
Washington State Multifamily Housing Unit (MHU) HOUSING PRESERVATION PROGRAM (HPP) NOFA #MHU-2026-04

2026 FUNDING ROUND

Notice of Funding Availability (NOFA) and Solicitation of Project Applications

Public Comment Period:	February 3 – February 17, 2026
Published:	March 3, 2026
Technical Assistance Period:	March 3 – April 10, 2026
Application Due Date:	By NOON on April 17, 2026

- 1. Read this Notice of Funding Availability (NOFA), its Appendices, and all of the instructions carefully;**
- 2. Respond to all of the questions in the application forms (all Excel and Word files); and**
- 3. Submit all materials/attachments as instructed. Refer to the “2026 Housing Preservation Application Requirements Checklist” document.**

Submitting a complete application by the deadline is a threshold that needs to be met in order for an application to be reviewed and evaluated for funding.

For detailed instructions on how to complete the application, please review the 2026 HPP Application Workshop video posted with the NOFA. The Workshop is also posted on MHU’s [Funding Opportunities webpage](#), located at the bottom under Training Resources for Grantees.

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I. Introduction

This Notice of Funding Availability (NOFA) and Solicitation of Applications is intended for applicants seeking funding for projects preserving and extending the affordability commitment period for projects in the Housing Trust Fund portfolio. The funds may be provided for major building improvements, preservation, and system replacements necessary for the existing housing trust fund portfolio to maintain long-term viability. **These funds may not be used to create new units.**

II. Funds Available

Washington State Housing Trust Fund [SSB 5195 § 1021(g)(i)]

The Washington State Legislature appropriated **\$50,000,000 from the State Building Construction Account – State in the 2025-2027 Capital Budget** for Commerce to award for the preservation of affordable multifamily housing.

Pursuant to [RCW 43.185A.140](#), three percent (3%) of the capital bond proceeds used for this funding round will be retained for the administration costs associated with application, distribution, and project development activities. The total amount available from the \$50,000,000 appropriated from the State Building Construction Account - State in the 2025-2027 Capital Budget is \$48,500,000.

MHU has elected to offer up to \$24,100,000 of the appropriated funds to projects already in the Housing Trust Fund portfolio (executed contract) and in need of funding to extend its useful life via this NOFA.

III. Timeline – Subject to revision based on business needs

Project Applications Solicited (this NOFA)	March 3, 2026
Technical Assistance, Application Clarifying Questions and Answers	March 3 – April 10, 2026
Technical Assistance Office Hours #1	March 10, 2026 at 1:00pm
Technical Assistance Office Hours #2	March 24, 2026 at 10:00am
Project Applications Due to <u>and Received by</u> Commerce	By NOON on April 17, 2026
List of Applications Received Published on MHU Website	May 1, 2026
Final Funding Decisions and Awards	Approx. June 8, 2026
Contract Execution Deadline	January 2027
Preservation Activities Completion Deadline	October 31, 2027

Note: MHU reserves the right to revise the above timeline at its sole discretion.

IV. Conditions of This NOFA

A. Pre-development and Application Preparation Costs

Completion of a competitive application often requires significant time and expense. Commerce recognizes that applicants will incur costs preparing for and submitting their applications. All applicants should be aware that Commerce cannot be held responsible for pre-development or application preparation costs in response to this NOFA, regardless of whether funding is awarded.

B. Funding Limits

Per [RCW 43.185A.150\(8\)](#), the department may not establish a maximum **per-applicant** award. In the interest of maximizing its leverage of other sources of funding, however, MHU will continue to observe a maximum **per project** award of \$1.5 million. Applicants may apply for multiple projects without limitation.

C. Evergreen Sustainable Development Standard (ESDS) Compliance

Compliance with ESDS is required of all projects funded by MHU. Proposed preservation activities may be subject to specific ESDS Criteria. Any potential ESDS requirements (appliances, materials used during rehab activities, etc.) applicable to the project's scope of work must be planned and budgeted for in the application. Upon receiving an award, the HPP Program Manager will ensure any applicable ESDS requirements are met for your project.

Please visit the [ESDS Webpage](#) for additional information on ESDS Criteria.

