



WASHINGTON STATE
HOUSING FINANCE
COMMISSION

2023-2024

HDC CBO Affinity Group Summary

July 2025

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HELPFUL LINKS

Washington State Housing Finance Commission Links

- [WSHFC Bond/4% Tax Credit Policy](#)
- [Bond/4% Tax Credit King County Allocation Framework](#)
- [WSHFC CBO Partnerships Webpage](#)
- [Promising Practices for CBO-Developer Partnerships](#)
- [Affinity Group Documents](#)

Application Materials

- [Potential Tenant Engagement Response Form](#)
- [CBO Interview Questions](#)

Other Links

- WA Dept of Commerce [Community Advisory Team](#) (CAT)

ACKNOWLEDGEMENTS

CBO Affinity Group Member Organizations

Africatown Community Land Trust
 African Community Housing & Development
 Ally Community Development
 Asia Pacific Cultural Center
 Colas Development Group
 Core Consulting
 Delridge Neighborhoods Development Association
 El Centro De La Raza
 Ethiopian Community in Seattle
 FAME Equity Alliance of Washington
 FamilyWorks
 Fourth Plain Forward
 Ginger Siegel Consulting
 Imagine Housing

Lotus Development Partners
 Metropolitan Development Council
 Mt. Baker Housing
 Nehemiah Initiative Seattle
 NWE Construction Co.
 Northwest Enterprises
 Rise Up Academy
 Schemata Workshop
 Sea Mar Community Health Centers
 SuperBloom SPC
 United Indians of All Tribes Foundation
 Villa Comunitaria
 Watershed Community Development

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BACKGROUND

Over the course of 2023 and 2024, the Washington State Housing Finance Commission refocused on building relationships with housing-oriented Community-Based Organizations (CBOs) as part of its [renewed commitment](#) to promoting racial equity and facilitating meaningful community engagement. This focus grew from the Commission's strategies for equitable development of affordable housing, which expanded to involve aligning resources, promoting decision-making power, and building capacity for CBOs.

With these strategies in mind, The Commission collaborated with a CBO Affinity Group convened by the Housing Development Consortium of Seattle/King County (HDC). The Group was composed of over 45 housing-development oriented CBOs and other interested parties and consisted of monthly virtual meetings, facilitated by the Athena Group, with a two-pronged purpose of sharing knowledge and informing policy revision for the [Bond/4% Tax Credit Program](#). Meetings and agendas can be found on the [WSHFC CBO Partnerships Webpage](#). This engagement and relevant reports informed over 40 recommended changes to the Commission's policies and resources to more effectively promote CBOs as leaders in affordable housing development.

Recommendations from this engagement confirmed the existing policies and informed the trajectory of policy revision for the 4% program. This report will address how the insights from the Affinity Group align with current efforts and continue to shape future internal and external processes.

Key Themes:

- **Inclusive criteria and application process** for relating to Communities Harmed and the Community Based Organizations that are embedded in these communities.
- **Effective point incentives** that reflect and bolster the valuable contributions of CBOs.
- **Ensuring meaningful engagement** that is early, often, ongoing, and led by CBOs.
- **Promoting racial equity** continues to be a priority among the Commission and CBOs, and future revisions will improve upon and evaluate current efforts.
- **Compiling resources and tools** to support CBO resources, skills, and networks.

Operationalizing Feedback: To inform future work, this report sorts and discusses CBO feedback across two categories.

- **Confirmed:** how the Affinity Group engagement aligns with existing policies and processes.
- **In-Progress:** feedback that requires more internal or external consideration, or recommendations that fall outside the scope of the Commission as a tax credit allocating authority.

Next Steps:

- **Internal Commission work** is underway to support a longer, comprehensive policy revision process as well as provide infrastructure to continue to seek CBO perspectives. Under the changing economic and political conditions of the past year, the Commission is taking time to seek sustainable, realistic, and transparent paths forward.
- **Future engagement is planned** to ensure program equity and effectiveness.
- **Guidance, resources, contacts, and opportunities** that fall outside of the Commission's scope must be compiled to promote coordination and future advocacy.

