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**Notice of Funding Availability (NOFA)**

**For Affordable Housing Development and Preservation**

**NOFA Information**

Pierce County Human Services

NOFA No.: HOUSING-AHP

Issue Date: April 22, 2022

Closing Date: June 10, 2022

**Contact**

Bryan Schmid, Affordable Housing Supervisor

Pierce County Human Services

3602 Pacific Avenue

Tacoma, WA 98418

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**Return Proposals and Required Attachments by 4:30 p.m., Friday, June 10, 2022, to:**

Pierce County Human Services

3602 Pacific Avenue

Tacoma, WA 98418

Email: bryan.barmore@piercecountywa.gov

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REQUESTS FOR REASONABLE ACCOMMODATION

Pierce County Human Services, (hereafter referred to as the “County”) will provide reasonable accommodation to allow for equal participation in the Notification of Funding Available (NOFA) application process. To request a reasonable accommodation, please contact bryan.barmore@piercecountywa.gov or call (253) 798-6109, or 711 (Telecommunications Relay Service –TRS). This document will be provided in alternate formats, upon request.

ACCESS TO REFERENCED DOCUMENTS

This document contains active hyperlinks. Prospective applicants who are unable to access the Internet may request copies of the documents referenced in this Notification of Funding Available (NOFA) by contacting 711 (Telecommunications Relay Service), sending an e-mail to bryan.barmore@piercecountywa.gov, or by calling (253) 798-6109. All documents will be available on Pierce County Human Services’ website at: <https://www.co.pierce.wa.us/2779/Solicitations-and-Competitive-Bids>.

NOTICE OF SOLICITATION

In addition to providing required notification via the County’s publication of record, The News Tribune, the County will provide notification to all known interested parties, and to other organizations and individuals currently on the Department’s e-mail distribution list.Any individual or organization wishing to be added to the Department’s e-mail distribution list in order to receive future notices of funding opportunities can make such a request by contacting bryan.barmore@piercecountywa.gov. A copy of this Notification of Funding Availability (NOFA) will be posted to the Human Services website at <https://www.co.pierce.wa.us/2779/Solicitations-and-Competitive-Bids>. Failure of the County to notify any interested party or parties directly regarding the availability of these funds shall not void or otherwise invalidate the NOFA process.

AVAILABILITY OF FUNDS

The County and the Pierce County Community Development Corporation (CDC) have jointly made available funds from the 1406 Affordable Housing Sales Tax Fund (1406), 2060 Affordable Housing Document Recording Fee Fund Program (2060), the HOME Investment Partnership Program (HOME), and American Rescue Plan Act (ARPA) to support the development and preservation of affordable housing in Pierce County.

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| **Program** | **Anticipated Funding** |
| 1406 Affordable Housing Sales Tax Fund | $2,000,000 |
| 2060 Affordable Housing Document Recording Fee Fund | $1,500,000 |
| HOME Investment Partnership Program 2022  | $1,306,953 |
| HOME Investment Partnership Program (Previous Years Unallocated) | $501,000 |
| American Rescue Plan Act  | $12,350,000 |
| **Total Funds Available**  | **$17,657,953** |

***The amounts listed are anticipated funding amounts. At its discretion the County and/or the Pierce County Community Development reserves the right to change the anticipated funding amounts included in this NOFA.***

ANTICIPATED TIMELINE

The following anticipated timeline is subject to change, at the discretion of the County:

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| April 22, 2022 | Notification of Funding Availability is published in the Tacoma News Tribune, the County’s newspaper of record. |
| April 22, 2022 | Notification of Funding Availability issued to known interested applicants and posted on the Pierce County Human Services website at <https://www.co.pierce.wa.us/2779/Solicitations-and-Competitive-Bids>. |
| May 10, 2022 | NOFA Workshop When: 2pm Pacific Time Topic: Affordable Housing Workshop NOFAPlease click the link below to join the webinar:<https://piercecountywa.zoom.us/j/97399547712> Passcode: 375560Or Telephone: (253) 215-8782 or Toll Free (888) 788-0099 Webinar ID: 973 9954 7712 |
| June 1, 2022 | Questions from prospective applicants are due via email no later than 4:30 p.m. Pierce County staff cannot answer any questions as it relates to this NOFA after this time. Please see Questions from Applicants and Response by the County section of the NOFA for additional information. |
| June 6, 2022 | The County’s written response to each question submitted will be sent to all known prospective applicants for whom the County has a valid e-mail and/or postal address. The responses will also be posted on the Pierce County Human Services website at <https://www.co.pierce.wa.us/2779/Solicitations-and-Competitive-Bids>. |
| June 10, 2022 | **Proposal submission deadline. Proposals are due to the** **County no later than 4:30 p.m.** |
| August 31, 2022 | On or before funds awarded |

DESCRIPTION of SOLICITED SERVICES

Applicants can utilize funding from this NOFA to acquire, newly construct and/or rehabilitate affordable rental or homeownership housing (Capital Projects); or to provide operating and maintenance support for new/existing affordable rental housing (Operating and Maintenance Projects). Projects shall be located within Pierce County including within the boundaries of the Cities of Lakewood and Tacoma AND serve income-eligible households in accordance with the requirements of the HOME Program (Attachment E) and/or the 2060 Program (Attachment F) and/or the 1406 (Attachment G).

**Note:** The CDC will consider HOME funding for projects inside the cities of Tacoma and Lakewood subject to the requirements outlined in Attachment E. The CDC will not consider HOME funding for projects located inside the city limits of Pacific, Enumclaw, and Auburn. All other funding may be used countywide.

**Capital Projects:**

Capital projects are defined as the acquisition, rehabilitation and/or new construction of housing projects or units within housing projects that are affordable to and that benefit low, very low and extremely low-income households as defined in Attachment D, Table A: Income Limits.

1. **Eligible Capital Project Types**

A “project” is defined as one or more buildings on a single site or multiple

sites that are under common ownership, management and financing that is done

as a single undertaking.

1. Affordable homeownership housing: Projects can use capital funds awarded under this NOFA for the development of affordable homeownership housing for resale to eligible homebuyers; or
2. Affordable rental housing: Projects can use capital funds awarded under this NOFA for the development and/or preservation of permanent affordable rental housing for lease to eligible tenants.
3. **Eligible Uses of Capital Funds**
4. Acquisition of existing standard property, or substandard property in need of rehabilitation;
5. Acquisition of vacant land to be used for new construction;
6. New construction;
7. Alteration, improvement, rehabilitation, or modification of existing structures;
8. Conversion of an existing structure from another use to housing;
9. On-site improvements, including sidewalks, utility connections, sewer, and water line connections where none are present;
10. Demolition of an existing structure if construction will begin on the project within twelve (12) months;
11. Reasonable and necessary project related soft costs, including but not limited to: financing costs, professional services (i.e., architectural, appraisal, environmental, engineering, market studies, legal, and capital needs assessments), audit costs, affirmative marketing, insurance, permits, and other project related soft costs approved by Pierce County and/or the CDC;
12. Developer fees of up to twelve percent (12%) of the project costs depending on the size and complexity of the project. The developer fees can be provided only upon the completion of specific milestones as outlined in the contract and/or written agreement; and
13. Off-site infrastructure (ARPA funds only).
14. **Ineligible Uses of Capital Funds**
15. Ongoing operating and maintenance funding;
16. Rental assistance (project or tenant-based);
17. Funding for public housing units;
18. Delinquent taxes or fees;
19. Equipment purchases;
20. Refinancing (payoff of bridge financing is allowable if costs are eligible);
21. Capitalization of operating or replacement reserves; and
22. Other ineligible costs as defined by the County and/or CDC.
23. **Affordability Requirements**
24. Homeownership Projects
	1. Eligible homebuyers: At a minimum, all homebuyers purchasing homes assisted with capital funds under this NOFA must have a gross annual household income at or below eighty percent (80%) of Area Median Income.
	2. Maximum sales price: The maximum sales price for one-unit single family homes assisted with capital funds is based on ninety-five percent (95%) of median sales price for homes in Pierce County. As of the date of publication of the NOFA those limits are:
		1. For existing housing, the sales price cannot exceed $460,750.
		2. For newly constructed housing the sales price cannot exceed $567,102.
	3. Ongoing Affordability/Principal residence: The homebuyers that purchase homes must reside in the home as their primary residence. Please refer to Attachments E, F, and G for program requirements for recapture and resale.
25. Rental Projects
26. Eligible tenants: At minimum, all tenants residing in rental housing units assisted with capital funds under this NOFA must have a gross annual household income at or below sixty percent (60%) of Area Median Income at initial occupancy and at or below eighty percent (80%) of Area Median Income thereafter. To be eligible for 1406 capital funding tenants must have a gross annual household income at or below sixty percent (60%) of Area Median Income at initial occupancy and at or below sixty percent (60%) of Area Median Income thereafter. To be eligible for 2060 capital funding tenants must have a gross annual household income at or below fifty percent (50%) of Area Median Income at initial occupancy and at or below fifty percent (50%) of Area Median Income thereafter as defined Attachment D, Table A: Income Limits.
27. Maximum allowable rents: The rents charged to tenants in units assisted with capital funds under this NOFA cannot exceed the applicable program rents less the utility allowances. The rent limit requirements for the HOME program are outlined in Attachment E, the rent limit requirements for the 2060 program are outlined in Attachment F, and the rent limit requirement for the 1406 program are outlined in Attachment G. See Attachment D, Table B: Rent Limits for the chart of rent limits and definitions. ARPA funded projects will have maximum allowable rents consistent with these programs.
28. Tenant leases: Tenants must have a lease with the owner of the property. For HOME, funded projects the lease must comply with the lease requirements outlined in Attachment E. For 2060 funded projects the lease must comply with the lease requirements in Attachment F. For 1406 funded projects the lease must comply with the lease requirements in Attachment G All leases regardless of the capital fund source must comply with Washington State Landlord Tenant Law. ARPA tenant leases will be consistent with these programs.
29. Ongoing affordability: Owners must lease the affordable units assisted with capital funds under this NOFA to eligible tenants for the relevant period of affordability. The period of affordability and ongoing monitoring requirements for HOME are outlined in Attachment E, the period of affordability and ongoing monitoring requirements for 2060 are outlined in Attachment F, and the period of affordability and ongoing monitoring requirements for 1406 are outlined in Attachment G. ARPA affordability periods will be consistent with these programs.
30. **Property Standards**
31. New construction projects must meet the following property standards:
32. State and local residential building codes, ordinances, site and neighborhood standards and zoning requirements;
33. Accessibility requirements under section 504 and the Federal Fair Housing Act; and
34. Mitigate disaster impact as applicable per State and local codes and ordinances.
35. Rehabilitation projects must meet the following property standards:
36. State and local building codes and ordinances;
37. Accessibility requirements under section 504 and the Federal Fair Housing Act;
38. HUD and State lead safe housing rules;
39. Be free of deficiencies in accordance with the County’s written rehabilitation standards;
40. Projects involving the rehabilitation of more than twenty-six (26) units must provide a Capital Needs Assessment prepared by an independent third (3rd) party;
41. The rehabilitation work must be completed in accordance with the County’s written rehabilitation standards; and
42. The rehabilitation work must address the useful life of major systems, and upon completion of rehabilitation all major systems should have five (5) years remaining life.
43. Acquisition only projects must meet the following standards:
44. The property must be free of deficiencies in accordance applicable HUD property standards, and local written rehabilitation standards; and
45. The property must be free of Lead Based Paint hazards.

