



# Memorandum

To: Commissioners

From: Lisa Vatske, Jackie Moynahan, Jacob Richardson, Kate Rodrigues, Jocelyn Ostrowski

CC: Steve Walker

Date: June 16, 2026

Re: 9% Tax Credit Program: 2027 Proposed Policy Changes for Discussion

## **Background**

The 9% Tax Credit Program competitively allocates the 9% Low Income Housing Tax Credit (9% LIHTC), through an annual process that aligns with other public funders, particularly the Department of Commerce's Housing Trust Fund cycle. The 9% LIHTC provides the deepest financing subsidy, therefore the Commission has structured its policies and scoring criteria to incentivize projects that serve extremely low and very low- income households, below 50% of the Area Median Income (AMI) and projects that support priority populations such as households that are homeless, elderly, disabled, as well as large families and farmworkers.

Every county across the state has different housing needs and market conditions; to address these differences, taking into consideration development capacity as well as access to housing funds, the Commission has divided the state into three Geographic Credit Pools. This structure allows projects in similar type counties to compete against similar projects. Additionally, each pool is designated a specific credit allocation percentage based on need and population which are revisited regularly but only updated if the data analysis shows more than a 2% change. The three Geographic Credit Pools are listed below.

- Seattle/King County Pool (35%)
- Metro Pool: (37%) Clark, Pierce, Snohomish, Spokane, Whatcom
- Non-Metro Pool: (28%) Adams, Asotin, Benton, Chelan, Clallam, Columbia, Cowlitz, Douglas, Franklin, Ferry, Garfield, Grant, Grays Harbor, Island, Jefferson, Kitsap, Kittitas, Klickitat, Lewis, Lincoln, Mason, Okanogan, Pacific, Pend Oreille, San Juan, Skagit, Skamania, Stevens, Thurston, Wahkiakum, Walla Walla, Whitman, Yakima

Each pool has different dynamics in terms of how the allocation process works.

The Seattle/King County Pool is highly coordinated with local public funders – Seattle Office of Housing, King County, A Regional Coalition for Housing (ARCH) and South King County Housing and Homelessness Partnership (SKHHP) – where projects are leveraging funding from one or more public funders as well as Commerce. As a result, while projects still compete for tax credits, local funding commitments and policy priorities play a significant role in determining which projects advance through the development pipeline.

The Metro pool, the counties coordinate collectively and prioritize projects for application. Due to the limited amount of credit available, the Commission, in agreement with the counties in the pool, use a multi-year credit tracking system. Credit is tracked using a 5-year rolling average based on need to allow each county to manage and prioritize the pipeline needs in each county and to ensure equitable access to, and distribution of, the credit.

The Non-Metro pool operates as a statewide competitive process and is often the most sensitive to scoring. The pool encompasses a diverse group of counties with varying housing needs, market conditions, and development capacity, including many of Washington’s rural communities. As a result, relatively small differences in scoring can significantly affect funding outcomes.

A review of the 9% Tax Credit Program Portfolio shows that the program is successfully advancing its core objectives. The portfolio is predominately serving households below 50% AMI and special populations, most notably homeless households. At the same time, we are seeking to understand from our sponsor and public funder partners how to better align with varied needs in the multitude of communities across the state.

#### *Updated Policy Process*

Following the 2025 allocation round and in light of emergent issues in the portfolio, staff recognized the need to modify the Commission’s approach to policy development for the 9% Housing Tax Credit Program. Through discussions with affordable housing partners and Interested Parties, staff identified opportunities to improve transparency, broaden participation, and provide more time for policy development and evaluation.

Staff presented these findings and a proposed policy process reset to the Board in 2025. The revised approach emphasized an increased focus on policy development through data analysis, earlier engagement, and a longer development timeline for significant policy changes.

The activities described in this memorandum reflect the implementation of that policy process reset and lessons learned through that effort.

## **Engagement Process**

Staff conducted a series of Interested Parties meetings, which began in January and continued through the spring. The initial convening was held with all statewide partners with subsequent meetings organized by geographic pool, based on feedback from participants in the previous session. Discussions focused on two of the program's most significant scoring categories: affordability and priority populations.

During these meetings, staff presented data, shared potential policy concepts, and solicited feedback from Interested Parties. The discussions generated valuable insights regarding the opportunities, tradeoffs, and implementation considerations associated with potential changes in these areas, especially regarding variations across the geographic pools.

The engagement process confirmed that affordability and priority population policies remain critically important to Interested Parties and the program's intent. It also highlighted the complexity of these policy areas and the need for additional analysis, engagement, and refinement before significant policy modifications are recommended.

