

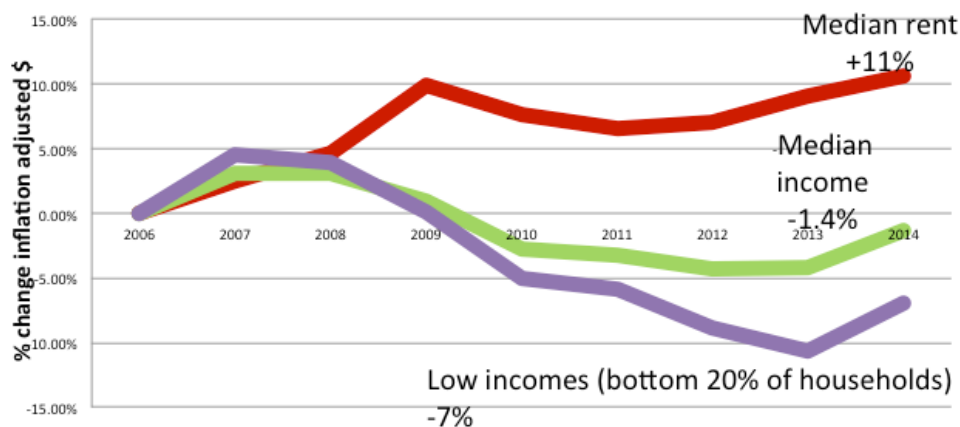
Washington State Housing Trust Fund Invest \$10 million from the 2016 Supplemental Capital Budget

What:

- The Housing Trust Fund supports community efforts to ensure the availability of safe, healthy, and affordable housing by providing loans and grants for construction, acquisition, and rehabilitation of low-income multi-family and single-family housing
- A new \$10 million investment in the Housing Trust Fund will build over 280 additional permanently affordable homes for homeless families with children, seniors, veterans, homeless youth, farmworkers, people with disabilities and more.

Why:

- There is a great need for permanent affordable housing in every community in Washington State.
- The Point In Time Count in January 2015 counted 19,418 people experiencing homelessness that night, across the state. Over 7,100 of them were unsheltered, including families with children and unaccompanied youth. This is a 3% increase from 2014.
- Housing costs are increasing across the state while incomes for the lowest income significantly declined from 2009:



Data sources: U.S. Census Bureau American Community Survey one-year estimates; inflation adjusted using the Bureau of Labor Statistics CPI-U.

Overview of 2015 state investment:

- The 2015-2017 Capital Budget provided \$71.875 (or \$71.9 million) million for the Housing Trust Fund with a proviso that requires Commerce to invest in a total of 2,400 homes and seasonal farmworker beds.

- The proviso also named types of affordable housing projects that were to be funded, including housing for homeless families with children, housing for people with disabilities, seniors, veterans and more.
- As of December 2015, the Department of Commerce has overseen a competitive application process that invested \$47.5 million in 36 projects from across the state, which together are building or preserving 1,369 homes.
- The investment leverages an estimated \$234 million from other sources – approximately \$4.50 for every \$1 from the Housing Trust Fund. Matching funds come from Low Income Housing Tax Credits, private investors, and other public sources.
- Commerce begins the application process for the next allocation round in mid January 2016 in which they will award the remaining \$26.9 million. Doing the allocation in two rounds allows for the most leverage of other fund sources including federal, local and private funding.

Why \$10 million more is needed in order to invest in a total of 2,400 homes:

- The allocation to unit ratio included in the proviso language in 2015-2017 Capital Budget was based on preliminary 2014 “stage one” applications for Housing Trust Fund dollars. After the long 2015 legislative session the “stage two” process resulted in applications that reflected changing conditions including increased development costs.
- The proviso language asks for a focus on populations and projects that require a deeper than average state investment because of the lack of future rent streams to pay off private debt and, in the case of rural developments, may lack other funding sources to help offset the need for state investments.

Key Programs in Governor Inslee’s Supplemental Capital Budget proposal:

- Governor Inslee’s Supplemental Capital Budget proposal included \$11.5 million for affordable housing overall.
- Two programs in section 1006 are of particular interest and should be included in the final budget:
 - 1) A Rapid Housing Improvement Program for housing improvements to repair and improve existing private market rental units to comply with federal housing quality inspection standards, or other housing standards in order to increase access to housing for families using rental assistance programs (\$1.5 million).
 - 2) A Landlord Mitigation Fund to pay for the cost of damages to private market units renting to housing choice voucher holders. In order to be eligible for the funds, there must be proof that damages were caused by the tenants and the rental unit must be in a jurisdiction that prohibits denying tenancy based solely on the applicants source of income (\$125,000).