HUD Property Standards: The County currently uses the Housing Quality Standards (HQS) for acquisition only and ongoing monitoring.

Local standards: Please consult with Pierce County Planning and Public Works or the municipal jurisdiction (incorporated city or town) the project is located in for questions regarding local codes, ordinances, site and neighborhood standards, disaster standards and local zoning requirements. The County will provide its written rehabilitation standards upon request.

State Public Work requirements: Applicants awarded capital funds from this NOFA are responsible for meeting the state RCW’s related to public work requirements (Chapter 39.12 RCW). This includes the payment of prevailing wage on projects involving construction, alteration, or improvements.

1. **Timeliness Requirements**
2. Acquisition/New Construction projects must be completed within three years from the date of the funding award and meet the following milestones:
3. Applicant must have site control at the time of application (1–4-unit single family projects see exceptions) and will have one year from the date of funding award to acquire the property.
4. All necessary funding commitments shall be secured within one year of funding award.
5. Construction must commence no later than one year from the date of funding award. Once the construction starts it must be completed in two years.
6. Rental properties will be required to be leased up within one year of project completion. Homeowner properties will be required to be sold within six months of project completion.
7. Acquisition/Rehabilitation projects must be completed within two years from the date of the funding award and meet the following milestones:
8. Applicant must have site control at the time of application and will have one year from the date of funding award to acquire the property.
9. All necessary funding commitments shall be secured within one year of funding award.
10. Rehabilitation shall commence no later than one year from the date of the funding award. Once the rehabilitation starts it must be completed in one year.
11. Rental properties will be required to be leased up within six months of project completion. Homeowner properties will be required to be sold within six months of project completion.
12. Acquisition only projects must be completed within one year from the date of the funding award and meet the following milestones:
13. Applicant must have site control at the time of application and verify that no rehabilitation is needed. The property must be acquired within one year from the date of award.
14. All necessary funding commitments shall be secured within one year of funding award.
15. Rental properties will be required to be leased up within six months of project completion. Homeowner properties will be required to be sold within six months of project completion.
16. Rehabilitation only rental projects must be completed within 18 months from the date of the funding award and meet the following milestones:
17. Applicant must have fee simple title to the property at the time of application.
18. All necessary funding commitments shall be secured within six months of funding award.
19. Rehabilitation shall commence within six months of the date of the funding award. Once the rehabilitation starts construction must be completed in one year.
20. Rental properties will be required to be leased up within six months of project completion.
21. Exceptions to timeliness requirements: Projects involving the acquisition of existing single family one to four-unit properties for homeownership or permanent rental housing do not need site control at the time of application. However, the project must meet all other timeliness requirements outlined in this NOFA.
22. **Cost and Unit Allocations**

Applicants can allocate specific units in a project as an affordable housing unit benefiting income eligible homebuyers or tenants. This allows for market rate units in the project and/or mixed-use projects. See below methods for determining the minimum number of affordable units in mixed income or mixed-use project:

1. For comparable projects: If all units in the project are of similar size, amenities and use the formula for allocating affordable units is:
	1. Capital (HOME/2060/1406/ARPA) investment divided by total eligible project costs = County/CDC Capital investment %; THEN
	2. County/CDC Capital investment % times the total units in the project = minimum affordable units in the project (rounded up).
2. For non-comparable projects: If the units in the project are not of similar size, amenities and use the number of affordable units must be determined by the applicant and identified in the application at the time the application is submitted.
	1. There is no maximum per unit subsidy for 2060/1406/ARPA. However, the number of 2060/1406/ARPA funded units in the project must be proportional to the total 2060/1406/ARPA investment in the overall project cost.
	2. The HOME program has a maximum per unit subsidy. The formula determining per unit subsidy on a non-comparable HOME funded project, and the maximum per unit HOME subsidy is outlined in Attachment E.
3. **Funding Source**

Applicants must submit their application without regard to funding source. The County and/or CDC will allocate capital funding to successful applicants consistent with the regulations governing each.

1. The HOME program can fund eligible capital projects within Pierce County and its cities and towns excluding the city limits of Pacific, and Auburn. The requirements for projects awarded HOME funds are in Attachment E.
2. The SHB 2060 program can fund eligible capital projects within Pierce County and its cities and towns. The requirements for projects awarded 2060 funds are in Attachment F.
3. The 1406 program can fund eligible capital projects within Pierce County and its cities and towns. The requirements for projects awarded 1406 funds are in Attachment G.
4. ARPA program can fund eligible capital projects within Pierce County and its cities and towns. Capital projects deemed eligible for the HOME program, SHB 2060 program and/or 1406 program will also be considered eligible for ARPA capital funding. Federal standards, including labor standards, Uniform Accessibility standards, and Uniform Contract standards apply. Affordability periods will be consistent with other programs, or if no other programs are used for funding, set to 30 years for rental housing and homeownership programs.

**Operation & Maintenance Projects:**

Operating and Maintenance projects are defined as support for building operation and maintenance costs of housing projects or units within housing projects that are affordable to very low-income households and that require a supplement to rental income to cover ongoing operating expenses.

The intent of the O&M funding is to provide support for owners of affordable housing projects that are charging below market rents and are unable to generate sufficient revenue to cover the operating expenses of the building or buildings. The intent of the funding is not to subsidize agency operating revenue deficits, service funding deficits, program deficits, debt service issues, or other funding gaps unrelated to the operation of the building(s). The owner of the project must be able to demonstrate that operating income for the project is not sufficient to cover operating expenses.

1. **Eligible Projects**
2. Only permanent rental housing and existing transitional rental housing projects are eligible for Operations and Maintenance funding.
	1. All tenants must income qualify as very low-income households (See Attachment D, Table A: Income Limits).
	2. Units within projects receiving project-based Section 8 vouchers or units within projects occupied by tenants with tenant-based Section 8 vouchers are **not** eligible to receive funding under the O&M fund.
	3. Transitional rental housing is defined as the tenant being allowed to reside in the property for up to two years and the tenant has a lease with the owner in the household’s name. If the tenant has entered into a Program Agreement with the operating agency leasing from the owner this is **not** eligible for the O&M fund.
3. **Eligible Uses of O&M Funding**
4. On-site salaries and benefits including all personnel costs directly associated with operating the building;
5. Off-site management including overhead and personnel costs that are necessary to operate the building but are not located at the site;
6. The cost of a financial audit in relation to the total Pierce County investment in the project;
7. Project related administrative expenses such as, but not limited to, accounting, legal, advertising and marketing, insurance, collection loss, and real estate taxes;
8. On-going maintenance expenses such as materials, janitorial supplies, maintenance contracts, security, and other maintenance expenses; and
9. Contractor paid utilities specific to the project but not specifically metered to an individual unit and are not the responsibility of the tenant.

#### Ineligible Uses of O&M Funding

1. Public or private lender debt service (including interest);
2. Depreciation;
3. Costs associated with the organization not attributable to the assisted building;
4. Staff training, entertainment, conferences, or retreats;
5. Public relations or fund raising;
6. The preparation of application submissions;
7. Services such as case management, counseling, and so on;
8. The salary of the organization’s director (except to the extent involved with carrying out eligible administrative functions);
9. Program costs or leasing support dollars; and
10. Other costs as determined to be unrelated to the building operation.
11. **Affordability Standards:**
12. Eligible tenants: All tenants residing in units provided O&M funds must have gross household income at or below fifty percent (50%) of Area Median Income (See Attachment D, Table A: Income Limits).
13. Maximum tenant rents: Rents in units receiving O&M must not exceed Fair Market Rent (FMR) less utilities (See Attachment D, Table B: Rent Limits).

**Note:** At its option the County may impose more restrictive rent limits on a project by project basis. The rent limits will be outlined in the agreement with the County. Rental increases during the O&M contract period must be approved in writing by the County.

1. **Property Standards**

All units assisted with O&M must be free of deficiencies in accordance with Uniform Physical Conditions (UPCS) standards and/or HUD Housing Quality Standards (HQS). All units must be free of Lead Based Paint hazards.

1. **Program Specific Requirements**

O&M projects are only funded under the 2060 program. The program can fund projects in Pierce County including all the incorporated cities and towns within Pierce County and all unincorporated areas of Pierce County. The program specific requirements for 2060 are in Attachment F.

**Funding Priorities:**

**Capital Projects:** In accordance with the County’s 2020-24 HUD Consolidated Plan the priorities for Capital Projects are outlined below:

* Rental Housing Projects Serving:

Chronically Homeless and Homeless Households, including homeless veterans;

Persons with Disabilities;

Adults with Developmental Disabilities;

Seniors; and

Households with income below 50% of AMI.

Homeownership Housing Projects Serving:

Households with income below 80% of AMI

**commitment to Fair Housing and Racial equity:**

To address equitable access to housing the County will take meaningful actions to combat discrimination, overcome patterns of segregation, and foster inclusive communities free from barriers that restrict access to opportunity. The County is committed to taking meaningful actions to address housing disparities, including replacing segregated living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.

In 2019 the County completed an Analysis of Impediments (AI) to Fair Housing Choice. The link to the AI is <https://www.piercecountywa.gov/DocumentCenter/View/84977/Analysis-of-Impediments-to-Fair-Housing-Choice---Final?bidId=>. The AI encouraged the development of new affordable housing in areas of high opportunity and redevelopment in areas of concentrated poverty. Additionally, the County encourages development and placement of affordable housing in area that promote Health Equity. The link to the Tacoma Pierce County Health Departments Health Equity map is <https://www.tpchd.org/healthy-people/health-equity/health-equity-maps>.

In additional to following federal, state, and local fair housing and affirmative marketing requirements all projects receiving capital funding must undertake efforts to support an integrated system of culturally appropriate services that are equitable, easy to access and navigate, and are available in locations where needs exist.

ELIGIBLE APPLICANTS

Eligible applicants under this NOFA are qualified non-profit or for-profit developers and/or operators of affordable housing; cities or towns; and Community Housing Development Organization’s (CHDO’s). The requirements to qualify as a CHDO are in *Attachment E: HOME Program Requirements* of this NOFA.

Proposal EVALUATION AND CRITERIA

Applications that meet the requirements of this NOFA will be underwritten by Pierce County Human Services staff. Applications will then be forwarded to a Review Committee. The Review Committee will independently rate each proposal based on the scoring criteria outlined below. The Review Committee may request clarification and/or additional information from applicants. The Review Committee will forward their recommendations to the 2060 Steering Committee (for 2060 funds) and/or the CDC Board (for HOME funds), who will make final funding decisions. Final funding decisions on 1406/ARPA awards will be made by the Pierce County Executive or designee.

