



12/5/2025

### CONTEXT

The updated Bond/Tax Credit Policies approved by the Board in September are now posted. Additionally, please review the Bond/Tax Credit Policy Guidance for the 2026 Allocation Cycle. As we prepare for 2026 and adjust the strategy for Bond Cap allocations under the new 25% Test, we wanted to detail what we are working on and what we expect the 2026 application timeline will look like.

The Washington State Housing Finance Commission (WSHFC) is wrapping up the annual public funder review coordination phase with a broader Bond Cap strategy in mind. Our objective is to maintain consistency with the timelines and stages already established. Following award announcements from the public funders, in January 2026 we plan to publish the 2026 Invitation to Apply list for publicly-funded King County projects. This aligns with our initial plan to solidify the 2026 pipeline and ensure that publicly funded transactions remain on track for timely closing.

### NEW CONSTRUCTION

We will open the application cycle for New Construction projects in the new year, with applications due by March 2026. This will include new construction projects that are not publicly funded in King County, as well as both publicly and non-publicly funded Balance of State projects, with the goal of closing these transactions before year-end. We will not require Intents to Apply prior to this application round, in an effort to shift toward a more efficient process. We do recommend applicants submit information on their Community Based Organization partners, as well as their Utility Incentive Contact materials prior to the full application to ensure a more efficient application review process. We will provide further notice in the new year for how projects can utilize a “pre-allocation process”.

### PRESERVATION

For preservation projects, we are still assessing whether to structure the process as a dedicated funding for the preservation round or maintain an open rolling-application format, but preservation will be separate from the new construction application process. Our goal with this revised application process is to establish clear categories for acquisition/rehabilitation and re-

## **2026 BOND CAP ALLOCATION AND PROJECT APPLICATION TIMELINE**

syndications and to set realistic expectations for closing timelines. While we maintain a strong emphasis on prioritizing readiness, we recognize that some preservation projects may require additional flexibility. We anticipate opening a preservation application round by the end of the first quarter which will include any updated policies addressing threshold requirements, geographic considerations, resource allocation prioritization and/or scoring criteria. Please note that while we are working to revise policies specifically related to preservation projects, the updated Bond/Tax Credit Policies approved by the Board in September are in effect and applicants with preservation projects should continue to work on their project proposals using these as a guide.

### **EXPIRING DDAs/QCTs**

For upcoming financings currently located in expiring Difficult Development Areas (DDAs) or Qualified Census Tracts (QCTs) that are working to preserve their LIHTC Basis Boost, we will open the application portal and post updated 2026 application forms in early December for those applications, in keeping with federal requirements

(<https://www.federalregister.gov/documents/2025/09/30/2025-19007/statutorily-mandated-designation-of-difficult-development-areas-and-qualified-census-tracts-for-2026>).

### **INFORMATION SESSION**

Finally, we are planning to hold an information session to provide an overview of our 2026 allocation process on December 17<sup>th</sup> at 2:30 PM. If you are interested, please sign up to attend that meeting here: <https://us02web.zoom.us/meeting/register/VlYsDCzpSaCr9WqCLLQahQ>