

2025 9% Program Proposed Policy Updates

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WASHINGTON STATE
**HOUSING FINANCE
COMMISSION**



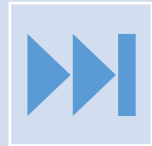
Agenda



2025 Proposed Policy Language



Beyond 2025



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

Sec 6.17 Cost Containment – Energy Boost

TDC Limit Point: TDC Limit Cost Containment Points will be awarded to a project that is below its appropriate TDC Limits at the time of application as follows:

- One (1) point for being under the appropriate TDC limit; or
- Three (3) points for being more than five (5) percent under the appropriate TDC limit; or
- Six (6) points for being more than ten (10) percent under the appropriate TDC limit

NOTE: These points are not cumulative.

Commission staff allow ‘boosts’ to the applicable total development cost limit to further acknowledge the impact of certain cost drivers on projects’ total development costs. These ‘boosts’ are the actual cost of approved cost drivers.

The sustainable building feature listed below is eligible for a ‘boost’

- Costs associated with including a solar energy array include solar equipment procurement, installation, labor, system engineering and site plans.

Applicants seeking to qualify for ‘boosts’ must submit a form of construction cost estimate from the General Contractor (GC), clearly delineating the hard cost, as well as the applicable portion of overhead, profit, WSST, etc., in addition to a narrative explanation. Commission staff has full discretion over the final amount approved as a ‘boost.’

Sec. 6.19 Donation in Support of Local Housing Needs

Points will be awarded to projects based on the Applicant's commitment to contribute funds to a local Nonprofit Organization in an amount based upon the Total Project Cost (TPC) as follows:

- \$0-\$12,500,000 (TPC)=\$15,000 Donation
- \$12,500,001 and above (TPC)=\$25,000 Donation

The Nonprofit Organization being supported must include in its service area the county in which the Project is located and must provide housing, housing-related services, or nearby community/social services that are available to the residents of the Project. At least 50% of the donation must be made to a CBO as defined in Section 6.19.1. The program receiving the donation cannot require participants to have a specific religious affiliation. Donations may be split among no more than four recipients. Up to 25% of the total donation may be made to an advocacy organization.

As part of the Placed-in-Service process the Applicant must provide the Commission with:

- A written request to approve a donation to a specific Nonprofit Organization.
- Certifications (in a form acceptable to the Commission) from both the Applicant/donor and the recipient confirming that the contribution will be made or received, respectively, without any favor, benefit, gift, or other consideration.
- A letter from the approved Nonprofit Organization acknowledging receipt of the proper contribution amount as well as a copy of the cancelled check from the transaction. The letter must show receipt of the proper contribution amount, identify the low-income housing program, and specify how the funds will be used.

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 submit a letter at application containing a two-year minimum 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.

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

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!!