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| **CAPITAL PROPOSALS** **will be scored based upon the following criteria** |
|  | **Leverage Funds**: Projects leveraging more outside resources (i.e., private loans, other public funding, grants, applicant contributions, etc.) will receive a higher leverage score. * 1. Project maximizes other private and public debt and other outside funding sources.
	2. Project maximizes owner equity and contributions to the project.
 | **15 pts** |
|  | **Readiness/Feasibility:** Projects that are further along in the development process and that clearly outline an achievable timeline will receive a higher readiness score.* 1. Site control status. (Site control required if 5+ units).
	2. Design, engineering and/or permit status.
	3. Budgets developed and supported.
	4. Financing sources identified and timeline for funding commitments outlined. Funding sources outlined and supported.
	5. Timeline outlined, supported and achievable.
 | **20 pts** |
|  | **Sustainability:** Projects that provide additional sustainability features than are required that will benefit both tenants/buyers and the surrounding community* 1. Project site is one that renovates or replaces existing structures or undergoes environmental remediation.
	2. Project include additional reduction in energy use, beyond those outlined in Section 5.2 of the Evergreen Sustainable Energy Standards.
	3. The project includes water conserving features, water retention features, or other methods of cleaning stormwater.
 | **5 pts** |
|  |  **Capacity**: Organizations with a demonstrated track record of developing, owning and/or sponsoring affordable housing or that can demonstrate effective partnerships with organizations with a demonstrated track record of developing, owning and/or sponsoring affordable housing will receive a higher capacity score. * 1. Experience with similar projects.
	2. Staff experience.
 | **10 pts** |
|  | **Community Benefit and Amenities:** Priority will be given to projects that will create or expand new amenities and/or programs for tenants/buyers. Examples of amenities could include gardens or playgrounds; examples of programs include optional counseling programs or job training.Examples of community benefit could be projects that include community rooms for use by tenants/community or high community-need commercial ground-floor use. * 1. Projects considers community impact and community benefits.
	2. Project includes amenities for tenants/buyers beyond the housing units.
 | **5 pts** |
|  | **Marketability/Conceptual Soundness/Transit Proximity:** Projects that meet the needs of the target population, are near transit and demonstrate market demand will receive a higher marketability/conceptual soundness/transit proximity score.* 1. If rental, rents compatible with target population.
	2. If ownership, prices capable with target population.
	3. Project competitive with surrounding market.
	4. Proximity to transit nodes and other amenities such as social services, schools, stores, etc.
	5. Market or need supports development in the project area (new projects).
 | **20 pts** |
|  | **Priority Needs/Fair Housing/Equity:** Projects serving priority populations and that promote Fair Housing and Racial Equity. * 1. Project serves priority target population identified on page 13.
	2. Project is considering Health Equity and areas of opportunity in the siting of the project.
	3. Project will support an integrated system of culturally appropriate services that are equitable, easy to access and navigate.
	4. Project clearly outlines an affirmative marketing policy and outreach efforts to ensure underrepresented populations have equitable access housing opportunities.
 | **25 pts** |
|  | **Capital Maximum Total Points** | **100 pts** |

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| **O&M PROPOSALS** **will be scored based upon the following criteria** |
|  | **Renewal of existing O&M funding:** Renewal of existing O&M to projects with a clearly demonstrated need. | **15 pts** |
|  | **On-going Property Management Capacity**: Organizations with a demonstrated successful track record of owning affordable rental housing will receive a higher property management capacity score. | **10 pts** |
|  | **Highest Need Population**: Projects serving households with the lowest incomes with unsubsidized rents will receive the highest need population score. | **50 pts** |
|  | **Project leverage and sustainability**: Projects that can demonstrate a plan for sustainability of operations and that are seeking additional resources to cover operating expenses will receive a higher sustainability score.  | **25 pts** |
|  | **O&M Maximum Total Points** | **100 pts** |

If the applicant’s organization is awarded funding, Pierce County staff will meet with the successful applicant to review all the terms and conditions which are associated with the receipt of funds.

APPLICATION WORKSHOP

**Workshop attendance is not required but is highly encouraged for all applicants**. It is the Department’s belief that attending the workshop will assist the applicant in presenting the best possible request for funding. During the application workshop, Pierce County staff will give an overview of the application, the application process, an overview of the HOME/2060/1406/ARPA requirements and will also be available to answer questions. Please come prepared with the instruction/application packet and any questions that the organization may have related to the NOFA.

QUESTIONS FROM APPLICANTS and response by the county

Inquiries regarding the content of this NOFA must be submitted to the County in writing, no later than the date and time indicated in the Anticipated Timeline section of the NOFA. Questions received after this date and time will not be answered. Questions may be submitted electronically or via U.S. mail to the contact person identified in the Contact Section of this NOFA. Pierce County will time- and date-stamp all questions received via U.S. mail.

No later than the date indicated in the Anticipated Timeline section of the NOFA, the County will provide a written response to each question received, and, as applicable, will issue any resulting amendments to this NOFA. A response will be provided electronically via email to the applicant, and simultaneously to any other interested party who have provided the County with a valid email address. Responses will also be posted on the Pierce County Human Services’ website at <https://www.co.pierce.wa.us/2779/Solicitations-and-Competitive-Bids>.

APPLICATION THRESHOLD REVIEW

County staff will review applications to ensure the minimum Project Eligibility requirements are met. This review will include a threshold review to ensure applications meet the minimum criteria listed below:

1. The application is complete and responsive to the Description of Solicited Services;
2. The application includes required attachments, including an original signed application and original signed Acknowledgement of Required Assurances document;
3. The applicant is an eligible entity; and
4. The project proposes serving an eligible population in an eligible project type.

Applications will be considered as submitted. The County will only contact the agency for curable deficiencies. Applicants are strongly encouraged to carefully review the Anticipated Timelines described above.

All applications that meet the minimum threshold will be presented to the Application Evaluation/Review Committee, which will evaluate all acceptable applications and make funding recommendations.

SUBMITTAL DUE DATE AND INSTRUCTIONS FOR APPLIcation SUBMITTAL

There are separate applications and instructions for each of the eligible activities. Please use the appropriate application and review the application instructions for the activity you are applying for. The application materials can be downloaded at <https://www.co.pierce.wa.us/2779/Solicitations-and-Competitive-Bids>.

1. **Capital Project (Rental)** applicationincludes:

* 1. Signed Attachment A: Required Signature Form.
	2. Attachment B:
		+ Master Application (Pages 27-28)
		+ Rental Housing Application (Word)
		+ Rental Application Workbook (Excel)
		+ Required exhibits referenced in the application and checklists.
		+ Application must be signed by a person authorized to bind the agency in a contract.
	3. Attachment C: Pre-Award Risk Assessment Worksheet with required documents.
1. **Capital Project (Homeownership)** application includes:
	1. Signed Attachment A: Required Signature Form.
	2. Attachment B:
		* Master Application (Pages 27-28)
		* Homeownership Application (Word)
		* Homeownership Application Workbook (Excel)
		* Required exhibits referenced in the application instructions and checklist.
		* Application must be signed by a person authorized to bind the agency in a contract.
	3. Attachment C: Pre-Award Risk Assessment Worksheet with required documents.
2. **Operating & Maintenance Project** application includes:
	1. Signed Attachment A: Required Signature Form.
	2. Attachment B:
		* Master Application (Pages 27-28)
		* O&M Application (Word)
		* O&M Workbook (Excel)
		* All required exhibits referenced in the application instructions and checklist.
		* Application must be signed by a person authorized to bind the agency in a contract.
	3. Attachment C: Pre-Award Risk Assessment Worksheet with required documents.

The County will accept both hard copy application submissions and email application submissions.

**Electronic Submission:** Applicants are encouraged to submit all of the application materials via email. Application and required attachments must be received by Pierce County Human Services by emailing Bryan Barmore at bryan.barmore@piercecountywa.gov no later than the time and date indicated on the Anticipated Timeline section.

Emails should include Subject Line: NOFA 22-002-Housing AHP Part 1 of 2, NOFA 22-002-Housing AHP Part 2 of 2, etc. Applicant may request a link from Bryan to upload files – this must be requested at least one day prior to deadline.

Applications and attachments should be sent in 5 documents total:

1. Required Signature Form and Master Application (Attachment A and B).
2. Combined Funders/Common Application (Word)
3. Combined Funders/Common Application Attachments
	* All required documents saved as 1 PDF. If PDF exceeds maximum email limit, this can be sent as Part 1, Part 2, etc. or you can request a link from Bryan to upload file.
4. Combined Funders/Common Application (Excel)
5. Pre-award checklist with Attachments (Attachment C)
	* All required documents saved as 1 PDF. If PDF exceeds maximum email limit, this can be sent as Part 1, Part 2, etc. or you can request a link from Bryan to upload file.

**Hard Copy Submission**:

* + **Delivery**: You must contact Bryan Barmore at bryan.barmore@piercecountywa.gov if you plan to hand deliver the application and attachments or use a delivery service (i.e., FedEx/UPS) to deliver the application. Therefore, if you attempt to deliver the application without contacting the County the application may not be received before 4:30pm on Friday, June 10, 2022, deadline.
	+ **Mail**: Applications that are mailed via the United State Post Office must be postmarked no later than Friday, June 10, 2022. Applications must be mailed to Pierce County Human Services, 3602 Pacific Avenue, #200, Tacoma, WA 98418.

UNACCEPTABLE Proposals

Applications submitted that are not responsive to the requirements of the solicitation are unacceptable and shall not be considered. Unacceptable applications are those that are subject to at least one of the following shortcomings:

* + **Does** not meet the deadline for submittal; or
	+ **Does** not meet the threshold requirements.

OWNERSHIP OF MATERIAL

Responses, applications, and other materials submitted in response to this request become the property of the County, are documents of public record, and will not be returned. By submitting an application, applicants acknowledge and agree that they and/or their organization claim no proprietary rights to the ideas or approaches contained in the applications.

Proposal costs and payment of contingent fees

The County is not liable for any costs incurred by an applicant prior to the issuance of a contract. All costs incurred in response to this solicitation are the responsibility of the applicant, including travel costs to attend workshops, presentations, public meetings, and/or contract negotiation sessions.

In the event the applicant’s application was developed with the assistance of other individuals (i.e., non-employees) and/or organizations, the applicant understands and agrees that no contingent fees will be paid under any resulting award.

ACCEPTANCE OF TERMS AND CONDITIONS

By submitting a response to this NOFA, the applicant acknowledges and accepts all terms and conditions of this request and all County and State regulations, and requirements related to the delivery of the eligible activities. If the applicant is awarded a contract, the applicant’s application will become part of the contract agreement. The applicant is bound by the terms of the application unless the County agrees that specific parts of the application are not part of the agreement. The County reserves the right to introduce different or additional terms and/or conditions during final contract negotiations. Applicants will be required to enter into a formal written agreement with Pierce County Human Services and/or the Pierce County Community Development Corporation.

Contract awarDs and notification to selected applicants

For 2060, 1406 and ARPA funding the authority to enter contract rests with the Pierce County Executive, except as designated. Contracts become effective on the date signed by the County Executive or his/her representative. For HOME funding, the authority to enter contract rests with the Pierce County Community Development Corporation. Written agreements become effective on the date signed the CDC Board Chair. For Capital Projects both the County and the Pierce County Community Development Corporation require the following loan documents be signed and fully executed prior to release of funds:

1. Promissory Note;
2. Loan Agreement or HOME Program Written Agreement;
3. Deed of Trust: The Deed of Trust may take lower priority to privately financed loans and other publicly funded loans with higher loan amounts. The Deed of Trust must be recorded with the Pierce County Auditor’s Office; and
4. Restrictive Covenant: The restrictive covenant must have priority over proposed and/or existing privately financed loans. The Covenant must be recorded with the Pierce County Auditor’s Office. The Restrictive Covenant may take lower priority than other public funder covenants that are more restrictive.