D. Capital Needs Assessment (CNA)

The applicant must submit a Capital Needs Assessment (CNA) that supports the preservation project as proposed in the application and third-party construction cost estimate(s), as applicable. The CNA requirement can be met by completing the 20-Year Capital Needs Assessment in the application, by providing your own in-house produced CNA, or providing a third-party CNA. Regardless of the document format, the content of the CNA must speak to the proposed preservation project activities. If a third-party construction cost estimate is applicable, it must also correspond to the proposed preservation project activities.

E. Application Review Process

All applications will be reviewed and evaluated for funding.

If threshold items are missing, Commerce will provide notification to applicants at the main contact email provided in their application and give them an opportunity to correct the issue(s). Failure to respond with documentation or explanations may lead to a decline or wait-list of an application.

Applications will be evaluated and ranked based on the criteria detailed in the Appendix A: Housing Preservation Application Evaluation Criteria under Decision Point #1 Eligibility & Readiness and Decision Point #2 Priorities, with final decisions made in reference to criteria detailed under Decision Point #3 Determinants.

Applicants must answer all questions, attach all required or necessary documents, and submit a complete HPP application. ***A separate application must be completed and submitted for each HTF affordable housing project where preservation activities are being proposed.***

F. Reporting Requirements

Awards Data

Commerce is required to report, at a minimum, all area median income levels for awarded funds to the Washington State Legislature. As a result, area median income levels, as submitted for funding consideration, **may not be changed after a project is awarded funds.**

V. Geographic Determination

Per [RCW 43.185A.150\(2\)\(a\)](#), the Department must “provide for a geographic distribution on a statewide basis”.

MHU will continue evaluating projects based on the three geographic region categories of King County, Urban and Rural. Statewide distribution is a factor in the Determinants phase of evaluation.

Applicants should consult the definitions provided in Appendix C to determine which region a project site is located.

If it remains unclear whether a project site outside of King County would be considered Rural or Urban, please submit a request for clarification to the NOFA coordinator, via the htfapp@commerce.wa.gov mailbox, BEFORE the end of the technical assistance period on April 10, 2026.

VI. Application Documents and Instructions

A. Submittal Requirements

ONLY electronic submissions of the application forms and supporting materials will be accepted. Hardcopies of the application or materials WILL NOT be accepted by Commerce.

All application materials must be submitted electronically via a file sharing site (e.g. GoogleDocs, Dropbox). Application documents are typically too large to be attached to an email; applicants should NOT attempt to submit their application materials via email. **MHU strongly recommends applicants submit their application materials 1-2 days prior to the due date to allow time to mitigate any technical difficulties.**

Links to application document locations on the file sharing sites must be submitted via email to the HTF Applications inbox:

htfapp@commerce.wa.gov

Please indicate in the subject line that the materials are submitted for the **Housing Preservation NOFA #MHU-2026-04.**

NOTE: If MHU cannot access the files uploaded to the site by the submittal deadline, the project will be considered to have NOT been submitted. It is therefore **strongly** encouraged that applicants establish a “test” link to ensure that MHU can access their submittal folders.

B. Submittal Deadline

Complete applications must be received by MHU by NOON (PST) on April 17, 2026. MHU strongly recommends applicants submit their application materials 1-2 days prior to this date to allow time to mitigate any technical difficulties.

Once an application is submitted, applicants will receive an email confirmation of receipt by 5 PM on the business day following the submittal date. If confirmation is not received within this period, **it is the applicant’s responsibility to follow up by submitting an inquiry to htfapp@commerce.wa.gov.**

In the event MHU is not in receipt of an application by the deadline, if the applicant can provide proof of a good faith attempt to timely submit the application (e.g., a screen cap of their “sent” box that clearly indicates the date), the application will be accepted. Otherwise, the application will be determined to not have arrived on time and will not be reviewed.

C. Application Components

Project application documents can be downloaded from Commerce’s Multifamily Rental Housing [Funding Opportunities](#) webpage.

Applications in response to this NOFA must be submitted using the correct materials and instructions. All applicants must use the **2026** application documents. **Applicants must NOT use other versions.**

i. Application

Download the documents from the Application Materials folder [here](#).