## **Proposed Policy Updates**

As a result of this year's engagement process, staff is recommending a limited set of policy updates for the 2027 program year. Throughout the engagement process, Interested Parties consistently emphasized the importance of providing sufficient lead time for policy changes and minimizing disruptions to projects already in development pipelines.

These recommendations reflect areas where staff has completed sufficient analysis, received feedback, and determined that changes can be implemented while mitigating unintended consequences for applicants or the program. These proposed changes are mainly clean up and refinements to address current market conditions.

### *Summary of Changes:*

There are two changes proposed that aim to respond to system changes.

First, to be responsive to challenges in the Seattle/King County pool housing ecosystem, staff propose to lower the Minimum Point Score threshold from 164 to 160. In the Seattle/King County pool Permanent Supportive Housing (PSH) has been the priority for many years; however, changes at the federal level as well as budget constraints at the state and local levels have provided less certainty on the availability of critical operating, maintenance and supportive service funding as well as rental assistance that make PSH projects financially feasible. The Commission remains committed to prioritizing PSH where feasible and has received feedback from local public funders that projects serving extremely and very-low-income

large households is also a high need, however those projects have difficulty meeting the higher score minimum for the Seattle/King County pool. Reducing the minimum score threshold will broaden the range of projects that may be competitive for an allocation while maintaining strong program outcomes.

Second, the Additional Use Period criteria's parameters have not kept pace with commitment levels from other public funders, as a result all applicants take the maximum points since they are committing to longer affordability terms for other public funds. To ensure this point category is a true incentive, staff propose restructuring the point parameters to incentivize affordability beyond 40 years for a maximum of up to 60 years.

Then there are two categories that are being proposed to update the underlying data and bring those categories current which are noted below:

- Job Centers: implements updates from the underlying data to most current available, bringing the top 25 cities and Census Designated Places for Metro and Non-Metro pools up to date; allows for a one-time waiver for immediate implementation.
- Transit Oriented Development (TOD): shifts from using an outdated map from the Puget Sound Regional Council (PSRC) to using Department of Commerce's TOD framework and mapping tool and expands the point category eligible to Metro in addition to King County, recognizing expansion of high-capacity transit beyond King County.

The last proposed change is under the Energy Efficiency Modeling scoring is to support developer partners in being ready to meet state energy code changes and compliance with the Clean Building Performance Standards for buildings that exceed 20,000 square feet. Applicants will be asked to provide information on how they intend to comply with benchmarking and energy management planning.

The proposed updates are detailed in Attachment A.

Staff are not recommending substantive changes to the affordability framework or priority population scoring categories at this time. Feedback received through the engagement process demonstrated both strong interest in these topics, while also highlighting the complexity of the policy considerations and potential impacts across geographic pools. Additional analysis and engagement are needed before staff can confidently recommend broader changes. Given the significance of the potential policy shifts under consideration, staff are recommending a more deliberate development timeline while advancing a limited set of updates for 2027.

### **Next Steps**

Staff will continue to work on affordability and priority population policies through additional Interested Party engagement, data analysis, and policy development activities during the coming year. By separating

these longer-term policy discussions from the updates proposed in Table 1, staff seeks to maintain a transparent and deliberate policy development process while ensuring that program changes are supported by sufficient analysis and feedback from our partners.

Attachment A shows the redline changes by section in the 9% tax credit program policies being proposed for 2027 along with the rationale.