Neither the County nor the CDC will enter into contract and release funds unless the applicant provides written evidence that all financing necessary to complete the project is committed.

Notifications of funding award decisions will be provided electronically to the organization’s current e-mail address on record.

Funding terms vary by program. For HOME funding award terms see Attachment E. For 2060 funding award terms see Attachment F. For 1406 funding award terms see Attachment G. ARPA funding award terms will be consistent the 2060 and 1406 programs.

RIGHT TO REJECT OR NEGOTIATE

The County reserves the right to reject any or all applications, if such a rejection is in the County's best interest. This Notice of Funding Availability is a solicitation for offers and shall not be construed as an offer, a guarantee, or a promise that the solicited services will be purchased by the County. The County may withdraw this notification at any time and for any reason without liability to applicants for damages, including, but not limited to, bid preparation costs.

Additionally, the County reserves the right to negotiate with selected applicants and may request additional information or modification from an applicant. When deemed advisable, and before a contract is issued, the County reserves the right to arrange an on-site visit/review to determine the applicant's ability to meet the terms and conditions described in this NOFA.

RIGHT TO APPEAL

Applicants whose proposals are not selected have the right to appeal the decision of the County, limited to procedural errors in the selection process. In the event that no such procedural errors are found to have occurred, the decision of the County shall be final.

An aggrieved applicant may, within seven business days after the selection of prospective eligible projects, appeal in writing to the Director of Pierce County Human Services or their designee. The appeal must state all facts and arguments upon which the appeal is based. The Pierce County Human Services Director, or the appointed Designee, will review the content of the County’s solicitation document (NOFA), the applicant’s application, and the facts which form the basis for the appeal. The Director, or the appointed Designee, will render a written decision within 30 business days of the receipt of the appeal.

CANCELLATION OF APPLICATION

The County reserves the right, with or without cause, to cancel any contract resulting from this NOFA with a thirty-calendar day written notice sent by certified mail, return receipt requested, to the applicant’s address of record, as indicated on the applicant’s application to this NOFA (or last known address on file).

CONTACT

Bryan Barmore, Office Assistant III

Pierce County Human Services

3602 Pacific Avenue

Tacoma, WA 98418

Phone: (253) 798-6109

Email: bryan.barmore@piercecountywa.gov

# ATTACHMENT A:REQUIRED SIGNATURE FORM

**MUST BE SIGNED AND INCLUDED WITH THE APPLICATION PACKAGE SUBMITTED**

**ONE ORIGINAL**

REQUIRED

**There are separate applications and instructions for each of the eligible activities. Please use the appropriate application and review the application instructions for the activity you are applying for**

NOTIFICATION of required assurances

Applicants who are awarded a contract agree to provide services in accordance with the requirement of the contract, and with the statutes, regulations, requirements, and policies identified below, including but not limited to:

1. Compliance with the requirements of the [Americans with Disabilities Act Accessibility Guidelines](http://www.ada.gov/2010ADAstandards_index.htm);
2. Compliance with the requirements of the [Equal Employment Opportunity Act](http://www.eeoc.gov/);
3. Compliance with the requirements of the [Title VI of the Civil Rights Act of 1964](http://www.ourdocuments.gov/doc.php?flash=true&doc=97), as amended;
4. Compliance with the requirements of the [Americans with Disabilities Act](http://www.ada.gov/);
5. Compliance with the requirements of the [Section 504 of the Rehabilitation Act](http://www.hhs.gov/ocr/civilrights/resources/factsheets/504.pdf);
6. Compliance with the requirements of the 2 CFR Part 200 (as appropriate);
7. Compliance with policies of Pierce County Human Services;
8. Compliance with federal and state laws requiring the safeguarding and disclosure of confidential information;
9. Purchase of comprehensive liability insurance and bonding, as required by the County;
10. Completion of an annual financial audit, and/or as applicable, providing the County with a copy of the organization’s audited financial statement;
11. Completion and subsequent renewal of background checks for all employees, volunteers, or interns who will or may have unsupervised contact with children or vulnerable adults;
12. Maintaining program and financial records for audit review, and providing access to documentation upon request by the County;
13. Submission of program and financial reports, as required by the County;
14. Certification that the firm, association or corporation or any person in a controlling capacity or any position involving the administration of federal, state or local funds is not currently under suspension, debarment, voluntary exclusion, or a determination of ineligibility by any agency; has not been suspended, debarred, voluntarily excluded or determined ineligible by any agency within the past three years; does have a proposed debarment pending; has not been indicted, convicted or has not had a civil judgment rendered against said person, firm, association or corporation by a court of competent jurisdiction in any matter involving fraud or misconduct with the past three years;
15. Certification that the firm is not bankrupt or under an administration appointed by the Court, or under proceedings leading to a declaration of bankruptcy; and provide any pending or known legal actions against the company.
16. Certification that, in the past seven years, the organization has not had any bankruptcy proceedings initiated against the Contractor (whether or not closed) and that there are no bankruptcy proceedings pending by or against the Contractor regardless of the date of filing;
17. All pending or known litigation/court action(s) have been disclosed in the application.
18. Verification of a new employee’s eligibility to work legally in the United States; the County requires that all businesses which contract with the County in excess of $25,000 and of duration longer than 120 days, and are not specifically exempted by [PCC 2.106.022](http://www.co.pierce.wa.us/pc/abtus/ourorg/council/code/index.htm), be enrolled in the Federal [E-verify](http://www.uscis.gov/portal/site/uscis/menuitem.eb1d4c2a3e5b9ac89243c6a7543f6d1a/?vgnextoid=75bce2e261405110VgnVCM1000004718190aRCRD&vgnextchannel=75bce2e261405110VgnVCM1000004718190aRCRD) Program. The requirement extends to every subcontractor meeting the same criteria.

ACKNOWLEDGEMENT OF REQUIRED ASSURANCES

AUTHORIZED SIGNATURE OF APPLICANT: The signatory declares that he/she is an authorized official of the applicant organization, is authorized to make this application, is authorized to commit the organization in financial matters, will assure that any funds received as a result of this application are used for the purposes set forth herein and the organization will comply with all contractual obligations.

|  |
| --- |
| Click here to enter text. |

Printed Name and Title

|  |
| --- |
|  |

Signature

|  |
| --- |
| Click here to enter text. |

Agency

|  |
| --- |
| Click here to enter text. |

Date

# ATTACHMENT B:AFFORDABLE HOUSING APPLICATIONS AND WORKSHEETS

**Download Application AND Worksheets at:**

<https://www.co.pierce.wa.us/2779/Solicitations-and-Competitive-Bids>

**MUST BE SIGNED AND INCLUDED WITH THE APPLICATION PACKAGE SUBMITTED**

**Applications and Worksheets**

**REQUIRED**

**MASTER APPLICATION – ALL PROJECTS**

**#1 Capital Projects Rental:**

* **Download Rental Capital Project Application (Word)**
* **Download Rental Capital Project Workbook (Excel)**

**#2 Capital Projects Homeownership:**

* **Download Homeownership Capital Project Application (Word)**
* **Download Homeownership Capital Project Workbook (Excel)**

**#3 Operating and Maintenance:**

* **Download O&M Project Application (Word)**
* **Download Project Workbook (Excel)**

**There are separate applications and instructions for each eligible activity/project. Please use the appropriate application and review the application instructions for the activity/project you are applying for.**

**PIERCE COUNTY COMMUNITY DEVELOPMENT CORPORATION**

**2022 AFFORDABLE HOUSING MASTER APPLICATION**

Applicants applying for Affordable Housing funding must answer the following questions and/or provide the requested information in response to this NOFA. Please be sure to complete the entire application, including the required project application (Word document) and Excel worksheets.

**DO NOT FORGET TO INCLUDE THE SIGNED ACKNOWLEDGEMENT OF REQUIRED ASSURANCES FORM (ATTACHMENT A) WITH THIS SIGNED APPLICATION**

1. **Organizational Information**

|  |
| --- |
| 1. Organization Legal Name:
 |
| 1. Physical Street Address (include City and Zip Code):

If the organization also has a separate office location within Pierce County, please provide information for both the primary and Pierce County office locations |
| 1. Mailing Address (include City and Zip Code):
 |
| 1. Main Business Phone Number:
 |
| 1. Business Office Hours:
 |
| 1. Name of Project to be funded:
 |
| 1. Scope of work (in one sentence):
 |
| 1. Project Funding Amount Requested: $
 |
| 1. Executive Officer Name:
 | Phone Number:  |
|  | Email Address:  |
| 1. Primary Contact Person:
 | Title:  |
|  | Phone Number:  |
|  | Email Address:  |
| 1. Fiscal Contact Person:
 | Title:  |
|  | Phone Number:  |
|  | Email Address:  |
| 1. Type of Organization:
 |  |
|  [ ]  Sole Proprietor | [ ]  Partnership  |
|  [ ]  Private/Non-Profit | [ ]  Corporation |
|  [ ]  Other (specify)  |  |
| 1. Federal Tax ID No.:
 |  |
| 1. UBI No:
 | Expiration Date:  |

|  |
| --- |
| 1. DUNS Number(s)
 |
| 1. CAGE Code (www.SAM.gov): Expiration Date:
 |
| 1. How long has the organization been in operation in Pierce County?
 |
| 1. Has the organization operated under another name? [ ]  No/Not Applicable [ ]  Yes

If “Yes”, please provide the previous organization’s name(s):  |
| 1. Site Address of Project, if known (indicate TBD if unknown):
 |
| 1. City/State/Zip for above Project Address:
 |

**Application Approval and Signature: The signatory declares that he/she is an authorized official of the applicant organization, is authorized to make this application, is authorized to commit the organization in financial matters, and will assure that any funds received as a result of this application are used for the purposes set forth herein and the organization will comply with all contractual obligations**