- **2026 Affidavits and Assurances for Housing Preservation Projects (Microsoft Word)**
Name this file as follows: “[PROJECT NAME] – HPP Affidavits”.
- **2026 Housing Preservation Application Requirements Checklist (Microsoft Word)**
Name this file as follows: “[PROJECT NAME] – HPP Table of Contents”. Do not convert the file to PDF.
- **2026 Housing Preservation Project Details (Microsoft Word)**
Name this file as follows: “[PROJECT NAME] – HPP Project Details”. Do not convert the file to PDF.
- **2026 Housing Preservation Application Forms (Microsoft Excel)**
Name this file as follows: “[PROJECT NAME] – HPP Forms”. Do not convert the file to PDF.

ii. Attachments

All supplemental documents are listed in the **2026 Housing Preservation Application Requirements Checklist** document, as appropriate to the project.

Use the following naming and file conventions for attachments:

- Number documents as per the Checklist.
- All files should be submitted in their original format – do not convert electronic documents to PDF format.
- Scanned copies of paper documents must be legible with reasonably-sized font and, when applicable, clear signatures and dates.
- PDFs should be searchable whenever possible and **should not be submitted “locked.”** If this requirement conflicts with the policies of contracted consulting firms (e.g., those engaged to complete Market Studies), please contact MHU staff directly. Otherwise, the materials will need to be resubmitted.

VII. Award Terms

A. Hold Back of Funds

All projects, regardless of MHU administered funding uses, will have a minimum of five percent (5%) of their MHU administered funds retained until the project is completed, including receipt by MHU of materials related to the Placed In Service process. This ensures that projects will meet all requirements of MHU administered funds, including the provision of materials needed for long term monitoring and legislative reporting. The retainage percentage aligns with other public funders' requirements.

B. Type of Award

Awards can only be made in the form of a grant as HPP funds were appropriated by the Legislature in the 2025-2027 Capital Budget, SSB 5195 § 1021(g)(i), from the State Building Construction Account.

Commerce will not accept any loan requests under any circumstances for this funding source.

C. Terms of Award

The financing structure will be provided as a recoverable grant with no expectation of repayment if the terms and conditions of the contract are met.

Awarded preservation projects will result in appropriate collateral and documentation, including a New Contract, Deed of Trust, Low Income Housing Covenant and Promissory Note that will run concurrent to the current HTF capital contract and security documents. It is MHU's intention that the current HTF contract and security documents not be amended as a result of this new capital funding, although there may be exceptions to this situation discovered at the time of contract development.

- The new HPP Low Income Housing Covenant will have a commitment period of 15 years from the time the HPP contract is executed **or** a minimum of 5 years from the time the existing HTF covenant ends, whichever occurs later.
- Proof of additional title insurance covering the funded amount will be required.

Any appropriate collateral documentation, including a New Contract, Deed of Trust, Low Income Housing Covenant and Promissory Note, must be securitized through a licensed title company. Appropriate recording fees, escrow fees, and title insurance costs should be included in the budget.

VIII. Questions

Questions or requests for additional information about this NOFA or the application materials should be submitted to the NOFA Coordinator, via email to the inbox identified below:

htfapp@commerce.wa.gov

Indicate in the subject line that the question is related to the Housing Preservation NOFA #MHU-2026-04.

As part of the application process under this NOFA, questions can be submitted through **April 10, 2026**. MHU will publish, and update as necessary, a questions and answers document with the NOFA on Commerce's Multifamily Rental Housing [Funding Opportunities](#) webpage.

Washington State Multifamily Housing Unit (MHU) NOFA [MHU-2026-04] Appendix A: Housing Preservation Program Application Evaluation Criteria

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OVERVIEW AND CONCEPT

Commerce will use the following process and criteria to evaluate all applications seeking funds from the Washington State Housing Trust Fund (HTF) Housing Preservation Program (HPP).

The project review process consists of three main phases or decision points:

- **Decision Point #1** – Eligibility & Readiness
- **Decision Point #2** – Priorities
- **Decision Point #3** – Determinants

Projects are separated in three geographic pools depending on their physical locations—King County, Other Urban, and Rural—so that projects only compete against other projects in similar circumstances. For example, a Rural project will only be compared with and compete against another Rural project. “Rural” and “Urban” are defined in the Glossary of the [HTF Handbook](#). A definition of Rural is also provided in Appendix C.

Priorities are then scored and ranked within their respective geographic pool. The intent of scoring and ranking is to objectively establish which projects most closely align with MHU’s goals, priorities, and legislative priorities.

