



Department of Commerce

2017 Housing Finance Unit Amendment Application and Portfolio Preservation

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Housing Finance Unit Asset Management



The goal of the Asset Management and Compliance Team is to ensure that Housing Finance Unit funded projects are providing safe and affordable housing to Washington State's low-income and vulnerable persons.



Asset Management Responsibilities

- Ensure portfolio and housing stock preservation
- Protect the state's investments
- Review project performance
- Perform desk and on-site compliance monitoring in collaboration with other Public Funders
- Provide technical assistance and training
- Work with contractors and other Public Funders to adjust to changing conditions
- Enforce terms of written agreements



Amendment/Workout Application



Intended Use:

- Request changes to contract once a project has been placed in service (issued certificate of occupancy or equivalent)
- Intended to address emergent needs
- May be initiated by Contractor or Commerce
- Evaluated by Commerce Asset Management team per Chapter 5 Section 504 of the Housing Trust Fund Handbook



Amendment/Workout Application (continued)

Requests may include:

- Property Transfer
- Refinance/Subordination
- Additional Funds*
- Loan Restructure/Deferral
- Property Sale
- Expiring Tax Credit
- Minor Scope of Work Changes (use, target population, unit changes, etc.)

**Pending budget approval, future awards of additional funding for existing HFU contracts will be subject to a separate competitive process. More on this later.*



Amendment/Workout Application (continued)

Process:

- Contractor completes application and submits to Asset Management
- Asset Manager will
 - Review for completeness
 - Notify any other Public Funder of request, if applicable
 - Negotiate specific benchmarks and timelines to complete*
 - Underwrite request based on current policy
 - Submit recommendation to management for final decision

**Requests are prioritized based on critical timing, risk assessment, and other Public Funders' timelines.*



Amendment/Workout Application (continued)

Process (continued):

- Approval communicated to Contractor in form of term sheet
- Contractor agrees to term sheet
- Commerce drafts amendment documents or new contract
- Amendment is executed
- New terms go into effect



Additional Funds – HTF Portfolio Preservation

HTF preservation funding is identified in all budget proposals (Governor, House, Senate):

- \$10,000,000 for competitive grants
- Existing HTF properties only
- Eligible costs include: major building improvements, preservation, and system replacements
- Preservation NOFA anticipated in July 2017
- Award decisions anticipated in December 2017



Additional Funds – HTF Portfolio Preservation

Funding criteria (per provisos):

- Property is more than 15 years old
- At least 50% of units are occupied by households at or below 30% AMI
- Must result in reduction of operating or utility costs
- Will require a Capital Needs Assessment
- Cannot use funds to expand the property or create new units
- Other criteria that Commerce may apply





Department of Commerce

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Thank you for your time!

Questions?

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