Printed Name and Title Agency

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature Date

# ATTACHMENT C: Pre-Award Risk Assessment Worksheet

REQUIRED

**MUST BE COMPLETED AND INCLUDED WITH THE APPLICATION PACKAGE SUBMITTED**

**ONE ORIGINAL**

**INCLUDING REQUESTED DOCUMENTATION**

**Instructions**

Answer all questions and comment on your answers. If you have to submit supporting documents, please verify the dates are correct, dollar amounts, the most current policies are submitted, and correct agency information are provided. Pre-Award Risk Assessments are governed by 2 CFR Part 200. **Submit the most current documentation and all requested documentation.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Financial Stability** | **Yes** | **No** | **NA** | **Comments****(Explanation of answer/response)** |
| 1. Has the organization had changes to key staff or positions in the past twelve (12) months? Key staff may include the Director, Program Supervisor and Fiscal Manager. If yes, please provide the title of the position and the length of time the person serving in the position has been at the organization. | [ ]  | [ ]  | [ ]  |  |
| 2. Does the organization have any outstanding obligations with federal, state or local governments? If yes, please explain and provide the plan(s) for re- payment. | [ ]  | [ ]  | [ ]  |  |
| 3. Has the organization been granted tax exempt status by the IRS? If not, does the organization meet the criteria for non- exempt organizations to receive this funding? Please provide the agencies most recent 990 or applicable tax return. | [ ]  | [ ]  | [ ]  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Management System** | **Yes** | **No** | **NA** | **Comments** |
| 1. Does the accounting system provide for the recording of actual grant/contract costs according to categories of your approved budget, and provide for complete disclosure? If yes, please explain and provide a Chart of Accounts. | [ ]  | [ ]  | [ ]  |  |
| 2. Has your organization had changes to business systems in the past twelve (12) months? If yes, please describe. | [ ]  | [ ]  | [ ]  |  |
| 3. Is there a time and effort tracking system in place to adequately record staff hours worked against awards? Please provide a sample timesheet and a report showing how staff time is charged to grants and programs. | [ ]  | [ ]  | [ ]  |  |
| 4. Does management review financial reports monthly to assess the status of performance activity? If yes, please provide an example of the reports reviewed. | [ ]  | [ ]  | [ ]  |  |
| 5. Are indirect costs accumulated into cost pools for allocation to projects, contracts and grants? If yes, please provide your indirect cost rate and/or cost allocation plan. | [ ]  | [ ]  | [ ]  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **History of Performance** | **Yes** | **No** | **NA** | **Comments** |
| 1. Has the organization had any challenges in meeting grant reporting deadlines on time in the past three years? If yes, please explain. | [ ]  | [ ]  | [ ]  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Audit Reports and Findings** | **Yes** | **No** | **NA** | **Comments** |
| 1. Did your organization expend $750,000 or more in federal funds in any one of the past three (3) fiscal years | [ ]  | [ ]  | [ ]  |  |
| 2. Has your organization had any type of independent audit within the last three years? Please explain. | [ ]  | [ ]  | [ ]  |  |
| 3. Provide any audit findings/management letters received from auditing entities within the last three years; include date(s) of audits. |  |  |  |  |
| 4. Did your organization have any monitoring visits by grantors or funders in the last three years? If applicable, please submit a copy of the report(s). | [ ]  | [ ]  | [ ]  |  |
| 5. Has the agency submitted any corrective action plans to resolve audit findings within the last three (3) years? If yes, please provide copies. | [ ]  | [ ]  | [ ]  |  |
| 6. Has an audit indicated any questioned or unallowable costs within the last three (3) years? If yes, please explain. | [ ]  | [ ]  | [ ]  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Applicants Ability to Implement Requirements** | **Yes** | **No** | **NA** | **Comments** |
| 1. Does the organization have the resources of staff and funding to meet the performance requirements of the award? If yes, please provide the staff positions and the capacity to perform grant deliverables. | [ ]  | [ ]  | [ ]  |  |
| 2. Does the organization have the resources to undertake additional requirements? Please explain. | [ ]  | [ ]  | [ ]  |  |
| 3. Has the agency been suspended or debarred within the last thirty-six (36) months? If yes, explain the circumstances. | [ ]  | [ ]  | [ ]  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Please submit the most current documentation** | **Yes** | **No** | **NA** | **Comments** |
| 1. Agency Financial Statements – Please provide the last three months of Balance Sheets and Income Statements, by month. |  |  |  |  |

Prepared by:

Date Prepared:

**Checklist of documents requested.**

* **Policy and Procedure Manual**
* **Internal Control Procedures**
* **Bank Statements for last three months**
* **Revenue Sources**
* **Chart of Accounts**
* **Most Recent Tax Return**
* **Cost Allocation Plan or Indirect Rate**
* **Most Recent Audit**
* **Audit Findings/Management Letters**
* **Monitoring Reports within last 24 months**
* **Corrective Action Plan(s)**
* **Timesheets and Report of Time Charged to Grants within last 6 months**
* **Most Recent Balance Sheet**
* **Most Recent Income Statement**
* **Previous organizational name(s) and year(s) of operations**

# ATTACHMENT D: 2021 Income Limits and Rent Limits

(2022 Income and Rent Limits Pending HUD Publication)

1. **Income Limits**

**Table A**

2021 Income Limits (Effective June 1, 2021)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| AMI | 1 person | 2 person | 3 person | 4 person | 5 person | 6 person | 7 person | 8 person |
| > 30% | $19,100 | $21,800 | $24,550 | $27,250 | $29,450 | $31,650 | $33,800 | $36,000 |
| > 50% | $31,800 | $36,350 | $40,900 | $45,400 | $49,050 | $52,700 | $56,300 | $59,950 |
| > 60% | $38,160 | $43,620 | $49,080 | $54,480 | $58,860 | $63,240 | $67,560 | $71,940 |
| > 80% | $50,900 | $58,150 | $65,400 | $72,650 | $78,500 | $84,300 | $90,100 | $95,900 |

Income Definitions:

1. AMI: Area Median Income for Tacoma/Pierce County Metro Area.
2. Extremely Low Income: Households who have gross annual incomes less than thirty percent (30%) of AMI.
3. Very Low Income: Households who have gross annual incomes less than fifty percent (50%) of AMI.
4. Low Income: Households who have gross annual incomes less than eighty percent (80%) of AMI.
5. **Rent Limits**

 **Table B**

2021 Rent Limits (Effective June 1, 2021)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 0 Bedroom | 1 Bedroom | 2 Bedroom | 3 Bedroom | 4 Bedroom | 5 Bedroom |
| LOW HOME | $795 | $851 | $1,022 | $1,180 | $1,317 | $1,453 |
| HIGH HOME | $1,011 | $1,126 | $1,306 | $1,500 | $1,654 | $1,807 |
| FAIR MARKET RENTS | $1,011 | $1,086 | $1,461 | $2,091 | $2,530 | $2,910 |

Rent Definitions:

1. Low HOME Rent: Maximum rent less utilities for HOME units rented to households less than fifty percent (50%) of AMI.
2. High HOME Rent: Maximum rent less utilities for HOME units rented to households less than eighty percent (80%) of AMI.
3. Fair Market Rent: Maximum rent less utilities for 2060 funded units.

NOTE: At its option the County/CDC may impose more restrictive rent limits on a project-by-project basis. The rent limits will be outlined in the agreement with the County/CDC. The County/CDC will approve rent and utility allowances annually. Rental increases during the contract and/or affordability period must be approved in writing by the County and/or CDC.

# ATTACHMENT E: HOME PROGRAM REQUIREMENTS

General HOME program requirements

HOME program requirements that apply regardless of project type.

1. **Geographic Boundaries:** Beginning with program year 2018 HOME funds the CDC may invest HOME funds in project located within the city limits of Tacoma and Lakewood subject to the requirements at 24 CFR 92.201(2): The participating jurisdiction may only invest its HOME funds in eligible projects within its boundaries, or in jointly funded projects within the boundaries of contiguous local jurisdictions which serve residents from both jurisdictions. For a project to be jointly funded, both jurisdictions must make a financial contribution to the project. A jurisdiction's financial contribution may take the form of a grant or loan (including a loan of funds that comes from other federal sources and that are in the jurisdiction's control, such as CDBG program funds) or relief of a significant tax or fee (such as waiver of impact fees, property taxes, or other taxes or fees customarily imposed on projects within the jurisdiction).
2. **Affordability period:** HOME projects must meet the HUD minimum period of affordability regardless of the status of the HOME loan or change in ownership.

**HOME HUD Minimum Period of Affordability**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Per Unit HOME Subsidy / Project Type | >$15,000 | $15,000 - $40,000 | <$40,000 | Refinance | Acquisition/New Construction |
| Minimum number of years of affordability | 5 Years | 10 Years | 15 Years | 15 Years | 20 Years |

**Note:** Additional separate affordability restrictions may be imposed at the discretion of the County or the CDC.

1. **Subsidy layering and Subsidy limits**: A subsidy layering review will be conducted on projects awarded HOME funding from this NOFA. The purpose of the layering review is to determine if more government funds (federal, state, or local) than necessary are being invested in the project. Projects deemed to be over subsidized by government funds will either not receive HOME funding or will have the HOME funding reduced. The layering review must be completed prior to a commitment of HOME funds to a project. All layering reviews will include a review of the per unit HOME subsidy requirements as defined on page 36, and a review to ensure that all costs being funded by the HOME Program are eligible and reasonable.

For rental projects, the layering review includes a review of the following:

1. **Development Budget** – County staff will review the development budget and determine whether the development costs are necessary and reasonable and will take into consideration the long-term needs of the project. The reasonableness factors include costs of comparable projects, appraised value, and comparable costs published by recognized cost index services;
2. **Operating Budget** – County staff will review the operating pro forma and determine if income and expenses are reasonable;
3. **Rents** – Rents should represent 30% of the gross income of the target population, but not to exceed 95% of the maximum HOME rents;
4. **Operating Expenses** – Operating expenses must be in line with industry standards. For existing housing projects, replacement reserves should be supported by a capital needs assessment. For new construction projects, the County will use the current Washington State Housing Trust Fund standards for operating and replacement reserve expenses;
5. **Debt Coverage Ratio** – If the debt to coverage ratio exceeds 1:30, the project is deemed able to sustain additional private debt service. In projects where the debt coverage ratio exceeds 1:30, the project must seek additional private funding and will have the amount of HOME funding reduced; and
6. **Rate of Return** – In projects where the rate of return on the equity investment of the CHDO exceeds 15%, the applicant will be required to make debt service payments on the HOME loan or have the amount of HOME funds reduced.

For homeownership projects, the layering review includes a review of the development budget with the sources and uses of all the project funding. The development budget will be reviewed to determine whether the development costs are necessary and reasonable and will take into consideration the long-term needs of the project. The reasonableness factors include costs of comparable projects, and comparable costs published by recognized cost index services. The direct assistance to the homebuyer will be reviewed to ensure that the buyer does not receive any more assistance than necessary to complete the purchase of the home.

If it is determined that the total amount of HOME assistance and/or other governmental assistance exceeds the amount that is determined as necessary to make the project feasible, the following options will be considered:

1. Reduce the amount of HOME assistance;
2. Make other adjustments to the project such as lowering rents; or
3. Deny project funding.

To determine the per unit subsidy on a non-comparable HOME funded project:

1. HOME unit’s square feet divided by total square feet = HOME square feet %; THEN
2. HOME square feet % times the total eligible common costs = HOME share of allocated common costs; THEN
3. Allocated common costs + HOME unit costs = total allocated HOME investment divided by the number of HOME units = total allocated investment per unit.

The maximum per unit subsidy for the HOME program is the table below:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 0 Bedroom | 1 Bedroom | 2 Bedroom | 3 Bedroom | 4 Bedroom |
| $ 159,754 per unit maximum HOME subsidy | $ 183,132 per unit maximum HOME subsidy | $ 222,694 per unit maximum HOME subsidy | $ 288,094 per unit maximum HOME subsidy | $ 303,489 per unit maximum HOME subsidy |

1. **Market Assessment**: The HOME regulations require a market assessment to ensure that the current market in the project area supports the development of the project. For projects involving acquisition of vacant land and new construction of more than five units, or acquisition of vacant existing structures of more than five units the applicant is required to provide a third-party market assessment. The assessment must support the development of the project. Note that special needs projects are exempt from this requirement.
2. **Assessment of Developer Capacity:** The developer or must have the financial resources and development experience to carry out the project. The CDC will determine if the applicant has the capacity to carry out the project. Applicants are required to provide:
3. Three years agency financial statements and tax returns.
4. Resumes of development staff and a portfolio of project owned and/or developed.
5. **Double dipping**: Projects previously receiving HOME funds are not eligible to receive additional HOME funds after the project has been completed during the HOME affordability period.
6. **Income determinations**: Income for households participating in the HOME program must be determined in accordance with the Part 5 definition of annual gross income. Income is the gross amount of income anticipated by all persons in a household during the 12 months following the date of the determination.

community housing development organizations

Preference will be given for HOME funding to organizations that can be certified as a CHDO at the time of project commitment. The HOME Program sets aside 15% of HOME funds for CHDOs (the CHDO set-aside). If a project is awarded funding under the CHDO set-aside the project owner must remain a CHDO for the life of the project. For rental projects, the life of the project is the period of affordability, and for ownership projects the life of the project would end at sale of the last HOME assisted unit.