CLARIFIED DEFINITIONS

Section 4.5 of the policy incentivizes deeper involvement of community members by assigning points to ownership and inclusion of Community Based Organizations. These CBOs must demonstrate that they are embedded in communities who are intended to live in, influence, and benefit from the project, particularly those who have been harmed by systemic exclusion in the housing and real estate sectors.



Community-Based Organizations

Across state and local levels, there is different criteria for what makes an organization community-based and community-serving. Affinity Group members advocated for an inclusive, streamlined eligibility process that recognizes the historical context and intersecting identities among communities, allowing CBOs to self-identify rather than an arduous application process. Criteria for who counts as a CBO should be established by a CBO-led working group to ensure integrity and inclusivity. The group advocated for definitions that emphasized lived experience and community representation among decision-makers, and an eligibility process facilitated in partnership with a CBO advisory board.

The figure describes the multifaceted, overlapping characteristics of CBOs as defined by the Affinity Group.

Confirmed: We learned from CBOs that interviews are less burdensome on organizations than written reports. CBOs are recognized as either place-based or identity-based and guided by a community-driven mission. Upon or before application, CBO eligibility is confirmed through a [50-minute interview](#) with at least two Commission staff members. To promote inclusion, the definition is intentionally does not require nonprofit status. The semi-structured interview focuses on the scope and services of the organization and the lived experience of decision-makers. The emphasis on lived experience is where the Commission differs from other entities, and where public funders are working to align. CBO advocacy confirms that the Commission’s current criteria and efforts to streamline the process, with a focus on narratives, lived experience, and community relationships, are what organizations want to see.

Communities Harmed

Initial engagement focused closely on how the policy language frames communities, leading to an immediate change from “Communities *Most* Harmed by Housing Disparities” to “Communities Harmed by Housing Disparities.” Affinity Group members advocated for a definition that recognizes the ongoing impacts of discriminatory policies and practices, while identifying the harmful, deficit-based framing implied in the usage of “most.” The Commission updated the language to reflect this advocacy. Applicants are asked to describe the historical contexts, assets, and current circumstances of Communities Harmed in the [Potential Tenant Engagement Response Form](#).

In Progress: The criteria are periodically revised and not exhaustive, and CBOs want transparent, shared decision-making during the application process. Forms will be revised prior to the 2026 Application to reduce administrative burden. Under consideration is a requirement that CBOs must have a physical presence in Washington. The Commission is also considering establishing an CBO eligibility process that is led by and consulted with a panel of CBO leaders.

INCENTIVES FOR DEVELOPERS

In *Section 4.5 Projects By and For the Community*, points to incentivize CBO involvement are threefold: 8 points for CBO ownership entities, 5 points for CBO partnerships, and up to 5 points for contracting CBOs to engage with potential tenants and incorporating their input into the project. A minimum of 4 CBO-related points is required statewide, while 5 points are required for projects in King County. The Affinity Group advocated for a policy that gave meaningful advantages to projects that are led by or involved with CBOs, reflecting the valuable contribution of community-based organizations.

Confirmed: Affinity Group members emphasized the value of CBOs alongside the necessity of infrastructural support and resources that can address high barriers to entering the development sector. These insights confirmed the importance of giving meaningful advantages to projects that involve CBOs, as well as the need to bolster these incentives by sharing information and resources. CBOs advocated for guidance from the Commission to support developers and CBOs in successfully establishing equitable partnerships. In June 2026, the Commission published [Promising Practices for CBO-Developer Partnerships](#), which catalogs the partnership dynamics and legal agreements of partnerships that received these allocations from 2021-2024. This document is the first report of the program's successes and opportunities and will continue to be built upon by CBO perspectives.

