



**SNOHOMISH COUNTY  
HUMAN SERVICES DEPARTMENT**

**SPRING 2019 NOTICE OF FUND AVAILABILITY**

**AFFORDABLE HOUSING**

**HOME INVESTMENT PARTNERSHIP PROGRAM**

**AND**

**CHEMICAL DEPENDENCY / MENTAL HEALTH / SALES TAX FUNDS**

**April 8, 2019  
Mary Jane Brell Vujovic, Director  
Human Services Department**

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## OVERVIEW

### A. NOTICE OF FUNDING AVAILABILITY (NOFA) – SPRING 2019

The Snohomish County Office of Housing and Community Development (OHCD) is announcing the availability of Program Year 2020 HOME funds and Chemical Dependency Mental Health Sales Tax (CDMH) Funds available in 2019. Snohomish County will accept funding proposals for the following types of projects and activities:

#### Housing:

- ◆ Multi-unit Rental Housing Projects (HOME and CDMH)
- ◆ Shelter projects (CDMH only)
- ◆ Homeownership Development Projects (HOME Funds)
- ◆ Community Housing Development Organization (CHDO) Operating Support Grant (HOME Funds)

**Applications are due Friday May 31, 2019 by 4:00 pm.**

### B. FUNDS AVAILABLE

Estimated funding includes PY 2020 HOME Capital funds and CDMH funds available in 2019:

- |  |             |
|--|-------------|
| ◆ Estimated PY 2020 HOME Investment Partnerships (HOME)        | \$2,720,399 |
| ○ PY2020 Capital- \$1,192,850                                  |             |
| ○ PY2020 CHDO Operating - \$101,003                            |             |
| ○ Reprogrammed Capital- \$1,426,546                            |             |
| ◆ CDMH Sales Tax Capital Fund                                  | \$773,875   |
| ◆ Total estimate of HOME and CDMH funds available this NOFA is | \$3,494,274 |

**HOME Investment Partnerships Program (HOME)**, a source of federal housing development funds created under Title 11 of the National Affordable Housing Act of 1990 became available in 1992. Snohomish County administers HOME funds in cooperation with the HOME Consortium member cities. The purpose of HOME is to expand the supply of permanent affordable housing for low- and very low-income families and individuals.

**1/10 of 1% Sales Tax Capital Funds for Mental Health and Chemical Dependency (CMDH Sales Tax Fund)**: The funds utilized for this program are collected through the use of a sales tax option that was passed by the State Legislature in 2005: the Omnibus Mental Health and Substance Abuse Act (E2SSB 5763). Effective December 2008, Snohomish County Council passed Ordinance 08-154 "Authorizing a Sales and Use Tax to Provide for Operation or Delivery of Chemical Dependency or Mental Health Treatment and Therapeutic Court Programs and Services." The use of these capital funds for housing projects provides long-term financing with deferred, 0% interest loans. The Sales Tax Capital funds provides permanent financing for affordable housing projects serving persons living with chemical dependency or mental health issues.

**Program Year 2020 Funding Estimates for this NOFA's HOME funds are as follows:**

HOME CHDO Operating Support	\$101,003
All Other HOME eligible activities	\$2,619,396
<b>Total Estimated HOME Funds</b>	<b>\$2,720,399</b>

- The program year 2020 funding amounts available for HOME affordable housing projects are an estimate based on the 2018 grant amount received by the County from HUD. The County doesn't yet know the amount of HOME funds that will be available in 2020. Any funding available will depend upon the 2020 Federal Fiscal Year Budget that Congress passes.
- Snohomish County's 2020 HOME Program Year begins July 1, 2020.

**C. HOME PROGRAM FUNDS OVERVIEW:**

Funds available in this Spring 2019 NOFA may be used for affordable housing multi-unit rental projects, homeownership development projects and operating support for non-profit Community Housing Development Organizations in Snohomish County. Eligible organizations and consortia of eligible entities are invited to submit applications for affordable housing projects to compete for these funds.

Snohomish County and the cities in the Snohomish County Urban County Consortium (Consortium) are allocated HOME Investment Partnerships Program (HOME) funds annually from the U.S. Department of Housing and Urban Development (HUD). The County, through its Office of Housing and Community Development (OHCD), makes a portion of these funds available each year for affordable housing for low-income families and individuals.

**Snohomish County HOME Consortium:** The Consortium includes the County and 19 cities and towns within the County, including the Snohomish County portion of the City of Bothell, and covers both the incorporated and unincorporated areas of the County. The City of Everett has an Interlocal Agreement with Snohomish County for HOME funds and conducts a separate funding round process for City of Everett HOME funds.

Applicants for projects located in the City of Everett, should contact the City and the County before preparing applications to determine which funding process is open to these projects. Projects that are (or will be) located in the City of Everett are not restricted from applying for County funds, as long as residents from the entire County are included (on a proportional basis), when applications for tenancy in the projects are solicited.