## Attachment A – Proposed 2027 9% Program Policy Updates (changes shown as redlines)

Existing Policy	Proposed Changes	Rationale
<p><b>Section 4.15 Allocation Criteria Point Minimum</b></p> <p>The applicant must select Allocation Criteria in the Application that total a minimum number of Allocation Criteria points according to the county in which the project is located.</p> <ul style="list-style-type: none"> <li>• King County: 164 points</li> <li>• Metro Counties: 158 points</li> <li>• Non-Metro Counties: 154 points</li> </ul>	<p><i>Adjust King County point criteria ONLY:</i></p> <p>The applicant must select Allocation Criteria in the Application that total a minimum number of Allocation Criteria points according to the county in which the project is located.</p> <ul style="list-style-type: none"> <li>• King County: 160 points</li> <li>• Metro Counties: 158 points</li> <li>• Non-Metro Counties: 154 points</li> </ul>	<p>Acknowledges challenges to secure necessary operating/service funding and project based rental assistance to support feasibility of PSH.</p> <p>Maintains competition and application flexibility in years when PSH projects are not present in Seattle/King pool</p>
<p><b>Section 6.2 Additional Use Period</b></p> <p><b>2-44 points</b></p> <p>Two points will be awarded (up to a maximum of 44 points) for every year of the additional low-income housing use period selected by the Applicant in the Application, up to a maximum of 22 years (the “Additional Low-Income Housing Use Period”). The Additional Low-Income Housing Use Period commences upon the close of the</p>	<p><i>Proposed Language:</i></p> <p><b><u>24-44 points</u></b></p> <p><u>Twenty-four points will be awarded to Applicants that commit to an Additional Low-Income Housing Use Period of 25 years (the “Additional Low-Income Housing Use Period”). One additional point will be awarded for each additional year of the Additional Low-Income Housing Use Period selected by the Applicant beyond 25 years, up to a maximum of 44 points for an Additional Low-Income Use Period of 45 years.</u></p>	<p>Targets the incentive at affordability commitments that exceed what other public funders already require</p> <p>Increases the number of years units remain affordable after the compliance period, setting a base for points</p>

<p>compliance period. If the Applicant makes this Commitment, the Applicant agrees to maintain the low-income housing units and all applicable Commitments made by the Applicant in the Application to receive Allocation Criteria points for the duration of the Project Compliance Period.</p>	<p>The Additional Low-Income Housing Use Period commences upon the close of the compliance period. If the Applicant makes this Commitment, the Applicant agrees to maintain the low-income housing units and all applicable Commitments made by the Applicant in the Application to receive Allocation Criteria points for the duration of the Project Compliance Period.</p>	<p>at 40 years of affordability.</p>
<p><b>Section 6.15 Transit Oriented Development (TOD)</b> <b>1 point in King County</b></p> <p>Projects will be awarded 1 point if they are located within a 10-minute walkshed of Fixed Transit Infrastructure and located in an area zoned for high-capacity transit-supported density. TOD points are only available to Projects in King County. Puget Sound Regional Council (PSRC) has generously developed a map to locate properties to fit the TOD definition outlined below. The map is available on our website. If a property meets the intent of the policy but fails to appear on the map, a location that meets the intent of the policy may still be eligible for the TOD point with preapproval.</p> <p>“Fixed Transit Infrastructure” is defined as Light Rail Stations, Commuter Rail Stations, Ferry Terminals, Bus Rapid Transit Stations, Streetcar Stops, and Major Bus Transit Centers.</p> <p>The major bus transit centers in King County are Auburn Transit Center, Aurora Village Transit Center, Bellevue Transit Center, Burien Transit Center, Federal Way Transit Center, Issaquah Transit Center, Kent Transit Center, Kirkland Transit Center, Mount Baker Transit Center, Northgate Transit Center, Overlake Transit Center, Redmond</p>	<p><i>Proposed language:</i></p> <p><b>1 point in King County and Metro</b></p> <p><del>1 point in King County</del></p> <p><u>TOD points are available to Projects in only the Seattle/King and Metro geographic pools.</u></p> <p>Projects will be awarded 1 point if they are located within <del>a 10-minute walkshed of Fixed Transit Infrastructure and located in an area zoned for high-capacity transit-supported density</del> <u>the following fixed-distance buffers of existing or planned high-capacity transit, as determined using the Washington State Department of Commerce’s publicly available Transit-Oriented Development (TOD) tool:</u></p> <ul style="list-style-type: none"> <li>• <u>¼ mile from existing or planned Bus Rapid Transit (BRT); or</u></li> <li>• <u>½ mile from existing or planned Light Rail Transit (LRT).</u></li> </ul> <p><del>Puget Sound Regional Council (PSRC) has generously developed a map to locate properties to fit the TOD definition outlined below. The map is available on our website. If a property meets the intent of the policy but fails to appear on the map, a location that meets the intent of the policy may still be eligible for the TOD point with preapproval.</del></p> <p><del>“Fixed Transit Infrastructure” is defined as Light Rail Stations, Commuter Rail Stations, Ferry Terminals, Bus Rapid Transit Stations, Streetcar Stops, and Major Bus Transit Centers.</del></p>	<p>Aligns with the statewide Department of Commerce TOD framework and improves consistency with other public funders</p> <p>Provides a clear, publicly verifiable standard for applicants</p> <p>Extends TOD points to projects in the Metro pool, reflecting the expansion of high-capacity transit beyond King County</p>