In Progress: CBOs advocated for other advantages that require more internal consideration, such as pre-development support for partnerships, creating a pool of development consultants, and adjusting the points system to include larger point incentives for CBO contributions. First, pre-development support falls outside of the scope of the Commission's work as a tax credit allocating authority. However, partner resources can be made available on the Commission website.

Secondly, The Commission is prevented by law from endorsing specific individuals or firms, but it has historically provided a resource list as a courtesy to applicants to assist them with assembling a consulting team. The Commission is establishing an equitable and inclusive process for compiling a list of development consultants that is specific to the interests of CBOs and emerging developers. The process for assembling this list will be conducted in partnership with CBOs and through a comprehensive racial equity analysis, creating an opportunity to incorporate Affinity Group feedback about considering racial equity across the entire project team.

Thirdly, The Commission identified additional internal policy work that is needed to sustainably and effectively bolster the CBO point incentives. The Commission is developing accountability frameworks to follow up on CBO capacity building activities throughout the project lifespan. Finally, the Commission is re-examining the points system and preparing to set up a longer-term CBO engagement process in coordination with an updated 3-year policy revision process. Opportunities for point revisions could include mandating engagement with CBOs, adding point incentives for deeper and more permanent engagement practices, and requiring ongoing post-project support to CBOs.

ACCOUNTABILITY FOR MEANINGFUL ENGAGEMENT

Section 4.5 awards points for engagement activities and demonstrating that engagement played a meaningful role in specified elements of the project. In addition to these incentives, CBOs advocated for engagement beyond "checkbox activities" that demonstrated ongoing, transparent communication between communities and development teams.

Confirmed: The advocacy of CBOs confirmed the importance of incentivizing engagement in the scoring criteria. Engagement is paramount to centering the perspectives of tenants and local communities. CBO-led engagement ensures that these activities are conducted by those who are well-positioned to understand the unique needs of their communities.

In Progress: Best practices dictate that meaningful engagement is "early, often, and ongoing," and CBO advocacy aligned with this sentiment. CBOs advocated for requirements and incentives for deeper, earlier CBO-led engagement. Due to the unique constraints that Bond/4% Tax Credit financing places on project parameters and timelines, engagement early in the process could risk establishing unrealistic expectations and perpetuating mistrust among communities. While carefully considering the challenges and opportunities of early engagement, the Commission is also pursuing incentives for often, ongoing engagement. As part of a 3-year, division-wide policy revision process, revisions are being considered to incentivize longer term relationship building with Communities Harmed by housing disparities (awarding higher points to tenant-led advisory boards in comparison to surveys and open houses, for example).

CBOs also advocated for accountability through required documentation of community engagement efforts. The Commission did not previously require reporting to promote the autonomy of CBOs and a diversity of engagement methods. In response to this advocacy, the Commission is establishing an inclusive baseline documentation requirement. The Commission is following up on engagement that was promised for projects that have received allocations to inform a process that reduces administrative burden while ensuring meaningful engagement.

DECISION-MAKING BY CBOS

Confirmed: The Affinity Group reiterated the importance of ensuring CBOs were not only represented but actively involved in the project planning and operations. Feedback from CBOs reinforced incentives to establish shared decision-making processes among partners. Points are awarded to project partnerships that draft a Memorandum of Understanding (MOU) that demonstrates clear finances, roles, and responsibilities among CBO and developer partners. MOUs are legally binding agreements between CBOs and Developers and are superseded by Partnership and Operating Agreements which include investors during later stages of projects. These agreements create an opportunity for partners to negotiate and clarify how the partnership will function sustainably and equitably. Examples are included in the *Promising Practices* document.

