



**Seattle**  
Office of Housing

## HOMEBUYER ASSISTANCE PROGRAM

### SPRING 2021 Notice of Funding Availability

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Responses due: May 21, 2021 by 12:00 Noon

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## I. Introduction and Goals

The City of Seattle Office of Housing (OH) announces the availability of Homebuyer Assistance Program (the Program) funds to help create affordable homeownership opportunities for first-time, low-income homebuyers in Seattle.

Program objectives are met through two basic models of assistance: 1) subordinate mortgage loans, also known as down payment assistance; and 2) acquisition or development subsidy, which increases the supply of Resale Restricted Homes affordable to the initial and successive homebuyers.

This Notice of Funding Available (NOFA) is for both these types of funding as well as for bridge loans. Within this document you will find criteria regarding applicant, program and project eligibility, application requirements and funding details. The application itself is a separate document and can be found [here](#).

Funds awarded will be a combination of 2016 Levy and past levy program income.

## II. General Program Funding Policies

The overarching policy document that governs the use of all OH funds in the Homebuyer Assistance Program is the 2019-2020 Housing Funding Policies (also known as the Administrative & Financial Plan, or the A&F Plan) pages 37-46. The additional General Policies that apply to projects funded by OH can be found in chapter 9 of the same document start on page 64. While this NOFA provides some excerpts, the entire document can be found on the City's website at [seattle.gov/housing](http://seattle.gov/housing) and should be reviewed thoroughly and understood by all applicants.

### **Eligible Activities:**

1. Subordinate Mortgage Loans: (See section III below and page 39 of the A&F plan) Also known as down payment assistance (DPA), loans to assist eligible homebuyers by filling all or part of the gap between the cost to purchase an eligible home and an affordable first mortgage amount plus the buyer's down payment.
  - a. Assistance up to \$55,000 per household
2. Development Loans for Resale Restricted Homes: (See section IV below and page 40 of the A&F plan) Loans to assist qualified developers acquire or develop homes to be sold to eligible homebuyers. Such homes are resale-restricted to preserve affordability, and to limit resales to successive low-income first-time homebuyers.
  - a. Assistance up to \$70,000 per household for homes with fewer than 3-bedrooms
  - b. Assistance up to \$100,000 per for homes with 3 or more bedrooms
3. Bridge Loans: (See section V below and page 45 of the A&F plan) Short term loans to purchase land or building(s) to develop homes to be sold to eligible buyers as Resale Restricted Homes. Bridge loans are intended to be repaid with permanent financing.

Please refer to the A&F Plan for the program requirements governing all eligible uses including information regarding homebuyer eligibility, homebuyer contribution, minimum housing payment and property requirements.

The policies below are not included in the A&F plan but do apply to all funds provided through this NOFA.

*Income Limits:* Maximum eligible household income is 80% of area median, adjusted for household size. Income limits are posted on the OH website [here](#). These limits are usually updated annually in the spring. Homebuyers' income eligibility will be determined based on income limits in effective at the time of initial purchase.

#### **Homebuyer Education and Counseling:**

Homebuyer education classes currently approved by OH are: Washington State Housing Finance Commission-Sponsored Homebuyer Education Seminars, classes with which the WSHFC has reciprocity and the "ehomeamerica" on-line course. To receive OH approval to conduct one-on-one counseling, agencies must provide documentation that they have experience providing such counseling, have adopted and adhere to the National Industry Standards for Homeownership Counseling and their counselors are aware of and abide by the National Industry Standards Code of Ethics and Conduct for Homeownership Professionals. These standards can be found [here](#).

#### **Rules Regarding Competitive Bidding:**

- Price must be a factor in the competition. At minimum, the solicitation must ask for proposed contractor fee, overhead and markup, and must address contract type and construction delivery methods (see paragraph below).
- Borrower must be able to provide to OH an explanation of the subcontractor selection process and bid breakouts with labor and materials for each subcontract.
- Borrower must ensure transparency in the selection of contractors. Borrowers may request a waiver from the OH Director to competitively select the general contractor based on specific project or market conditions. Borrowers seeking a waiver must take steps to ensure competitive pricing.

OH reserves the right to review and approve the solicitation process, contract type and construction delivery methods prior to implementation. OH approves of the use of Cost Plus a Fee with a Guaranteed Maximum Price and Stipulated Sum Contracts, and strongly encourages the use of "open book" contracts. Once a general contractor is selected, OH will review the construction contract and any amendments prior to execution. The applicant can request a waiver to competitively select the general contractor under certain conditions. The waiver request should be submitted in writing for OH approval.

### **III. Evaluation Criteria for Subordinate Mortgage Loans – Downpayment Assistance Applications**

1. *Timeliness:* Applications must provide evidence of an existing waiting list or the ability to perform effective outreach to create buyer demand and housing stock supply sufficient to use funds within a 12-month period.
2. *Financial Feasibility:* Applications must provide evidence that other non-city sources of subsidy are available if additional subsidy is needed to assist borrowers at the income level proposed. If applications for other funding are pending, applicant should state, what the amount, timing and likelihood of award is.

3. *Organizational Capacity:* Applications must provide evidence that applicant has the capacity to submit complete homebuyer down payment assistance applications to OH. Applicants should be able to provide evidence of their ability to provide culturally competent assistance to households who are members of groups with low homeownership rates, including people of diverse ethnic and cultural background and people with disabilities and households that have language or other barriers to homeownership. Successful applicants will either be an OH approved Housing Counseling agency or have referral partnerships with OH approved Housing Counseling agencies. Applicants should be able to show a track record of providing post-purchase support to homebuyers who receive down payment assistance.
4. *Additional Factors:* If the applicant is a prior awardee of OH funds, timely use of prior awarded funds will be a factor in considering an award of additional funds. An applicant shall also be in Good Standing as defined in the A&F plan.

