



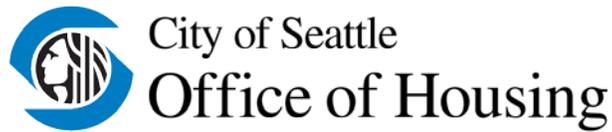
**NOTICE OF FUNDING  
AVAILABILITY  
JULY 13, 2015**

Rental Housing Program

**Application Due Date:** September 16, 2015 at 12:00 noon

City of Seattle  
Edward B. Murray, Mayor

Office of Housing  
Steve Walker, Director



To our applicants:

The Seattle Office of Housing's 2015 Notice of Funding Availability for the production and preservation of affordable rental housing presents a special opportunity.

At \$42 million, it is our largest-ever funding round. In addition to about \$2.5 million in federal funds, two important revenue sources contribute to the total: (i) the Seattle Housing Levy, which accounts for about \$15.9 million of the available funding, and (ii) proceeds from Seattle's incentive zoning programs. The former source is steady from year to year, pending voters' periodic renewal of the Levy; the latter source reflects the peaks and valleys of the development cycle.

The size of this NOFA coupled with the recent completion of the City's Housing Affordability and Livability Advisory (HALA) Committee recommendations and Mayor Murray's Housing Seattle Action Plan also enables us to specifically invite proposals that employ financial and project delivery innovations that offer highly cost-effective solutions as well as proposals that capitalize on new collaborations, including, for example, partnerships between community-based organizations with local expertise and larger companies with development expertise. This NOFA thus embraces the types of projects and financing strategies that have proven successful in the past while simultaneously inviting proposals that demonstrate fresh thinking to create new partnerships, lower project cost, secure new resources, or stretch existing resources further. No matter the model, in all cases developer-driven creativity is encouraged.

Seattle is stronger when people of all incomes can call it home. The homes that you, our partners, will create with awards from this NOFA are essential for maintaining and building that strength. We look forward to your proposals.

Yours very truly,

A handwritten signature in black ink, appearing to read 'S. Walker', written in a cursive style.

Steve Walker  
Director

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- B. Housing Funding Policies – General Policies for Capital Funding
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### ATTACHMENTS

- 1. OH Table of Contents/Checklist
- 2. Combined Funders Application - Narrative Questions and Required Attachments
- 3. Seattle, Office of Housing Addendum
- 4. Combined Funders Budgets and Forms
- 5. Supplemental Information on Community Relations Plan (due 30 days before regular application deadline)

## **I. INTRODUCTION, GOALS, AND FUNDING AVAILABILITY**

The City of Seattle Office of Housing is announcing the availability of approximately \$42 million in capital funds for the Rental Housing Program.<sup>1</sup> This funding is intended to support the production and preservation of rental housing that will provide long-term affordability to Seattle residents. This section provides an overview of the range of goals of the Rental Housing Program and the amounts and types of fund sources available. The goals remain consistent with those established by the City Council-approved Seattle Housing Levy Administrative and Financial Plan, as shown below. This NOFA also incorporates themes from HALA and strategic direction from Mayor Murray's Housing Seattle Action Plan.

As in the past, this NOFA places heavy emphasis on housing for our City's most vulnerable families and individuals, and especially those who are homeless or at risk of becoming homeless. City funding for these projects is typically leveraged with equity from the 9% low-income housing tax credit program as well as funding from other public funders such as King County and the State Housing Trust Fund.

The Office of Housing will also continue to emphasize housing for low income families and individuals, including low-wage workers. These projects typically employ a combination of 4% low-income housing tax credits and tax-exempt debt and serve income levels (typically 50% and 60% of area median income) that can cover debt service. City subsidy for these projects should be as slim as possible, though it is possible that the Office of Housing will elect to structure certain capital awards for projects utilizing 4% tax credit equity and bonds in a manner that enables inclusion of units serving extremely low-income people.

Finally, this NOFA specifically invites proposals that substantially reduce their reliance on City subsidy through innovative financial or project delivery structures. Examples could include:

- Larger projects (120+ units) in which greater scale enhances efficiency of development, financing, and operations
- Projects that utilize untapped leverage or otherwise access new capital through tools such as dedicated preservation funds, partnerships with philanthropy, FHA financing, or HUD mortgage guarantees
- Projects that reflect strategic acquisition and/or rehabilitation of existing operating buildings to prevent displacement of existing low-income residents
- Market-rate projects where a mix of incomes and affordability can be achieved with a small subsidy request from OH
- Projects that capitalize on partnerships between community-based organizations with local expertise and larger companies with development expertise

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<sup>1</sup> For a complete description of the Rental Housing Program, see Appendix A.