**HOME CHDO Operating Support Grant:** The County makes up to 5% of its annual HOME allocation available to certified CHDOs that are developing HOME-assisted capital housing projects. These funds are restricted to general organizational operating expenses and capacity building. Direct costs of funded HOME projects, including personnel and other direct project management costs, are not an eligible use of these funds. Operating costs for existing housing projects are also not eligible for this support. **Only Snohomish County Consortium CHDOs that are eligible to be certified for Program Year 2020 and are undertaking a HOME-assisted project may apply for this Operating Support Grant.**

**HOME CHDO Set-aside:** The HOME program requires a set-aside of HOME funds for affordable housing projects undertaken by Community Housing Development Organizations (CHDOs). The set-aside totals 15% of the County's total HOME allocation each year. HOME CHDO Set-aside funds must be committed within 2 years of the County's HOME funding agreement with HUD.

#### **D. ELIGIBLE APPLICANTS AND ACTIVITIES:**

##### **Eligible Applicants**

The following types of organizations/entities are eligible for capital funding:

- Public housing authorities
- Non-profit organizations
- Local governments (HOME only)
- Community Housing Development Organizations (CHDOs) (HOME only)
- For-profit entities

Partnerships are encouraged among local governments, public housing authorities, other non-profit housing developers, for-profit developers, and service providers in order to produce the greatest number of units for the most reasonable public investment and to provide appropriate supportive services to residents with special needs.

##### **Eligible Housing Project Types and Activities**

Funding is available for the following project types and development activities:

- Permanent Rental Housing
- Acquisition of land and buildings
- New Construction
- Substantial Rehabilitation of Multi-unit Housing
- Conversion of an existing structure to Multi- Household Affordable Housing
- Homeownership Development Activities (HOME only)
- Shelter projects (CDMH only)
- Transitional Housing
- Relocation Costs
- Site Improvements

This list of eligible activities is not intended to be all-inclusive. Please contact OHCD staff with any questions concerning the eligibility of a proposed project or program.

#### **E. THE NOFA APPLICATION REQUIREMENTS AND INSTRUCTIONS**

This Spring 2019 NOFA application has separate requirements for different types of projects to better analyze the applicant's proposal and funding request.

**Instructions:** Complete the appropriate Combined Funders Application, Combined Funders Forms, Snohomish County Addendum and Supplemental Submittals as required by project or program type as outlined below.

##### **Multi-unit Rental Housing Projects (HOME and/or CDMH funds):**

- 1) Spring 2019 Multi-Unit Application Checklist and Instructions
- 2) 2019 Multi-unit Combined Funders Application- (Required Word document)
- 3) 2019 Multi-unit Combined Funders Application Forms- (Required Excel document)
- 4) 2019 Snohomish County Multi-unit Rental Housing Addendum- (Required)
- 5) Tenant Relocation Plan (If applicable)
- 6) Environmental Review Supplement (Not required if requesting only CDMH funds.)
- 7) 2019 CDMH Sales Tax Supplemental Application (if applicable)

**Homeownership Development Projects (HOME only):**

- 1) Spring 2019 Homeownership Application Checklist and Instructions
- 2) 2018 Homeownership Combined Funders Application- (Required Word document)
- 3) 2018 Homeownership Combined Funders Application Forms (Required Excel document)
- 4) 2019 Snohomish County Homeownership Development Addendum (Required)
- 5) Tenant Relocation Plan (If applicable)
- 6) Environmental Review Supplement (Required)

**Shelter Projects (CDMH Only):**

- 1) Spring 2019 Shelter Application Checklist and Instructions
- 2) 2019 Multi-unit Combined Funders Application- (Required Word document)
- 3) 2019 Multi-unit Combined Funders Application Forms- (Required Excel document)
- 4) CDMH Sales Tax Supplemental Application- Shelter

**CHDO Certification (HOME only):**

- 1) **New** CHDOs: To apply for certification as a NEW CHDO, complete and submit the New CHDO Application for Certification  
*OR*
- 2) **Existing** CHDOs: All existing CHDOs must complete and submit the Renewal Certification Packet

**CHDO Operating Support Grants (HOME only):**

To apply for a Program Year 2020 Operating Support Grant, complete and submit the Operating Support Grant Application

**Application Links and hard copies:**

The Spring 2019 NOFA applications and related documents, including the Combined Funders Applications and forms are available on Snohomish County's website:

<http://www.snohomishcountywa.gov/754/Housing-Projects>

Hard copies of the application will also be available at the Snohomish County Division of Housing and Community Services, located at 3000 Rockefeller Avenue, Administration Building West, Fourth Floor, Everett, WA, or by calling Marion Dal Pozzo at (425) 388-3052.

**Detailed Instructions and Application Format:**

See the "Spring 2019 Multi-Unit Application Checklist and Instructions" and/or the "Spring 2019 Homeownership Application Checklist and Instructions" for these details.

**Combined Funders Application:** Snohomish County, along with other jurisdictions, is using the Combined Funders Application, which is accepted by the Washington State Department of Commerce (Commerce), Washington State Housing Finance Commission (WSHFC), King County, City of Seattle, and ARCH. There is a common application for rental housing projects (multi-unit) and a separate application for the homeownership development projects. The 2019 Multi-unit rental and the 2019 Homeownership Combined Funders Applications (CFA) are the current applications available at this time, however the CFA application may change before the rest of the funders put out their NOFA's.

