



**SNOHOMISH COUNTY
HUMAN SERVICES DEPARTMENT**

SPRING 2021 NOTICE OF FUND AVAILABILITY

AFFORDABLE HOUSING

HOME INVESTMENT PARTNERSHIP PROGRAM

AND

CHEMICAL DEPENDENCY / MENTAL HEALTH / SALES TAX FUNDS

July 2, 2021

**Mary Jane Brell Vujovic, Director
Human Services Department**

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A. NOTICE OF FUNDING AVAILABILITY (NOFA) – SPRING 2021

The Snohomish County Office of Housing and Community Development (OHCD) is announcing the availability of Program Year 2022 HOME funds and Chemical Dependency Mental Health Sales Tax (CDMH) Funds available in 2021. Snohomish County will accept funding proposals for the following types of projects and activities:

Housing:

- ◆ Multi-Family 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 by August 31, 2021, by 4:00 pm.

B. FUNDS AVAILABLE

Estimated funding includes PY 2022 HOME Capital funds and CDMH funds, as may be available in 2021:

◆ Estimated PY HOME Investment Partnerships (HOME)	
○ PY2022 Capital	\$1,188,202
○ PY2022 CHDO Operating	\$ 100,640
○ Reprogrammed HOME Capital	<u>\$ 0</u>
○ Total Estimated HOME	\$ 1,288,842
◆ 2021 CDMH Sales Tax Capital Fund	\$ 793,222

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-income and very low-income families and individuals.

1/10 of 1% Sales Tax Capital Funds for Mental Health and Chemical Dependency (CDMH 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.

** **Note:** Due to uncertainties surrounding the COVID-19 pandemic, the estimated CDMH revenues is uncertain. The amounts of CDMH funding available for capital projects, are estimates at this time. Applicants with projects eligible for CDMH funding may submit applications for this funding source with this understanding. Please identify the amounts requested from CDMH funds where indicated on the application.

- ++ **Note 2:** A) Applicants for Shelter Projects using only CDMH Funding, should use the NOFA Application materials in Section 4 of the NOFA.
- B) Applicants for multifamily projects using CDMH funds (or HOME funds) should use the NOFA Application materials in Section 2 of the NOFA.

Program Year 2022 Funding Estimates for this NOFA's HOME funds are as follows:

HOME CHDO Operating Support	\$100,640
All Other HOME eligible activities	\$1,188,202
Total Estimated HOME Funds	\$1,288,842

- The Program Year 2022 funding amounts available for HOME affordable housing projects are an estimate based on the 2021 grant amount received by the County from HUD. Any funding available will depend upon the 2022 Federal Fiscal Year Budget that Congress passes.
- Snohomish County's 2022 HOME Program Year begins July 1, 2022.

C. HOME PROGRAM FUNDS OVERVIEW:

Funds available in this Spring 2021 NOFA may be used for affordable housing multi-family 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 2022 and are undertaking a HOME-assisted project may apply for this Operating Support Grant.**

HOME CHDO Set-aside: 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-Family 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 2021 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-Family Rental Housing Projects (HOME and/or CDMH funds):

- 1) Spring 2021 Multi-Family Application Checklist and Instructions
- 2) 2021 Multi-Family Combined Funders Application- (Required Word document)
- 3) 2021 Multi-Family Combined Funders Application Forms- (Required Excel document)
- 4) 2021 Snohomish County Multi-Family Rental Housing Addendum- (Required)
- 5) Tenant Relocation Plan (If applicable)
- 6) Environmental Review Supplement (Not required if requesting only CDMH funds.)
- 7) 2021 CDMH Sales Tax Supplemental Application (if applicable)

Homeownership Development Projects (HOME only):

- 1) Spring 2021 Homeownership Application Checklist and Instructions
- 2) 2021 Homeownership Combined Funders Application- (Required Word document)
- 3) 2021 Homeownership Combined Funders Application Forms (Required Excel document)
- 4) 2021 Snohomish County Homeownership Development Addendum (Required)
- 5) Tenant Relocation Plan (If applicable)
- 6) Environmental Review Supplement (Required)

Shelter Projects (CDMH Only):

- 1) Spring 2021 Shelter Application Checklist and Instructions
- 2) 2021 Multi-Family Combined Funders Application- (Required Word document)
- 3) 2021 Multi-Family Combined Funders Application Forms- (Required Excel document)
- 4) 2021 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 2021 Operating Support Grant, complete and submit the Operating Support Grant Application

Application Links and hard copies:

The Spring 2021 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 Cathy Butler at (425) 388-3052. Due to ongoing COVID restrictions, please call in advance to schedule a time to obtain a hard copy of the application.

