The Washington State Housing Finance Commission

Opening doors to a better life through affordable housing and strong communities

WASHINGTON STATE HOUSING FINANCE COMMISSION
Who We Are

• Created by state law in 1983 to harness the private market for public good

• Enable thousands of WA residents to buy homes, find affordable apartments, and improve their communities

• Jobs, local income, and tax revenue generated

Three Decades Of Impact
Who We Are

Harnessing Private Investment

• We are *market driven*

• We work with private lenders to provide lower-cost financing via:
  • Tax-exempt bonds
  • Federal tax credits
  • Mortgage-backed securities
  • Revolving loan funds
What Can the Commission Do For You?

Relevant Programs

• Multifamily Housing (affordable apartments)
• Land Acquisition Program
• Self-Help Housing (homeownership)
• Nonprofit Facilities
• Sustainable Energy Trust
Multifamily Housing

Tools & Partners for Multifamily Housing

• Commission issues tax-exempt bonds and federal housing tax credits

• Can be combined with other public & private funding (local, state, federal)

• Housing developers include private for-profit companies, nonprofit orgs, housing authorities, tribes, etc.
Multifamily Housing

Resource:
Federal Housing Tax Credits

- Developer sells tax credits to investors in exchange for equity

- Flexible:
  - Urban, suburban and rural areas
  - Seniors, homeless, working families, etc.
  - New construction or rehabilitation
  - For-profit and nonprofit developers

- Deeper subsidy is more competitive: targeted toward higher-need residents

- Lesser subsidy combines with tax-exempt bonds
Multifamily Housing

Resource: Tax-Exempt Bonds

- Investor (bank) buys bonds, loans proceeds to developer at lower interest rate
- Key part of tax-credit financing (lesser subsidy)
- Finances nonprofit facilities and other community needs
- Requires ability to repay debt
Land Acquisition Program

Revolving loan fund: Acquire land now to develop later

- Nonprofits, housing authorities, tribes only
- Can purchase vacant or improved land
- Low-interest loan for a maximum term of 8 years
- Average loan amount: $671,000
- Since 2007: 42 housing projects financed with $28 million in loans
Self-Help Housing

- **Habitat for Humanity**
- **Community Land Trusts**
  - Can first use Land Acquisition Program loan to purchase the land
  - Can then borrow for construction from the Commission, at lower interest rates
  - Loans are repaid via donations etc.
  - Habitat and CLTs can build a whole community, instead of just one house at a time in infill lots
  - Examples: Deer Park near Spokane; Tillicum near Tacoma; Telegraph Homes in Bellingham
Beyond Housing

Other Commission Resources:

**Nonprofit Facilities Program**
- Tax exempt bonds allow nonprofits to buy, build, renovate, and refinance facilities

**Sustainable Energy Trust**
- Revolving loan fund that finances energy-efficient retrofits as well as clean energy (such as solar panels)

**Capital Plus!**
- Partnership with WA Community Reinvestment Association – provides flexible capital for smaller projects (under $500,000) or smaller organizations that can’t compete for public subsidies
What Can the Commission Do For You?

What are your goals?

We can:

• Explore financing options

• Connect you with housing developers and other partners

• Introduce you to others with successful projects
Thank You

Feel free to contact me!

Bob Peterson
206-287-4454
bob.peterson@wshfc.org

wshfc.org