**Flexibility regarding application items not yet completed:** Since the due date of this Spring NOFA opportunity occurs prior to Commerce's 2019 application due date, the County will be flexible regarding certain application exhibits that are not yet completed by the County's application due date provided that all of the conditions below are met:

- 1) The project plans to apply for Commerce's 2019 funding round,

- 2) The applicant provides a reasonable explanation why the exhibit(s) is not available and the impact (if any) not having this information now has on the project plans, and notes on the Application Checklist that the attachment will be provided to the County. An example of a reasonable explanation is that the exhibit is costly to obtain and will be outdated by the time the Commerce application is due.
- 3) The delayed attachment(s), along with the updated CFA forms and the complete application with all attached materials are provided to the County within one week of Commerce's 2019 application due date.
- 4) **Applicants should contact County staff to discuss specific exhibits that are not yet available to submit.** Any requests for exemptions or alternatives to the documents requested must be approved by the Division Manager of Housing and Community Services prior to the application deadline date.

#### **Housing Threshold Criteria and Evaluation Criteria:**

Applicants are encouraged to review the Threshold Criteria and Evaluation Criteria (attached as **Appendix G**) in preparing application submittals. Please note that this is **not** an application submittal and it does not need to be completed by the applicant.

#### **F. APPLICANT ASSISTANCE**

##### **Technical Assistance and Application Workshop**

A workshop for housing projects requesting HOME and CDMH funds scheduled as follows:

**Wednesday, April 17, 2019**

**1:00 p.m. to 3:00 p.m.**

Snohomish County Robert J. Drewel Building (Administration Building East)  
6<sup>th</sup> Floor, Mount Baker Conference Room 6A02  
3000 Rockefeller Avenue, Everett, WA 98201

Applicants are strongly encouraged to attend the application workshop to discuss proposed projects. The meeting will provide technical assistance to applicants to determine an applicant's and/or project's potential eligibility to receive funding, to review application requirements and to discuss regulatory provisions.

The application workshop will also provide an overview of important federal and/or state laws and regulations that may apply to projects receiving these funds, including:

- HOME Program requirements,
- National Environmental Policy Act (NEPA) & Environmental Review Process,
- Acquisition of Real Property and Relocation, and
- Davis Bacon and state prevailing wage rates

Applicants should familiarize themselves with the timing issues and procedural requirements involved in the development of projects related to National Environmental Policy Act (NEPA) "Choice Limiting" activities and other requirements, and Uniform Relocation and Acquisition (URA) or other federal regulations that are required when projects receive federal HOME funding. There are regulations that may affect the timing or nature of site control agreements or acquisitions, contracting, cost eligibility and other elements of project development.

*Please note that, if a proposed project triggers any of these regulations, further meetings with County staff may be required. County staff members are available to provide technical assistance to potential applicants throughout the application process.*



Any updates to the application after the publication date will be posted on the County's application web page. Questions from the workshop will be posted on the web page.

**ADA Notice:** Snohomish County facilities are accessible. The County strives to provide access to all members of the public. Please notify the ADA contact at least five days in advance of public meetings if accommodations are required. Upon request reasonable accommodations will be made to provide this application in an alternate format.

**ADA Contact information:** Debra May can be reached via email or phone at: [debra.may@snoco.org](mailto:debra.may@snoco.org) or (425) 388-3264 or 711 (TTY)

## **OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT CONTACTS**

Jackie Anderson, Division Manager, Housing and Community Services  
(425) 388-3237 or [jackiem.anderson@snoco.org](mailto:jackiem.anderson@snoco.org)

Andrew Fox  
(425) 388-7264 or [andrew.fox@snoco.org](mailto:andrew.fox@snoco.org)  
Asset Management, HOME CHDO Certification & Operating, and Labor Standards

Tina Ilvonen  
(425) 388-7461 or [tina.ilvonen@snoco.org](mailto:tina.ilvonen@snoco.org)  
HOME and Sales Tax Capital, Asset Management

Ken Katahira  
(425) 388-3267 or [ken.katahira@snoco.org](mailto:ken.katahira@snoco.org)  
HOME and Sales Tax Capital, Asset Management

Debra May  
(425) 388-3264 or [debra.may@snoco.org](mailto:debra.may@snoco.org)  
Acquisition and Relocation, Consolidated Plan

Dee White  
(425) 388-3260 or [dee.white@snoco.org](mailto:dee.white@snoco.org)  
HOME CHDO Operating, Environmental Review, Procurement, Section 3

## **G. APPLICATION DEADLINES AND SUBMISSION**

**Due Date:** Applications must be delivered to our office or received by mail by 4:00 pm on Friday May 31, 2019. Only complete applications received by this date and time will be considered for available funds.

