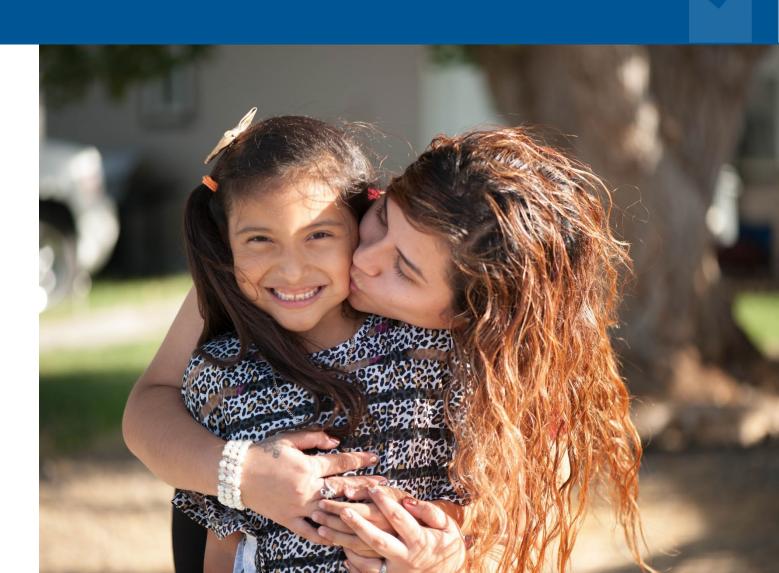
## 2025 9% Program Proposed Policy Updates

Lisa Vatske Multifamily Housing and Community Facilities Division

**April 2024** 





## Agenda



Timeline



Overview of Proposed Changes



Open Questions/Discussion



## 2025 – Policy Changes and Clean Up!



#### <u>Discussion Only – No Changes</u>

- 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

#### <u>Clean Up</u>

- 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**

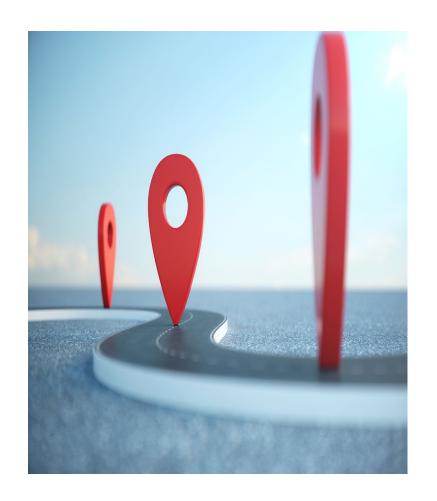
# **Updating requirements** to match the Bond/Tax Credit Program

- 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

<u>Interested in a deeper dive</u> – Join us for an ETO specific session Wed May 29<sup>th</sup>



### **Procedural Changes: Update the Following**

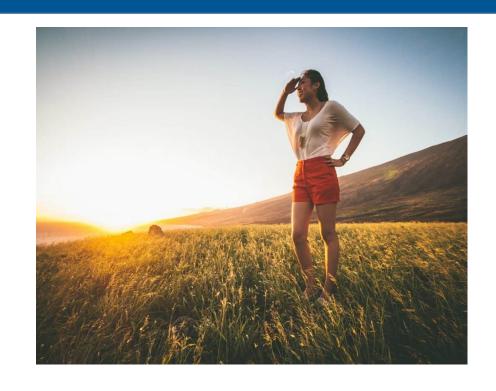


- Project-Based Rental Assistance
  - HUD 811 Program & other local funding commitments for O&M
- Claiming Credit Prior to 8609 Issuance
- Improved tracking of CAU and Parking basis decisions



## **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!!