



Seattle
Office of Housing

2025 Notice of Funding Available

Development Loans for Resale Restricted Homes & Short-Term Loans for Site Acquisition

Published: April 4, 2025

Responses due for Development Loans for Resale Restricted Homes:
May 30, 2025, by 12:00 Noon

**Last day to schedule mandatory pre-application meetings for
Development Loans for Resale Restricted Homes:** May 9, 2025

Responses due for Short-Term Loans for Site Acquisition: Rolling
Last day to schedule mandatory pre-application meetings for Short-Term Loans for Site Acquisition: 15 business days before submittal

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I. Introduction and Goals

The City of Seattle Office of Housing (OH) announces this Notice of Funding Available (NOFA) for development subsidies for the acquisition and/or development of resale restricted homes to create affordable homeownership opportunities with lasting affordability for first-time, low-income homebuyers in Seattle. Program objectives for this NOFA will be met through the investment of development subsidies that increase the supply of resale restricted homes affordable to the initial and all successive homebuyers for at least 50 years.

Resale restricted homes are governed by a legal mechanism and stewarded by a non-profit organization to balance ongoing affordability with wealth creation for initial and all successive homeowners. Such homes preserve affordability and limit resales while allowing wealth generation. They must be sold to eligible homebuyers and remain permanently affordable per all terms and conditions below.

Under the NOFA applicants may apply for either (a) Development Loans for Resale Restricted Homes or (b) Short-Term Loans for Site Acquisition, which may be converted to Development Loans for Resale Restricted Homes. Within this document you will find criteria regarding applicant and project eligibility, application requirements, and funding details for both loan types. The various [application documents can be found here](#). Section 6 of the application includes a checklist, which must be followed to ensure the submission of a complete application.

Funds awarded may be a combination of locally generated fund sources. This NOFA does not include any federal funds.

II. General Program Funding Policies

The overarching policy document that outlines terms and conditions for these funds is the [2024-2026 Housing Funding Policies](#) (see pages 47-61 for homeownership specific policies). Additional policies that apply to homeownership projects funded by OH can be found in Chapter 10 of the same document starting on page 78. While this NOFA provides some excerpts, the entire document should be reviewed thoroughly and understood by all applicants.

Eligible Activities Under This NOFA:

This NOFA will award **Development Loans for Resale Restricted Homes** (referred to hereafter as “development loans”). Development loans are loans to assist qualified developers to develop or acquire homes to be sold to eligible homebuyers (see section III below, in addition to the [2024-2026 Housing Funding Policies](#)).

The City may award development loans up to:

- \$100,000 per unit for studio homes,
- \$120,000 per unit for one-bedroom homes,
- \$140,000 per unit for two-bedroom homes,
- \$170,000 for three-bedroom homes, and
- \$180,000 for homes with four bedrooms or more.

This NOFA will also award **Short-Term Loans for Site Acquisition** (referred to hereafter as short-term loans) to assist developers pursuing opportunities that require an early investment of capital. Short-term loans will not exceed 95% of appraised value of the property, per an OH-commissioned appraisal. The interest rate for short-term loans will be 2% simple interest and the loan term shall be up to five years. Short-term loans will only be issued for sites in which all residential units will be affordable.

Short-term loans may be paid off with development loans once a building permit is secured and all other closing conditions are satisfied. If the short-term loan amount is greater than the development loan amount, the difference must be repaid. Additional information on loan rate and terms is on page 58 of the [2024-2026 Housing Funding Policies](#).

Eligible Applicants:

Eligible organizations must be able to meet the requirements in the evaluation section below including Development Experience and Capacity, Stewardship Experience and Capacity, and Organizational Financial Capacity. Eligible applicants must also be able to supply all required supplemental documentation listed in the application checklist including, but not limited to, budget materials that show sources covering uses and affordable sales prices, architectural drawings, model legal mechanisms to ensure ongoing affordability for at least 50 years, and at least three years of audited financial statements. Proposals may be denied if applications are deemed to be substantially incomplete due to either incomplete question responses or missing supplemental materials, or the organization or the project fails to meet any of the Threshold Criteria below.

Proposals can be submitted by single organizations or by a partnership between organizations. Any proposed project must comply with all local, state, and federal rules and statutes necessary to obtain development permits and approvals. Any selected developer will be bound by laws and ordinances regarding equal employment opportunity. Applicants are encouraged to submit creative proposals that respond to the objectives and evaluation criteria set forth in the next section.

