum percentage of the total housing units as <u>Permanent</u> Supportive Housing for the Homeless is worth 25 or 35 allocation points.</p> <ul style="list-style-type: none">▪ Seattle/King – minimum of 75% required for 35 points	Encourages greater diversity of project types in Non-Metro pool, while still prioritizing Housing for the Homeless. Farmworker points adjusted to support this change.																														

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	<ul style="list-style-type: none"> ▪ Metro <u>and Non-Metro</u> - minimum of 25% required for 25 points ▪ Non Metro – minimum of 50% required <p>OR</p> <p><u>B. Housing Commitment providing a minimum percentage of the total housing units as Farmworker Housing is worth 25 allocation points.</u></p> <ul style="list-style-type: none"> ▪ <u>Metro and Non-Metro – minimum of 75% required</u> <p>OR</p> <p>B.C. The following Housing Commitments are worth 10 allocation points each. A maximum of two options may be selected for a total of 20 points.</p> <ul style="list-style-type: none"> ▪ 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 w/ Disabilities ▪ Provide a minimum of 20% of the total housing units as Housing for the Homeless ▪ Provide an Elderly Housing Project <p>Applicants may not combine the <u>Permanent</u> Supportive Housing for the Homeless Commitment with any of the other options. Under option #2C above, Applicants may select no more than two priority populations for a maximum score of 20 points. The selection under option #2C cannot be for the same priority population; for example, an Applicant may not select 20% Large Household twice to achieve 20 points for a 40% Large Household set-aside.</p> <p>To receive points for Housing Commitments for Priority Populations, the Applicant must agree to comply with all the requirements and conditions described in this section, as applicable.</p>	<p>Additional cleanup language to further clarify there are three main options an applicant may select for a Housing Commitment for Priority Populations: Permanent Supportive Housing, Farmworker Housing, or up to two 20% commitments to Priority Populations.</p>
<p>6.3.1 Housing for the Homeless</p>	<p>Points will be awarded based on the Applicant’s Commitment to provide low-income housing units for Homeless households (the “Housing for the Homeless Commitment”).</p> <p>In providing Housing for the Homeless, the Applicant may select only one of these options:</p> <ul style="list-style-type: none"> • Permanent Supportive Housing for the Homeless <ul style="list-style-type: none"> ▪ Metro <u>and Non-Metro</u> Geographic Pool – 25 Points ▪ <u>Seattle/King</u> All other Geographic Pools – 35 Points • 20% Permanent Housing for the Homeless – 10 Points 	<p>See 6.3 Housing Commitments for Priority Populations rationale above.</p>

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	<ul style="list-style-type: none"> 20% Transitional Housing for the Homeless – 10 Points <p>Each unit must be set-aside to serve Homeless households as defined under the Stewart B. McKinney Homeless Assistance Act or under RCW 43.185c010(3) and must provide supportive services designed to promote self-sufficiency, meeting the needs of the target population. Any household initially qualifying as Homeless counts toward the Homeless Set-Aside Commitment for as long as the household remains in the project.</p>	
6.3.2 Farmworker Housing	<p>Farmworker means a household whose Income is derived from farm work in an amount not less than \$3,000 per year. See Glossary for a complete definition of “farm work.” All housing units subject to the Farmworker Housing Commitment must be rented to qualifying Farmworker households at initial project occupancy.</p> <p>Projects that dedicate 75% or more units to farmworker housing can receive up to 25 points. However, an allocation in the Metro Geographic pool will not be made for more than one farmworker project per year. In the Non-Metro Geographic pool, an allocation will not be made for more than two farmworker projects per year.</p>	<p>See 6.3 Housing Commitments for Priority Populations rationale above.</p> <p>Minor cleanup language.</p>
6.4 Leverage Scoring and Points	<p>Historically, the Commission has awarded “leveraging points” based upon the following point categories: local funding commitments, federal leverage, state funding coordination (i.e., Housing Trust Fund) and municipal participation to encourage projects to seek additional funding sources. While this remains the Commission’s intent, nationally there is a concern that jurisdictions can prevent the siting of affordable housing by withholding their support of projects, making them less competitive.</p> <p>To address these national concerns, the Commission is creating a new point category that will award points based upon a project’s ability to leverage additional funds without allowing anyone funding resource to overly influence the points process through action or inaction. This new “Leverage Scoring and Points” category replaces the following point categories mentioned above: Local Funding Commitment, Federal Leverage of Capital Funds, State Funding Coordination and Municipal Participation Point.</p> <p>Points will be awarded for applicants who have secured funding commitments for one or more capital sources that include but may not be limited to local, state, and federal public funds, as well as capital contributions from health care providers.</p>	<p>Expands qualifying leverage funds sources to include health care providers.</p> <p>Encourages collaboration among healthcare, housing, and homeless sectors to drive innovative responses to the health, housing, and equitable needs in communities.</p> <p>Minor cleanup language.</p>

