

2025 9% Program Proposed Policy Updates

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WASHINGTON STATE
**HOUSING FINANCE
COMMISSION**



Agenda



2025 Proposed Policy Language



Beyond 2025



Pipeline



Next Steps



2025 Proposed Policy Language

Total Development Costs (TDC)

Proposing 3% increase to current limits:

Limit	Studio	One Bedroom	Two Bedroom	Three Bedroom	Four+ Bedroom
Seattle	\$414,690	\$474,227	\$563,046	\$717,625	\$717,625
Balance of King	\$387,605	\$448,729	\$476,790	\$591,595	\$634,297
Metro	\$373,087	\$435,186	\$460,929	\$544,989	\$587,691
Balance of State	\$334,534	\$377,357	\$412,982	\$500,703	\$543,403



Cost Containment – Energy Boost



Adding a “boost” for costs associated with including solar energy array in points

Ensures projects with solar are better able to compete for Cost Containment Incentive Point



Donation in Support of Local Housing Needs

Updating donation requirements to match the Bond/Tax Credit Program

- Nonprofit Organization service area must include county where project is located and provide housing, housing-related services, or nearby community/social services that are available to residents of the project
- Up to 25% of total donation may be made to an advocacy organization
- At least 50% of donation must be made to a Community Based Organization (CBO)



Eventual Tenant Ownership (ETO)



Restoring 2 Points for ETO option that allow units to convert from rental to homeownership opportunities after Year 15

Updating policies and procedures to clarify expectations and requirements

Interested in a deeper dive – Join us for an ETO specific session Wed May 29th



Sec. 6.20 Eventual Tenant Ownership (ETO)

Two points will be awarded to Projects that include units that are intended for eventual tenant ownership after the initial 15-year compliance period. The Commission allows the election of points for ETO ONLY on properties where the projects are developed as Single Family, Townhomes or Duplexes with clear lot delineation to convert to homeownership. In addition, each unit will be required to have its own Building Identification Number (BIN) and legal description.

Applicants interested in ETO will be required to review the 9% Housing Credit Program Eventual Tenant Ownership Guide for Property Owners and Residents for specific requirements and recommended practices, then schedule a pre-application meeting with Commission staff to discuss their project and alignment with intent of ETO criterion.

Sec. 6.6 Project-Based Rental Assistance

Points will be awarded to projects that meet the following threshold for federal project-based rental assistance:

Federal rental assistance may be administered by HUD, USDA Rural Development, another state agency, or by the local Public Housing Authority, including Section 811 PBRA. **Other local funding commitments for Operating and Maintenance (O&M) will also be considered for an additional point. Applicants must demonstrate at least a two-year commitment to receive points for O&M funding.**

Percentage of Low-Income Units with PBRA	
10-25%	2 points
26-49%	3 points
50% or more	4 points

The rental assistance may be an existing or new contract, and must be committed at the time of application. The Applicant must agree to renew such subsidy for as long as the rental assistance is available. If rental assistance is eliminated, the applicant may request the Commission waive or modify the rent structure and target population to ensure the economic viability of the project.

Projects that use project-based rental assistance to establish eligibility for the Local Funding Commitment points are not eligible for points under this policy.

Procedural Changes



Claiming Credit Prior to 8609 Issuance

Better upfront documentation of Common Area being included/excluded from decisions



Beyond 2025 – Future Work

Larger Program Overhaul



Comprehensive assessment of scoring informed by the following

- Racial Equity Impact Assessment
- Deeper policy & data analysis
 - TDC at Application vs. PIS
 - Credit limits per Unit/Project/Applicant
 - Boosts/incentives for other energy activities
 - Additional Low Income Housing Commitment
 - Good Standing Policy
- Robust community engagement with more opportunities for collaboration

Pipeline Discussion

Pipeline Discussion



Emerging projects for next year

Current structure



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Application Success Rate by Non-Metro County 2014-2024

Non-Metro County	Success Rate	Success Rate (Unique projects)	Application Volume %	Credit Allocation %	CHAS Needs Data (% Need of NM Pool)
Yakima County	48%	75%	160%	22%	11%
Thurston County	56%	63%	80%	11%	14%
Grant County	25%	57%	70%	9%	4%
Skagit County	50%	50%	40%	5%	5%
Chelan County	29%	50%	40%	5%	3%
Benton County	100%	100%	40%	5%	7%
Walla Walla County	50%	60%	50%	5%	3%
Kitsap County	100%	100%	30%	4%	10%
Adams County	67%	100%	20%	4%	1%
Okanogan County	67%	80%	50%	4%	2%
Kittitas County	33%	50%	40%	3%	3%
Clallam County	67%	100%	20%	3%	3%
Asotin County	100%	100%	10%	3%	1%
Stevens County	100%	100%	10%	3%	1%
Grays Harbor County	25%	33%	30%	3%	3%
Franklin County	33%	50%	20%	2%	4%
Whitman County	100%	100%	10%	2%	5%
Cowlitz County	20%	33%	30%	2%	6%
Klickitat County	100%	100%	10%	2%	1%
Lewis County	50%	50%	20%	1%	3%
Pacific County	25%	25%	40%	1%	1%
Island County	0%	0%	10%	0%	3%
Jefferson County	0%	0%	20%	0%	1%
Mason County	0%	0%	0%	0%	2%
San Juan County	0%	0%	20%	0%	1%