<p>Transit Center, Renton Transit Center, and Totem Lake Transit Center.</p> <p>Metro has certain Rapid Ride stops designated as “stations” that will receive higher levels of improvement and will always be served. Rapid Ride stops that are not designated as “stations” are not eligible TOD locations.</p> <p>If the Fixed Transit Infrastructure does not yet exist, the transit investment must be planned, approved, and funded at the time of Application. Transit investments that have been funded, but not yet been sited, will not be considered.</p> <p>A “10-minute walkshed” is defined as the area surrounding the Fixed Transit Infrastructure that is comfortably walkable within 10 minutes, typically an area that is within ½ mile of the transit. The size and shape of a walkshed considers the existence of freeways, the street grid, topography and other obstacles that might impede access to the transit site. The 10-minute Walkshed around each of the eligible TOD locations is shown on the TOD map.</p> <p>An area is zoned for “high-capacity-transit-supportive density” when the overall zoning for the area within the walkshed of the Fixed Transit Infrastructure allows for at least 20 dwelling units per gross acre.</p> <p>The Applicant must submit a site map with the application demonstrating that the Project’s location is within the boundaries of an eligible TOD’s 10-minute walkshed. If a project includes multiple sites, each of the sites must each be</p>	<p><del>The major bus transit centers in King County are Auburn Transit Center, Aurora Village Transit Center, Bellevue Transit Center, Burien Transit Center, Federal Way Transit Center, Issaquah Transit Center, Kent Transit Center, Kirkland Transit Center, Mount Baker Transit Center, Northgate Transit Center, Overlake Transit Center, Redmond Transit Center, Renton Transit Center, and Totem Lake Transit Center.</del></p> <p><del>Metro has certain Rapid Ride stops designated as “stations” that will receive higher levels of improvement and will always be served. Rapid Ride stops that are not designated as “stations” are not eligible TOD locations.</del></p> <p>If the <u>Fixed Transit Infrastructure-qualifying transit</u> does not yet exist, the transit investment must be planned, approved, and funded at the time of Application. Transit investments that have been funded, but not yet been sited, will not be considered.</p> <p><del>A “10-minute walkshed” is defined as the area surrounding the Fixed Transit Infrastructure that is comfortably walkable within 10 minutes, typically an area that is within ½ mile of the transit. The size and shape of a walkshed considers the existence of freeways, the street grid, topography and other obstacles that might impede access to the transit site. The 10-minute Walkshed around each of the eligible TOD locations is shown on the TOD map.</del></p> <p><del>An area is zoned for “high-capacity-transit-supportive density” when the overall zoning for the area within the walkshed of the Fixed Transit Infrastructure allows for at least 20 dwelling units per gross acre.</del></p> <p><del>The Applicant must submit a site map Documentation must include (1) a dated map or screenshot from the Department of Commerce TOD mapping resource showing the site in relation to the transit facility, and (2) identification of the specific qualifying transit facility. If a project includes multiple sites, each of the sites must <u>each be located within a TOD walkshed independently satisfy the applicable buffer</u> to be eligible for the TOD point.</del></p>	
---	---	--

<p>located within a TOD walkshed to be eligible for the TOD point.</p>		
<p><b>Section 6.16 Job Centers</b></p> <p><b>1 Point in Metro and Non-Metro Counties</b></p> <p>One point will be awarded to Projects located in or near the top 25 cities and Census Designated Places (CDP) within each of the Metro and Non-Metro Credit Pools that have experienced the highest absolute job growth over the five-year period from 2005 to 2010.</p> <p>Projects must be within a 5-mile radius of the top growth places in the Metro Credit Pool and within a 10-mile radius of the places in the Non-Metro Credit Pool.</p> <p>The list of Top Job Growth Cities and Places will remain constant for a five-year period. Updates will occur one year prior to implementation of the updated list to take development pipeline into account. For example, the proposed list will remain in place for the allocation years of 2013 to 2017. The list will be updated and published in 2016 but will not take effect until 2018.</p> <p>If the Project’s address clearly demonstrates that the Project is in a Job Growth Place, no documentation needs to be submitted with the Application. If the Project’s address shows the project is not located in a Job Growth Place, the Applicant must submit a site map demonstrating that the Project is located within the required distance of a Job Growth Place.</p>	<p><i>Proposed Language:</i></p> <p><b>1 Point in Metro and Non-Metro Counties</b></p> <p>One point will be awarded to Projects located in or near the top 25 cities and Census Designated Places (CDP) within each of the Metro and Non-Metro Credit Pools that have experienced the highest absolute job growth over the five-year period from <del>2005 to 2010</del><u>2019 to 2023</u>.</p> <p>Projects must be within a 5-mile radius of the top growth places in the Metro Credit Pool and within a 10-mile radius of the places in the Non-Metro Credit Pool.</p> <p>The list of Top Job Growth Cities and Places will remain constant for a five-year period. Updates <b>generally</b> will occur one year prior to implementation of the updated list to take development pipeline into account. <b>For the 2027 cycle, the updated list will be effective for the current cycle. For example, the proposed list will remain in place for the allocation years of 2013 to 2017. The list will be updated and published in 2016 but will not take effect until 2018.</b></p> <p>If the Project’s address clearly demonstrates that the Project is in a Job Growth Place, no documentation needs to be submitted with the Application. If the Project’s address shows the project is not located in a Job Growth Place, the Applicant must submit a site map demonstrating that the Project is located within the required distance of a Job Growth Place.</p> <p>If a project includes multiple sites, each of the sites must demonstrate eligibility for points to be awarded under the Job Center criterion.</p> <p><b><u>For the 2027 allocation cycle, an Applicant may request a waiver of this criterion where the Project meets the intent of the policy but does not appear to qualify under the published list or distance requirements; the point may be awarded with Commission preapproval. A waiver request must be submitted in writing to the Commission no later than 30 days prior to the</u></b></p>	<p>Updates job center designations using the most recent employment data and better reflects current job growth.</p> <p>Corrects Thurston County's pool assignment for consistency with the credit pool structure</p>