In Progress: Additional engagement will be needed to understand how to maintain and improve the decision-making of CBOs who participate in the Bond/4% Tax Credit program, both as solo entities and as partners. This engagement will inform next steps as policy change or additional guidelines and supports. Collaborating with other CBO-led advisory committees, such as the [Community Advisory Team](#) (CAT) facilitated by the Department of Commerce, is being considered for tax-credit related engagement while the Commission develops its own process for convening a CBO advisory group. The Commission is considering engagement to leverage existing networks in lieu of convening its own body, out of consideration for the time and administrative burden asked of participants. Participating in the Commerce Community Advisory Team could pose more expansive opportunities for CBOs who can advocate for additional resources and land beyond tax credit subsidized affordable housing.

SUPPORTING CBOS

The policy was enacted to ease the barriers to entering affordable housing, particularly among Communities Harmed by housing disparities. To close the gap between established and emerging organizations, organizations want support. While point incentives help close this gap, CBOs have additionally advocated for access to technical assistance, financial support, and professional networks. Some of these supports fall outside of the scope of the Commission as a tax credit allocating agency. For example, pre-development support and technical assistance are beyond the scope of the Commission.

Confirmed: Section 4.5 offers one additional point for projects where CBO benefit from the partnership in capacity building or another non-financial way, enabling each organization to determine what capacity building may look like. Organizational capacity was an important topic area during CBO Affinity Group discussions. Capacity is built across multiple dimensions, including leadership, operations, engagement, service, and evaluative capacity, as it is elaborated on in the *Promising Practices* document. The Affinity Group affirmed the importance of capacity building and knowledge sharing. Recognizing that some activities fall beyond the Commission's scope of work as a tax credit allocating authority, the Commission is committed to making available information and networks readily available to CBOs as an important next step. The Commission established a [CBO Partnerships Webpage](#) in 2024 to serve as a resource hub.

In Progress: Opportunities for Supporting CBOs

- **Resource Hub:** The Commission is committed to establishing an equitable process, guided by CBOs, to form a centralized network of contacts and relevant resources to support CBOs and emerging developers.
- **Peer mentoring programs:** The Affinity Group emphasized the value of mentorship among established developers and CBOs who participate in the program. The Commission is soliciting interest in mentorship pairing. Interested mentors and mentees can get started by filling out the [interest form](#) on the CBO Partnerships page.
- **Formalize compensation:** The Division is developing an agency-wide compensation policy to support contracted partners in alignment with the State Office of Equity [Guidelines](#), to better value CBO leadership and advocacy.
- **CBO Specific-training programs:** Opportunities for information sessions or more involved events are being considered once the policy and its results have been further established. Currently, the Commission will provide resources for other training opportunities.

RACIAL EQUITY IN THE DEVELOPMENT TEAM

Section 4.5 Projects by and For the Community was enacted alongside Section 4.4 Overcoming Systemic Barriers for Developers who are Black, Indigenous, or People of Color (BIPOC), which awarded additional points for BIPOC leadership in projects. The Affinity Group evaluated this policy and pursued broader discussions of how the Commission can best understand and promote racially equitable outcomes for Bond/4% Tax Credit projects.

Confirmed: The goals of this policy are confirmed by the CBO Affinity Group, which emphasized the importance of applying a racial equity lens and race-based policy incentives. Section 4.4 awarded additional points to projects whose majority owners, partners, and leaders are BIPOC-identifying. The determination of BIPOC status using board and leadership identities was based on engagement with advocates during the policy publication in 2021. This policy is evaluated using board membership as a criterion for over 50% BIPOC-led organization, using a self-selected form that asks for board member names and then separately asks for racial identification, using categories of race established in the US Census.

In Progress: In addition to applying an equity lens to the developer team, CBOs urged the mandate of racial equity and inclusion training, and that incentives also be given to projects that demonstrate a strong commitment to racial equity. In application forms, developers are asked to describe their proximity to Communities Harmed and to describe internal preparation and reflection. Organizations have described trainings related to anti-racism, disability awareness, and gender equity in their responses, as outlined in the *Promising Practices* document. The Commission is considering a process to determine whether and how trainings should be mandated or included among program resources. CBOs also advocated for predevelopment and technical assistance funding tailored to BIPOC developers, which is outside the scope of the Commission as a tax credit allocating authority. The Commission is committed to extending this advocacy to other partners.