## IV. Evaluation Criteria for Applications for Development Loans for Resale Restricted Homes

1. *Project Plan:* Applications must demonstrate that the project fulfills the goals of the Homebuyer Assistance Program and results in high-quality affordable housing. Successful applicants will demonstrate that the project is financially feasible and that the project will be completed in a timely manner.
2. *Organizational Capacity to Develop:* Applications must demonstrate that the applicant has the organizational and financial capacity to complete the proposed project. OH will evaluate organizational capacity to develop in the context of the applicant's current and proposed development pipeline. Capacity includes having sufficient staff with the technical knowledge, experience and time to oversee the project design and construction, the financial capacity to sustain the organization throughout the period of the project and sufficient staff resources to respond to City and community concerns.
3. *Development Experience:* Applications must demonstrate that the applicant has organizational and specific staff experience in the development of affordable ownership housing. Applicants should be able to provide evidence of their ability to provide culturally competent assistance to households who are members of groups with low homeownership rates, including people of diverse ethnic and cultural background and people with disabilities and households that have language or other barriers to homeownership.
4. *Capacity for and Experience with Stewardship:* Applications must demonstrate that the applicant has the organizational capacity for and experience successfully stewarding on-going affordability of homeownership units and supporting homeowner success. This includes having long-term organizational viability and the staff capacity to steward affordability for the required affordability period of 50 years. Additionally, if the proposed project will include a homeowners' association, condominium owners' association or is structured as a limited-equity cooperative OH will evaluate the organizational capacity to support the resident owners in self-governance.
5. *Additional Factors:* If the applicant is a prior awardee of OH funds, timely use of prior awarded funds will be a factor in considering an award of additional funds. An applicant shall also be in Good Standing as defined in the A & F Plan.

## V. Bridge Loans

Bridge loans provide short-term financing for site acquisition of improved or unimproved property to assist in the production or preservation of resale-restricted, ownership housing.

Because OH will likely be a source of at least some of the permanent financing for projects applying for bridge loans, the application format and evaluation criteria will be the same as for applications for development loans for resale-restricted homes. Additionally, projects must demonstrate a high likelihood of securing permanent financing within two years.

Applications will be accepted on a rolling basis. While OH will respond as quickly as possible to project proposals, applicants should allow for a reasonable review time generally not less than two months and proportionate to project complexity.

## VI. Application Information

1. *Application Assistance:* Prospective applicants should review this NOFA, the application forms and the A&F plan thoroughly to understand City funding priorities, program requirements and the application process. OH expects applicants to either have real estate development or homebuyer assistance expertise or to partner with agencies who do. However, OH staff is available to assist applicants understand City programs and policies and to provide feedback and comments on project concepts in the initial stages of pre-development.
2. *Pre-application Meetings:* All applicants are required to attend a pre-application conference with OH staff prior to applying. All pre-application meetings must be held on or before the date stated in the *Application Schedule* section below.
3. *Application Completeness and Assembly:* OH will allow minor deficiencies in funding applications to be corrected and clarifications to be made by applicants during the review process. Otherwise, incomplete applications will not be considered for funding. Please refer to the checklist [here](#) to ensure that the application is complete

All applicants must submit an electronic copy of the full application. Hard copy applications will not be required. Electronic components should be hosted on a shared site such as Sharepoint or Dropbox and the link must be emailed and received by the deadline. Please name each file starting with the number that relates to the checklist item. The name then should be the organization name and then the document name.

**For example:** the excel workbook submitted by ABC Community Development Corporation would be titled “2. ABC Workbook.” The site plan submitted by West Housing would be titled “5a. West Site Plan”.

4. *Application Schedule:*
  - May 6, 2021 Last day to have a pre-application meeting
  - May 21, 2021 Submit applications to OH no later than 12:00 noon
  - July/August 2021 Target date for issue of notice to approved applicants
5. *Where to submit applications:*

Please email link to electronic application materials to:  
[erika.malone@seattle.gov](mailto:erika.malone@seattle.gov)

## VII. Disclaimers and Disclosure

This NOFA is not a commitment or contract of any kind. OH reserves the right to pursue any and/or all ideas generated by this request. Costs for developing submissions are entirely the responsibility of the applicant and shall not be reimbursed. OH reserves the right to alter timelines, amend or retract the NOFA, waive as informality any irregularities in submittals, and/or reject any and all submissions. OH reserves the right to waive any requirements of this RFP when it determines that waiving a requirement is in the best interest of OH.

All proposals and related materials become the property of the City upon delivery to OH. State law, RCW Ch. 42.17, provides that public records are subject to public inspection and copying unless specifically exempted. RCW Ch. 42.17 enumerates limited exemptions a public agency's obligation to disclose public records. If the applicant believes that portions of its proposal are exempt from disclosure to third parties, the applicant must clearly label the specific portions sought to be kept confidential and specify an exemption that the applicant is relying on. However, acceptance of a proposal containing such designations by OH is not an agreement that such material is legally confidential, and OH cannot guarantee that such information will not be disclosed.

The applicant recognizes and agrees that the City will not be responsible or liable in any way for any losses that the respondent may suffer from the disclosure of information or materials to third parties, nor for any use of information or materials by third parties.

RCW 35.81.095 provides in part: "A municipality shall not be required to select or enter into a contract with any proposer or to compensate the proposer for the cost of preparing a proposal or negotiating with the municipality."