- Projects that propose new financing structures, including short-term loans with long-term affordability requirements and subordinate loans with hard or soft payments.

### **Rental Housing Program Goals**

Regardless of the method by which projects are delivered, the goals of the Rental Housing Program remain central to the funding made available through this notice, as follows.

- Provide a mix of affordable rental housing, consistent with affordability requirements for each fund source, promoting housing opportunity and choice throughout the City.
- In collaboration with other funders of affordable rental housing, ensure that the greatest number of quality affordable housing units are preserved or produced each funding round.
- Contribute to countywide efforts to end homelessness by providing housing that serves individuals and families who are homeless or at risk of homelessness, including those with long or repeated periods of homelessness, criminal record, or other significant barriers to housing. (Please see the King County Homeless Housing Funders' [2015 Combined NOFA](#) for additional details regarding the County-wide priorities for capital funding of homeless housing.)
- Advance the development of sustainable, transit-oriented communities that give low-income residents access to transportation, services, and economic opportunity in areas with high capacity transit stations or high frequency transit service. (Please see Appendix G for a map.)
- Promote cost-effective sustainable design, construction, rehabilitation, and operations of affordable housing.
- Promote preservation of affordable housing, and prevent displacement of Low Income residents, through purchase and/or rehabilitation of existing housing.
- Contribute to the revitalization of low-income communities through development and preservation of affordable housing, including mixed-income housing and housing for existing low income residents at risk of being displaced by redevelopment and rising housing costs.
- Contribute to the development of housing that serves seniors and people with disabilities with the appropriate levels of operating and service supports.
- Contribute to the development of housing that serves low-wage working families and individuals, providing a mix of unit sizes to accommodate a range of household sizes, particularly in areas with access to transit.

### **Funding Availability and Restrictions**

Approximately \$42 million in funding is available under this NOFA. The funding available under this NOFA is subject to various affordability restrictions. Applicants are encouraged to be familiar with the specific requirements of all available funds, and to

*assume requirements associated with OH's federal funds will apply.* Applicants do not need to specify which sources they are seeking, as OH will determine appropriate funds based on project-specific and program-wide considerations. See Appendix E or visit the [OH website](#) for the most current income and rent limits.

### **2009 Housing Levy Rental Preservation & Production Program Funds**

Approximately \$15.9 million in funds from the 2009 Housing Levy is available for rental housing development. Total Levy allocations must meet the following affordability restrictions:

- At least 60% of funds shall be used for housing serving households with incomes at or below 30% of median income;
- Up to 10% of funds may be used for housing serving households with incomes from 61% to 80% of median income; and
- The balance of funds shall be used for housing serving households with incomes from 30% to 60% of median income.

### **Affordable Housing Bonus Funds**

Approximately \$23.6 million in funds generated from affordable housing bonus incentive programs is available to support the production of rental housing affordable to low-income households. Bonus funds are eligible to serve all populations up to 80% of median income.

### **Federal HOME and CDBG Funds**

Approximately \$2.5 million in federal funds, including HOME funds and Community Development Block Grant (CDBG) funds, is available for rental housing development. Federal funds are subject to additional requirements and limitations on eligible uses. The following policies are *in addition to* standard federal rules and regulations.

The following affordability guidelines apply to HOME and CDBG funds available for rental housing projects:

- At least 50% of rental program funds shall be used for units with affordable rents for extremely low-income households (incomes up to 30% of area median income);
- Remaining rental program funds may be used for units with affordable rents for very low-income households (incomes up to 50% of area median income).

## II. COMPETITIVE CRITERIA

In addition to advancing the overall goals of the Rental Housing Program, OH will evaluate proposals in the following areas.

