



CTED | Community, Trade and Economic Development

Policy Advisory Team
Department of Community, Trade and Economic Development
Angle Lake Court Community Room, SeaTac
July 1st, 2008
10:00 a.m.-2:00 p.m.

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

HTF Contract Management staff met with Labor and Industries in late May for training on apprenticeship requirements to better assist contractors in complying with [Executive Order 00-01](#). L&I has a different interpretation of when apprenticeship applies compared to current HTF policy. To be in line with their interpretation, HTF Apprenticeship policy would change to: "For HTF contracts, where the total project construction costs are \$1 million or more, the CONTRACTOR shall make best efforts to select builders/contractors that use an approved apprenticeship program as described in the WA State Governor's Executive Order 00-01." For the Spring 2008 round, the outcome would be minimal- only two more projects would have had to comply if the new policy was in place. Questions about apprenticeship at the county or regional level should be directed to L&I regional offices. CTED will be creating a contact list to assist organizations and will be posting it on the HTF website in the coming weeks.

II. Green Building (Presented by Lynn Davidson/Lisa Vatske)

In Fall of 2008, the Evergreen Sustainable Development Standard will be required of all projects applying for HTF funds. Several questions still need to be addressed: What if an organization can't meet the ESDS criteria? Will projects be held up if they don't comply? What if there is no capacity for identifying/hiring a project manager to act as liaison? While it is agreed that it is difficult to assess how these issues will play out, the HTF plans to allow for some flexibility while requiring that best efforts are made.

III. Homeownership (Presented by Lisa Vatske)

HTF added additional \$4.5 million from new funds to the existing \$14 million, for a total of \$18.5 million of which \$2.5 comes from the self help set aside. HTF plans in December to shift funds that were obligated if they are not being spent down, which will affect the resources available during the Winter 2009 HO round. HTF is moving toward organizational capacity assessment requests being accepted all year long while keeping set days for application and award deadlines. Participants commented that the Annual June 19th Homeownership meeting was helpful. Materials showing geographic distribution of projects, HO investments to date, drawn versus remaining of obligated funds awarded are available, please contact [Justin Bombara](#).

IV. MacArthur Foundation Proposal (Presented by Lisa Vatske)

In January of 2008, the HTF and the Seattle Office of Housing submitted individual letters of interest for the MacArthur Foundation's Window of Opportunity Initiative and were asked by MacArthur to submit final proposals. HTF, the Seattle Office of Housing and Impact Capital joined efforts to submit a joint proposal that would use Program Related Investment funds to preserve existing affordable housing and grant funds for maintaining the existing affordable housing portfolio through strengthening asset management systems and procedures. A copy of the executive proposal summary is available [here](#).

V. Cost Study (Presented by Paul Purcell)

The cost study is a result of [HB 3180](#), in which the Legislature allocated through a budget appropriation, \$100,000 to better understand the cost of affordable housing and how it differs from market rate multi-

family development. Timeline is to have the initial research done before the Fall Policy Advisory Team meeting (October 8th) so that stakeholders can discuss and provide additional analysis. Lisa will make a presentation to the Legislature of policy recommendations for the Trust Fund in September 2009.

VI. Decision Package- Housing Trust Fund Admin Proposal (Jenny Greenlee)

CTED started its process in April to make initial proposals for agency legislative agenda items and inclusion in the Governor's budget and agenda. The proposal has made it through the initial internal cut and it will move on to OFM in September. HTF is currently doing outreach with stakeholders and will find out if it is on the Governor's agenda/budget in December. The proposal deals with how the Trust Fund calculates administrative resources- loan repayments and a portion of the Real Estate Excise Tax and IRETA come into the 532 account, which can be used for administrative costs and technical assistance, or go back into projects. HTF receives authority to spend from the repayment account (Fund 532), 5% from of the appropriation in the capital budget. This provides a number that HTF is authorized to spend; this money does not come from the capital appropriation, but from project repayment and revenues are not keeping pace as not all loans are being repaid to the HTF on a regular basis. According to 3rd party consultants, the amount the HTF is currently spending is not keeping pace with asset management best practices. The current proposal is for a statute change to allow the HTF to take a cut off the capital appropriation for resource allocation and contract management activities, creating a nexus between the activity and how it is funded. The repayments would still be used to pay for asset management. Discussion focused on the policy question of income targeting in regard to grants and loans. PAT members support a portion of the capital appropriation being utilized to ensure that the portfolio is adequately managed. In addition, there was discussion regarding the need to educate policy makers about the level of repayment, the issues around serving the lowest income, highest need populations and the long term viability and sustainability of the projects in the HTF portfolio.

VII. Gap/Amendment Needs and Level of HTF Investment (Presented by Lisa Vatske)

The PAT agreed last meeting that taking \$10M from the supplemental budget and allocating it to projects with gaps would be an effective way to keep projects moving. Lisa presented a list of projects that were awarded additional funds. Based on the analysis of needs, a new level of investment was determined. Lisa proposes a funding limit of 2.5M for projects with tax credits (4% or 9%) and up to 3.5M for non-tax credits.

The total amount of Housing Trust Fund money available for the 2007-2009 Biennium is \$164,650,000, with 67% authorized for general use and 33% as set asides, including funding for existing gaps. Set asides remaining for multi-family include (as of the Spring Round) Homeless families, Mobile Home Park Preservation, and Developmentally Disabled. Approximately 36.07% of HTF general funds are remaining (approximately \$35,302,503). Total development costs compared to HTF awards yields a leverage ratio of 5.71:1. The HTF is seeing a dearth of project proposals from rural areas, but came in just under the 30% requirement at 29.32%. For additional information, contact please contact [Justin Bombara](#). Participants discuss data needs, such as trending populations served over time, including geographic distribution by income, and the merits of showing who the HTF is really serving versus what population projects initially intend to serve. PAT members discuss the policy question of what area median income to target and what resources would be needed to reach that goal, as well as the pros and cons of letting decisions on needs come from the ground up versus dictating what needs are.

IX. Fall 2008 Round (Presented by Lisa Vatske)

For the Fall 2008 Multifamily Round, \$48.9M is available, including \$33.62M from the General pool, \$10M allocated to Disaster Areas, and the remaining allocated to various set-asides. HTF proposes to prioritize 9% tax credit projects, projects from the Spring Round 2008, some projects from Supportive Housing Institute, then, making sure that existing projects are going to move forward.