If some of the requirements or criteria below appear to be in conflict or supersede the requirements or conditions laid out in the [HTF Handbook](#), the requirements in this NOFA prevail. If in doubt, applicants should contact the NOFA Coordinator for clarification **before the end of the technical assistance period identified earlier in the NOFA.**

DECISION POINT #1 – Eligibility & Readiness

In order for applications to be considered for funding, they must meet ALL of the thresholds identified below and in this NOFA.

E-1. Eligible Applicant

Applicant

The organization submitting an application for funding must qualify as an eligible organization under [RCW 43.185A.040](#).

- Local government
- Local housing authority
- Nonprofit community or neighborhood-based organization
- Federally recognized Indian tribes in the state of Washington
- Regional or statewide nonprofit housing assistance organization

Eligible organizations must be the controlling ownership entity of the affordable housing property where the proposed preservation activities will occur and the property must be under a current executed HTF contract.

E-2. Eligible Activities

This funding source is for preservation of existing HTF multifamily rental properties. Eligible activities under the HPP are as follows:

- Capital building improvements (including all substantial above ground structures)
- System replacement or major upgrade (e.g., HVAC, boiler, elevator, electrical and plumbing)
- Energy efficiency upgrades such as new windows, insulation, etc.
- Accessibility retrofits to bring the property into compliance with ADA/FFHA and Washington State Building Code
- Fire sprinklers and fire safety to bring buildings into compliance with the Fire Code
- Other activities that add to the depreciable basis of a building. **No more than twenty percent (20%) of the total requested cost of a project should include materials with a useful life of less than ten (10) years (e.g., appliances, carpet, floor coverings, cabinetry, interior painting, etc.).**

All work related to the proposed preservation project, reimbursable by HPP, **must be completed by licensed third-party providers**. Commerce may allow minor rehab activities to be completed in-house, subject to approval by the HPP Program Manager *prior* to any activities being completed. If any activities require a licensed professional to complete per building codes or statute, they *must* be done by a third-party.

NOTE: If HPP funds are used to leverage a refinance or loan restructure, the outcome of those preservation activities must result in substantial capital improvements of the property.

Ineligible Activities/Materials

Awarded funds will NOT be used to add or expand the capacity of the property beyond that which was intended by the original HTF capital contract (or as later amended, if applicable). The following activities are **NOT eligible**:

- Unit interior renovation to improve marketability
- Vehicle purchases
- Furniture purchase
- Repayment of any debt associated with the applicable property or building(s)

Eligible Costs

Eligible costs are listed at Section 202.5 of the [HTF Handbook](#). For the purposes of this NOFA, the following costs are **NOT eligible**:

- Appraisal
- Bond Premium
- Insurance costs during development
- LIHTC fees
- Other loan fees
- Property acquisition
- Purchase and sale extension payment
- Real estate taxes during development period
- Replacement reserves

E-3. Readiness

Full Funding

Applicants must demonstrate they have full funding to complete the full scope of work associated with the proposed preservation activities funded with Commerce funds before a contract will be executed, but no later than **January 1, 2027**. Awards are conditional upon meeting this requirement.

Readiness

Projects should demonstrate readiness to proceed as soon as possible with their preservation activities funded by Commerce after contract execution with anticipation of work being completed by **October 31, 2027**.

E-4. Completeness of Application

All fields in the application forms require a response, and all information requested must be provided at time of submittal. If particular documents are not available at the time of application, applicants must submit a formal waiver request before the end of the technical assistance period identified earlier in this NOFA.

Applicants **MUST** contact MHU staff during the technical assistance period established in this NOFA to address any questions or confusion regarding whether fields, questions, or materials must be submitted at time of application. Applicants must still make every reasonable effort to submit all required documents in a complete state by the deadline.

Attachments determined by the applicant to be “not applicable” and hence purposefully omitted must have their reasoning well explained. **Commerce reserves the right to make final determinations regarding applicability.**

DECISION POINT #2 – PRIORITIES

Applications will be evaluated and ranked using the prioritization criteria identified in the proviso and applicable statutory criteria under [RCW 43.185A.150\(6\)](#). Projects are separated in three geographic pools depending on their physical locations—King County, Other Urban, and Rural—so that projects only compete against other projects in similar circumstances. Priorities are then scored and ranked within their respective geographic pool.