**Mailing address:** Snohomish County Human Services Department  
Office of Housing and Community Development (OHCD)  
3000 Rockefeller Avenue, M/S 305  
Everett, WA 98201

**Deliver in-person to:** Snohomish County Human Services Department Reception Desk  
Lower Level, (Oakes Avenue Entrance)  
Robert Drewel Building (Admin East)  
3000 Rockefeller Avenue  
Everett, WA 98201

## H. APPLICATION REVIEW and FUNDING APPROVAL SCHEDULE

April 8, 2019	Application available
April 17, 2019	Technical Assistance and Application Workshop 1:00 pm on the 6 <sup>th</sup> Floor of Administration East Building Mount Baker Conference Room, 6A02 3000 Rockefeller Avenue, Everett, WA 98201
<b>May 31, 2019</b>	<b>Applications due by 4:00 p.m.</b>
Mid July 2019	Technical Advisory Committee (Housing) meeting (tentative) to recommend PY 2019 HOME funding awards
Late July 2019	CDMH Board meeting estimated date
Fall 2019	Snohomish County may start executing CDMH Sales Tax project contracts (estimated)
Feb/March 2020	Policy Advisory Board meeting (tentative) to recommend PY 2020 HOME awards
May 2020	County Council approval of HOME PY 2020 awards / Consortium's 2020 Annual Action Plan submitted to HUD
July 2020	HUD funding approval for PY 2020 HOME funds (estimated)
September 2020	Snohomish County may start executing HOME PY 2020 project contracts (estimated)

## I. APPLICATION REVIEW AND AWARD PROCESS

**Note for tax credit applicants:** The Washington State Housing Finance Commission has confirmed that it will accept the TAC recommendations for the purpose of demonstrating Snohomish County's local funding commitment.

**Application Review:** County staff will perform a technical review of the applications for eligibility and feasibility. Applications may receive additional financial review from other qualified experts in the field of affordable housing finance. Staff will compile application review materials, evaluate projects, and prepare review summaries for the Technical Advisory Committee and Sales Tax Review Committee.

**CDMH Sales Tax Fund Application Review:** The review of CDMH Applications occurs in two parts. First the Sales Tax Review Committee will meet to discuss the projects and make recommendations to the full Sales Tax Board. Secondly, the Sales Tax Board then meets to make final recommendations to the Director of Human Services.

### **HOME Application Review**

**Review by Technical Advisory Committee (TAC):** The Snohomish County TAC has a total of 30 positions on the roster including eight citizens representing the low-income, elderly, disabled, and minority communities; one representative appointed by each city and/or town in

the Snohomish County Consortium; two representatives of the County; and a representative of the Housing Authority of Snohomish County.

The TAC will receive copies of project application materials and the Technical Analysis and Review summaries prepared by County staff. The TAC reviews the applications utilizing the evaluation criteria in this NOFA and will make funding recommendations. OHCD staff will prepare a summary of the TAC's prioritized funding recommendations for the Policy Advisory Board (PAB).

**Review by Policy Advisory Board (PAB):** The PAB is made up of nine members, including three County Council members; a representative from the County Executive's office, four elected city officials, and a chairperson selected from the community by the other eight PAB members. The PAB reviews the TAC's funding recommendations and develops final funding recommendations for the Snohomish County Council. The PAB meeting is expected to be scheduled for February or March 2020.

**Final Approvals by the Snohomish County Council:** For PY 2020 funding awards: The PAB funding recommendations for HOME funds will be included in the draft 2020 Action Plan, which will be available for public comment. The Snohomish County Council considers any comments received by the public and makes final funding approval decisions.

***Disclaimer: Snohomish County and the Consortium reserve the right to not award all available funds if submitted proposals do not meet the criteria for evaluation and funding. Funds not allocated during this process may be awarded during a subsequent application cycle for new proposals. In the case of HOME funds, federal deadlines for fund commitment and expenditure may require reallocation of housing development funds if implementation of a selected project is significantly delayed.***

***In addition, note that the federal PY2020 HOME funds are subject to the FY2020 federal budget approvals yet to be authorized by Congress.***

## J. EVALUATION CRITERIA

- Applications must meet the threshold criteria in order to be evaluated and scored.
- Applications for HOME and CDMH Sales Tax funding will be evaluated on the following criteria: organizational capacity, project soundness, financial feasibility, community need and benefit, and readiness to proceed by County staff using the Housing Threshold Review and Evaluation Criteria.
- The CDMH Board process will be used to further evaluate and recommend projects applying for CMDH Sales Tax funds. See the CDMH Supplemental Application for more information.
- Please see the Housing Threshold Review and Evaluation Criteria for more information, attached as Appendix G.
- Applications must comply with federal and local program regulations.
- Capital multi-unit rental housing projects and homeowner development projects will compete with the same total number of points available.
- CHDO Operating Grant applications and CHDO Certification applications are not reviewed by the TAC and are not scored using the evaluation criteria in Appendix G.