Homebuyer Eligibility:

Successful applicants will be required to comply with all program requirements including conducting affirmative outreach to potential homebuying households and determining that all homebuying households are eligible. This includes but is not limited to having a household income no greater than 80% of area median, adjusted for household size. Homeownership income limits can be found on the [OH website](#). These limits are updated annually, usually in the spring.

Homebuyer income eligibility will be determined based on income limits in effect at the time of initial purchase. Home sale prices must be affordable to income-eligible buyers throughout the required affordability period of 50 years. Applicants funded through this NOFA will be responsible for selecting buyers that meet all eligibility requirements and ensuring homes are sold at affordable prices throughout the 50-year affordability period. Refer to the [2024-2026 Housing Funding Policies](#) for complete program requirements including information regarding homebuyer eligibility, homebuyer contribution, minimum housing payment and property requirements.

Homebuyer households must successfully complete a pre-purchase homebuyer education program and one-on-one homebuyer counseling conducted by an OH-approved agency. Homebuyer education classes currently approved by OH are Washington State Housing Finance Commission-sponsored Homebuyer Education Seminars, classes with which the Washington State Housing Finance Commission 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](#).

Applicants should be able to provide evidence of their ability to successfully reach and provide culturally competent assistance to households who are members of groups with low homeownership rates, including people of diverse ethnic and cultural background, people with disabilities, and households that have language or other barriers to homeownership.

III. Application Criteria

A: Threshold Criteria. Applicants/projects must meet all of these criteria to be eligible for funding.

1. **Affordability Level:** The proposed sales prices must be affordable to households with incomes at or below 80% of Area Median Income (AMI) for the Seattle area as published [on OH's website](#). For the purposes of this NOFA, affordable is defined as a 5% downpayment, a monthly payment for housing costs (mortgage principal, interest, taxes, insurance, and other dues) of not more than 35% of income, a household size of one more person than number of bedrooms and a realistic mortgage interest rate.
2. **Affordability Duration:** The proposal must be for the development of ownership housing with agreements that maintain affordability for a minimum of 50 years.
3. **Development Experience and Capacity:** The proposal must be submitted by an organization or partnership between organizations that has experience with developing affordable homeownership in the Seattle area as evidenced by the successful completion of at least one multi-unit ownership project. Threshold capacity is determined by having at least one full time staff equivalent whose role is dedicated to the development of affordable housing. This must be an experienced real estate developer with the technical capacity to oversee design and construction and respond to City and community concerns.
4. **Stewardship Experience and Capacity:** The proposal must be submitted by an organization or partnership between organizations that has experience stewarding permanently affordable, resale-restricted ownership housing in the Seattle area as evidenced by currently successfully stewarding a homeownership portfolio. At least one full-time staff equivalent whose role is dedicated to the stewardship of resale-restricted ownership housing determines threshold capacity.
5. **Organizational Financial Capacity:** The proposal must be submitted by an organization or partnership between organizations that has auditable accounting systems and standard fiscal controls in place needed to administer public resources. Proposers must also have the financial capacity to garner necessary funding and/or financing to sustain the organization through and beyond construction completion and sales.
6. **Financial Feasibility and Efficiency:** Proposals must include a thorough, balanced, and reasonable development budget that identifies all sources and uses for both construction and

permanent financing. They must also propose a realistic plan to finance and complete the project in a timely manner.

7. **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 [2024-2026 Housing Funding Policies](#).

B: Evaluation Criteria. Proposals will be further evaluated based on the extent to which they meet these criteria.

1. **Affordability Level:** While homes must be sold to households with incomes at or below 80% AMI, additional consideration will be given to proposals that budget for sales prices that are affordable for households at lower income levels.
2. **Affordability Duration:** There will be a preference for projects that use legal restrictions ensuring affordability for longer than the required 50 years. The most competitive projects will use a renewable and inheritable long-term restriction.
3. **Product Quality and Design:** The successful proposal will propose homes that are high-quality, thoughtfully designed, livable and durable. Any proposed environmental building certifications will be considered when evaluating.
4. **Culturally Competent Stewardship:** Proposals should include evidence of organizational experience with and capacity to sustain stewardship. Competitive proposals will include the description of a culturally competent stewardship plan and/or program to support homeowner success and ensure ongoing affordability of homes for at least 50 years.
5. **Anti-displacement:** Competitive proposals will have a strong affirmative marketing component and will consider whether to utilize [community preference](#) to conduct outreach to income-eligible community members who have been displaced or are at risk of displacement. Consideration will be given to proposers that demonstrate success in reaching traditionally underserved populations, including people of diverse ethnic and cultural backgrounds and people with disabilities.
6. **Partnerships with WMBE Contractors:** Competitive proposals will include a specific plan to meet or exceed the existing OH goal of 14% of total construction and other contracted services contracts be with women and minority business enterprises (WMBE).