Each criterion will receive a High/Medium/Low score.

P-1. Populations Served

Properties where 50% of the housing units are occupied by extremely low-income or very low-income in rural areas will receive a higher score. WBARS reported data will be used to verify occupancy levels, in addition to the information provided by the applicant in the HPP application.

P-2. Recent Inspection with Identified Needs

Properties that have received an onsite inspection by Commerce in 2023, 2024, or 2025 that have identified capital needs will receive a higher score.

P-3. Project Age

Building(s) or properties where the proposed preservation activities will be done are more than fifteen (15) years old, or 15 years from the last substantial rehab date will receive a higher score.

P-4. Additional Commitment Period

The new HPP covenant will require a commitment period of 15 years from the time the HPP contract is executed or a minimum of 5 years from the time the existing HTF covenant ends, whichever occurs later. An increased number of years beyond the existing HTF commitment period will allow the applicant a higher score.

P-5. Unit Costs

Projects with a relatively lower per unit cost will receive a higher score.

P-6. Readiness and Full Funding

Applications demonstrating all relevant financing commitments in support of the proposed preservation activities funded by Commerce, and a readiness to proceed within the timeframes specified in this NOFA (Section E-3) will receive a higher score.

P-7. Resource Availability

Projects that have no other available sources of public funding, besides the HPP, will receive a higher score.

P-8. Urgency of Preservation

Projects that demonstrate a higher urgency for the preservation scope of work will receive a higher score. Urgency can be demonstrated through various means, such as impacts on habitability or resident safety.

P-9. Benefit to Tenants

Preservation projects that demonstrate cost savings to tenants, improvement to tenants' quality of life, and/or improvements to tenant health will receive a higher score.

P-10. Safety

Applications that enhance safety by bringing older properties up to applicable codes and housing quality standards, such as Uniform Physical Conditions Standards (UPCS), will receive a higher score.

DECISION POINT #3 – DETERMINANTS

This third step will help determine which projects are viable and can be funded. As described above, projects in a geographic region category may be awarded funding even if they have lower scores than projects in another category.

D-1. Organizational Capacity and Good Standing

Organizational Capacity

Organizations will be evaluated based on standing with Commerce, capacity, and past performance. Organizations considered to be at a higher level of risk may have their current application declined in favor of organizations considered lower risk.

The applicant organization must demonstrate financial capacity to perform the proposed activities—both during the completion of development and ongoing operations of the project. The MHU asset management team will make this determination based on the applicant’s audited financial statements, and proposed sources and uses statement. See Section 206.1.2 of the [HTF Handbook](#).

The applicant must demonstrate the capacity to effectively develop and manage the proposed preservation project so that all objectives are completed on-time and within budget. If the applicant lacks the capacity to complete the proposed project, it should identify formal partnerships with experienced entities capable of developing, managing, and completing the project as proposed.

Good Standing & Past Performance

The applicant organization must be in good standing with the MHU and Commerce, and must be fiscally sound. The MHU Portfolio Management Team will make this determination based on the applicant’s history with MHU and Commerce (per Section 206.1.1 of the [HTF Handbook](#)), and performance of current projects under contract.

WBARS Reporting

The applicant must be current with annual report submittals and the HTF affordable housing project must be current in the Combined Funders Web-Based Annual Reporting System (WBARS) with a fully submitted 2024 report including all supplemental materials and Tables 1, 2, 3, and 5, and 2023 for Table 4, as applicable.

D-2. Coordination with Other Funders

If the project has public local (city, county) or other state (e.g., CDBG) funding, Commerce makes efforts to coordinate with the other public funders.

Consistency

Applicants seeking funds from other public funders MUST ensure that their proposed scope of work is consistent across funders. Inconsistent applications will lower Commerce’s ability to coordinate and partner with the other public funders. Discovery of inconsistency may result in the project not being funded by one or more public funders.

Complete Funding

MHU works to ensure its commitments are not made at cross-purposes with local funding sources, nor made in such a way that ties MHU funds up for unnecessarily long periods. **Funds from other public sources related to the scope of work proposed with Commerce funding must therefore be committed, awarded, under contract, or otherwise in-hand at the time of the MHU award.** MHU will work to the greatest extent possible to make awards aligning with local funding priorities.