**APPENDIX A  
HUD GUIDELINES  
Snohomish County 2018 Median Income is \$103,400  
(Seattle-Bellevue, WA HUD Metro FMR Area)**

**HOME MAXIMUM INCOME AND RENT LIMITS:**

The 2018 HOME Program Income and Rent Limits are in the 2 charts below. The 2019 HOME Program Income and Rent Limits are not yet available. For all HOME units, the maximum allowable rent is the HUD calculated High HOME Rent Limit and/or Low HOME Rent Limit.

US Department of HUD – 2018 Adjusted HOME Income Limits – Effective 4/11/2018								
	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
30% Limits	22,500	25,700	28,900	32,100	34,700	37,250	39,850	42,400
Very Low Income (50%)	37,450	42,800	48,150	53,500	57,800	62,100	66,350	70,650
60% Limits	44,940	51,360	57,780	64,200	69,360	74,520	79,620	84,780
Low Income (80%)	56,200	64,200	72,250	80,250	86,700	93,100	99,550	105,950

US Department of HUD – 2018 HOME Program Rents – Effective 4/2018							
	Efficiency	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Low HOME Rent Limit	936	1003	1203	1391	1552	1712	1872
High HOME Rent Limit	1198	1284	1543	1775	1960	2144	2328

For more information see:

- <https://www.hudexchange.info/manage-a-program/home-rent-limits/>  
[https://www.hudexchange.info/resource/reportmanagement/published/HOME\\_IncomeLmts\\_State\\_WA\\_2018.pdf](https://www.hudexchange.info/resource/reportmanagement/published/HOME_IncomeLmts_State_WA_2018.pdf)  
[https://www.hudexchange.info/resource/reportmanagement/published/HOME\\_RentLimits\\_State\\_WA\\_2018.pdf](https://www.hudexchange.info/resource/reportmanagement/published/HOME_RentLimits_State_WA_2018.pdf)

**HUD MAXIMUM INCOME AND RENT LIMITS:** The 2018 income limits were published by HUD on 3/30/18 and should be used for non-HOME units, including CDMH Sales Tax units. The 2019 limits are not yet available.

US Department of HUD – 2018 Adjusted Income Limits – Effective 4/1/2018								
	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
30% Limits	22,500	25,700	28,900	32,100	34,700	37,250	39,850	42,400
Very Low Income (50%)	37,450	42,800	48,150	53,500	57,800	62,100	66,350	70,650
Low Income (80%)	56,200	64,200	72,250	80,250	86,700	93,100	99,550	105,950

The 2019 rent limits have not been published yet, but should be available soon.

See <http://www.wshfc.org/limits/RentIncomeYear=2018.pdf> or <https://www.huduser.gov/portal/datasets/il.html> for updates. The 2018 rent limits are listed below for your reference.

2018 Rent Limits – Effective 4/1/2018						
	Studio	1 BR	2 BR	3 BR	4 BR	5 BR
30%	561	601	722	834	931	1027
50%	936	1,003	1203	1391	1552	1712

**HOME MAXIMUM PER UNIT SUBSIDY LIMITS:**

The following are the updated maximum per-unit subsidy amounts, effective March 2018, for all HOME Participating Jurisdictions (PJs) in Washington State. These limits have not been updated for 2019 yet.

0 Bedrooms	\$144,050
1 Bedroom	\$165,134
2 Bedrooms	\$200,800
3 Bedrooms	\$259,773
4+ Bedrooms	\$285,148

HUD has determined these amounts in accordance with the guidance in Notice CPD-15-003 and HOMEfires – Vol. 12 No.1, Revised July 2017. These are the limits on the amount of HOME funds PJs in Washington State may invest on a per-unit basis in HOME-assisted projects, per 92.250(a) of the HOME Program Final Rule. You may use these limits for your HOME projects, subject to compliance with the underwriting and subsidy layering requirements at 92.250(b). These limits remain in effect until updated by HUD or replaced through an amendment to the HOME regulations.

Additional information is provided on the HUD Exchange webpage at:  
<https://www.hudexchange.info/resource/2315/home-per-unit-subsidy/>

**HOMEOWNERSHIP LIMITS:**

This chart below applies to Homeownership projects only.

<b>Maximum Purchase or After Rehab Value Existing Homes Limits Effective April 15, 2019</b>			
Single Family	Duplex	Tri-plex	Four-Plex
\$402,000	\$514,000	\$623,000	\$772,000
<b>Maximum Purchase or After Rehab Value New Homes Purchase Limits Effective April 15, 2019</b>			
Single Family	Duplex	Tri-plex	Four-Plex
\$461,000	\$590,000	\$714,000	\$885,000

For more information see:  
<https://www.hudexchange.info/resource/2312/home-maximum-purchase-price-after-rehab-value/>

**ALL LIMITS IN APPENDIX A ARE SUBJECT TO REVISION BY HUD.**

## APPENDIX B

### GENERAL PROGRAM GUIDELINES

*The information provided below serves as a general overview of program requirements. More detailed program information is available in Attachments D, E and F.*

#### A. ELIGIBILITY AND AFFORDABILITY REQUIREMENTS

##### HOME Investment Partnerships Program (HOME)

###### HOME Eligibility Requirements:

Projects and programs supported with HOME funding must provide housing that is affordable to income-eligible households as defined under the HOME Program at 24 CFR Part 92. No less than 90% of the HOME-assisted rental units funded by Snohomish County each year must serve households whose incomes are at or below 60% of area median. The remaining HOME-assisted units may serve households with incomes at or below 80% of area median. Families receiving homeownership assistance with HOME funds must have incomes at or below 80% of area median.

