



WASHINGTON STATE
**HOUSING FINANCE
COMMISSION**

Ms. Karen Miller
Chair
Mr. Kim Herman
Executive Director

memorandum

To: Tax Credit Program Stakeholders

From: Steve Walker, Program Director

Date: July 15, 2010

Re: **Tax Credit Program--2011 Program Policy**

The purpose of this memo is to provide a status report to stakeholders on tax credit program policy activity and to communicate our proposed timeline for the 2011 allocation round.

Policy Discussions:

In addition to on-going in-house policy discussions, staff has conducted a number of individual and group stakeholder discussions to solicit potential changes to the current LIHTC program policy and process. These discussions have been framed by the following considerations:

- Continued uncertainty in the capital markets and how that will impact investor appetite,
- impacts related to the lack of State Housing Trust Fund resources and lack of other service and operating support dollars,
- the unpredictability of federal legislation that may help the program, and
- whether any programmatic changes are appropriate for 2011 given the above uncertainties.

A number of important issues have been raised, including the role of leveraging federal resources, further empowerment of local decision making and priority setting, and policies related to geographic dispersion. However, there has been no consensus or clarity around any particular policy change.

Proposed Action:

It is the opinion of the staff that the best course of action for the 2011 tax credit round is to make no changes to current program policy. This will allow some time for capital markets to stabilize, for us to observe the impacts related to decreases in public funding and for us to continue policy discussions with an eye on potential changes for the 2012 tax credit round.

Given this proposed course of action, we anticipate making a 2011 program policy recommendation to the Commission at its meeting on August 26, 2010 and will include as part of that meeting agenda a requisite public hearing. After that, we anticipate publishing the 2011 application packet in September with the application due date in mid January 2011.

However, before moving forward, we wish to provide one final opportunity for stakeholders to provide policy change recommendations. Therefore if you have a proposal that you wish for us to consider for the 2011 tax credit round, please submit it to me in writing by Wednesday, July 28th.

If you have any question please feel free to contact me at (206) 287-4467. Thank you for your on-going support of Washington State's Low Income Housing Tax Credit Program.