- A. Project Plan:** Project descriptions and other supporting sections of the applicant's proposal should explicitly state how the project's features (e.g., location, design, on-site and off-site amenities) support specific goals of the Rental Housing Program and/or the work of HALA. All proposed projects should offer residents easy access to services and job centers; a map displaying designated high capacity transit stations and high frequency transit service appears as Appendix G. If an applicant is proposing innovative financial or project delivery strategies, those strategies and their impact on the project's impact and cost-effectiveness should be delineated in the application.
- B. Organizational Capacity:** OH seeks to invest in organizations that represent a sound long-term investment of scarce housing resources. OH will evaluate applicants' demonstrated capacity to develop and deliver their proposed projects on time and within budget. Applicants must also demonstrate the capacity to successfully and sustainably operate affordable housing operations over the long term. Specific considerations will include the following.
- OH will evaluate applicants' development pipeline relative to the applicant's organizational capacity and proposed staffing plan for the proposed project. Proposals from applicants that have a prior project funded by OH that has not closed and begun construction are discouraged. This criterion applies to applicants with bridge loans or permanent loan commitments.
  - OH will evaluate applicants' recent development track record, including whether projects were completed within the planned timeframe and budget. OH will also review the performance of the applicant's current OH portfolio, if any, including the presence of a portfolio preservation plan. (See below for more information on the performance measures for existing properties.)
  - OH will look for applicants to affirm an affordable housing mission in their applications, through a track record of experience developing income- and rent-restricted housing, and in their organizational documents as appropriate.
  - Applicants must demonstrate an effective model for decision-making and oversight. For example, organizations governed by a board of directors may be assessed on the basis of the diversity of skills held by the directors and the content of organizational bylaws and meeting minutes. Applicants that do not operate under a board structure should provide articles of incorporation, partnership agreements, or other documentation to sufficiently evidence the

nature and structure of the entity and identify the roles and responsibilities of all officers, directors, or other partners.

- Applicants must submit a full suite of third-party audited financial statements (balance sheet, income statement, cash flow statement, and ratios). Applicants that do not have third-party audited financial statements will be required to provide alternate documentation to demonstrate the financial soundness, with the parent organization and any subsidiaries broken out, in addition to consolidated totals. Audits must comply with consolidation rules under US GAAP. Audits must include any management letters from the auditor, and must reflect an unqualified opinion with no findings or material weaknesses that would be cause for concern about the financial operations of the applicant. In general, OH's review shall apply the following thresholds:
  - i. Current assets should exceed current liabilities by a margin of 1.2:1.
  - ii. Cash ratio: cash + cash equivalents should equal .5 to .75 of current liabilities.
  - iii. Days cash: organization should have 90 days cash at its disposal.
  - iv. Working capital: current assets minus current liabilities should be positive.
  - v. Statements should show a positive trend in net assets.
  - vi. Twelve-month cash flow statements may be requested.
  - vii. YTD Financial Statements may be requested.

*Note: Applicants that do not have direct experience in developing, owning and managing affordable housing may demonstrate capacity by partnering with more experienced organizations. OH will evaluate any proposed partnerships to ensure they meet the needs of the proposed project and are sustainable for an appropriate length of time; if necessary, OH reserves the right to request additional materials demonstrating the capacity of partner agencies. If applicants seek to develop and operate housing through partnerships, the above criteria shall apply to the partner assuming primary ownership responsibility and financial risk for the project.*

- C. Performance of Existing Properties:** OH also seeks to invest in organizations that successfully operate existing properties. If an applicant has projects in the OH portfolio, OH will ensure that the organization is in good standing as defined in the [2014-16 Housing Levy Administrative & Financial Plan](#). Other applicants should submit alternate evidence of successful operations and compliance with regulatory requirements; projects employing low-income tax credits, for example, should demonstrate compliance with the requirements of the relevant housing finance agency.
- D. Cost-Effectiveness:** In order to help ensure OH's proper stewardship of scarce resources, all proposals must demonstrate a cost-effective investment of public

funding. For projects that propose new financing or project delivery mechanisms to achieve extraordinary cost-effectiveness, applicants must demonstrate how these outcomes are achieved. All projects should meet the standards described below, and all proposals, including those employing traditional financing tools, should describe how cost-saving measures are integrated into project design and development.