###### Eligible HOME Activities:

HOME funds can be used for a wide range of housing projects and programs. These include:

- Acquisition of land and buildings
- Rehabilitation and new construction for transitional and permanent rental housing
- Reconstruction or conversion of an existing structure to affordable housing

###### HOME Rental Housing Affordability Requirements:

The HOME Program provides two concurrent requirements to establish maximum allowable rents for HOME-assisted units:

1. Rents for all HOME-assisted dwelling units can be no more than the lower of either (a) the HUD "Fair Market Rent" for the unit, based on the number of bedrooms, or (b) an amount not greater than 30% of the adjusted income of a household whose income equals 65% of the area median income with adjustments for the number of bedrooms in the unit; and
2. For rental projects consisting of 5 or more HOME-assisted rental units, at least 20% of the units must be occupied by very low-income families (50% AMI) and meet one of the following rent requirements: (a) rent does not exceed 30% of the annual income of a household at 50% of the area median income with adjustments for household size, or; (b) the rent does not exceed 30% of the household's adjusted income.

HUD identifies the two different rent levels as the "High" and "Low" HOME Rents. HUD issues and updates these rent limits annually. The current high and low rents are listed in Appendix A of this application.

Below Market Rate Rents: Snohomish County will review each proposed project to assure that proposed rents are below the market rents for the area, thus providing an affordable housing

opportunity not otherwise available in the community. Information regarding market rents is available from County staff.

Mixed Income Projects: Housing projects that include units affordable to a range of household incomes are eligible. However, County funds may only be used for the costs of the units that meet the HOME rent, affordability, and other regulatory requirements. Costs that are not separately identifiable for specific units may be prorated (Contact OHCD staff for instructions). County funds will be used exclusively for the assisted units within the project that meet program requirements.

### **HOME Policies:**

Applicants for HOME funds should familiarize themselves with Snohomish County's HOME Investment Partnership Program Policies which are included in this NOFA in Appendix D.

For HOME projects involving repair, rehabilitation or renovation, applicants should review the County's HOME Rehabilitation Standards and Implementation Procedures (Standards). Applicants should also be aware that these Standards will be amended after HUD provides further guidance on these requirements. Rehabilitation projects receiving HOME funds in this funding cycle will need to comply with the revised Standards, once they are updated by HUD, and utilize the County's Implementation Procedures. See **Appendix E** and **Appendix F** for more information.

Use of the Public Housing Authority utility allowance (UA) is no longer allowable for HOME units once they are completed and occupied; but the PHA UA estimate can be used for application purposes at this time. See Snohomish County Addendum, Section 8A for more information on allowable UA methods for completed HOME units.

Prior to committing HOME funds to a project, all necessary financing must be secured, a budget and schedule must be established, and the underwriting and subsidy layering must be completed. Execution of a formal written Agreement with the County must be executed prior to the 2-year commitment deadline.

<b>1/10<sup>TH</sup> OF 1% SALES TAX FOR MENTAL HEALTH AND CHEMICAL DEPENDENCY PROGRAM</b>
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**Use Restriction:** Please see CDMH Sales Tax Supplemental Application for more information. The funds require at least thirty (30) year use restriction/affordability period with covenants running with the land. Set-aside units serving individuals and/or families that require chemical dependency treatment and/or mental health services may "float" within the project, but at no time shall the established set-aside fall below the established set-aside commitment.

## **B. FUNDING AWARD LIMITS AND MATCHING REQUIREMENTS**

County funds are intended to leverage other housing funds to maximize the available County resources for housing projects. Whenever other sources of financing can be used to extend those of the County, the applicant is encouraged to secure them. Other sources of funds include public and private grants, loans, equity investments and in-kind contributions.

**HOME Maximum per unit Subsidy Amount:** The amount of HOME funds Snohomish County may invest on a per-unit basis in affordable housing may not exceed 240% of the applicable per-unit dollar limits established under the Section 234 –Condominium Housing Limits for elevator-type projects in the Seattle High Cost Percentage (HCP) Area. These maximum per-unit dollar limits are listed in Appendix A.

**HOME Match:** The HOME Program does not require that a specific project provide a funding match. However, Snohomish County must document overall eligible match contributions totaling not less than 25% of the HOME funds drawn from the County's treasury account over the course of the program. The County will coordinate with the Agency in identifying possible HOME match eligible sources under this contract.

**Forms of Financial Assistance:** Deferred loans (forgivable or repayable)

**Long Term Affordability:** Snohomish County will secure its interest in a project through promissory note secured by a recorded deed of trust, and a recorded use restriction covenant. Awards are generally secured for a period extending beyond the minimum HOME required period of affordability. The Minimum HOME Compliance period is dependent on the amount of subsidy per unit and the type of project, with a range of 15 to 20 years. Snohomish County policies encourage long term affordability, generally for 40 years, but may vary depending on the type of project and funding source(s).

