

2025 9% Program Proposed Policy Updates

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April 2024



WASHINGTON STATE
**HOUSING FINANCE
COMMISSION**



Agenda



Timeline



Overview of Proposed Changes



Open Questions/Discussion



2025 – Policy Changes and Clean Up!



Discussion Only – No Changes

- Pairing AHAH with 9% tax credits
- Additional Low Income Housing Commitment

Focused Policy Changes

- TDC Limits and Max Annual Credit Per Unit/Project/Applicant
- Nonprofit Donation
- Eventual Tenant Ownership

Clean Up

- Language – Aligning/clarifying Policy with intent and practice
- Procedural – technical fixes of forms and process

Permanent Supportive Housing (PSH) and Apple Health and Homes (AHAH)



No changes this year – continued emphasis of PSH housing

Pairing AHAH with 9% tax credits

- Commerce requires upfront application

Current environment and PSH looking forward



Additional Low Income Housing Commitment

No changes this year

Deeper analysis of income matrix as part of work developing strategies to stabilize rents for residents

Average Income Test

- Challenges in 9% Program
- Clarifying our intent

Limits – Total Development Costs (TDC) and Elsewhere



Assessing current TDC Limits and Maximum Annual Credit per Unit/Project/Applicant

Updating procedures to better track how project costs change from application to Placed-In-Service, and inform future Good Standing policy

Donation in Support of Local Housing Needs

Updating 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
- At least 50% of donation must be made to a Community Based Organization (CBO)
- Up to 25% of total donation may be made to an advocacy organization

Reassessing amounts based on project costs

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



Procedural Changes: Update the Following



- Project-Based Rental Assistance
 - HUD 811 Program & other local funding commitments for O&M
- Claiming Credit Prior to 8609 Issuance
- Improved tracking of CAU and Parking basis decisions



Next Steps for 2024

- Timeline posted on April 25
- Proposed changes and survey posted on May 10
- Additional touchpoints
 - May 22 HDC Meeting
 - ETO specific meeting on May 29 – reach out if interested
 - Final Interested Parties Meeting July 11
- Board action July 25



Thank you!!