

# Spring 2019 Affordable Housing Notice of Funding Availability

## Technical Assistance and Application Workshop

### Questions and Answers

Questions asked and answers provided at the Technical Assistance and Application Workshop for the Spring 2019 Affordable Housing Notice of Funding Availability are provided below.

**Q1- What if we need to close before the PY2020 HOME funds are available to the County? Can we bridge those funds with a bridge loan, and close early if needed?**

**A1 –** Section 7 of the Snohomish County Addendum asks what source of funds you are applying for, and why. If you need to close before the PY2020 HOME funds are available, perhaps you should request the pre-programmed HOME funds which may be available earlier. In addition, bridge loan repayment is an eligible HOME use.

Here is additional information regarding this question that was not provided in the workshop:  
The HOME citation is as follows:

**§92.206 Eligible project costs.** HOME funds may be used to pay the following eligible costs:

(g) *Costs relating to payment of loans.* If the HOME funds are not used to directly pay a cost specified in this section, but are used to pay off a construction loan, bridge financing loan, or guaranteed loan, the payment of principal and interest for such loan is an eligible cost only if:

- (1) The loan was used for eligible costs specified in this section, and
- (2) The HOME assistance is part of the original financing for the project and the project meets the requirements of this part.

Snohomish County's HOME Policies address this question also in Section VI-page 6, subsection vi and Table 6.9. Snohomish County's HOME Policies also refer back to our Bridge Loan Policy, which is as follows:

Repayment of a bridge loan is an eligible use of HOME funds. (It is not an eligible use of CDBG funds.) In order to be considered for use of County HOME funds the bridge financing must meet the following criteria:

- is secured against the real property to be assisted with HOME funds,
- is documented in ways which make it clear that it is interim, not permanent financing,
- was part of the original financing for the project,
- was used to pay HOME-eligible costs,
- must be repaid no more than 5 years from the time of closing, and,
- was provided by a public or private lender, or by the seller of the HOME-assisted property.

**Q2 – When will the re-programmed HOME funds be available for use?**

**A2 –** The re-programmed HOME funds will be available for use after either a non-substantial or substantial amendment to that Program Year's Action Plan has been approved. The Action Plan amendment process could begin after a funding recommendation from the Policy Advisory Board, (which will meet in early fall 2019). The 2019 PAB funding recommendations will be included in the 2019 Action Plan amendment, which will be published for a 30 day public review and comment period. The County Council could take final action to approve the 2019 Action Plan Amendment as early as winter 2019/2020, if all prior approvals and timelines have been met.

**Q3- If a property is owned by a Limited Liability Corporation, and one person, who is not the only member of the LLC, from the ownership entity lives there are they a tenant subject to relocation regulations?**

**A3 –** Without having all the detailed information about this scenario, an accurate response cannot be provided. In general, for federally assisted acquisitions of a voluntary nature (transitions with no threat or

use of eminent domain as set for in 49 CFR 24.101(b)(1) through (5)), owners are not displaced persons and are not entitled to relocation assistance benefits. However, tenants on such properties may be eligible for relocation assistance benefits.

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) defines “tenant” as “a person who has the temporary use and occupancy of real property owned by another.” In the scenario described above, the applicability of the URA depends on several unknown factors, including: Is the person residing at the property a “tenant” as defined under the URA? Are they leasing a unit or do they own the unit their living in? Do they have control of the property? Any single variable could change the response and the applicability of the URA to the project.

To ensure you receive the most accurate information regarding applicability of the URA to your project, please contact the Relocation Specialist, Debra May, before submitting your application. Debra can be reached at: [debra.may@snoco.org](mailto:debra.may@snoco.org) or by phone at 425-388-3264.

**Q4-** If we use HOME funds for construction line items are we then subject to additional regulations; that would otherwise not apply?

**A4-** If HOME funds are used for construction related items, the project is subject to Section 3 requirements. If you use the HOME funds in non-construction items, Section 3 requirements are not triggered.

**Q5-** Can we use the County GIS system for determining some of the NEPA Supplement questions?

**A5** – Yes, just explain where you got the information.

**Q6** – If you have a capital campaign, is there a minimum threshold requirement?

**A6-** There is a section in the application where you are asked about the current status of your capital campaign, as well as any back-up plans you have to finance the project if the capital campaign does not have all the capital campaign funds raised by the financing closing and start of construction. Not all funds need to be raised by the start of construction if there are alternative sources or bridge funds that are available to cover all of the project development costs, with a reasonable plan and expectation that the bridged funds can be repaid from permanent funding sources, including the capital campaign.

**Q7:** Can an elected official of an HOA be considered a “representative of a low-income neighborhood?”

**A7:** A low-income organization is an organization composed primarily of residents of a low-income neighborhood. The primary purpose of the organization must be to serve the interests of the neighborhood residents. Block Groups (boundaries determined by HUD), town watch organizations, civic associations, neighborhood church groups and NeighborWorks® organizations can be examples of low-income neighborhood organizations. The organization has to be open to all residents of the entire neighborhood.

An HOA is a private organization that serves only their homeowners so it probably would not be considered a neighborhood organization.

**Q8:** Are employees of schools or Sno Isle Libraries considered “government employees?”

**A8:** Yes, both would be considered government employees.

**Q9:** Can the requirement to have 3 projects developed over the last 5 years be waived?

**A9:** The County may consider a waiver on a case by case basis.