If the project has no local or other funding (i.e., MHU is the only source), the full funding threshold may not apply. Evidence of local non-monetary or indirect monetary support specifically directed toward the project should be provided in the application.

D-3. Distribution Considerations

Regional/Geographic

MHU intends to meet the statutory requirement that 30% of funds appropriated be directed toward projects in Rural areas.

If several eligible projects are situated in close proximity (same community, city, etc.), Commerce may communicate with the local jurisdiction regarding project prioritization, as the MHU may not be able to fund multiple projects in proximity of each other, due to limited funding and the statewide distribution requirement.

In service of the goal of providing for a truly statewide distribution of funds, MHU will report its investments using the 10-region framework.

By-and-For Organizations

MHU will target a minimum of 10% of funds awarded to organizations qualifying as “By and For” organizations. Please see the definition of By and For in Appendix B for additional information.

[RCW 43.185A.140](#) “The department must prioritize allocating at least, but not limited to, 10 percent of these moneys used in any given funding cycle to organizations that serve and are substantially governed by individuals disproportionately impacted by homelessness’, including black, indigenous, and other people of color and, lesbian, gay, bisexual, queer, transgender, and other gender-diverse individuals”.

D-4. Other Special Requirements or Priorities

Commerce must allow some flexibility for special requirements or priorities that cannot be scored in the priorities above (see [RCW 43.185A.150\(6\)](#)). Examples may include but are not limited to the following:

- Other requirements that Commerce/MHU may deem necessary during the application evaluation process.

MHU reserves the right to place projects on a wait-list or decline applicants for any reason.

Washington State Multifamily Housing Unit

Housing Preservation Projects

NOFA [MHU-2026-04]

Appendix B:

By-and-For Definition and Assessment Process

The Washington State Legislature tasked the Department of Commerce with distributing funding in multiple programs that emphasize **Partnerships with** By-and-For organizations. In 2023, Commerce’s Housing Division piloted a new process for identifying organizations that serve and are substantially operated by communities disproportionately impacted by homelessness, housing instability, and lack of affordable housing.

New Housing Division By-and-For Certification Process

For 2026, the Housing Division is employing a modified division-wide process. Organizations interested in applying for affordable housing capital funds under **NOFA #MHU-2026-04** are encouraged to apply for certification as a By-and-For organization as soon as possible. Submitting a By-and-For certification application is **not a requirement** for funding under this NOFA but may affect a project’s success in securing an award.

- [Apply to register as a By-and-For Organization](#)

Please note: If your organization was previously approved as a By-and-For organization by the Housing Division in a previous year, it will still be considered a By-and-For organization under this **NOFA #MHU-2026-04**, and you do NOT need to apply for the new By-and-For certification. If you were previously denied as a By-and-For organization and would like to be re-evaluated, we encourage you to apply for the certification using the link above.

Review Process

The assessment and certification process is conducted separately from MHU application review. An independent Housing Division workgroup reviews all By-and-For certification applications and notifies MHU as to its findings.

For any questions you may have specific to this process, please contact Norma Chavez, Equity and Social Justice Administrator, at norma.chavez@commerce.wa.gov

Tribes, Nations and Tribal Designated Housing Entities (TDHEs):

Tribes, Nations and Tribal Designated Housing Entities (TDHEs) will receive priority consideration during the application review process but are not required to complete a By-and-For assessment. Federally recognized Tribes and Nations are distinct governments and **will not be referred to as By-and-For organizations.** TDHEs act as the Housing Authority for the Tribe or Nation as defined in section 4 of the Native American Housing

Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103). Therefore, awards made to Tribes, Nations and TDHE's are included in Commerce's efforts to meet the goals of investing in organizations that serve and are substantially governed by individuals disproportionately impacted by homelessness.

Other organizations should complete the By-And-For Organization if they:

- Are partnered to conduct mentioned activities supporting tribes and tribal citizens or affiliated with Tribes, Tribal Nations but not part of the Tribal Government; and/or
- Are Urban Native or Urban Indian organizations such as Urban Indian Health Programs*

*Urban Indian Health Programs (UIHPs) are private, non-profit, corporations that provide American Indian and Alaska Native people in their serve areas with a range of health and social services, from outreach and referral to full ambulatory care. (See. Urban Indian Health Institute A Division of the Seattle Indian Health Board.