- Development costs should not exceed the total development cost per-unit limits established by Washington State Housing Finance Commission for the prior year. Projects that exceed such limits will be less competitive for funding. Projects that are 5% or 10% or below the cost limits will be eligible for an additional cash incentive in their Developer Fee (see Appendix F).
- Per-square foot and per-unit construction costs should reflect current market trends. Projects will be compared to average hard costs, and to other projects proposed in a given funding round.
- Applicants should demonstrate negotiation of property acquisition that ensures a competitive purchase price and reflects factors such as site work challenges and zoning limitations (see minimum requirements for purchase agreements below).
- Design should promote efficient use of space, and build upon previous design work when possible. Projects that do not maximize the development capacity of the site should explain why this is necessary or advantageous.
- Design should also demonstrate use of sustainable materials and systems that create long-term operational efficiencies.
- Proposed parking should not exceed the minimum requirements under the applicable zoning code. Proposals should minimize the cost impact of any parking included in the design.
- Applicants should demonstrate that they have secured competitive fees for contractors and professional services.
- Applicants should explain the inclusion of any project costs that are not included among standard eligible costs for OH projects.
- Proposals should describe a thoughtful plan to competitively select contractors and minimize change orders.
- Proposals should show a clear delineation of project team functions that avoids redundant design and project management fees.

- Applicants must negotiate purchase agreements with reasonable terms:
  - i. Agreements must require the purchase price to be supported by current appraised value.
  - ii. Agreements may not include automatic cost escalators that would cause the purchase price to exceed the current appraised value.
  - iii. Agreements must comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) – see Policies and Procedures.
  - iv. Extension fees and earnest money deposits should be applicable toward the purchase price (and must be if the purchase price is equal to the appraised value). Applicants are strongly encouraged to consult with OH prior to payment of nonrefundable extension fees.

**E. Capital Leverage:** Consistent with OH policies and to achieve OH production goals, it is necessary that every City dollar be leveraged to the maximum extent with other resources. Specific evaluation criteria therefore including the following.

- City funding as a percentage of total development costs.
- The impact of combined public funding requests to the City, King County and the State of Washington.
- The applicant’s capacity to secure other funding sources. In the case of projects proposing to employ an allocation of low income housing tax credits, OH seeks to invest in applicants with a high likelihood of securing a tax credit investor and negotiating favorable investment terms.
- Projects proposing the use of 9% credits, absent a waiver from the OH Director prior to application, must include at least two special needs set-asides as outlined in the WSHFC policies. OH requires that for one of the two set-asides, at least 20% of the project’s low-income units be set-aside for homeless individuals or families.

**F. Operating and Service Leverage:** For projects serving extremely low-income and special needs households that depend on ongoing operating and/or service support, applications must demonstrate a high likelihood of securing needed levels of subsidy. OH’s underwriting of such projects will include a review of the applicant’s track record for securing mainstream resources and the project’s competitiveness for limited service and operating dollars.

### **III. BASIC LOAN TERMS AND CONDITIONS**

The following section describes basic loan terms and conditions for the Rental Housing Program. The City of Seattle Housing Funding Policies includes more extensive information on loan conditions (see Appendix A, pages 14-18). A full set of conditions will be included in OH loan documents.

#### **Loan Term**

All loans will be for a minimum term of 50 years. Any unpaid principal balance and accrued, but unpaid interest on OH loans will be due and payable at the end of the 50-year loan term. Loan documents may provide borrowers with an option of extension, or, in certain circumstances, satisfaction of some or all of the amounts owing through extended provision of affordable housing.

#### **Interest Rate**

The interest rate for projects not using low-income housing tax credits will generally be 1%. The interest rate for projects using low-income housing tax credits will be a minimum of 1% simple interest and a maximum of the Applicable Federal Rate for the purposes of Section 42 of the Internal Revenue Code, depending on the project's projected capacity for repayment. The actual interest rate for projects using low-income housing tax credits will generally range from 1-3% and will be set on a case-by-case basis. The interest rate will exceed 1% where there is a net financial benefit to the project. Interest on program loans will accrue annually as simple interest.

#### **Repayment**

OH will generally make deferred payment loans that are payable in full on sale, on change of use, or at the end of the loan term. Terms generally will permit borrowers to further defer payment of principal, deferred interest, and contingent interest by extending the loan term. Amortizing loans will be required if project budgets can afford repayment and meet required rent levels. Terms of repayment required will be established as each project is reviewed.