<p>If a project includes multiple sites, each of the sites must demonstrate eligibility for points to be awarded under the Job Center criterion.</p>	<p><u>Application deadline and must include: 1. the specific reason the project does not qualify under the published criteria, 2. documentation demonstrating how the project advances the policy intent (such as proximity to a concentration of employment, designated employment center, or job growth data published after the most recent list update, and 3. confirmation that no other job center is reasonably available to serve the Project’s intended residents. The Commission will issue a written determination prior to the application deadline. The point will be awarded only upon written Commission preapproval.</u></p> <p><b><u>See Current and Proposed Job Growth Charts below in Exhibit A.</u></b></p>	
<p><b>Section 6.21 Energy Efficiency Modeling</b></p> <p><b>2 points</b></p> <p>Two points will be awarded for projects that select Option #1 from ESDS Section 1.02 Advanced Tools. The selected consultant must be chosen from the Commission’s approved roster of energy modeling consultants.</p> <p>With the submittal of the tax credit application, the applicant must attach a commitment letter from the chosen energy consultant attesting they will join the project team and provide modeling early enough in the design process to inform design decision making.</p>	<p><i>Proposed Language:</i></p> <p><b>2 points</b></p> <p>Two points will be awarded for projects that select Option #1 from ESDS Section 1.02 Advanced Tools. The selected consultant must be chosen from the Commission’s approved roster of energy modeling consultants.</p> <p>With the submittal of the tax credit application, the applicant must attach a commitment letter from the chosen energy consultant attesting they will join the project team and provide modeling early enough in the design process to inform design decision making. <u>The letter must also detail if the sum of the multifamily, nonresidential, hotel, motel and dormitory floor areas will exceed 20,000 square feet and if so, include a written description and timeline sharing how the applicant intends to comply with the Clean Building Performance Standards enforced by the Department of Commerce. Those compliance requirements are:</u></p> <ul style="list-style-type: none"> <li>• <u>Benchmarking by measuring and tracking energy use in a building over time.</u></li> <li>• <u>Implementing an operations and maintenance program.</u></li> <li>• <u>Creating an energy management plan.</u></li> </ul>	<p>Gives applicants advance notice and lead time to prepare for an upcoming benchmarking requirement</p> <p>Aligns with broader state energy and climate goals, supporting transition to the future requirement</p>

**Program Values Doc**

**Value 6: Foster Healthy and Sustainable Homes in a Changing Climate**

Federal and state policies of redlining and disinvestment in communities of color have long contributed to unequal access to healthy, safe housing and thus to unequal health outcomes among communities of color. Additionally, climate change brings more frequent waves of extreme heat and wildfire smoke that exacerbate health issues among vulnerable people in Washington, including those with cardiovascular, respiratory, and mental health conditions. How affordable housing is designed and built can mitigate some of these health impacts of climate change. Furthermore, the built environment is Washington’s second-largest carbon polluter behind transportation. Building emissions come from burning fossil fuels including gas and oil for furnaces, water heaters, and appliances. While climate change brings unequal health outcomes, state agencies have a window of opportunity to reduce those unequal outcomes and slow climate change’s speed. WSHFC envisions affordable housing in which residents live in a healthy environment with a comfortable temperature range, safe from the harmful effects of smoke. As we plan for future building design criteria, we incentivize housing that is healthier for residents, as well as energy efficient to minimize carbon emissions.