Washington State Multifamily Housing Unit NOFA [MHU-2026-04] Appendix C: Definitions

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Overview

The definitions in this Appendix are intended to provide additional clarity for the 2026 Housing Preservation Program funding round. A more extensive list of definitions and statutory requirements is included in the HTF Handbook at www.commerce.wa.gov/htf.

In instances where the definition provided below contradicts that provided in the HTF Handbook, the definition below should be interpreted as being in effect for the 2026 Housing Preservation Program funding round *only*.

Affordable Housing

43.185A.010 RCW

(1) "Affordable housing" means residential housing for rental occupancy which, as long as the same is occupied by low-income households, requires payment of monthly housing costs, including utilities other than telephone, of no more than thirty percent of the family's income. The department must adopt policies for residential homeownership housing, occupied by low-income households, which specify the percentage of family income that may be spent on monthly housing costs, including utilities other than telephone, to qualify as affordable housing.

Per [HTF Handbook](#), in the context of homeownership, affordability occurs when a household's monthly housing costs are generally no more than 38% of monthly household income and total debt is no more than 45% of monthly household income. Housing costs include mortgage principal, interest, property taxes, homeowner insurance, homeowner association fees, and land lease fees, as applicable. Total debt includes other debt and utilities.

Behavioral Illness

WAC 182-538D-0200

"Behavioral health" means the prevention, treatment of, and recovery from substance use disorders, mental health disorders or problem and pathological gambling disorders.

By-and-For Organization

Per Department of Commerce Equity and Operations Division

By-and-For Organizations are operated by and for the communities they serve. Their primary mission and history is serving a specific community. They are culturally based, directed, and substantially controlled by individuals from the population they serve. At the core of their programs, these organizations embody the community's central cultural values. In the affordable housing context, these communities must have demonstrated disproportionate representation in homelessness, housing instability, and housing affordability.

- Black, Indigenous, or other People of Color including people identified as socially disadvantaged as defined in 13 CFR Sec. 124.103.
- People with disabilities*
- People who identify as part of the d/Deaf and hard of hearing community
- People with behavioral health conditions, including substance use disorder.
- People who identify as LGBTQIA+**
- Survivors of family violence and/or intimate partner violence.

- Incarcerated and formerly incarcerated individuals.
- Undocumented individuals, immigrants and refugees, and mixed-immigration-status families and communities.

*Disability can be defined as having a physical or mental impairment (including cognitive, intellectual, and neurodevelopmental), or having a history of such impairment, or being perceived as having such impairment that severely limits one or more major life activity. This may include but is not limited to: people with physical disabilities, people with chronic health conditions, and/or people who are neurodivergent.

**LGBTQIA+ is an acronym for lesbian, gay, bisexual, transgender, queer/questioning, intersex, asexual and other identities including but not limited to: two-spirit, non-binary, pansexual, agender, etc.

Note:

Tribes, Nations and Tribal Development Housing Entities (TDHEs) are not required to complete a By-and-For assessment to receive priority consideration and benefit as By-and-For organizations.

Chronic Mental Illness

71.24.025 RCW

(12) "Chronically mentally ill adult" or "adult who is chronically mentally ill" means an adult who has a mental disorder and meets at least one of the following criteria:

- a.) Has undergone two or more episodes of hospital care for a mental disorder within the preceding two years; or
- b.) Has experienced a continuous psychiatric hospitalization or residential treatment exceeding six months' duration within the preceding year; or
- c.) Has been unable to engage in any substantial gainful activity by reason of any mental disorder which has lasted for a continuous period of not less than twelve months. "Substantial gainful activity" shall be defined by the authority by rule consistent with Public Law 92-603, as amended.

Intellectual and/or Developmental Disability

71A.10.020(5) RCW

"Developmental disability" means a disability attributable to intellectual disability, cerebral palsy, epilepsy, autism, or another neurological or other condition of an individual found by the secretary to be closely related to an intellectual disability or to require treatment similar to that required for individuals with intellectual disabilities, which disability originates before the individual attains age eighteen, which has continued or can be expected to continue indefinitely, and which constitutes a substantial limitation to the individual. By June 30, 2025, the administration shall promulgate rules to further define developmental disability without the use of intelligence quotient scores.

Early Learning Facility

43.31.565 RCW

(3) "Early learning facility" means a facility providing regularly scheduled care for a group of children one month of age through twelve years of age for periods of less than twenty-four hours.