#### **Contingent Interest**

Contingent interest shall be required for all projects in the event of a change of use or sale of property before the loan maturity date. Contingent interest shall be calculated according to a formula established by OH, and will generally be based on the proportion of City loan amount relative to total project cost.

#### **Covenant**

A covenant will be recorded against the property that requires continued use of the property for low-income housing for the 50-year term of the loan, and for any period for which the loan is extended. Unless otherwise agreed by the Director, the covenant shall continue in effect if the loan is repaid or discharged before the maturity date.

#### **IV. OH POLICIES AND PROCEDURES**

The large majority of policies that govern the use of OH funds for rental housing development can be found in OH's Housing Funding Policies, the relevant sections of which may be found in Appendices A through C. The following is a select overview of those policies, as well as additional policy direction that applies to projects that apply through this funding round. Borrowers should be prepared to comply with any policy applicable to federally funded projects.

##### **Developer Fee Schedule - *New schedule for 2015***

Developer fees are an eligible development budget expense and must relate to actual work needed to develop the proposed project. The proposed fees must be consistent with the OH Developer Fee Schedule included in Appendix F.

##### **Good Standing on Existing Loans and Subsidy Contracts**

The applicant, proposed borrower and all of their affiliated entities (whether or not involved in the proposed project) must be in Good Standing on all existing loans and subsidy contracts administered by OH. Borrowers are notified annually if they are not in Good Standing. See the Housing Funding Policies (Appendix A, page 27) for the complete Good Standing policy.

##### **Environmental Review and Choice Limiting Actions**

Applicants that receive federal funds will have to submit their project for an additional environmental review under the National Environmental Policy Act (NEPA). For most projects, this will entail submission of additional materials such as a noise study, and complete mitigation plans for any environmental concerns discovered. Applicants must also avoid taking any choice limiting actions such as demolition or signing of contracts (other than purchase options or conditional contracts).

##### **Consistency Certifications (Siting Policy, Neighborhood Notification)**

All projects must obtain certifications of consistency with the City of Seattle Consolidated Plan, Housing Funding Policies, and, if applicable, the CEH Strategic Plan. Applicants should allow for 30 days processing time, and should note two important policies that must be followed to receive a Consistency Letter:

- *Siting Policy:* Projects must not add extremely low-income housing units in excess of the capacity for such housing in the project's Census block group. See Appendix B, Housing Funding Policies, page 40 for the complete policy.

***Neighborhood Notification and Community Relations Policy:* Applicants must prepare and begin implementing a community relations plan, including neighborhood notification activities, prior to applying for OH funds. See Appendix C, Housing Funding Policies, page 41 or visit the [OH website](#) for the complete set of guidelines and instructions.**

### **Bidding and Contracting**

In accordance with Washington State RCW 35.21.685, borrowers shall make every reasonable and practicable effort to utilize a competitive public bidding process. OH strongly encourages rigorous competitive selection to capture competitive pricing available in today's construction market. Applicants must propose a competitive process for contractor selection in their application (see Attachment 3 - OH Addendum). The following rules apply:

- Borrowers must solicit a minimum of 3 general contractors, preferably utilizing a public solicitation process (e.g., advertisement in the Daily Journal of Commerce).
- 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.

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. Applicants seeking to use alternate types of contracts may propose to do so in their NOFA application. Once a general contractor is selected, OH will review the construction contract and any amendments prior to execution.

### **Fair Contracting, WMBE Utilization, and Section 3**

Borrowers must comply with the City's Fair Contracting Practices Ordinance. Borrowers and their general contractors shall be encouraged to take actions, consistent with that ordinance, which would increase opportunities for women and minority business enterprises (WMBEs). A combined WMBE aspirational goal of 14% of the total construction and other contracted services contracts shall apply for all affordable rental housing capital projects funded by OH. OH shall encourage additional efforts to increase WMBE participation, including mentoring programs and participation in apprenticeship and other training opportunities.

In addition, projects that are awarded federal funds must comply with Section 3 of the Housing and Urban Development Act of 1968, which requires that all economic opportunities generated by HUD funding be directed, to the greatest extent feasible, to low-income persons residing in the community where the project is located. Borrowers and their contractors must complete a Section 3 plan stating numerical goals for contracting and hiring that meet federal targets as well as a description of the efforts they will make to achieve these goals. OH will provide connections to agencies serving Section 3 businesses and workers to assist in these efforts.