*Replace with Revised Language:*

[Value 6: Foster Healthy and Sustainable Homes in a Changing Climate](#)

[Many low-income residents in Washington face increasing exposure to extreme heat, wildfire smoke, and unhealthy indoor living conditions. These challenges are compounded by longstanding patterns of unequal investment that have left some communities with inefficient housing and at higher risk of worse health outcomes.](#)

[Advancing healthier and more resilient housing is central to the Commission's mission to expand access to safe, affordable homes and ensure responsible use of public resources. The Commission aspires to incentivize cost-effective construction and rehabilitation practices that improve indoor comfort and strengthen building performance.](#)

[These investments deliver long-term value for Washington by protecting residents’ health, preserving affordable housing, reducing strain on public systems, and strengthening community resilience.](#)

Aligns with the Bond Tax Credit Program as approved by Board on May 18<sup>th</sup> as part of the Preservation Pilot.

Language updates centered on the tenants, health and safety and building improvements.

**Language or Reference Clean Up**

**Section 2.11 Regulatory Agreement**

As a condition of receiving an allocation from the Commission, the Applicant must enter into a Regulatory Agreement that applies to each building in the project. The Regulatory Agreement addresses, among other things, the requirements of Section 42 of the Code, federal and state law, the Tax Credit Program, and the Commitments made in the Application and the RAC.

Generally, the provisions of the Regulatory Agreement will apply for a period of 30 years from the date the project is placed-in-service (the 15-year compliance period and an additional 15-year period, referred to as the “extended low-income use period”). However, if the Applicant makes a commitment for an Additional Low-Income Housing Use Period, the duration of the 22 years beyond the 15-year compliance period. If the Applicant opts for the longest extension, the total Project Compliance Period would be 37 years.

Termination of the Regulatory Agreement will occur prior to the expiration of the extended low-income use period or Additional Low-Income Use Period only under very limited circumstances. In this respect, and many others, the requirements of the Regulatory Agreement are stricter than the provisions of Section 42 of the Code.

The Regulatory Agreement must be recorded as part of the Equity Closing. It must be recorded in first lien position as a restrictive covenant running

*Proposed language:*

As a condition of receiving an allocation from the Commission, the Applicant must enter into a Regulatory Agreement that applies to each building in the project. The Regulatory Agreement addresses, among other things, the requirements of Section 42 of the Code, federal and state law, the Tax Credit Program, and the Commitments made in the Application and the RAC.

Generally, the provisions of the Regulatory Agreement will apply for a period of 30 years from the date the project is placed-in-service (the 15-year compliance period and an additional 15-year period, referred to as the “extended low-income use period”). However, if the Applicant makes a commitment for an Additional Low-Income Housing Use Period, the duration of the Regulatory Agreement will be extended accordingly. The Additional Low-Income Housing Use Period commences upon the close of the 15-year compliance period. ~~the duration of the 22 years beyond the 15-year compliance period.~~ If the Applicant opts for the longest extension, the total Project Compliance Period would be ~~37~~ 60 years.

Termination of the Regulatory Agreement will occur prior to the expiration of the extended low- income use period or Additional Low-Income Use Period only under very limited circumstances. In this respect, and many others, the requirements of the Regulatory Agreement are stricter than the provisions of Section 42 of the Code.

The Regulatory Agreement must be recorded as part of the Equity Closing. It must be recorded in first lien position as a restrictive covenant running with the land and binding upon the Applicant’s successors in interest. To ensure the Commission’s Regulatory Agreement is in first lien position, the Applicant must prepare and record a Priority Agreement at the Project’s expense in a form acceptable to the Commission, and executed by the Applicant, the Commission, and all lienholders on the Project. The Priority Agreement must specify that the lienholders’ security interests are subordinate to the interests of the Commission as shown in the Regulatory Agreement.