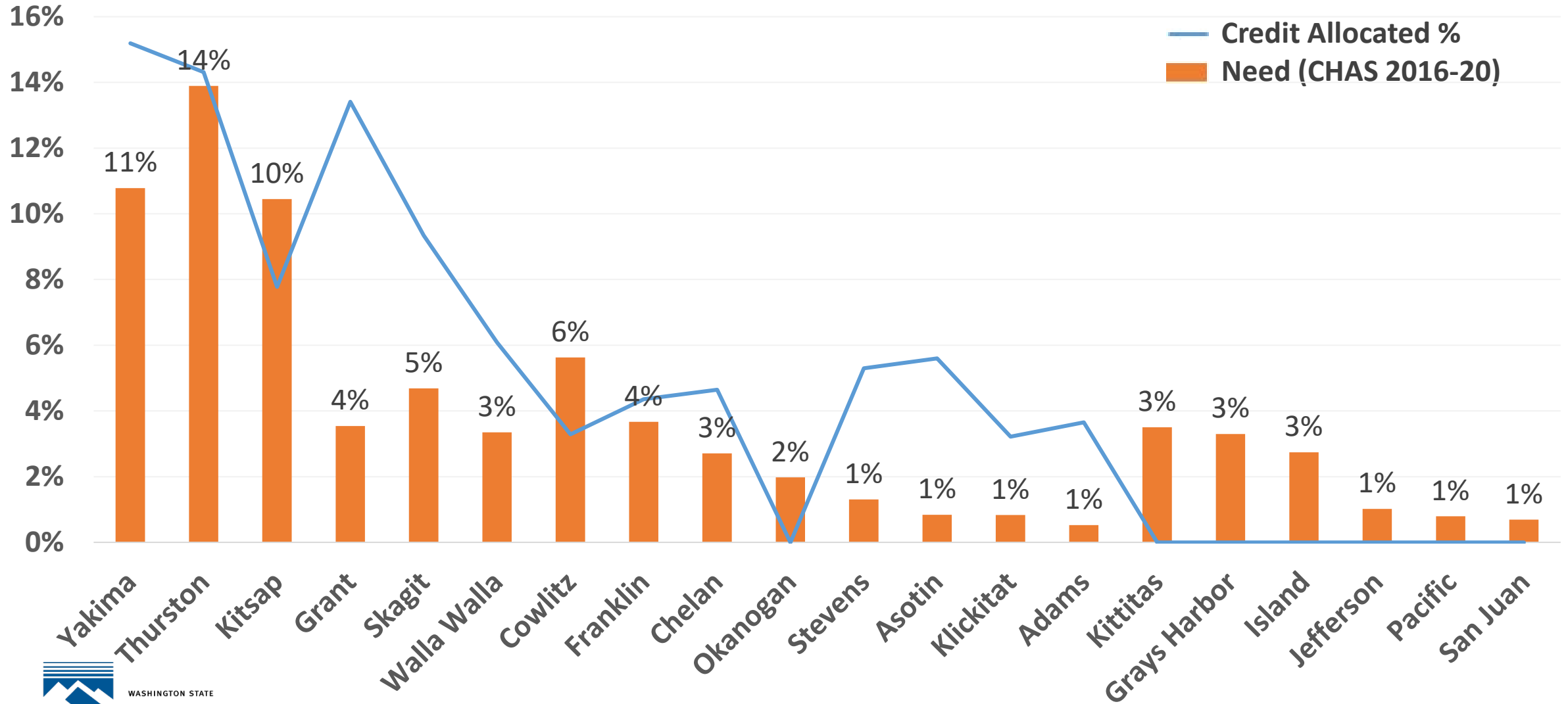


Application Success Rate by Non-Metro County 2020-2024

Non-Metro County	Success Rate	Success Rate (Unique projects)	Application Volume %	Credit Allocation %	CHAS Needs Data (% Need of NM Pool)
Yakima	36%	57%	140%	15%	11%
Thurston	60%	60%	100%	14%	14%
Kitsap	100%	100%	60%	8%	10%
Grant	33%	75%	80%	13%	4%
Skagit	50%	50%	80%	9%	5%
Walla Walla	67%	100%	40%	6%	3%
Cowlitz	20%	33%	60%	3%	6%
Franklin	50%	100%	20%	4%	4%
Chelan	33%	50%	40%	5%	3%
Okanogan	50%	50%	40%	0%	2%
Stevens	100%	100%	20%	5%	1%
Asotin	100%	100%	20%	6%	1%
Klickitat	100%	100%	20%	3%	1%
Adams	50%	100%	20%	4%	1%
