



STATE OF WASHINGTON DEPARTMENT OF COMMUNITY, TRADE AND ECONOMIC DEVELOPMENT

Policy Advisory Team
Department of Community, Trade and Economic Development
Angle Lake Court Community Room, SeaTac
December 11th, 2007
10 a.m. – 2:00 p.m.

I. Apprenticeship/Prevailing Wage (Presented by Dan Riebli)

In September of 2007, the Housing Trust Fund (HTF) determined that there were 18 contracts from the Fall 2006 and Spring 2007 funding rounds that should be complying with Executive Order 00-01, "Promoting the Use of Apprentices in Public Works Projects". Only two contracts were under construction at the time and both are in compliance with apprenticeship requirements. The HTF is tracking compliance and will be regularly reporting progress in the program.

The PAT discussion focused on the circumstances under which exceptions could be used, specifically the breadth of the exception when apprentices were not readily available in a given geographic area. Participants discussed the possibility of a countywide exception; however, the EO specifies that exceptions will be granted only for specific projects. Concerns were brought up about L&I providing inconsistent/inadequate information in order to comply with the requirements of the EO. While these are not policy issues CTED can deal with directly, Lisa Vatske offered to follow through with the WSATC to put together a workshop or training on the issue.

PAT attendees believe there is some confusion at L&I as HTF projects are not actually public works because they are loans and not grants. Dan Riebli is currently trying to determine the level of compliance of prevailing wage rates, and Lisa Vatske stressed that this issue is the responsibility of organizations to meet.

II. Green Building (Presented by Maureen Howard)

An upcoming training, "Getting it Built Green", is in the works, with a suggested focus on contractors and subcontractors. The PAT discussed the need for trainings in Spring of 2008 focusing on the HTF application process, homeownership, and operations and management of multifamily units.

PAT members discussed the question of what to do with projects that receive funding but do not comply with the ESDS in the final assessment. The HTF expresses that it has no intention of pulling money once a contract is in place, yet the issues of verification, compliance, and making changes to an application remain unresolved. PAT members expressed some concerns at the prospect of a lengthy application and uncertainty surrounding what constitutes meeting the requirements of the ESDS standard. The conclusion is that we are going through a period with a huge learning curve and that using an existing/recently funded green project as a pilot for the criteria may lend some insight into what to expect during the application, construction and verifications stages.

III. O&M (Presented by Lisa Vatske)

The HTF has several organizations that didn't draw down their money, are asking for more money, or are showing a positive cash flow, all of which presents new challenges. The priority is to get people renewed, however if an organization didn't spend at least 40%, the HTF intends to

reduce its funding by 25% and shift funds to organizations that are in need. CTED is considering looking at utilization half way through the year and depending on that may consider providing an opportunity for additional funds. Tanya Mercier is the new O&M program manager.

IV. Homeownership (Presented by Lisa Vatske)

The HTF was in a transition round after Spring 2007, and was working with all organizations that applied to do a full organizational assessment and determine at what level we were actually funding. Out of \$7 million, we have committed to \$5.6 million. 14 new organizations and 8 existing came back to be funded, and we will be looking at the prospect of a mid-summer check in with existing organizations to see if people are making progress and see what kind of resources we have at that point.

V. Mobile Home Park Preservation Set-aside Proposal (Presented by Lisa Vatske)

There have been no requests for funds from the \$4 million Mobile Home Park Preservation set-aside. HTF has been talking with the King County Housing Authority that recently purchased the Wonderland Mobile Home Park and is in need of permanent financing- they will likely come in the Spring 2008 round and be a candidate for this money. There was a discussion of potential types of financing tools that would be helpful in park preservation and utilizing part of the set-aside to create an earnest money pool. Participants agreed that this type of tool would be helpful and made sense.

VI. Application/Systems Reforms Discussion (Presented by Lisa Vatske)

Key legislators, lead by Speaker Frank Chopp, have been discussing the costs and financing process of affordable housing. There are several concerns about specific financing costs, the extent and complexity of the process, with a focus on "streamlining" and system's reform.

One consideration that will impact the application process is The Grants, Contracts, Loans and Management (GCLM) system. This system is being driven by OFM with CTED, the Department of Ecology and OFM piloting a program. HTF is funding \$500,000 out of our repayment account for this statewide enterprise system that will have the capacity to handle electronic submissions of applications, vouchering, audit tracking and insurance, although we will likely stop short of annual reports. Lisa is going to be looking for a volunteer applicant to pilot the system.

Lisa will pull together a PAT subcommittee to analyze the HTF application and suggest efficiencies for the 2008 application.

Participants brainstormed a list of ideas, both administrative and legislative policy that both CTED and stakeholders could suggest and begin working on. Several PAT members agreed to meet again and prepare a letter of these ideas to present to legislative staff. (Click here to see final letter.) Of particular note, on the administrative side, was the idea of looking at smaller special needs projects and trying to fund them without tax credits. There are several projects with units under 25, serving homeless special needs that may be less costly and more efficiently financed if they do not leverage tax credit financing. Several specific projects were mentioned that could be restructured and it was agreed that modeling with some of these types of projects would help provide additional information to further analyze and assess this situation.