Both WMBE and Section 3 should be addressed in the section of the application where a bidding/contracting process is proposed. Once construction begins, Borrowers will be required to report regularly on progress toward meeting WMBE and Section 3 goals, if applicable. OH will provide further instruction upon fund reservation.

### **Evergreen Sustainable Development Standard (ESDS)**

Since 2003, OH has required sustainable building plans as a part of its policy to promote energy conservation, sustainable building practices and operational savings in affordable multifamily housing projects. Upon adoption of a state-wide *Evergreen Sustainable Development Standard* in response to RCW 39.35D.080, OH joined the State in requiring a uniform minimum level of sustainability in projects funded by OH and the State Housing Trust Fund (HTF). Funding applications to OH and the HTF require applicants to use the *Evergreen Checklist* to demonstrate how a proposed project will meet the *Evergreen Standard*. OH has published [procedures](#) for projects where the State does not monitor for compliance with the *Evergreen Standard*.

*Note: The State Department of Commerce has updated ESDS to address changes in the State's Energy Code and fix inconsistencies in the current standard. Applicants will be required to follow the new ESDS and submit the updated Evergreen Checklist with their application for City funds. More information can be found at <http://www.commerce.wa.gov/Programs/housing/TrustFund/Pages/EvergreenSustainableDevelopment.aspx>*

Please contact Joanne Quinn, Sustainability Specialist at OH, at (206) 684-0304 with any questions on implementation of the current Evergreen Standard.

### **State Residential Prevailing and Davis Bacon Wage Rates**

State Residential Prevailing Wage Rates shall be the minimum rates applicable to all projects funded by the Rental Housing Program, unless a higher minimum rate applies or an exception is made as allowed in this paragraph. When federal funds trigger prevailing wages determined under the Davis Bacon Act in a project, the higher of either the State Residential Prevailing Wage Rates (unless modified as stated below) or Davis-Bacon wage rates will apply to each job classification, unless applicable law requires otherwise. The OH Director may approve a change in these requirements if necessary to achieve compatibility with a state or federal funding source or to promote inclusion of Levy-funded units in mixed income and/or mixed-use buildings.

Visit the [OH website](#) for the complete OH Wage Rate policy, accompanying procedures, contractor and subcontractor forms, and instructions for looking up wage rates. Borrowers should check published wage rates regularly as they are updated frequently.

### **Relocation, Displacement and Real Property Acquisition**

Development of affordable rental housing should be designed to minimize displacement of households. Any temporary relocation or permanent displacement of households must comply with all applicable provisions of (a) Seattle Municipal Code 20.84– Relocation Assistance; (b) the City’s Just Cause Eviction Ordinance; and (c) for projects using federal funds, the federal Uniform Relocation Act (URA), section 104(d) of the Housing and Community Development Act of 1974, the City’s [Residential Antidisplacement and Relocation Assistance Plan](#) (RARAP), and any other relocation regulations and handbooks applicable to the particular funding program. Federally funded projects involving any acquisition, rehabilitation or demolition must also comply with all applicable URA provisions.

These policies, laws and regulations contain, among other requirements, different timelines under which households must be given various notices and provided financial assistance under certain circumstances. Consultation with OH staff prior to submission of applications for funding is required for any applicant whose project will involve acquisition, demolition, rehabilitation, or temporary or permanent relocation activities. In order to reduce the risk of impairing eligibility for funding, applicants should not take any action regarding these activities prior to consultation with OH staff. Applicants are responsible for assuring and documenting compliance.

*Note: Because this NOFA includes federal funds, applicants must assume that federal requirements will apply unless advised otherwise by OH. In order to comply with relocation requirements, any purchase and sale agreement or option agreement should contain provisions that enable the applicant to obtain tenant income and rent information and give notices to both existing and incoming tenants from the time of application through acquisition closing. Whether or not relocation is contemplated, the applicant must ensure that its acquisition will be a “voluntary transaction”. This means that applicants must, prior to making an offer for the property, clearly advise the owner in writing that the transaction is not an eminent domain transaction, and inform the owner of what the applicant believes to be the fair market value of the property. In addition, applicants must not pursue any choice-limiting actions prior to the completion of environmental review under the National Environmental Policy Act (NEPA).*