Homeless Person

43.185C.010 RCW

(12) "Homeless person" means an individual living outside or in a building not meant for human habitation or which they have no legal right to occupy, in an emergency shelter, or in a temporary housing program which may include a transitional and supportive housing program if habitation time limits exist. This definition includes substance abusers, people with mental illness, and sex offenders who are homeless.

Housing First

Per US Interagency Council on Homelessness:

Housing First is an approach and framework for ending homelessness that is centered on the belief that everyone can achieve stability in permanent housing directly from homelessness and that stable housing is the foundation for pursuing other health and social services goals. Implementing Housing First involves both project-level and community-level dimensions. Implementing Housing First at project level, including in permanent supportive housing models, means having screening practices that promote the acceptance of applicants regardless of their sobriety or use of substances, completion of treatment, and participation in services. At the community-level, Housing First means that the homelessness crisis response system is oriented to help people obtain permanent housing as quickly and with as few intermediate steps as possible.

Multifamily Housing

Multifamily Housing is defined by the Multifamily Housing Unit as a project intended to provide habitable space to more than one household (including single-person households). This can take any of the following forms:

- A single building consisting of two or more distinct units, each of which is inhabited by an unrelated household. This encompasses a continuum from duplexes to high rise apartment buildings.
- A set of at least two structures, initially constructed as housing for unrelated households, which is managed as a single functional unit. This includes single-residency houses that are owned and managed by a single entity.
- A building, or set of buildings, which by initial design or through adaptive renovations, is used to provide sleeping space to more than one single individual, with shared living, food preparation, and sanitary facilities. This includes shelters, dormitory-style housing (e.g. for seasonal farmworkers), and group home facilities.

Permanent Supportive Housing

36.70A.030 RCW

(31) "Permanent supportive housing" is subsidized, leased housing with no limit on length of stay that prioritizes people who need comprehensive support services to retain tenancy and utilizes admissions practices designed to use lower barriers to entry than would be typical for other subsidized or unsubsidized rental housing, especially related to rental history, criminal history, and personal behaviors. Permanent supportive housing is paired with on-site or off-site voluntary services designed to support a person living with a complex

and disabling behavioral health or physical health condition who was experiencing homelessness or was at **imminent risk of homelessness** prior to moving into housing to retain their housing and be a successful tenant in a housing arrangement, improve the resident's health status, and connect the resident of the housing with community-based health care, treatment, or employment services. Permanent supportive housing is subject to all of the rights and responsibilities defined in chapter 59.18 RCW.

Rural

Projects will be deemed “Rural” is defined by the Multifamily Housing Unit as if they are located in:

1. Counties with a population of less than 90,000, except for:
 - a. Cities within these counties with a population of greater than 25,000.
 - b. Cities within these counties which are associated with an urban area in a neighboring county or state.
2. Counties with a population greater than 90,000 but less than 390,000 when more than an aggregated 25% of that county’s population resides in one substantially contiguous metropolitan area. In this case, the county except such metropolitan area would be considered Rural.
3. Counties with a population greater than 390,000, but where the project is located in a sufficiently remote location to be reasonably considered as not associated with an urban center. Projects thought to be in “Rural” areas under this definition should contact MHU staff for an official determination prior to submitting an application.

All population numbers are as of the [OFM population estimates issued April 1](#) (04.01.2025).

Substantial Rehab

[Per Enterprise Green Communities](#)

A Substantial Rehab is defined as a project where the work area exceeds 50% of the aggregate area of the building: an International Code Council level 3 alteration scope of work, according to the most recent version of the International Existing Building Code published at the time of project Prebuild application.

- Aggregate area of the building includes anything within the surrounding exterior walls, including covered exterior spaces, e.g., balconies that have a roof or floor above (does not include roof, outdoor space, etc.)
- Work area is defined as the area on the plans that will be considered reconfigured, addition or removal of a window or door, or reconfiguration or extension of any system, or installation of a new system.

Urban

An urban area or community is generally defined by the Multifamily Housing Unit as any municipality with a population greater than 25,000 and which does not fall into the definitions of rural. Projects located within a municipality with a population less than 25,000, but which is adjacent to a city deemed “Urban” may be deemed functionally related to that city and therefore also deemed Urban. Also review the Rural definition above