Any agency that is qualified and certified as a CHDO in accordance with the HOME Program guidelines will be given preference for HOME funding under this NOFA. Applicants must be certified as a CHDO or apply for CHDO certification by the closing date of this NOFA to be given this funding preference. The CHDO preference will only be given for HOME eligible projects.

Requirements for an organization to qualify as a CHDO are as follows:

1. Legal Status:
2. Designation as a 501(c)(3) non-profit organization with the IRS;
3. Organized in accordance with state and local law;
4. No individual benefit;
5. Defined service area; and
6. Provision of affordable housing as one of the organization’s missions in the articles or by-laws;
7. Organizational Structure:
8. One-third of the board must be from or represent the low-income community (low-income person, residents of low-income communities, or appointed representatives from low-income groups);
9. No more than one-third of the board can be from the public sector (employees, officials, or elected officials); and
10. Articles or bylaws must have a process which allows for input into project development by the low-income community; and
11. Cannot have employees of the CHDO also be public employees.
12. Capacity:
13. Paid staff with housing development/housing ownership experience employed by the CHDO;
14. History of serving the community; and
15. Financial standards that conform to federal accounting standards.

For a CHDO to develop affordable housing under the CHDO set-aside, it must act in one of the following capacities:

1. Affordable Homeownership
2. CHDO as Developer: CHDO owns, rehabs, and/or constructs, then sells property.
3. Affordable Rental Housing
4. CHDO as Owner: CHDO must be fee simple owner or have a long-term ground lease during the development and affordability period. CHDO does not have to develop the project.
5. CHDO as Developer: CHDO itself owns and develops the housing, CHDO arranges financing and is in sole charge of construction, and CHDO has fee simple title or long-term ground lease during development and affordability period.
6. CHDO as Sponsor: CHDO develops rental housing on behalf of another non-profit and transfers title at completion to a pre-determined non-profit; or the project is owned and/or developed by a for profit or non-profit that is a wholly owned subsidiary of the CHDO, or a limited partnership (LP), or limited liability corporation (LLC) with the CHDO or its wholly owned subsidiary is the sole general partner (LP) or sole managing member (LLC).

**For more information about becoming a CHDO, please contact Bryan Schmid at (253) 798-6909 or by e-mail at bryan.schmid@piercecountywa.gov.**

HOME Rental housing requirements

1. **Program rule:** 90% of the total tenant households renting HOME assisted units in a rental housing project must have incomes that do not exceed 60% of Area Median Income at initial occupancy. The remaining 10% of the tenant households served must have incomes at or below 80% of the Area Median Income on initial occupancy. These will be considered HIGH HOME units.
2. **Project rule:** In projects of five or more HOME assisted units, a minimum of 20% of the units must serve tenants at or below 50% of Area Median Income. These will be considered LOW HOME units.
3. **Fixed and Floating units:** For rental housing projects with both HOME assisted and non-assisted HOME units, the HOME assisted units may be fixed or floating. When a HOME unit is fixed, the unit is designated as a HOME unit and never changes. When HOME units are floating, the unit(s) may change over time if the total number of HOME units in the project does not change.
4. **Group Homes and Single Room Occupancy (SRO):** For the purposes of the HOME Program, group homes are considered one unit. For SRO’s, if the project involves new construction or reconstruction, the unit must have sanitary and/or a food preparation area in the unit.
5. **Lease requirements:** Every tenant must have a written lease. The lease between the owner and tenant in a HOME assisted property must be for at least one year, unless by mutual agreement. The lease cannot contain the prohibited provisions as outlined in 24 CFR 92.253(b) below:
6. **Agreement to be sued***:* Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;
7. **Treatment of property***:* Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with State law;
8. **Excusing owner from responsibility***:* Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent;
9. **Waiver of notice***:* Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;

1. **Waiver of legal proceedings***:* Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;
2. **Waiver of a jury trial***:* Agreement by the tenant to waive any right to a trial by jury;
3. **Waiver of right to appeal court decision***:* Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease;
4. **Tenant chargeable with cost of legal actions regardless of outcome***:* Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses; and
5. **Mandatory supportive services***:* Agreement by the tenant (other than a tenant in transitional housing) to accept supportive services that are offered.
6. **Tenant selection:** The owner must have a tenant selection policy that: (1) Is consistent with the purpose of providing housing for low and very low income tenants; (2) Is reasonably related to program eligibility and applicants ability to perform the obligation of the lease; (3) Provides for the selection of tenants from a written waiting list in the order of their application insofar as practical; and (4) Provides prompt written notification to any rejected applicant of the grounds for any rejection.
7. **Rent:** The County/CDC will review and approve rents in HOME units annually. The County/CDC must approve **any** increase in tenant rent in a HOME assisted unit. A request with the justification for the increase must be sent in advance of the rent increase. The County/CDC will have 30 days to respond in writing to the request.
8. **Utility allowances:** The new HOME rule, effective August 23, 2013, changed the way utility allowances are determined in HOME assisted units. Allowed methods:
9. HUD and USDA RD regulated properties approved utility allowance.
10. Multifamily Housing Utility Analysis.
11. Completed HUD Utility Schedule Model found at http://huduser.org/portal/resources/utilmodel.html.
12. A Utility Company Estimate.
13. Low Income Housing Tax Credit Agency Estimate, excluding UA’s established by the local PHA.
14. Energy Consumption Model.

The County/CDC must approve utility allowances annually.

1. **Termination of tenancy:** An owner may not terminate the tenancy or refuse to renew the lease of a tenant of rental housing assisted with HOME funds, except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable Federal, State, or local law; for completion of the tenancy period for transitional housing or failure to follow any required transitional housing supportive services plan; or for other good cause. Good cause does not include an increase in the tenant's income or refusal of the tenant to purchase the housing. To terminate or refuse to renew tenancy, the owner must serve written notice upon the tenant specifying the grounds for the action at least thirty (30) days before the termination.
2. **Prohibited fees:** Owners cannot charge fees that are not customarily charged in rental housing. Owners cannot charge application fees that would create an undue impediment to a low-income family from applying for a HOME unit.
3. **Ongoing occupancy and monitoring**: Tenant income must be verified annually. Source documentation for income is required on initial occupancy and every 6th year of the relevant period of affordability. Tenant income must be verified no later than one year after the date of previous income verification. The tenant occupancy requirements for HOME:
4. **HIGH HOME Units:** – Tenants residing in HIGH HOME units cannot have incomes that exceed 80% of the Area Median Income. Rent in HIGH HOME units cannot exceed the HUD published HIGH HOME rental rates (see page 13 Table A)
5. **LOW HOME Units:** – Tenants residing in LOW HOME units cannot have incomes that exceed 50% of Area Median Income. Rents in LOW HOME units cannot exceed the HUD published LOW HOME rents, unless the tenant has a projected based voucher whereby, they only pay 30% of income for rent see (Page 13 Table A).
6. **Over-Income Tenants**: – If a tenant in a floating HOME unit’s income exceeds 80% of Area Median Income, an effort will be made to switch the HOME unit to another comparable non-HOME unit in the project where the tenant has an income below 80% of Area Median Income. If no comparable unit is available, the over-income tenant in the HOME unit must pay the lessor of 30% of their gross income or the actual market rent. If the income of a tenant in a fixed HOME unit exceeds 80% of the Area Median Income, the tenant must be charged 30% of their gross income for rent regardless of market rent. Tenants in HOME units cannot be evicted because of income, only their rents can be adjusted.
7. **On-site inspections**: On-site inspections are required every three years. The frequency of inspections may be increased if the property is failing to maintain required property standards. The on-site inspections will include inspections of units in the building and review of the following:
8. Review of individual tenant files and leases;
9. Review of affirmative marketing and fair housing policies and procedures;
10. Review of project financial statements; and
11. Other inspections as indicated by the CDC.
12. **Occupancy certification:** Owners of HOME funded rental units are required to certify annually that all buildings and HOME units in the project meet property and occupancy standards. The certification must be submitted in writing and signed by the Chief Executive Officer of the owner’s organization.

HOME homebuyer requirements

1. **Ownership:** the HOME program requires the ownership of the property as defined below:
2. Fee simple title;
3. Ninety-nine-year leasehold interest in the property;
4. Condominium; or
5. Other as approved by HUD

Land contracts, installment contract and contracts for deeds are not approved by HUD as eligible forms of ownership.

1. **Principal residence**: A homebuyer must occupy the property as his/her principal residence for the HOME affordability period. If the homebuyer rents out the property or does not occupy it as her/his principal residence during the affordability period, the homebuyer is required to pay back the entire amount of the HOME assistance received.
2. **Recapture:** Pierce County uses the recapture option to recapture all or a portion of the direct HOME subsidy if the homeowner decides to sell the house within the minimum affordability period. The amount of the repayment will be determined using the “Recapture of the Entire Amount” option as defined in CFR 92.254(5)(ii)(1). Pierce County will recapture the entire amount of the HOME investment (“Loan”) from the homeowner. However, if there are no net proceeds or the net proceeds are insufficient to repay the HOME investment due, Pierce County will only recapture the amount of the net proceeds, if any. Pierce County has stipulated in its Consolidated Plan, as required by HUD, that the recapture provisions do not vary. The applicant for HOME-funded projects cannot choose their own recapture options in the development of HOME eligible homebuyer housing. They must use the recapture option defined in this paragraph.
3. **Homebuyer income:** Income must be verified and certified within six months prior to close of sale. Income must be re-certified if sale does not close within six months of income verification. Income does not need to be verified or reported after sale. The period of affordability will be enforced by lien and covenant on the property that requires full repayment of the investment if the home is sold or no longer used as the buyer’s primary residence.
4. **Underwriting:** Buyers of HOME assisted units must be approved by the CDC board of directors in accordance with the CDC credit and underwriting policies. The credit and underwriting policies will be provided upon request.

1. **Homebuyer counseling**: Buyers must receive homebuyer counseling from an approved housing counseling program. A list of approved housing counseling program will be provided upon request.

HOME CONTRACT CONDITIONS and loan terms

Applicants will be required to enter into a formal HOME Program written agreement with the Pierce County Community Development Corporation (CDC) for projects assisted with HOME funds.

1. For rental housing projects, all HOME funding will be provided in the form of a 0% - 3% interest loan. A deed of trust, HOME written agreement, promissory note, and restrictive covenant will be required to be signed and executed to receive the funding. The term of the loan may be up to 30 years and payments will be based on a financial review of the project. Projects serving tenants whose incomes are below 50% of Area Median Income without ongoing operating subsidies or rental vouchers may be considered for a deferral of loan payments and a 0% interest loan.
2. For homebuyer projects, the loan is provided as a 0% - 3% interest deferred payment loan that is transferable to the homebuyer (along with the affordability and recapture restrictions), at the time of sale. The buyer must execute a Note, Deed of Trust and Formal HOME written agreement for the HOME funds with the CDC. The HOME funds are not provided as a developer subsidy but rather as a direct subsidy for specific units within the project. If the home is sold by the homebuyer during the period of affordability, Pierce County uses the recapture method defined on this page.