Updated to match policy changes to allocating criteria

<p>with the land and binding upon the Applicant's successors in interest. To ensure the Commission's Regulatory Agreement is in first lien position, the Applicant must prepare and record a Priority Agreement at the Project's expense in a form acceptable to the Commission, and executed by the Applicant, the Commission, and all lienholders on the Project. The Priority Agreement must specify that the lienholders' security interests are subordinate to the interests of the Commission as shown in the Regulatory Agreement.</p> <p>If documents with monetary liens are recorded prior to the Regulatory Agreement, those documents must be subordinated to the interests of the Commission as shown in the Regulatory Agreement.</p> <p>If the Applicant has established a long-term lease in lieu of ownership, the owner of the land and holders of any liens and encumbrances that are secured by a recorded mortgage or deed of trust against the land and the improvements on it before the Regulatory Agreement is recorded must execute and record a subordination agreement in a form approved by the Commission. The subordination agreement shall specify that the owner's interest is subject to, and any other parties' security interest is subordinate to, the interests of the Commission as shown in the Regulatory Agreement.</p>	<p>If documents with monetary liens are recorded prior to the Regulatory Agreement, those documents must be subordinated to the interests of the Commission as shown in the Regulatory Agreement.</p> <p>If the Applicant has established a long-term lease in lieu of ownership, the owner of the land and holders of any liens and encumbrances that are secured by a recorded mortgage or deed of trust against the land and the improvements on it before the Regulatory Agreement is recorded must execute and record a subordination agreement in a form approved by the Commission. The subordination agreement shall specify that the owner's interest is subject to, and any other parties' security interest is subordinate to, the interests of the Commission as shown in the Regulatory Agreement.</p>	
---	---	--

**Exhibit A. Job Growth Charts**

Current Job Growth Chart						Proposed Job Growth Chart					
Top 25 Job Growth Places in Metro Counties						Top 25 Job Growth Places in Metro Counties					
City or CDP	County	2014 Jobs	2010 Jobs	Job Growth	Rank	City or CDP	County	2023 Jobs	2019 Jobs	Job Growth	Rank
Vancouver	Clark	84,214	77,843	6,371	1	Tacoma	Pierce	125,202	116,984	8,218	1
Everett	Snohomish	87,131	82,644	4,487	2	Vancouver	Clark	106,898	99,923	6,875	2
Olympia	Thurston	44,889	40,855	4,034	3	Lakewood	Pierce	29,363	26,011	3,352	3
Lakewood	Pierce	25,370	21,479	3,891	4	Spokane	Spokane	130,180	127,473	2,707	4
Tacoma	Pierce	104,069	100,411	3,658	5	Sumner	Pierce	18,651	15,981	2,670	5
Lynnwood	Snohomish	28,483	25,386	3,097	6	Everett	Snohomish	100,608	98,515	2,093	6
Puyallup	Pierce	25,746	22,930	2,816	7	Ridgefield	Clark	4,361	2,389	1,972	7
Marysville	Snohomish	13,491	11,154	2,337	8	Liberty Lake	Spokane	9,805	8,124	1,681	8
Edmonds	Snohomish	11,694	9,576	2,118	9	DuPont	Pierce	4,819	3,293	1,526	9
Bothell (Sno Cty)	Snohomish	13,178	11,433	1,745	10	Mount Vista	Clark	6,560	5,185	1,375	10
Sumner	Pierce	12,572	11,107	1,465	11	Puyallup	Pierce	31,502	30,227	1,275	11
Lacey	Thurston	20,069	18,761	1,308	12	South Hill	Pierce	9,930	8,657	1,233	12
Spokane Valley	Spokane	50,944	50,021	923	13	Arlington	Snohomish	11,500	10,339	1,161	13
Fife	Pierce	16,232	15,327	905	14	Orchards	Clark	5,047	3,912	1,135	14
Lake Stevens	Snohomish	4,434	3,889	545	15	Camas	Clark	10,400	9,310	1,090	15
South Hill	Pierce	6,862	6,330	532	16	Bellingham	Whatcom	52,978	51,928	1,050	16
Mount Vista	Clark	4,381	3,863	518	17	Hazel Dell	Clark	8,325	7,299	1,026	17
Orchards	Clark	3,788	3,273	515	18	Spokane Valley	Spokane	57,006	56,051	955	18
Mount Vernon	Snohomish	14,703	14,205	498	19	Marysville	Snohomish	15,352	14,412	939	19
Mukilteo	Snohomish	9,624	9,133	491	20	Lake Stevens	Snohomish	6,799	5,869	930	20
Airway Heights	Spokane	4,090	3,616	474	21	Bothell	Snohomish	14,112	13,293	819	21
Woodland	Clark	3,617	3,151	466	22	Five Corners	Clark	3,273	2,472	801	22
Bonney Lake	Pierce	3,821	3,368	453	23	Battle Ground	Clark	6,908	6,142	766	23
Frederickson	Pierce	4,533	4,087	446	24	Woodland	Clark	5,117	4,376	741	24
						Silver Firs	Snohomish	2,825	2,090	735	25