IV. Application Information

1. **Application Assistance:** Prospective applicants should review this NOFA, the application forms, and the [2024-2026 Housing Funding Policies](#) 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 are available to assist applicants in understanding City programs and policies and to provide feedback and comments in various stages of pre-development.

- **An optional, virtual information session will also be held on Friday, April 18, from 9:30-10:30 am. Email Joy Hunt at joy.hunt2@seattle.gov to register.**

2. **Mandatory Pre-Application Meetings:** All applicants are required to schedule and attend a pre-application conference with OH staff prior to applying in accordance with the dates and timing requirements stipulated below. Email joy.hunt2@seattle.gov for scheduling.

During the pre-application meeting, it is recommended that applicants present a preliminary site plan prepared by an architect, be prepared to field questions about the site plan, present a rough development and takeout budget that pencils, and describe the details of the proposal so that they may hear and plan to address any questions raised by OH staff prior to NOFA submission. Key partnerships should be presented, including the plan for long-term oversight of the homes to ensure they are sold at affordable prices to low and moderate-income buyers for at least 50 years. During this meeting applicants are encouraged to ask questions as well.

3. **Application Completeness and Assembly:** OH may allow minor deficiencies in funding applications to be corrected and clarifications to be made by applicants during the review process. If this happens, applicants must respond within one week. Otherwise, incomplete applications will not be considered for funding. Please refer to the checklist embedded within the application to ensure that the application package is complete.

All applicants must submit an electronic copy of the full application. Hard copies of application materials will not be accepted. 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. If you are submitting proposals for more than one site, you need only submit duplicate items one time. For example, development team resumes and the organizational chart only need to be submitted once if they are the same for all sites.

Please name each file starting with the number that relates to the checklist item. The name then should be the organization name, project name if you are submitting proposals for more than one site, and then the document name.

For example: The Excel Workbook submitted by ABC Community Development Corporation (submitting materials for one site) would be titled “2. ABC Workbook.” The site plan submitted by West Housing (submitting materials for two sites) would be titled “5a. West Housing Location A Site Plan.”

4. **Review Process:** OH will form a review committee to assist in the selection process. At OH’s discretion, applicants may be asked to participate in an interview (in-person or remote as appropriate) where they can present the proposed project and answer questions from the committee. Proposals will be denied if applications are deemed to be substantially incomplete due to either incomplete question responses or missing supplemental materials or the organization or the project fails to meet any of the threshold criteria as outlined.
5. **Recommendations and Awards:** After the proposal review and the interview, if requested, the committee will provide recommendations to the OH Director. The OH Director will then select the proposal. City staff will then notify applicants of the outcome. It is anticipated that applicants will be notified by the end of December.

6. Application Schedule for Development Loans for Resale Restricted Homes:

- April 18, 2025 Virtual Information Session from 9:30-10:30 am
- May 9, 2025 Last day to schedule a pre-application meeting
- May 30, 2025 Submit applications to OH no later than 12:00 noon
- August 2025 Target date for issue of notice to approved applicants

7. Timing and Expectations for Short-Term Loans for Site Acquisition:

- Applications for short-term loans will be considered on a rolling basis as resources permit.
- A pre-application conference is required and must be scheduled at least 15 business days prior to application submittal.
- Only one short-term loan application may be submitted per project per calendar year. If an application is determined to be incomplete or is not awarded funding for any other reason, it may not be resubmitted until the next calendar year.
- OH's review of short-term loan applications may take 1-2 months, depending on the quality and completeness of the submitted application and internal staff capacity.

8. Where to Submit Applications: Please email link to electronic application materials to joy.hunt2@seattle.gov.

V. 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 NOFA 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 of Seattle upon delivery to OH. Washington State law (RCW Ch. 42.17) provides that public records are subject to public inspection and copying unless specifically exempted and enumerates limited exemptions in 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."