**Homeownership Programs:** For homeownership projects using HOME funds, recapture or resale provisions are required if the housing does not continue to be the principal residence of the family for the period of affordability. Recaptured HOME funds will be used for other HOME eligible activities or to assist subsequent homebuyers depending upon the design of the homeownership program.

## C. ACQUISITION, RELOCATION AND DISPLACEMENT

***Federally assisted projects are subject to the Uniform Relocation and Assistance and Real Property Acquisition Polices Act of 1970, as amended (URA) (42 U.S.C. 4601-4655), and the government wide implementing regulations issued by the Federal Highway Administration at 49 CFR Part 24.***

Acquisition of real property, displacement and relocation resulting from the acquisition, rehabilitation, or demolition of real property for a federally or federally-assisted project are subject to the URA requirements. Where possible, projects must be designed to prevent or minimize displacement of tenants. Because federal funds administered by the County are made available as part of this application, any temporary or permanent displacement of tenants must be handled in accordance with all applicable provisions that cover relocation and acquisition.

### **Acquisition of Real Property**

The URA requirements apply to any and all real property acquisition for a project that receives any amount of federal funding, regardless of whether the federal funds are used to purchase the property or for other project costs. The regulations may apply to any acquisition for which a purchase offer was made at any time after the date the applicant first intended to apply for federal funds for the project.

**Voluntary vs. Involuntary Transaction:** The applicant must identify within the application, if property is to be acquired, whether the acquisition of the site is a voluntary transaction or involuntary transaction via condemnation for public use.

1. *Involuntary* - If the applicant both has the power of eminent domain and elects to use that power to acquire property for the project, the applicant must demonstrate that it has or will utilize that power in compliance with the URA requirements.
2. *Voluntary* - In order for a transaction to be considered "voluntary" under the URA, the applicant must inform the seller in writing of such, prior to making an offer, and acknowledge that it either does not have the power of eminent domain or that it has the power of eminent domain, but



agrees not to use this power. Further the applicant must inform the seller of what it determines the fair market value of the property to be.

### **Displacement and Relocation**

Relocation requirements apply to any type of project or program, receiving any amount of federal financial assistance that involves action upon occupied real property. No project involving displacement will be selected for funding without complete assurance of relocation compliance. The County does not have sufficient staff to either carry out or supervise required relocation for project developers. Consequently, developers must thoroughly demonstrate the capability, resources, and preparations necessary to assure that any displacement and relocation are carried out in compliance with the law and regulations. The required resources include provision for experienced, qualified, county approved relocation personnel. Past performance on compliance with the URA, will be considered when evaluating project feasibility.

Federal funding for acquisition or rehabilitation of occupied properties, both residential and commercial, where tenants may be displaced all require a detailed **Relocation Plan**. If temporary relocation is required for the project and tenants are temporarily relocated off-site, a detailed **Temporary Relocation Plan** is required. A Relocation Plan template and a Temporary Relocation Plan template are available to download as part of this NOFA.

### **Demolition and Conversion**

Section 104(d) Relocation Requirements ("Barney Frank Amendments" to Title I of the Housing and Community Development Act of 1974) requires one-for-one replacement of any occupied and vacant and can be occupied by low- and moderate-income dwelling units that are demolished or converted to a use other than low- and moderate-income housing, and mandates the provision of relocation assistance to any lower-income person displaced as a direct result of these activities when assisted with federal funds.

If your project involves acquisition, rehabilitation, or demolition of real property, contact the Relocation Specialist, Debra May, before submitting an application at 425-388-3264 or at [Debra.may@snoco.org](mailto:Debra.may@snoco.org). Even if there is no plan to displace tenants, acquisition requirements and other URA/104(d) requirements may be triggered.

## **D. SITE CONTROL AND PROJECT READINESS**

**Evidence of Site Control:** Applicants must provide evidence of site control. Evidence of site control includes but may not be limited to: fee simple title; current purchase and sale agreement; current option to purchase; and/or earnest money agreement. Projects which have not obtained site control, must identify potential sites within the application.

For HOME funds, if site control has not been obtained before an application is submitted, federal "Limitations on Pending Clearance" requirements at 24 CFR part 58.22 are triggered. Regardless of funding utilized, no "Choice Limiting Actions" (which may include activities such as contract execution, property acquisition, leasing, demolition, rehabilitation, construction, and site improvements) may occur until an environmental review has been completed and approved by Snohomish County. Failure to comply will prohibit the use of federal funds for the project.

A site control agreement executed after the application for funding is received by the County, and before the NEPA review has been completed, is subject to the following federal requirements:

- Single Family projects with one to four units: A Purchase and Sale Agreement with the required conditional wording may be allowed if certain conditions are met.
- Acquisition and/or rehabilitation of multi-family residential properties with 5 or more existing units: A Purchase and Sale Agreement **is not** allowed. Only an Option to

Purchase Agreement with the required conditional wording may be allowed if certain conditions are met.