Detailed Instructions and Application Format:

See the "Spring 2021 Multi-Family Application Checklist and Instructions" and/or the "Spring 2021 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-Family) and a separate application for the homeownership development projects. The 2021 Multi-Family rental and the 2021 Homeownership Combined Funders Applications (CFA) are the current applications for 2021 for the combined funders.

Flexibility regarding application items not yet completed: Since the due date of this Spring NOFA opportunity occurs prior to Commerce's 2021 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 2021 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 2021 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:

July 15, 2021 10:00 am – 12:30pm

Zoom Meeting

(see County NOFA webpage for weblink)

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

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. Please download application materials for reference for the application workshop.

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 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

Robei Broadous, Supervisor, Office of Housing & Community Development
(425) 388-7454 or robei.broadous@snoco.org

Andrew Fox
(425) 388-7264 or andrew.fox@snoco.org
Asset Management, Labor Standards and Section 3

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

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

Ray Padilla
(425) 388-7461 or Raymond.Padilla@snoco.org
HOME and Sales Tax Capital, Asset Management
HOME CHDO Certification & Operating

Phu Au
(425) 388-3260 or Phu.au@snoco.org
Environmental Review

G. APPLICATION DEADLINES AND SUBMISSION

Due Date: Applicants must submit the NOFA Application directly to the County and are due by **4:00 pm on Tuesday, August 31, 2021**, or earlier, to demonstrate that the application was submitted by the NOFA deadline. Applicants may alternately submit by US mail, Fed Ex, or UPS, etc., with a postmark or evidence of shipping by the Application Due Date. Only complete applications received or postmarked 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

NOTE: Please contact the Office of Housing and Community Development in advance to coordinate the physical delivery of the NOFA Applications, given possible COVID-19 access restrictions at the County.

H. APPLICATION REVIEW and FUNDING APPROVAL SCHEDULE

July 2, 2021	Application available
July 15, 2021	Technical Assistance and Application Workshop Zoom Meeting 10:00am – 12:30pm
August 31, 2021	Applications due by 4:00 p.m.
Mid-September	CDMH Board meeting TBD
Late-September 2021	Technical Advisory Committee (Housing) meeting (tentative) to recommend PY2022 HOME funding awards
Fall 2021	Snohomish County may start executing CDMH Sales Tax project contracts (estimated)
Feb/March 2022	Policy Advisory Board meeting (tentative) to recommend PY 2022 HOME awards
May 2022	County Council approval of HOME PY 2022 awards / Consortium’s 2022 Annual Action Plan submitted to HUD
July 2022	HUD funding approval for PY 2022 HOME funds (estimated)
September 2022	Snohomish County may start executing HOME PY 2022 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 2022.

Final Approvals by the Snohomish County Council: For PY 2022 funding awards: The PAB funding recommendations for HOME funds will be included in the draft 2022 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 PY2022 HOME funds are subject to the FY2022 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 CDMH 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-family 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.

K. 2022 9% TAX CREDIT PROJECTS:

NOTE: For projects proposing to use 9% Tax Credits, please note that the Washington State Housing Finance Commission is in the process of revising its 2022 9% Tax Credit Policies. Please refer to the Commission’s website for the latest changes to that program.

One significant proposed change is the process for selecting one project from each Metro County (includes Snohomish County), in which there must be a process acceptable to the Commission to select the one project to receive 2022 9% tax credits.

As a part of this allocation process, each county shall develop or modify current processes to select one prioritized project per year. It is expected that the key public funders, affordable housing development consortia and the development community will work together to establish a pipeline and prioritize pending projects to be brought forward each county’s portion of the allocation. Proposed 2022 9% tax credit projects will need to participate in the local designated process to be eligible for the per county 9% Tax Credit allocation.

The Commission anticipates that each Metro County will receive an allocation of tax credits in 2022 of approximately \$1.2M to \$1.7M.