All HOME funding under this NOFA is provided as permanent financing. The CDC will not provide bridge or temporary financing with HOME funds. However, HOME funds may be used to pay off bridge or construction loans in the following circumstances:

1. All costs are HOME eligible.
2. All costs were incurred after the application for federal assistance was received.
3. The applicant did not take any choice limiting actions and violate the environmental review requirements prior to completion of the environmental review.

Conditions for Release of Funds

Under no circumstances will HOME funding be released until all funding commitments needed to complete the project are secured, and written commitment letters provided. Funds will be released in accordance with the approved budget agreed to by the Applicant and the CDC. All conditions of release of funds will be stipulated in the written agreements and loan documents.

REPORTING REQUIREMENTS

Homeownership projects (Capital):

The following reports are required prior to sale:

1. Homebuyer income prior to purchase; and
2. Homebuyer demographic information.

Rental projects (Capital):

The following reports are required upon lease up and annually for the period of affordability:

1. Tenant income including demographic information;
2. Rents and utilities;
3. Operating budget for the project; and
4. Agency financial statements.

other applicable federal REQUIREMENTS

Federally funded projects must adhere to a broad base of federal regulations including those listed below. Pierce County is responsible for ensuring that these regulations are met in all HOME funded projects.

1. **Conflict of Interest**: The Applicant assures that no person who presently exercises any functions or responsibilities in connection with the Pierce County Human Services or the CDC has any personal financial interest, direct or indirect, in this proposal or any resulting agreement. The Applicant further assures that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. The Applicant further assures that in the performance of this project/proposal, no person having any conflicting interest will be employed. Any interest on the part of the Applicant or its employees must be disclosed to Pierce County Human Services or CDC. No officer, employee, or agent of the Applicant shall participate in the selection, award, or administration of activity funded in whole or in part with HOME funds if a conflict of interest, real or apparent, would exist, nor shall their families, or those with whom they have business ties, so benefit.
2. **Environmental Review (NEPA)**: All HOME funded projects will need to have an environmental review completed in accordance with the National Environmental Protection Act (NEPA). The County as the responsible entity must sign off on the Environmental Review. The scope of the environmental review will depend on the nature and size of the project. Costs may need to be incurred related to the completion of the NEPA review. The cost will be passed on to the applicant as a project cost. Once the funding application is received the applicant and anyone else in the development process cannot take any choice limiting actions until the environmental review is complete. Choice limiting actions include but are not limited to acquisition of property, beginning construction activities, and signing binding contracts. If a choice limiting action is taken without the environmental review being completed, it will disqualify the project from receiving federal funding. Important for Projects Involving Acquisition**:** HUD only allows the use of a conditional purchase and sale contracts conditioned on completion of the environmental review for the purchase of properties. The responsible entity or applicant may enter into a purchase option on these projects if the option agreement meets the standards of Part 58.22(d). (Applicants will need to work with Pierce County staff to ensure that the option agreement meets the requirements of Part 58.22(d)). Regulations at 24 CFR Part 58.22 make it clear that a recipient, any participant in the development process (including public or private nonprofit or for-profit entities), or any of their contractors may not commit HUD or non-HUD funds on a project until the environmental review process has been completed and the Request of Release of Funds and related certification have been approved, if needed. ***Pierce County may request applicants submit a Phase I environmental, or other related studies if applicable.***
3. **Uniform Act/Section 104(d)**: All HOME projects that involve acquisition, rehabilitation or demolition are subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act), as implemented by HUD regulation 24 CFR 570.606, as applicable. For projects involving acquisition sellers must be provided a notice of voluntary acquisition in a format approved by Pierce County. For projects involving acquisition and/or rehabilitation of existing tenant occupied property all tenants must be provided proper relocation notices. Applicants must meet with the County to review all relocation notice requirements. Projects that will result in the loss of housing units that rent (or would rent) at or below Fair Market Rents or convert such units to use other than lower income housing are subject to 104(d). All applicants with a project that has or will include, rehabilitation, or demolition as part of their project **must contact, Bryan Schmid, Housing Supervisor at (253) 798-6909 or bryan.schmid@piercecountywa.gov to schedule a meeting to review their project** to determine Uniform Act/104(d) requirements and budget for any Uniform Act/104(d) costs.
4. **Labor Standards**: All HOME projects involving new construction or rehabilitation more than $2,000 will adhere to federal labor laws which include:
5. Davis Bacon Act: Applicable to all projects (except residential housing projects with 11 or fewer HOME assisted housing units). Provides assurance that workers employed in construction work under federally assisted contracts are paid wages and benefits equal to those that prevail in the locality where the work is performed. If applicable, the cost of compliance monitoring for federal Davis Bacon may be passed on to the applicant as a project cost.
6. Contract Work Hours and Safety Standards: Applicable to all projects. Provides assurance that workers employed in construction work under federally assisted contracts are paid 1½ times their normal salary for working over 40 hours per week.
7. Copeland Act: Applicable to all projects. Governs the deductions from paychecks that are allowable and requires submission of weekly payroll.
8. Fair Labor Standards: Applicable to all projects. Establishes a basic minimum wage for all work and requires the payment of time and a half for overtime.
9. **Equal Employment Opportunity**: This law prohibits discrimination against any employee or application for employment because of race, color, religion, sex, or national origin. Provisions to effectuate this prohibition must be included in all construction contracts. The Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, creed, color, or national origin.
10. **Section 3 Requirements**: All construction contracts must meet Section 3 requirements to the greatest extent feasible. Opportunities for training and employment arising from the project will be provided to low-income persons residing in the program service area. To the greatest extent feasible, contracts for work to be performed relating to the contractor will be awarded to business concerns that are in or owned by a person residing in the program service area. A Section 3 plan for the project will be required to be completed prior to the start of construction and a Section 3 clause will need to be included in any construction contracts.
11. **MBE/WBE***:* Developers of federally funded housing projects *must adopt* procedures to establish and oversee a minority outreach program to ensure, to the maximum extent possible, that minorities and women, and businesses owned by minorities and women (MBE/WBE’s), are offered contracts. Applicants will need to include an outreach plan and include MBE/WBE provisions in all construction contracts.
12. **Lead Based Paint**: If the HOME project involves acquisition and/or rehabilitation on a building or buildings built before 1978, federal regulations require that testing for lead paint be conducted, and a risk assessment be provided. Any lead-based paint hazard must be corrected in accordance with federal and state guidelines.
13. **Contracting and Procurement**: Projects may be subject to certain Federal procurement rules which include:
14. Conflict of Interest;
15. Debarred contractors; and
16. Procurement Standards under 2 CFR 200.320, as applicable.
17. Inclusion of HOME and other federal requirements in all contracts and subcontracts associated with the project.
18. **Affirmative Marketing**: All projects over five units must adopt affirmative marketing procedures in compliance with federal and county policy. An affirmative marketing plan must be provided on HUD form HUD935.2A. The plan must, to the greatest extent possible, provide information to the public and potential tenants that may be underserved in the community.
19. **Fair Housing**: Owner shall comply with all applicable Federal, State and County Fair Housing laws, including, without limitation: (a) [Fair Housing Act](http://www.justice.gov/crt/housing/title8.php), 42 U.S.C. 3601 et seq., (prohibits discrimination by direct providers of housing, such as landlords and real estate companies as well as other entities, such as municipalities, banks or other lending institutions and homeowners insurance companies whose discriminatory practices make housing unavailable to persons because of [race or color](http://www.justice.gov/crt/housing/housing_coverage.php#race#race), [religion](http://www.justice.gov/crt/housing/housing_coverage.php#relig#relig) , [sex](http://www.justice.gov/crt/housing/housing_coverage.php#sex#sex) , [national origin](http://www.justice.gov/crt/housing/housing_coverage.php#nat#nat), [familial status](http://www.justice.gov/crt/housing/housing_coverage.php#famil#famil), or [disability](http://www.justice.gov/crt/housing/housing_coverage.php#disability#disability)); (b)Title VIII of the Civil Rights Act of 1964 (prohibits discrimination on the basis of race, color, national origin, religion, sex familial status, and disability); (c) Title VI of the Civil Rights Act of 1964 (prohibits discrimination on the basis of race, color, nation origin in all Federally assisted programs); and (d) the Age Discrimination Act of 1975 (prohibits age discrimination in all federally assisted programs). In addition, Owner agrees that it will make the HOME Units accessible (as defined in Section 504 of the Rehabilitation Act of 1973), upon the request of the prospective tenant(s) if the nature of the prospective tenant’s disability so requires. The Owner shall work with the prospective tenants to make such HOME Units accessible. All accessibility features must comply with the Uniform Federal Accessibility Standards (UFAS) for the design, construction, and alteration of buildings so that physically handicapped persons will have ready access to and use of them in accordance with the architectural barriers Act, 42 U.S.C. 4151-4157. Owner will also not discriminate against persons with disabilities as required by Section 504 of the Rehabilitation Act of 1973.
20. **Accessibility**: All projects must comply with the following federal accessibility laws:
21. Americans with Disabilities Act;

1. Fair Housing Act; and

1. Section 504.
2. **Financial Management**: The applicant must comply with all relevant OMB circulars. Recipients of funds must have a financial management system in place that complies with all federal standards including cost reasonableness.
3. **Other Federal Requirements**: Recipients of HOME funding will be required to comply with all federal laws and requirements including all OMB circulars and other federal requirements not listed in these instructions. These requirements will be included in any written agreement between the applicant and the CDC.

# ATTACHMENT F:SHB 2060 AFFORDABLE HOUSING DOCUMENT RECORDING FEE PROGRAM REQUIREMENTS

**General SHB 2060 Requirements\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

All 2060-funded projects must serve very low-income households. “Very low-income” is defined as a household with an income at or below 50% of the Pierce County Area Median Income.

