Wyoming Planners Association
Annual Conference
Jackson, Wyoming
October 8, 2010
Wyoming Community Development Authority

“Financing Affordable Housing in Wyoming”

Cheryl Gillum, Deputy Director
155 N. Beech, Casper
307–265–0603
www.wyomingcda.com
WCDA Overview

- WCDA is a body corporate operating as an instrumentality of the state
- Receives no funding from the State of Wyo.
- Created by state statute in 1975 to import mortgage capital to increase the availability of housing
- Administered by a Board of Directors appointed by the Governor and approved by Senate
WCDA Board of Directors

Ed Luhm, Worland – Chairman
Wayne Deahl, Torrington – Vice Chairman
Dan Sullivan, Casper – Secretary
Ron Bailey, Gillette
Joe Bluemel, Kemmerer
Pam Snell, Cheyenne
John Stoll, Laramie
Governor Dave Freudenthal
   Governor’s Representative – Wendy Curran
State Treasurer Joe Meyer
   Treasurer’s Representative – Sharon Garland

David Haney, Executive Director
Semi-Annual Profile of Demographics, Economics and Housing

- June 30, 2010 Profile is available on-line at www.wyomingcda.com
- No longer printed (used to be called our “blue-book”)
- Available every 6 months – June 30 and December 30
Semi-Annual Profile of Demographics, Economics and Housing

- Also publish:
  - An annual Housing Needs Forecast
  - Regional Summaries, and
  - Housing Conditions Report every five years
Semi Annual Profile of Demographics, Economics and Housing

- Financial Sponsor
  - WCDA

- Data Partners
  - Wyoming DOT
  - Wyoming County Assessors
  - Wyoming Dept of A & I, Div of Economic Analysis
  - Wyoming Dept of Revenue
  - Multiple Listing Service Organizations

- Other Partners
  - WAM, WCCA, WEDA, WBC

We invite the Planners to meet with us to see how we might make this information more valuable to you.
Rental Housing Directory

- List of subsidized rental housing by community
- WCDA, USDA Rural Development, HUD, Housing Authorities
- Updated annually
- Provides contact information
- Can be found on WCDA’s Web-site at www.wyomingcda.com
Major Housing Programs

- WCDA’s Single Family Mortgage Purchase Program
- Down Payment Loan Program
- Low Income Housing Tax Credit Program
- Home Investment Partnerships Program
- Neighborhood Stabilization Program – WRAP Program – Stimulus funding
WCDA’s Single Family Mortgage Purchase Program

- WCDA sells **tax-exempt** mortgage revenue bonds to investors.
- Interest paid to bond holders is exempt from federal income tax therefore investors accept a lower rate of return.
- This savings is passed on to the homebuyers by providing mortgages at below-market interest rates.
- The homebuyers’ mortgage payments repay the bonds.
The Mortgage Revenue Bond Program is regulated by the IRS requiring:
- Income limits
- Purchase price limits
- Owner occupancy
- First time homebuyer – homebuyers may not have owned a principal residence during the past three years
WCDA’s Single Family Mortgage Purchase Program

- Funding is offered through Participating Lenders across the state
- Lenders originate loans (FHA, RD, VA)
- WCDA buys the loans from the lenders like an in–state Fannie Mae/Freddie Mac – WCDA is the investor
- WCDA also services the majority of our loans from our Casper office
WCDA’s Single Family Mortgage Purchase Program

- $3.7 billion dollars since first bond issue in 1978
- Totaling 49,315 loans for first time homebuyers
WCDA’s Single Family Mortgage Purchase Program

- Economic Benefits
  - Wage Income Generated – 2008
    - $1,479,602,000
  - Jobs Produced
    - 51,473
  - Sales Tax Revenues Real 2007 $
    - $29,748,718
  - Property Tax Receipts Real 2008 $
    - $150,189,341
WCDA’s Single Family Mortgage Purchase Program

- **Special Programs** falling under the SFMPP
  - HOME Run I $160,000 purchase price limit
  - HOME Run II $185,000 purchase price limit – Both new construction – Total of 910 loans $37,000,000 (programs have ended)
  - Spruce Up Wyoming I and Spruce Up Wyoming II – acquisition and rehabilitation of existing homes – 373 loans
  - Habitat for Humanity – 42 loans – $2,956,466 in 0% loans from Habitat affiliates across the state in 9 communities
WCDA’s Down Payment Loan Program

- Second Mortgage Program for Down Payment and closing costs
- Borrower must contribute $1,500 in their own cash
- 620 mid FICO score
- 41% Total Debt to Income Ratio
- Maximum of $10,000
- 2nd Mortgage amortizing loan over 8 years
WCDA’s Down Payment Loan Program

- 15,149 Down Payment Loans since 1994
- $52,212,034
Multi-family Housing Programs

- Low-income Housing Tax Credits (IRS)
- HOME Investment Partnerships Program (HUD)
Low Income Housing Tax Credits

