



2026 Preservation Pilot FAQ

In spring 2026, the Commission revised the allocation process for the Bond/Tax Program to create two distinct tracks, one for new construction, and one for existing buildings including both preservation and acquisition/rehabilitation projects. The Commission held an April 3rd Interested Parties engagement session to inform our partners about our strategy and process, where initial questions were addressed.

This document serves to answer frequently asked questions as they relate to the inaugural Preservation Pilot and is periodically updated to include additional information and guidance to partners subsequent to the launch of the Preservation Pilot. Any updates to previously answered questions are noted in **red**.

Helpful Resources:

- [Bond/4% Tax Credit website](#) for up-to-date announcements and policies.
- New: [WSHFC Bond/Tax Credit Preservation Pilot Application](#)
- 4/3 Interested Parties meeting [slides](#) and [zoom recording](#) (Password: zoomPassword!2026).
- Email askusmhcf@wshfc.org with “Preservation” in the subject line with additional questions.

FAQ Outline:

1. Process and Timeline
2. Funding Availability
3. Prioritization and Scoring Changes
4. Physical Needs
5. Resident Impacts
6. Coordination with Other Agencies

Part 1: Process and Timeline

Q1. What timing can sponsors expect for the 2026 Preservation Pilot application round?

A. **UPDATED:** Policy changes were brought to the Board for a public hearing on April 23rd and approved at the Board meeting on May 18th. **The pilot launched on July 1st, and applications are due on August 3rd by 5pm (PST).**

Q2. Are public funds required for the Preservation Pilot?

A. No.

Q3. Can a project be considered for the Preservation Pilot while waiting for public funds or other financing?

A. No.

Q4. Will Preservation continue to be on a separate track in future years?

A. Yes.

Q5. Are Preservation and Acquisition/Rehabilitation two separate application paths?

A. No. The application path and timeline will be the same for both preservation and acquisition/rehabilitation projects. However, projects will be reviewed by project type and compete against projects of the same type, essentially creating a bucket for preservation (existing Commission projects) and a separate bucket for acquisition/rehabilitation projects (existing non-Commission projects). It is possible the application materials may differ slightly.

Q6. Can applicants apply with a portfolio with a combination of Preservation (Resyndication) and Acq/Rehab projects?

A. Yes.

Q7. Will there be limitations if sponsors have New Construction and Preservation/Acq/Rehab deals requesting bond cap?

A. The Commission has established limitations of bond cap per sponsor, see Section 2.2 Maximum Allocation of Bond Cap in the Bond/Tax Credit Program Policies.

Q8. Is there a recycled bond cap schedule?

A. No. Recycled bond cap is not a fixed resource and availability varies. See Section 2.3 Maximizing the Use of Alternatives to Bond Cap in the Bond/Tax Credit Program Policies.

Part 2: Funding Availability

Q9. How will bond cap be allocated between Preservation and Acq/Rehab?

A. We are not pre-determining specific amounts for preservation vs. acq/rehab. We will assess where the demand is.

Q10. Is an allocation of Private Activity Bond (PAB) Cap targeted at the 25-30% threshold?

A. Yes. See Section 3.17 25 Percent Test in the Bond/Tax Credit Policies.

Part 3: Prioritization and Scoring Changes

Q11. Is the urgency of preservation determined by the expiration of tax credit regulatory agreements? Are other regulatory agreements considered?

A. Expiring regulatory agreements is one category that will be used for prioritization. We will consider both tax credit regulatory agreements and other regulatory agreements with affordability restrictions.

Q12. Will there be any consideration for geography or are all projects in the same pool regardless of location?

A. Geography is a consideration that is baked into our values. See Value 3: Meeting Affordable Housing Needs Everywhere. Additionally, the local market of the project's location is a consideration under the Critical for Community/Population Served prioritization category.

Q13. How is Naturally Occurring Affordable Housing (NOAH) being considered in the threshold requirements?

A. NOAH projects will be considered alongside all other Acquisition/Rehab projects and evaluated first using the Risk/Opportunity Priority Matrix, where projects must at least receive a Low Priority designation in a minimum of one category to be considered for an allocation.

Q14. Are “By and For” (Section 4.5) point requirements changing?

A. Yes. “By and For” points are not threshold requirements for the preservation pilot. Engagement with existing tenants will be required, with additional point incentives for the involvement of a Community-Based Organization (CBO). Additional guidance for engaging existing tenants in preservation projects will be provided with application materials.

UPDATE: Guidance is available here: [WSHFC Bond/Tax Credit Preservation Pilot Application](#)

Part 4: Physical Needs

Q15. Is the in-unit cooling requirement specific to heat pumps?

A. Yes. See Section 3.19 Rehab Requirements in the Bond/Tax Credit Policies.

Q16. Can life safety costs be considered a major system?

A. No. Projects are expected to address all immediate/critical needs at a minimum.

Q17. Is there a minimum renovation requirement?

A. Yes. In addition to meeting the minimum federal requirements, the project must also address the needs identified in the Capital Needs Assessment. The Commission does not specify a minimum renovation budget per unit.

Q18. Is a Phase 1 report required for the Preservation Pilot?

A. No.

Part 5: Resident Impacts

Q19. How is displacement pressure evaluated?

A. Displacement pressure will be evaluated through a combination of reviewing application responses regarding existing residents served and any proposed changes, market study findings as well as other available data sources regarding resident income/paid rent as it relates to market rent and quality/availability of housing supply.

Q20. How are rental subsidy and fair market rent considered in determining rent levels?

A. We will take into consideration the resident income/paid rent as it relates to market rents.

Q21. Is engagement with existing tenants required for preservation projects?

A. Yes. Projects must document and plan engagement, and how tenant engagement will be used in project outcomes.

Part 6: Coordination with Other Agencies

Q22. How does this timeline relate to other public funders such as the Housing Trust Fund (HTF) and Commerce Housing Preservation Program (HPP)?

A. The timelines are separate, and the Pilot is not intended to leverage HTF or Commerce's preservation program. Commerce has concerns about projects receiving grant funds then using those funds in tax credit developments, so we advise applicants to stay in touch with Commerce on their plans for applications to the various funding opportunities. Projects must be fully funded to be considered for the Preservation Pilot.

Q23. Will WSHFC accept the USDA required Capital Needs Assessment (CNA) format for preservation projects?

A. Yes.