## **V. IMPACT CAPITAL PRE-DEVELOPMENT AND OTHER LOAN FUNDS**

Impact Capital is a Community Development Financial Institution that provides a variety of short-term bridge loan products to nonprofit community-based development organizations throughout the Pacific Northwest. Impact has two loan funds. One, the Community Development Loan Fund (CDLF), finances preliminary site investigation costs associated with the preparation of initial applications for grants and project financing, such as appraisals, surveys, environmental assessments, and preliminary design and legal fees. Impact's other loan pool, the Community Investment Fund (CIF), finances project costs during the next stages of development, including acquisition of land and buildings, continued predevelopment expenses, bridging of capital campaigns, payment of construction costs and bridging of tax credit equity payments. For more information about Impact Capital's loan products, visit [www.impactcapital.org](http://www.impactcapital.org).

## **VI. APPLICATION INFORMATION**

### **Application Assistance**

Prospective applicants should review this document thoroughly to understand City funding priorities, program requirements, and the City's application process. OH expects applicants to either have real estate, development, and management experience 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 early stages of pre-development. For information on housing development organizations, call the Seattle King County Housing Development Consortium (HDC) at (206) 682-9541.

### **Race and Social Justice Initiative**

The Race and Social Justice Initiative (RSJI) is the City of Seattle's commitment to realize the vision of racial equity. RSJI is a citywide effort to end institutional racism in City government and to achieve racial equity across our community. The initiative is especially focused on systemic change to eliminate race-based disparities in our community. The Office of Housing is encouraging applicants to apply a racial equity lens to their own operations and recommends use of a racial equity toolkit such as the one developed by the Housing Development Consortium found here:

<http://www.housingconsortium.org/member-programs/racial-equity-project/>.

### **Pre-Application Meetings**

Applicants must schedule a meeting with OH prior to submitting an application for funding. In the meeting, applicants should demonstrate how the proposed project meets the City's goals and priorities. OH will provide feedback as to how the project aligns with available funding and program policies. As an expansion to past practice, pre-application meetings between project sponsors and OH staff will include a broader range of city departments. The purpose of this expansion is to ensure that applicants can explain their project plans to staff who permit or otherwise advise on development

practices within City limits. OH has set aside the following dates and times and will invite the following departments to participate in the 90 minute session. Applicants are encouraged to bring their architects to this meeting.

Attendees may include representatives from: Department of Planning and Development; Seattle Department of Transportation, Seattle City Light, Department of Neighborhoods, King County, and the Washington State Housing Finance Commission. Staff of the Office of Housing’s multifamily lending team, asset management team, and race and social justice change team may be in attendance as well. To arrange a pre-application meeting, please call Laurie Olson at (206) 615-0995 or email [laurie.olson@seattle.gov](mailto:laurie.olson@seattle.gov).

The following dates and times are available for pre-application meetings:

Tuesday, July 21st 1pm  
Thursday, July 23rd 10am; 1pm  
Tuesday, July 28th 10am; 1pm  
Thursday, July 30th 10am; 1pm  
Tuesday, August 4th 10 am; 1pm  
Tuesday, August 11th 10am; 1pm  
Tuesday, August 18<sup>th</sup> 1pm

### **Application Schedule**

The following are important dates to remember:

August 18th	Last date to have a pre-application meeting
September 16	<b>Applications due to OH no later than 12:00 <u>noon</u></b>
December 3	Award Announcements

### **Application Components**

The City application is composed of the following parts:

1. **OH Table of Contents/Checklist** is a MS Word document containing a comprehensive list of all the narrative sections, Excel forms and attachments required for the OH application.
2. **Combined Funders Application (CFA) – Narrative Questions** is a MS Word document that contains the narrative questions that the State of Washington, the Washington State Housing Finance Commission, King County and the City of Seattle have agreed to use for the convenience of applicants. The narrative questions are divided into “Sections.” For example, Section 1 is “Project Summary.”

3. The **City of Seattle Office of Housing Addendum** requests additional information unique to the City of Seattle funding requirements. The addendum will indicate the associated number tab for each question.
4. **Combined Funders Application (CFA) – Project Workbook** is a MS Excel document that is divided into “Forms.” For example, Form 1A is “Project Summary” and Form 1B is “Site Information.” Forms 1A and 1B should be filed behind Tab 1 after the narrative questions of Section s.