- Provides a tax incentive for the development of rental housing to benefit households at or below 60% of area median income.
- IRS Program – very complex but very successful
- New Construction or Acquisition with Rehab
- WCDA is the Allocating Agency for Wyoming
- Develop an Allocation Plan – ranking process
- Competitive application process – at least one round each year
- Affordability period – 25 to 55 years
Low Income Housing Tax Credits

- Developer
  - designs project
  - does all of the work with the city, architects, builders
  - applies to WCDA for LIHTC and/or HOME funding
  - secures construction and permanent financing from other lenders
Developer

- creates a limited partnership where the developer is the general partner .1% ownership and an investor as the limited partner with 99.9% ownership,
- the investor is generally found through a syndicator
- the developer gets an upfront developer fee and generally manages the property for the affordability period
Low Income Housing Tax Credits

- Investor
  - the investor purchases the tax credits
  - the investor gets the tax credits each year for 10 years
  - Investor calls the shots for the first 10 years
Low Income Housing Tax Credits

- Tax credit allocation is the amount allocated in tax credits each year for a ten year period.
- Tax credit Allocation – $100,000
  \[ \text{X} \quad \text{10 years} \]
  \[ \text{$1,000,000} \]
- Investor purchases for 60 cents on the dollar = $600,000 (this amount varies depending on developer, investor, location etc.)
- The developer gets this money up front to reduce the amount he has to finance thereby reducing the debt service and also reducing the rents that have to be charged to support the debt service and operating expenses.
Low Income Housing Tax Credits

- 3,589 units
- 20 communities
- $216,634,933 in tax credits since 1986
HOME Investment Partnerships Program

- Block Grant from HUD to state
- $3,500,000 annually
- Rental Housing Development $\leq 60\%$ AMI
- Funding is for construction / permanent financing – 3% for 30+ years / sometimes deferred loans
- Homeownership Activities $\leq 80\%$ AMI
Allocation Plan Primary Ranking Criteria

- Set forth in the Allocation Plan
- Needs / Vacancy in community and in subsidized housing properties/LI Concentration
- Quality of Construction/Energy Effic/Sust
- Lower income targeting
- Affordability levels
- Extended low income use
- Community Revitalization in QCT
Allocation Plan Secondary Ranking Criteria

- Project Location
- Project Characteristics/design, construction features, zoning, subsidy
- Other Supportive Financing
- Community efforts to reduce barriers to afford. Hsg
- Sponsor/Applicant Characteristics
- Special Needs Housing
- Management Capacity
- Limitation on Project Costs
- Owner Equity
- Support from local sources both non-monetary and monetary
Casper Wyoming National Apartments
Casper Wyoming National Apartments

- Acquisition and Rehabilitation
- City owned building – vacant for 20+ years
- Applied 2005
- 44 units, 1 & 2 BR
- $7,639,000 of Tax credits allocated
  - $6,882,053 to the project (0.89)
- $703,861 of HOME funds
- 40 years affordability
Casper Legacy Senior Apartments
Casper Legacy Senior Apartments

- New Construction – City – owned land and is leasing to the project
- North Casper
- Applied 2007
- 54 senior units, 1 & 2 BR
- $6,655,000 of Tax Credits
  - $5,789,850 to project (.87)
- $967,905 HOME Funds
- 65 years affordability
Gillette Cottonwood Terrace
Gillette Cottonwood Terrace

- New Construction / Senior
- Next to Senior Center
- Applied 2006 & 2008
- 2 phases – each separate application cycle
- Total 101 Units – 1&2 BR
- Final phase Placed in Service 2009
- $10,230,980 of Tax Credits
  - $8,691,319 to project (.85)
- No HOME funds
- 50 years affordability
Jackson Karns Hillside

- New Construction
- TCHA / City worked with developer on land acquisition
- Applied 2002
- Family Housing – 24 units – 1,2,3 BR
- $3,064,380 of Tax Credits allocated
  - $2,420,618 to project (.78)
- HOME Funds – $304,500
- Affordability Period – 55 years
Riverton Woodridge
Riverton College Hills I
Rock Springs Bicentennial
Sheridan Hume Draw
Sheridan Northern Wyoming Mental Health
10 units
Sheridan Creekside Senior Housing – 49 units
Neighborhood Stabilization Program

- NSP – HUD Stimulus funding to state to purchase foreclosed properties
- $19.6 million
- 25% of funding must benefit people at or below 50% AMI
- 18 months to commit – deadline was September 30
NSP

- WRAP Program – Acquisition, Rehab and resell of foreclosed homes to low-income homebuyers
  - 55 homes

- Rental Housing Development – foreclosed, abandoned, condemned properties – KC Apartments in Casper – 2 phases

- Cheyenne, Casper, Gillette, Rock Springs, Green River
Wyoming Community Development Authority

- [www.wyomingcda.com](http://www.wyomingcda.com)
- 307–265–0603
- Cheryl Gillum – gillum@wyomingcda.com