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	<p>Points for this new category are based upon the amount of capital sources leveraged, defined below, as a percentage of the Total Project Costs, and will be awarded as follows:</p> <table><tr><th colspan="5">Pool Range = % of other sources as % of Total Project Costs</th></tr><tr><td>King</td><td>5-10%</td><td>11-20%</td><td>21-25%</td><td>26% and above</td></tr><tr><td>Points</td><td>2</td><td>4</td><td>7</td><td>10</td></tr><tr><td>Metro</td><td>2-7%</td><td>8-12%</td><td>13-17%</td><td>18% and above</td></tr><tr><td>Points</td><td>2</td><td>4</td><td>7</td><td>10</td></tr><tr><td>Non- Metro</td><td>2-7%</td><td>8-15%</td><td>16-22%</td><td>23% and above</td></tr><tr><td>Points</td><td>2</td><td>4</td><td>7</td><td>10</td></tr></table> <p>The percentage of leverage is calculated by using the amount of all other committed sources as shown in the development budget and specifically identified in the application on the sources form. (Tax credit equity and developer fee excluded).</p> <p>Applicants seeking points for sponsor loans or charitable donations must have backup to document the source and have at least 50% of the funds received at the time of application. These sources must be approved by the Commission 60 days prior to the submission of an application.</p> <p>For purposes of calculation under this policy, sources not included are:</p> <ul style="list-style-type: none">• Developer Fee either cash fee or Deferred Loan;• Any operating related subsidy or operating budget sources;• Funds not fully committed at the time of application.	Pool Range = % of other sources as % of Total Project Costs					King	5-10%	11-20%	21-25%	26% and above	Points	2	4	7	10	Metro	2-7%	8-12%	13-17%	18% and above	Points	2	4	7	10	Non- Metro	2-7%	8-15%	16-22%	23% and above	Points	2	4	7	10	
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6.20 Eventual Tenant Ownership	<p><u>Incentive points in this category are suspended for this application cycle pending an evaluation and update of program policies and procedures for eventual tenant ownership projects. Applicants interested in eventual tenant ownership after the initial 15-year Compliance Period must contact the Commission prior to the application date to determine whether or not the project meets the intent of this criterion.</u></p> <p>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</p>	<p>The first batch of projects that elected to do eventual tenant ownership and received 2 points at the time of application are at the point of needing to develop and document how they plan to convert units.</p> <p>The AMC Division is working through the implementation of</p>																																			

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	<p>Commission. The eventual tenant ownership plan must be unique to the specific project and must address the following:</p> <ul style="list-style-type: none"> • Financial and programmatic structure • Timing of ownership transfer • All lienholder interests • Eligibility and selection process for potential owners • Homeowner education, down payment assistance, and other programs that the sponsor will provide to assist the potential homeowners. <p>The project development team must also demonstrate capacity for designing, developing and implementing the eventual ownership program. The project sponsor must prove capacity for managing the program successfully. Applicants choosing these points are encouraged to approach the Commission prior to the application date to determine whether or not the project meets the intent of this criterion.</p>	<p>converting units to homeownership, which is proving to be challenging.</p> <p>The Commission is evaluating ETO as a program option and determining how to update its program, policies and procedures going forward to successfully support households moving to homeownership. Therefore, incentive points will be suspended pending evaluation findings and recommendations.</p>
<p>NEW - Health in Housing</p>	<p>Five points will be awarded to projects that have a documented partnership evidenced by a Memorandum of Understanding (MOU) with a healthcare provider or health/hospital system to provide a substantial benefit to the project and/or its residents.</p> <p>Examples could include but are not limited to the healthcare provider or health/hospital system providing:</p> <ul style="list-style-type: none"> • a meaningful contribution to offset the total project cost (including donation of land and/or funding) • health care services (medical/physical health) on site that are available to the residents. <p>For more information on the Commission's Healthy Housing, Healthy Communities (H3C) Partnership Initiative, visit: WSHFC MHCF HC3</p> <p>Applicants interested in claiming points in the Health in Housing point category must contact the Commission prior to the application date to determine whether or not the project meets the intent of this criterion.</p>	<p>Given the timing of engagement, questions around implementation, and considerations for alignment with Apple Health and Homes rollout, staff recommend not adding this new point category.</p> <p>Instead, see proposed language above to 6.4 Leverage Scoring Points which encourages capital sources from health care providers.</p>