### **Completeness and Assembly**

Applications must contain all above required components to be considered for funding. Incomplete applications may be returned to applicants without further review. Applications must be assembled in a 3-ring binder and tabbed according to instructions below. OH has recycled 3-ring binders and tabs available upon request.

### **Application Assembly:**

All applicants must submit one original hard copy and one electronic copy on CD or flash drive to OH by the application deadline.

### **Application Binder**

One original hard copy of the entire application, tabbed, with all required attachments, must be submitted in a 3-ring binder. The Application requires 11 tabbed sections.

- **Inside Front Cover of 3-ring Binder:** Affix the CD or flash drive to the inside front cover of the application binder. See below for instructions on the electronic copy.
- **First Pages of Binder:** The OH Table of Contents/Checklist should be placed as the first pages in the application binder, in front of the tabbed sections.
- **11 Tabbed Sections:** For each tab,
  1. Insert the responses to the narrative questions of that **CFA Section**.
  2. Insert that tab’s relevant **OH Supplemental Questions**.
  3. Insert that tab’s relevant **CFA Forms**. There is no need to add separator sheets between the various forms within a tab.
  4. Insert that tab’s **CFA and Addendum attachments** from the OH Table of Contents/Checklist, separated by a colored separator sheet labeled with the name of the Attachment in front of each attachment. Do not add colored sheets for items that are not applicable to your application.

### **Electronic Copy**

Applicants must submit all of the application materials electronically on a USB flash drive or CD. Application documents submitted via email or over the internet will not be accepted. The CD or flash drive must be clearly labeled with the applicant and project name

When compiling the CD or flash drive, please order folders according to the Application Checklist. Please refer to the following visual as a guide:

Name	Type
 Project Name - CFA Forms.xlsx	Microsoft Excel Worksheet
 Project Name - CFA Sections.docx	Microsoft Word Document
 Project Name - Public Funder Addendum.docx	Microsoft Word Document
 Tab 2 - Project Description	File folder
 Tab 3 - Need & Populations Served	File folder
 Tab 4 - Relocation	File folder
 Tab 6 - Development Budgets	File folder
 Tab 7 - Project Financing	File folder
 Tab 8 - Project Operations	File folder
 Tab 9 - Development Team	File folder
 Tab 10 - Services	File folder

### Naming and file conventions

- Within each folder, name each attachment file with the project name and the name of the document as described on the Application Checklist.
- The Project Workbook must be in Excel format. Narrative responses must be in Word format. Attachments must be in PDF format.
- Scanned copies of paper documents must be legible with reasonably-sized font and, when applicable, clear signatures and dates.
- PDF's should be searchable whenever possible, and should not be submitted "locked."
- Please create a folder if there are multiple files addressing a single checklist item.
- If an item is not applicable to your project, simply do not include it; do not create placeholder files for "n/a" items.

Please refer to the following visual as a guide:

Name	Type
 Project Name - 10 Year Plan Letter.pdf	Adobe Acrobat Document
 Project Name - Con Plan Letter.pdf	Adobe Acrobat Document
 Project Name - Market Study.pdf	Adobe Acrobat Document

### **Where to Submit Applications**

Please mail applications to:

Laurie Olson, Lending Manager  
Office of Housing  
City of Seattle, Seattle Municipal Tower  
PO Box 94725  
Seattle, Washington 98124-4725

Our street address is:

City of Seattle, Seattle Municipal Tower  
700 Fifth Avenue, Suite 5700  
Seattle, Washington 98104

### **Disclosure of Documents**

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 an application 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. Marking all or substantially all of an application as confidential may result in the application being rejected.

The applicant recognizes and agrees that the City will not be responsible or liable in any way for any losses that the applicant may suffer from the disclosure of information or materials to third parties, nor for any use of information or materials by third parties. Materials submitted by unsuccessful applicants are subject to disposal unless picked up promptly by the applicant, except that OH will maintain one copy in compliance with public record laws.

### **Interpreter Services**

Interpreter services for the deaf and materials in alternative formats are available upon advance request. TTY users please call Washington State Relay Service at 1-800-833-6388 and ask to be connected with the Office of Housing at 684-0721.

### **Questions**

Please contact Laurie Olson at (206) 615-0995 or email [laurie.olson@seattle.gov](mailto:laurie.olson@seattle.gov) with any questions about the application process.