<b>Camas</b>	Clark	6,941	6,499	442	25
--------------	-------	-------	-------	-----	----

\*Source: U.S. Census Bureau Center for Economic Studies:  
<https://onthemap.ces.census.gov/>

Top 25 Job Growth Places in Non-Metro Counties

City or CDP	County	2014 Jobs	2010 Jobs	Job growth	Rank
<b>Yakima</b>	Yakima	44,009	39,138	4,871	1
<b>Silverdale</b>	Kitsap	12,230	10,445	1,785	2
<b>Moses Lake</b>	Grant	10,847	9,290	1,557	3
<b>Bainbridge Island</b>	Kitsap	9,554	8,024	1,530	4
<b>Kennewick</b>	Benton	30,868	29,341	1,527	5
<b>Richland</b>	Benton	35,564	34,297	1,267	6
<b>Walla Walla</b>	Walla Walla	14,368	13,262	1,106	7
<b>Pasco</b>	Franklin	20,557	19,477	1,080	8
<b>Pullman</b>	Whitman	14,089	13,084	1,005	9
<b>Port Angeles</b>	Clallam	8,782	7,852	930	10
<b>Bremerton</b>	Kitsap	15,655	14,887	768	11
<b>Burlington</b>	Skagit	8,482	7,833	649	12
<b>Port Townsend</b>	Jefferson	4,446	3,912	534	13
<b>Colville</b>	Stevens	3,694	3,180	514	14
<b>Ephrata</b>	Grant	3,637	3,164	473	15
<b>Othello</b>	Adams	4,166	3,699	467	16
<b>Omak</b>	Okanogan	3,078	2,644	434	17
<b>Sequim</b>	Clallam	4,030	3,607	423	18
<b>Sunnyside</b>	Yakima	6,723	6,302	421	19
<b>Oak Harbor</b>	Island	5,439	5,026	413	20
<b>Sedro - Woolley</b>	Skagit	3,486	3,075	411	21
<b>Kelso</b>	Cowlitz	5,441	5,062	379	22
<b>Clarkston</b>	Asotin	4,192	3,855	337	23

\*Source: U.S. Census Bureau Center for Economic Studies:  
<https://onthemap.ces.census.gov/>

Top 25 Job Growth Places in Non-Metro Counties

City or CDP	County	2014 Jobs	2010 Jobs	Job growth	Rank
<b>Lacey</b>	Thurston	30,261	22,970	7,291	1
<b>Tumwater</b>	Thurston	25,168	21,183	3,985	2
<b>Pasco</b>	Franklin	26,506	22,781	3,725	3
<b>Yakima</b>	Yakima	50,432	47,435	2,997	4
<b>Kennewick</b>	Benton	30,868	33,144	2,942	5
<b>Olympia</b>	Thurston	59,337	56,868	2,469	6
<b>West Richland</b>	Benton	3,190	970	2,220	7
<b>Wenatchee</b>	Chelan	26,728	25,013	1,715	8
<b>Richland</b>	Benton	43,685	42,176	1,509	9
<b>Moses Lake</b>	Grant	14,497	13,045	1,452	10
<b>Othello</b>	Adams	5,641	4,437	1,204	11
<b>Port Townsend</b>	Jefferson	4,798	3,838	960	12
<b>Quincy</b>	Grant	4,487	3,608	879	13
<b>Longview</b>	Cowlitz	21,057	20,209	848	14
<b>Chelan</b>	Chelan	3,898	3,087	811	15
<b>Port Angeles</b>	Clallam	9,533	8,908	625	16
<b>Centralia</b>	Lewis	8,012	7,468	544	18
<b>Prosser</b>	Benton	3,764	3,350	414	19
<b>College Place</b>	Walla Walla	2,312	1,919	393	20
<b>Grandview</b>	Yakima	3,540	3,164	376	21
<b>Colville</b>	Stevens	4,484	4,202	282	22
<b>Oak Harbor</b>	Island	5,758	5,497	261	23
<b>Ephrata</b>	Grant	3,922	3,671	251	24

<b>Selah</b>	Yakima	2,928	2,613	315	24	<b>Port Orchard</b>	Kitsap	7,578	7,329	249	25
<b>Quincy</b>	Grant	2,712	2,407	305	25	*Source: U.S. Census Bureau Center for Economic Studies: <a href="https://onthemap.ces.census.gov/">https://onthemap.ces.census.gov/</a>					
*Source: U.S. Census Bureau Center for Economic Studies: <a href="http://www.onthemap.ces.census.gov">www.onthemap.ces.census.gov</a> (8/2016)											