

Affordable Housing Fact Sheet

In Washington state, one of the most common forms of affordable housing is the [9% Low Income Housing Tax Credit \(LIHTC\)](#) program. The program is managed by the [Washington State Housing Finance Commission](#) and allocates federal income tax credit to developers to encourage the construction and rehabilitation of affordable multifamily housing.

Eligibility

Housing credit from the LIHTC program is allocated through an annual competitive process in which housing projects are evaluated and scored according to the Commission's established criteria.



Rent Restrictions

Affordable housing providers often have restrictions they must follow to stay in compliance with the state or federal entity funding it. For example, LIHTC properties, which usually consist of a mix of units that house families that earn 30% Area Median Income (AMI) to 60% AMI, are constrained by rent limits that are determined by factors such as total household income excluding any applicable deductions.

To put this into context, for a family of four in King County, living in a three-bedroom unit, earning 60% AMI (~69K for King County), their portion of rent cannot exceed \$1,805.

To learn more about affordable housing in Washington State and get involved, visit:

www.partnershipforaffordablehousing.com

Funding

The primary source of development funding is the [Low-Income Housing Tax Credit \(LIHTC\)](#), a federal tax credit administered by state agencies. Most affordable housing that's built receives an allocation of tax credits.

In terms of affordable housing management, the Washington State Department of Commerce administers the [Housing Trust Fund](#) to provide loans or grants to affordable housing projects through annual competitive application cycles.

Rent control would restrict affordable housing providers even further.



Rent control in WA would **REDUCE** housing creation by **15,000 HOMES** over the next **10 YEARS**

Since affordable housing providers are already faced with rent caps, it is nearly impossible to contend with policies such as rent control that would restrict affordable housing providers even further. Rent control is not only a bad policy for affordable housing providers but for the rental housing market in general. According to the [research conducted by ECONorthwest](#), a Seattle-based economic consulting firm, a rent control policy in Washington state would reduce housing creation by 15,000 homes over the next 10 years.

Solving the housing crisis in Washington state requires collaboration between decisionmakers and those in the housing space to develop policies that are informed by the needs of all different types of housing in the state.