

LEGISLATIVE AUDIT DIVISION

Angus Maciver, Legislative Auditor
Deborah F. Butler, Legal Counsel



Deputy Legislative Auditors:
Cindy Jorgenson
William Soller

Addressing Affordable Rental Housing Need by Board of Housing (23P-04)

Department of Commerce

Audit Objectives *(what the audit intends to accomplish or questions auditors will answer):*

1. Does the governance framework of the Board of Housing align with best practices and provide for effective administration and oversight of multifamily housing programs?
2. Does the Board of Housing allocate and approve Low-Income Housing Tax Credits to maximize the number of new or rehabilitated affordable multifamily housing units in areas where it is most needed?

Audit Scope *(the boundary of the audit & subject matter auditors will assess):*

This audit will focus on multifamily programs overseen by the board, particularly the Low-Income Housing Tax Credit (LIHTC) program. The timeframe we will be examining is CY2018-CY2022. Audit work will include:

- A review of laws, rules, and regulations at the federal and state levels.
- A review of department policies and procedures.
- Analysis of data from all states as well as talking to a sample of other states.
- A survey of LIHTC applicants and grantees.
- Interviews with board members, board staff, a consultant to the board, and additional stakeholders.
- A review of board meetings and LIHTC applications.
- Visits to some LIHTC properties.
- An analysis to determine what factors contribute most significantly to board decisions to award or approve LIHTC.
- A spatial analysis to determine whether the board prioritized LIHTC properties in areas where they were most needed.

Scope Exclusions *(areas that will not be included in scope and why):*

We are not examining the board's single family programs (e.g., homeownership programs) in this audit. An important issue in the affordable housing crisis is ensuring there is enough supply of affordable housing. Focusing on multifamily programs rather than single family programs allows us to hone in on the board's programs that are geared toward creating new or rehabilitating affordable rental units.