**APPENDIX A
HUD GUIDELINES
Snohomish County 2021 Median Income is \$115,700
(Seattle-Bellevue, WA HUD Metro FMR Area)**

2021 HUD MAXIMUM INCOME LIMITS AND RENT LIMITS: (1)

2021 Snohomish County Income & Rent Limits

HTF Income and Rent Limits Effective 4/1/2021; Published 4/7/2021

County:	Snohomish
2021 Median Income:	115,700

	Income Limits by Household Size/Target Population AMI							
	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
30% AMI	24,300	27,800	31,250	34,700	37,500	40,300	43,050	45,850
35% AMI	28,350	32,410	36,470	40,495	43,750	47,005	50,225	53,480
40% AMI	32,400	37,040	41,680	46,280	50,000	53,720	57,400	61,120
45% AMI	36,450	41,670	46,890	52,065	56,250	60,435	64,575	68,760
50% AMI	40,500	46,300	52,100	57,850	62,500	67,150	71,750	76,400
60% AMI	48,600	55,560	62,520	69,420	75,000	80,580	86,100	91,680
65% AMI	52,650	60,190	67,730	75,205	81,250	87,295	93,275	99,320
80% AMI	63,350	72,400	81,450	90,500	97,750	105,000	112,250	119,500

	Rent Limits by Target Population AMI/# of Bedrooms							
	30%	35%	40%	45%	50%	60%	65%	80%
0 Bedrooms	607	708	810	911	1,012	1,215	1,316	1,583
1 Bedroom	651	759	868	976	1,085	1,302	1,410	1,696
2 Bedrooms	781	911	1,042	1,172	1,302	1,563	1,693	2,036
3 Bedrooms	902	1,053	1,203	1,353	1,504	1,805	1,955	2,353
4 Bedrooms	1,007	1,175	1,343	1,510	1,678	2,014	2,182	2,625
5 Bedrooms	1,111	1,296	1,481	1,666	1,851	2,222	2,407	2,896

NOTE:

1. Snohomish County is part of the Seattle-Bellevue, WA HUD Metro FMR Area, so all information presented applies to all of the Seattle-Bellevue, WA HUD Metro FMR Area. HUD generally uses the Office of Management and Budget (OMB) area definitions in the calculation of income limit program parameters. However, to ensure that program parameters do not vary significantly due to area definition changes, HUD has used custom geographic definitions for the Seattle-Bellevue, WA HUD Metro FMR Area.

The Seattle-Bellevue, WA HUD Metro FMR Area contains the following areas: King County, WA; and Snohomish County, WA.

Snohomish County is included in the HUD Income limits and the HUD Fair Market Rents for the Seattle-Bellevue, WA HUD Metro FMR Area. HUD has published the 2021 Section 8 (Multifamily) income limits, Effective April 1, 2021.

<https://www.huduser.gov/portal/datasets/il/il2021/2021summary.odn>

2021 HOME MAXIMUM INCOME AND RENT LIMITS:

The 2021 HOME Program Income and Rent Limits are in the 2 charts below. The 2021 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 the Low HOME Rent Limit.

Documentation

Snohomish County Income & Rent Limits
for HOME Projects - 2021

HOME Rent and Income Limits Effective June 1, 2021

County:	Snohomish
2021 Median Income:	115,700

	Income Limits by Household Size/Target Population AMI							
	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
30% AMI	24,300	27,800	31,250	34,700	37,500	40,300	43,050	45,850
35% AMI	28,350	32,410	36,470	40,495	43,750	47,005	50,225	53,480
40% AMI	32,400	37,040	41,680	46,280	50,000	53,720	57,400	61,120
45% AMI	36,450	41,670	46,890	52,065	56,250	60,435	64,575	68,760
50% AMI	40,500	46,300	52,100	57,850	62,500	67,150	71,750	76,400
60% AMI	48,600	55,560	62,520	69,420	75,000	80,580	86,100	91,680
65% AMI	52,650	60,190	67,730	75,205	81,250	87,295	93,275	99,320
80% AMI	63,350	72,400	81,450	90,500	97,750	105,000	112,250	119,500