1. **Affordability period**: The period of affordability of SHB 2060 funded project in all cases shall be 30 years from the date of project completion.
2. **Market assessment**: The County requires a market assessment to ensure that the current market in the project area supports the development of the project. For projects involving acquisition of vacant land and new construction for more than five units, or acquisition of vacant existing structures of more than five units the applicant is required to provide a 3rd party market assessment. The assessment must support the development of the project.
3. **Assessment of Developer capacity:** The developer or must have the financial resources and development experience to carry out the project. The County will determine if the applicant has the capacity to carry out the project. Applicants are required to provide:
4. Three years agency financial statements and tax returns.
5. Resumes of development staff and a portfolio of project owned and/or developed**.**
6. **Income determinations**: Income must be determined in accordance with the Part 5 definition of annual gross income. Income is the gross amount of income anticipated by all persons in a household during the 12 months following the date of the determination.
7. **Fair housing:** Owner shall comply with all applicable Federal, State and County Fair Housing laws, including, without limitation: (a) [Fair Housing Act](http://www.justice.gov/crt/housing/title8.php), 42 U.S.C. 3601 et seq., (prohibits discrimination by direct providers of housing, such as landlords and real estate companies as well as other entities, such as municipalities, banks or other lending institutions and homeowners insurance companies whose discriminatory practices make housing unavailable to persons because of [race or color](http://www.justice.gov/crt/housing/housing_coverage.php#race#race), [religion](http://www.justice.gov/crt/housing/housing_coverage.php#relig#relig) , [sex](http://www.justice.gov/crt/housing/housing_coverage.php#sex#sex) , [national origin](http://www.justice.gov/crt/housing/housing_coverage.php#nat#nat), [familial status](http://www.justice.gov/crt/housing/housing_coverage.php#famil#famil), or [disability](http://www.justice.gov/crt/housing/housing_coverage.php#disability#disability)); (b)Title VIII of the Civil Rights Act of 1964 (prohibits discrimination on the basis of race, color, national origin, religion, sex familial status, and disability); (c) Title VI of the Civil Rights Act of 1964 (prohibits discrimination on the basis of race, color, nation origin in all Federally assisted programs); and (d) the Age Discrimination Act of 1975 (prohibits age discrimination in all federally assisted programs). In addition, Owner agrees that it will make the HOME Units accessible (as defined in Section 504 of the Rehabilitation Act of 1973), upon the request of the prospective tenant(s) if the nature of the prospective tenant’s disability so requires. The Owner shall work with the prospective tenants to make such HOME Units accessible. All accessibility features must comply with the Uniform Federal Accessibility Standards (UFAS) for the design, construction, and alteration of buildings so that physically handicapped persons will have ready access to and use of them in accordance with the architectural barriers Act, 42 U.S.C. 4151-4157. Owner will also not discriminate against persons with disabilities as required by Section 504 of the Rehabilitation Act of 1973.

***Note: Project awarded 2060 funds that are used for HOME match will be required to follow the HOME affordability standards. Information will be provided at the time of award if the project will be used as HOME match.***

rental housing requirements

1. **Group Homes and Single Room Occupancy (SRO):** Group homes are considered one unit. For SRO’s, if the project involves new construction or reconstruction, the unit must have sanitary and/or a food preparation area in the unit.
2. **Lease requirements:** Every tenant must have a written lease. The lease between the owner and tenant in a SHB 2060 assisted property must be for at least one year, unless by mutual agreement. The lease must comply with Washington State Landlord Tenant Law.
3. **Ongoing occupancy and monitoring**: Tenant income must be verified annually. Source documentation for income is required on initial occupancy and every 6th year of the relevant period of affordability. Tenant income must be verified no later than one year after the date of previous income verification.
4. **On-site inspections**: On-site inspections are required every three years. The frequency of inspections may be increased if the property is failing to maintain required property standards. The on-site inspections will include inspections of units in the building.

Homeownership requirements

1. **Ownership:** The 2060 program requires the ownership of the property as defined below:
2. Fee simple title
3. Ninety-nine-year leasehold interest in the property
4. Condominium
5. Other as approved by HUD

Land contracts, installment contract and contracts for deeds are not approved by HUD as eligible forms of ownership.

1. **Principal residence**: A homebuyer must occupy the property as his/her principal residence for the period of affordability. If the homebuyer rents out the property or does not occupy it as her/his principal residence the homebuyer is required to pay back the entire amount of the 2060 assistance received. See contract/Loan terms section.

1. **Homebuyer**: Income must be verified and certified within six (6) months prior to close of sale. Income must be re-certified if sale does not close within six (6) months of income verification. Income will be reviewed and approved by Pierce County staff prior to sale. Income does not need to be verified or reported after sale. The period of affordability will be enforced by lien and covenant on the property that requires full repayment of the investment if the home is sold or no longer used as the buyer’s primary residence.

CONTRACT TERMS AND LOAN CONDITIONS

Terms and Conditions for 2060-Funded Projects:

1. **Capital Projects**: Funding awards will be evidenced by a written loan approval letter from the County. All funding for 2060 capital projects will be provided in the form of a 0% - 3% interest loan. If the recipient of the funding uses the property for the agreed upon purpose for an affordability period of 30 years, the loan will be forgiven at the end of the 30th year. Recipients of 2060 capital funding will be required to execute a Contract, Loan Agreement, Promissory Note, Deed of Trust, and Restrictive Covenant on the property that would restrict the use of the property for 30 years. ***Those funding obligations are transferred to homebuyers in homeownership projects*.** In the event the property is sold or not used for affordable housing as defined in the laws and in the loan agreement the full amount invested, plus penalty, shall be repaid to the 2060 fund. The 2060 capital fund will be permanent financing only and is not intended to provide temporary bridge or construction financing.
2. **Operating and Maintenance**: Funding awards for may be for one to two years and will be allocated on a program year beginning January 1, 2020.

REPORTING REQUIREMENTS

**Homeownership projects (Capital)**:

The following reports are required prior to sale:

1. Homebuyer income prior to purchase; and
2. Homebuyer demographic information.

**Rental projects (Capital)**:

The following reports are required upon lease up and annually for the period of affordability:

1. Tenant income including demographic information;
2. Rents and utilities;
3. Operating budget for the project; and
4. Agency financial statements.

**Rental project (O&M)**:

The following reports are required upon lease up and annually during the contract period:

1. Tenant income including demographic information;
2. Rents and utilities; and
3. Agency financial statements

# ATTACHMENT G:1406 AFFORDABLE HOUSING SALES TAXPROGRAM REQUIREMENTS

**General 1406 Requirements\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

All 1406-funded projects must serve households with an income at or below 60% of the Pierce County Area Median Income.

**Affordability period**: The period of affordability of 1406 funded project in all cases shall be a minimum of 30 years from the date of project completion.

**Market assessment**: The County requires a market assessment to ensure that the current market in the project area supports the development of the project. For projects involving acquisition of vacant land and new construction for more than five units, or acquisition of vacant existing structures of more than five units the applicant is required to provide a 3rd party market assessment. The assessment must support the development of the project.

**Assessment of Developer capacity:** The developer or must have the financial resources and development experience to carry out the project. The County will determine if the applicant has the capacity to carry out the project. Applicants are required to provide:

Three years agency financial statements and tax returns.

Resumes of development staff and a portfolio of project owned and/or developed**.**

**Income determinations**: Income must be determined in accordance with the Part 5 definition of annual gross income. Income is the gross amount of income anticipated by all persons in a household during the 12 months following the date of the determination.

**Fair housing:** Owner shall comply with all applicable Federal, State and County Fair Housing laws, including, without limitation: (a) [Fair Housing Act](http://www.justice.gov/crt/housing/title8.php), 42 U.S.C. 3601 et seq., (prohibits discrimination by direct providers of housing, such as landlords and real estate companies as well as other entities, such as municipalities, banks or other lending institutions and homeowners insurance companies whose discriminatory practices make housing unavailable to persons because of [race or color](http://www.justice.gov/crt/housing/housing_coverage.php#race#race), [religion](http://www.justice.gov/crt/housing/housing_coverage.php#relig#relig) , [sex](http://www.justice.gov/crt/housing/housing_coverage.php#sex#sex) , [national origin](http://www.justice.gov/crt/housing/housing_coverage.php#nat#nat), [familial status](http://www.justice.gov/crt/housing/housing_coverage.php#famil#famil), or [disability](http://www.justice.gov/crt/housing/housing_coverage.php#disability#disability)); (b)Title VIII of the Civil Rights Act of 1964 (prohibits discrimination on the basis of race, color, national origin, religion, sex familial status, and disability); (c) Title VI of the Civil Rights Act of 1964 (prohibits discrimination on the basis of race, color, nation origin in all Federally assisted programs); and (d) the Age Discrimination Act of 1975 (prohibits age discrimination in all federally assisted programs). In addition, Owner agrees that it will make the HOME Units accessible (as defined in Section 504 of the Rehabilitation Act of 1973), upon the request of the prospective tenant(s) if the nature of the prospective tenant’s disability so requires. The Owner shall work with the prospective tenants to make such HOME Units accessible. All accessibility features must comply with the Uniform Federal Accessibility Standards (UFAS) for the design, construction, and alteration of buildings so that physically handicapped persons will have ready access to and use of them in accordance with the architectural barriers Act, 42 U.S.C. 4151-4157. Owner will also not discriminate against persons with disabilities as required by Section 504 of the Rehabilitation Act of 1973.

***Note: Project awarded 1406 funds that are used for HOME match will be required to follow the HOME affordability standards. Information will be provided at the time of award if the project will be used as HOME match.***

rental housing requirements

**Group Homes and Single Room Occupancy (SRO):** Group homes are considered one unit. For SRO’s, if the project involves new construction or reconstruction, the unit must have sanitary and/or a food preparation area in the unit.

**Lease requirements:** Every tenant must have a written lease. The lease between the owner and tenant in a 1406 assisted property must be for at least one year, unless by mutual agreement. The lease must comply with Washington State Landlord Tenant Law.

**Ongoing occupancy and monitoring**: Tenant income must be verified annually. Source documentation for income is required on initial occupancy and every 6th year of the relevant period of affordability. Tenant income must be verified no later than one year after the date of previous income verification.

**On-site inspections**: On-site inspections are required every three years. The frequency of inspections may be increased if the property is failing to maintain required property standards. The on-site inspections will include inspections of units in the building.

Homeownership requirements

**Ownership:** The 1406 program requires the ownership of the property as defined below:

Fee simple title

Ninety-nine-year leasehold interest in the property

Condominium

Other as approved by HUD

Land contracts, installment contract and contracts for deeds are not approved by HUD as eligible forms of ownership.

**Principal residence**: A homebuyer must occupy the property as his/her principal residence for the period of affordability. If the homebuyer rents out the property or does not occupy it as her/his principal residence the homebuyer is required to pay back the entire amount of the 1406 assistance received. See contract/Loan terms section.

**Homebuyer**: Income must be verified and certified within six (6) months prior to close of sale. Income must be re-certified if sale does not close within six (6) months of income verification. Income will be reviewed and approved by Pierce County staff prior to sale. Income does not need to be verified or reported after sale. The period of affordability will be enforced by lien and covenant on the property that requires full repayment of the investment if the home is sold or no longer used as the buyer’s primary residence.

CONTRACT TERMS AND LOAN CONDITIONS

Terms and Conditions for 1406 Funded Projects:

**Capital Projects**: Funding awards will be evidenced by a written loan approval letter from the County. All funding for 1406 capital projects will be provided in the form of a 0% - 3% interest loan. If the recipient of the funding uses the property for the agreed upon purpose for a minimum of 30 years, the loan will be forgiven at the end of the 30th year. Recipients of 1406 capital funding will be required to execute a Contract, Loan Agreement, Promissory Note, Deed of Trust, and Restrictive Covenant on the property that would restrict the use of the property for a minimum of 30 years. ***Those funding obligations are transferred to homebuyers in homeownership projects*.** In the event the property is sold or not used for affordable housing as defined in the laws and in the loan agreement the full amount invested, plus penalty, shall be repaid to the 1406 fund. The 1406 capital fund will be permanent financing only and is not intended to provide temporary bridge or construction financing.

REPORTING REQUIREMENTS

**Homeownership projects (Capital)**:

The following reports are required prior to sale:

Homebuyer income prior to purchase; and

Homebuyer demographic information.

**Rental projects (Capital)**:

The following reports are required upon lease up and annually for the period of affordability:

Tenant income including demographic information;

Rents and utilities;

Operating budget for the project; and

Agency financial statements.

**Rental project (O&M)**:

The following reports are required upon lease up and annually during the contract period:

Tenant income including demographic information;

Rents and utilities; and

Agency financial statements