Kittitas	0%	0%	20%	0%	3%
Grays Harbor	0%	0%	20%	0%	3%
Island	0%	0%	20%	0%	3%
Jefferson	0%	0%	40%	0%	1%
Pacific	0%	0%	20%	0%	1%
San Juan	0%	0%	20%	0%	1%

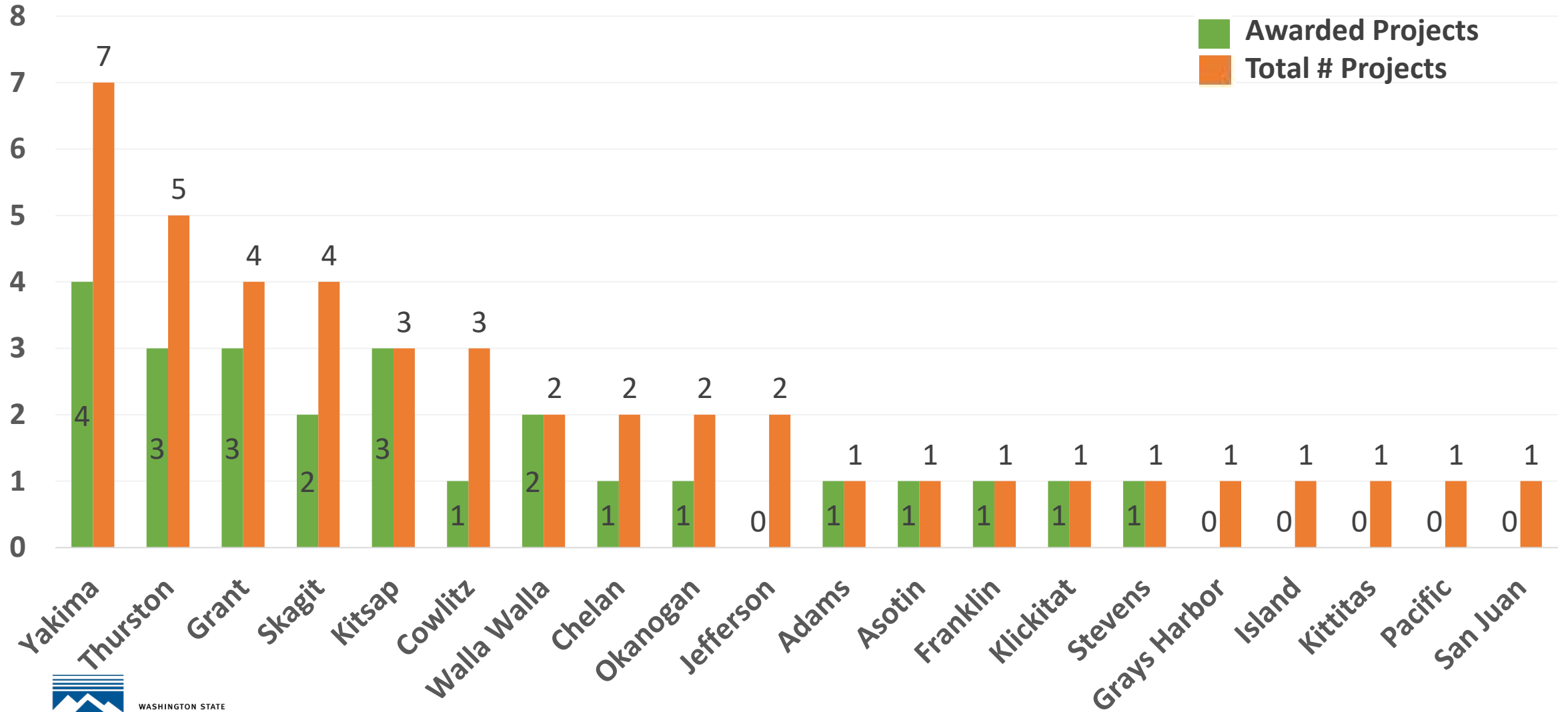


2020-2024 Credit Allocations Compared with Need by Non-Metro County



Application Success Rate by Non-Metro County

2020-2024



Next Steps for 2024

- Provide feedback via Survey
 - Policy change language & survey posted on our webpage
- Additional touchpoints
 - ETO specific meeting on May 29 – reach out if interested
 - Final Interested Parties Meeting July 11
- Board action July 25



Thank you!!