Seattle-Bellevue, WA HUD Metro FMR Area			
HOME Program Rents, Including Utilities			
2021	Low HOME Rent	High HOME Rent	FMR
0 Bedrooms	1,045	1,339	1,523
1 Bedroom	1,120	1,436	1,599
2 Bedrooms	1,343	1,724	1,906
3 Bedrooms	1,552	1,984	2,694
4 Bedrooms	1,732	2,194	3,172
5 Bedrooms	1,911	2,402	3,648
6 Bedrooms	2,089	2,610	4,124

For more information see:

<https://www.hudexchange.info/manage-a-program/home-rent-limits/>
<https://www.hudexchange.info/manage-a-program/home-income-limits/>

2021 WSHFC TAX CREDIT INCOME AND RENT LIMITS

The 2021 WSHFC Tax Credit Income and Rent Limits can be found at:

<http://www.wshfc.org/Managers/AMCLimits/Others/BoxInfo/2021RentIncomeLimitsYear.pdf>

WASHINGTON STATE HOUSING FINANCE COMMISSION								
Snohomish County								
MTSP-Income and Rent Limits								
Effective 4/1/21								
Median Income:		\$ 115,700						
Set-aside Percentage	1-person	2-person	3-person	4-person	5-person	6-person	7-person	8-person
20%	\$16,200	\$18,520	\$20,840	\$23,140	\$25,000	\$26,860	\$28,700	\$30,560
30%	\$24,300	\$27,780	\$31,260	\$34,710	\$37,500	\$40,290	\$43,050	\$45,840
35%	\$28,350	\$32,410	\$36,470	\$40,495	\$43,750	\$47,005	\$50,225	\$53,480
40%	\$32,400	\$37,040	\$41,680	\$46,280	\$50,000	\$53,720	\$57,400	\$61,120
45%	\$36,450	\$41,670	\$46,890	\$52,065	\$56,250	\$60,435	\$64,575	\$68,760
50%	\$40,500	\$46,300	\$52,100	\$57,850	\$62,500	\$67,150	\$71,750	\$76,400
60%	\$48,600	\$55,560	\$62,520	\$69,420	\$75,000	\$80,580	\$86,100	\$91,680
70%	\$56,700	\$64,820	\$72,940	\$80,990	\$87,500	\$94,010	\$100,450	\$106,960
80%	\$64,800	\$74,080	\$83,360	\$92,560	\$100,000	\$107,440	\$114,800	\$122,240
Set-aside Percentage	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom	5-Bedroom		
20%	\$405	\$434	\$521	\$601	\$671	\$740		
30%	\$607	\$651	\$781	\$902	\$1,007	\$1,111		
35%	\$708	\$759	\$911	\$1,053	\$1,175	\$1,296		
40%	\$810	\$868	\$1,042	\$1,203	\$1,343	\$1,481		
45%	\$911	\$976	\$1,172	\$1,353	\$1,510	\$1,666		
50%	\$1,012	\$1,085	\$1,302	\$1,504	\$1,678	\$1,851		
60%	\$1,215	\$1,302	\$1,563	\$1,805	\$2,014	\$2,222		
70%	\$1,417	\$1,519	\$1,823	\$2,106	\$2,350	\$2,592		
80%	\$1,620	\$1,736	\$2,084	\$2,407	\$2,686	\$2,963		
http://www.wshfc.org/Managers/AMCLimits/Others/BoxInfo/2021RentIncomeLimitsYear.pdf								

2020 HOME MAXIMUM PER UNIT SUBSIDY LIMITS:

The following are the current 2020 maximum HOME per-unit subsidy amounts, effective June 4, 2020, for all HOME Participating Jurisdictions (PJs) in Washington State. These limits have not been updated yet for 2021. The maximum per unit subsidies may determine the number of HOME Assisted Units in a project.

0 Bedrooms	\$149,868
1 Bedroom	\$171,801
2 Bedrooms	\$208,912
3 Bedrooms	\$270,266
4+ Bedrooms	\$296,666

HUD has determined these amounts in accordance with the guidance in Notice CPD-15-003 and HOME fires – 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/>

2021 HOME PARTNERSHIP PROGRAM HOMEOWNERSHIP OR AFTER REHAB VALUE LIMITS:

This chart below applies to HOME Homeownership projects only. These limits cannot be exceeded for the total completed project costs, including acquisition and rehabilitation.