Under certain conditions, a long-term leasehold is an acceptable form of site control. In the event an applicant is considering utilizing a long-term leasehold, please contact OHCD staff prior to submitting this application.

**To discuss the timing of the environmental review process as it pertains to scheduling key project development activities and prior to executing any site control agreement please contact the Environmental Specialist, Dee White, at 425-388-3260 to ensure any necessary conditions will be met.**

## **E. CONTRACTOR SELECTION AND PROCUREMENT**

**Procurement:** State and local procurement requirements apply to all projects and vary depending on the funding source and type of agreement to be executed. Public agencies and subrecipients are also subject to the federal procurement rules at 2 CFR Part 200. The County requires review and approval by the Procurement Specialist of any procurement documents to ensure that all federal requirements are included before they are finalized.

**Methods of Procurement:** Procurement is to be done competitively, although a number of methods are allowed, depending on the scope of the procurement, funding source and type of County agreement to be executed. Non-competitive awards may be allowed only with prior written approval from OHCD, when none of the other methods is possible due to the service being available only from one source, services are needed on an emergency basis, or one of the other methods was tried without sufficient response. Each applicant is expected to include a copy of their Procurement Policies and Procedures (related to construction and/or development-related professional services) with their application for funding.

If procurement is not conducted according to applicable federal, state, and/or local requirements, costs may not be reimbursed. Applicants should contact the Procurement Specialist prior to proceeding with any procurement.

**Other Federal and State Requirements Related to Procurement:**

**Equal Opportunity:** Compliance with the Civil Rights Act and other equal opportunity laws is required when Federal funds are used.

**Prevailing Wages:** Contractors must adhere to the following wage rate requirements and are subject all other standard federal and/or state labor and wage requirements.

- The HOME program threshold for federal Davis-Bacon wage requirements is 12 or more HOME-assisted units.
- State prevailing wage requirements under Chapter 39.12 RCW may be applicable depending on the project scope, funding source and type of County agreement executed. Applicants should assume residential and/or commercial state prevailing wages apply and build the requisite costs into all project development budgets.
- If you have any questions regarding prevailing wage requirements, contact the Procurement Specialist, Dee White, at (425) 388-3260 or [dee.white@snoco.org](mailto:dee.white@snoco.org).

**Section 3:** Projects involving rehabilitation or construction must comply with the requirements of Section 3 of the Housing and Community Development Act of 1968, as amended. One of the purposes of Section 3 is to ensure that employment, job training, contracting and other economic opportunities generated by HUD assistance or HUD-assisted projects shall, to the greatest extent feasible, and consistent with existing federal, state, and local laws and regulations, be directed to low-income residents and Section 3 business concerns.

**Minority/Women Owned Business Enterprises (M/WBE):** Minority and women owned businesses must be provided with information about the opportunity to bid on federally funded competitive contracts.

**Conflict of Interest:** Entities must comply with applicable federal, state, and/or local limitations regarding who can benefit from contracts.

**Bonding:** Performance and Payment Bonds in the full amount of the construction contract are required for all projects.

**Debarred Contractors:** Federal funds may not be used to directly or indirectly employ any contractor or subrecipient during any period of debarment or suspension from federal awards.

#### **F. OTHER REQUIREMENTS:**

**Appraisal:** Prior to contracting for funds, Agencies will provide the County with an as-is appraisal of any real property to be acquired in conjunction with a housing project. This policy will ensure that no more than current fair market value (FMR) is paid for land or buildings to be acquired for County-assisted housing projects. The appraisal must be in a form acceptable to the County, and have been prepared no more than twelve (12) months prior to the date of the application for funding. See the HOME Policies for the specific requirements for acquisition/rehab of multi-unit rental projects and for new construction of multi-unit rental projects to be built on vacant land.

**Market Study:** Applicants must provide an assessment of the current market demand in the neighborhood for multi-unit rental projects. It is recommended that this assessment address housing demand, demographic trends, housing supply, construction trends, vacancy rates, and income eligible households.

**Title Report:** Applicants must submit a current preliminary title report with the application to determine the condition of title and identify liens and encumbrances.

**Zoning:** Applicants must submit a letter from the local jurisdiction evidencing that the site is properly zoned. If a variance, special or conditional use permit is required, the local jurisdiction will provide assurance that such approval can be obtained prior to the execution of the award agreement.

**PLEASE PRINT OUT THE FOLLOWING APPENDICES SEPARATELY**

**APPENDIX C –**

**Snohomish County 2015-2019 Consolidated Plan Affordable Housing Goal Summary**

**APPENDIX D –**

**SNOHOMISH COUNTY HOME Investment Partnership Program Policies**

**APPENDIX E-**

**Snohomish County HOME Rehabilitation Standards**

**APPENDIX F**

**HOME Rehabilitation Implementation Procedures and Certification Forms**

**APPENDIX G-**

**Housing Threshold and Evaluation Criteria**