The Affinity Group advocated for a tracking system to report racial equity, and the Commission is considering how to develop this in partnership with CBOs and advocates for future applications. Information about racial makeup of development teams is not available before 2022. The Commission must seek further engagement to re-examine the points system as it emphasizes racial equity. The Commission hopes to gather input on the board composition criteria and explore opportunities to understand racial equity of broader project teams. Another policy revision may include asking for racial information from all applicants, regardless of whether they seek to earn points for BIPOC leadership, to evaluate racially disparate impacts over time. The Commission is also considering how to ask for racial information from development teams over the project life span to support project accountability.

ADDITIONAL TAKEAWAYS

While many CBO conversations revolved around specific topics, several recommendations were compiled to address general topics. These recommendations encompassed CBO conversations about transparency, compliance and evaluation, toolkits, and coordination with other public funders.

Transparent, Flexible Processes: The Affinity Group described the importance of transparent, accountable, and flexible processes in development projects, especially those involving public funds and the costs involved with construction. This advocacy affirms the alignment of resources that drive the [Bond/4% Tax Credit](#) values and King County pipeline allocation process. In King County, a multi-year pipeline process was established to support coordination across multiple funding sources and cycles. Within and beyond the pipeline, the Commission is discussing opportunities to evaluate and support deeper, earlier CBO involvement. The pipelining process might allow CBO outreach to be conducted earlier, creating opportunities for earlier engagement with greater likelihood of eventual bond cap funding, pending application. These processes are under discussion as part of longer-term program development, requiring extensive evaluation and engagement.

Compliance and Evaluation: The Affinity Group asked for the development and enforcement of clear compliance requirements for developers working with CBOs. The Commission has identified touchpoints along the project lifespan to follow up with partners about their agreement terms. We are developing the documentation to collect follow up information across a variety of projects and agreement terms. Alongside this documentation, CBOs have asked for post-occupancy surveys as an additional metric. The Commission is determining a process for the long-term collection and assessment of metrics to compile and share externally with CBOs

Toolkits: As desired by CBOs, the first iteration of the *Promising Practices for CBO-Developers* is published. The document attempts to acknowledge and address power imbalances between developers and CBOs in project partnerships in addition to providing resources as a helpful starting place for CBOs. More engagement could expand on topics of power, capacity, and relating to potential tenants. Templates for agreements could be added to future iterations, if desired by CBOs.

Public Funders: The Affinity Group advocated that the Commission support stronger networks among public funders and CBOs. Part of every application review involves cross-coordination with funders to ensure that projects are securely and fully funded. In 2023, the Commission began a more formal relationship with other public funders to align resources, including a community-engagement specific working group. The Commission is entering a process of establishing stronger infrastructure among public funders in the early stages, demonstrated in the [Allocation Framework](#). Future opportunities for involving CBOs could promote participation or resource sharing.

LESSONS LEARNED

- Incentives to uplift communities should promote CBO and community self-determination.
- CBOs are operating among industries where deep historical inequities and barriers to information and resources. To support CBOs emerging in the industry, Institutions should **define and codify transparent practices, establish negotiating power, and uphold decision-making authority of CBOs.**
- Within and beyond the development of affordable housing, **transparent processes** are needed to ensure that projects are effectively and equitably serving communities.
- Beyond the scope of the Commission and the work informed by this group, CBOs and BIPOC developers **are continually advocating for technical assistance, financing, training, and ongoing, transparent relationships** with public funders and developers.

NEXT STEPS

The Commission is shifting its policy revision cycle towards a longer, more engagement-focused process in the form of a 3-year cycle. Considering this change, 2026 Policy Guidance and web resources will be published to current applicants. Alongside these changes, the Commission will continue to work to streamline application materials and accountability structures, while working towards engagement and sustainable processes for decision-making in collaboration with CBOs.