Maximum Purchase or After Rehab Value Existing Homes Limits Effective June 1, 2021			
Single Family	Duplex	Tri-plex	Four-Plex
\$466,000	\$597,000	\$723,000	\$896,000
Maximum Purchase or After Rehab Value New Homes Purchase Limits Effective June 1, 2021			
Single Family	Duplex	Tri-plex	Four-Plex
\$466,000	\$597,000	\$723,000	\$896,000

For more information see:

[https://www.hudexchange.info/resource/2312/home-maximum-purchase-price-after-rehab-value/#:~:text=Current%20Section%20203\(b\)%20mortgage,HUD's%20January%2C%202009%20HOMEfires%20Vol.](https://www.hudexchange.info/resource/2312/home-maximum-purchase-price-after-rehab-value/#:~:text=Current%20Section%20203(b)%20mortgage,HUD's%20January%2C%202009%20HOMEfires%20Vol.)

ALL HUD 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 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.

1/10TH OF 1% SALES TAX FOR MENTAL HEALTH AND CHEMICAL DEPENDENCY PROGRAM (CDMH)

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 federal 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 Snohomish 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: If property is to be acquired for the project, the applicant must identify within the application, whether the acquisition of the site is a voluntary transaction or involuntary transaction via condemnation for public use.

1. *Involuntary* - If the applicant 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, prior to making an offer, the applicant must inform the seller in writing that either it 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 the applicant believes to be the fair market value of the property.

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 occupied and vacant occupiable low- and moderate-income dwelling units demolished or converted to a use other than as low/moderate-income housing as a direct result of activities assisted with HOME funds, and mandates the provision of relocation assistance to any lower-income person displaced as a direct result of these activities.

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. 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, Phu Au, 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 of any procurement documents to ensure that all federal requirements are included before they are finalized.

Applicability of Uniform Administrative Requirements; Compliance with 2 CFR Part 200 “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards”.

Projects funded by the HOME Investment Partnership Program shall comply with the Uniform Administrative Requirements of 24 CFR §92.505, Applicability of uniform administrative requirements.

Projects funded by the Community Development Block Grant program shall comply with the Uniform Administrative Requirements of 24 CFR §570.502, Applicability of uniform administrative requirements.

In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable, as referenced in 2 CFR Part 200—Contract Provisions for Non-Federal Entity Contracts Under Federal Awards, and in Appendix II.

Contractors/Subcontractors must comply with the following provisions of 2 CFR – PART 200 – UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS:

- PROPERTY STANDARDS, §200.310 through §200.327
- Appendix II to Part 200—Contract Provisions for Non-Federal Entity Contracts Under Federal Awards

https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

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 you have any questions regarding procurement requirements, contact Ken Katahira at (425)-388-3267.

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.

The County is not responsible for determining whether state prevailing wage applies to this project or for any state prevailing wage payment that may be required by law. Agency is advised to consult the Washington Department of Labor and Industries and/or private counsel to determine whether prevailing wages must be paid. Agency will comply with applicable prevailing wage rules set forth in chapter 39.12 RCW, including the filing of the “Statement of Intent to Pay Prevailing Wages” and “Affidavit of Wages Paid” as required by RCW 39.12.040, if required under Chapter 39.12 RCW. Agency shall maintain records sufficient to evidence compliance with Chapter 39.12 RCW, if applicable, and shall make such records available for the County’s review upon request.

- If you have any questions regarding prevailing wage requirements, contact Ken Katahira at (425)-388-3267.

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-family rental projects and for new construction of multi-family 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-family 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.

Project Cost Certifications:

For projects that receive financing from a funder requiring a Cost Certification of completed project costs, as may be required by the WA State Housing Finance Commission or the WA Dept. of Commerce, HUD or other funder, the County requests these be submitted to the County for project closeout.

ADDITIONAL APPENDICES INCLUDE:

APPENDIX C

Snohomish County 2020-2024 Consolidated Plan Affordable Housing Goal Summary

APPENDIX D

Snohomish County HOME Investment Partnership Program Policies

APPENDIX E

Snohomish County HOME Rehabilitation Standards

APPENDIX F

Snohomish County HOME Rehabilitation Implementation Procedures and Certification Forms

APPENDIX G

Housing Threshold and Evaluation Criteria