



# Community, Housing, & Human Services Board

Vision: To provide opportunities that enhance the quality of life for Spokane's extremely low to moderate income populations.

August 7, 4:00 PM  
City Council Briefing Center  
Lower Level, City Hall

**TIMES GIVEN ARE AN ESTIMATE AND ARE SUBJECT TO CHANGE**

## 4:00 – 4:10 Call to Order - Board Chair

- 1) Approval of Agenda: **ACTION**
- 2) Public Comment - Please restrict comments to items relevant to the CHHS Board
- 3) Approval of the June Meeting Minutes: **ACTION**

## 4:10 – 4:30 Board Education

- 1) CBDO Designation and CDBG – George Dahl

## 4:30 – 5:00 Discussion

- 1) Five-Year Public Services Project Overview – George Dahl
- 2) Consolidated Plan Update – George Dahl
- 3) HOME Program Update – Paul Trautman

## 5:00 – 5:20 Director Report – Kelly Keenan

## 5:20 – 5:30 Council Update

## 5:30 – 5:50 Committee Updates

- 1) Affordable Housing Committee
- 2) Evaluation and RFP Committee

## 5:50 – 6:00 – Announcements

## 6:00 Adjournment - Board Chair

### 2019 Board Meeting Schedule

All Board meetings are held in City Hall in the City Council Briefing Center from 4:00 – 6:00 p.m. unless otherwise posted.

February 6, 2019  
March 6, 2019 - Cancelled  
April TBD (Board Retreat TBD)  
May 1, 2019  
June 5, 2019  
August 7, 2019  
September 4, 2019  
October 2, 2019  
November 6, 2019  
December 4, 2019

**AMERICANS WITH DISABILITIES ACT (ADA) INFORMATION:** The City of Spokane is committed to providing equal access to its facilities, programs and services for persons with disabilities. The Spokane City Council Chamber in the lower level of Spokane City Hall, 808 W. Spokane Falls Blvd., is wheelchair accessible and also is equipped with an infrared assistive listening system for persons with hearing loss. Headsets may be checked out (upon presentation of picture I.D.) at the City Cable 5 Production Booth located on the First Floor of the Municipal Building, directly above the Chase Gallery or through the meeting organizer. Individuals requesting reasonable accommodations or further information may call, write, or email Human Resources at 509.625.6363, 808 W. Spokane Falls Blvd, Spokane, WA, 99201; or [msteinolfson@spokanecity.org](mailto:msteinolfson@spokanecity.org). Persons who are deaf or hard of hearing may contact Human Resources through the Washington Relay Service at 7-1-1. Please contact us forty-eight (48) hours before the meeting date.

Username: COS Guest

Password:

	Feb. 6	March 6 Meeting Cancelled	April 10	May 1	June 5	July 3 Meeting Cancelled	Aug. 7	Sept. 4	Oct. 2	Nov. 6	Dec 5
Mike Fagan – Council Member	X		X								
Gordon Graves	X			X	X						
Joe Johnston	X										
Adriane Leithauser	X		X	X	X						
Rebecca Sero	X		X								
Ben Stuckart – Council Member				X							
Anne Stuyvesant-Whigham	X		X	X	X						
Kim Taylor	X		X	X							
Dillon Thorpe	X		X	X	X						
Pam Tietz – CoC Rep											
Kathleen Torella – County Rep			X	X							
Diane Zemke	X		X	X	X						
Melody Dunn	X		X	X	X						

### **STANDING COMMITTEE MEETING INFORMATION**

**Affordable Housing Committee:** Second Tuesday of each month, 11:30 to 1:00. Union Gospel Mission

*Arlene Patton, Gary Pollard, Adriane Leithauser, Karen Stratton, Phil Altmeyer, Andy Hoyer, Doug Durham, Mark Muszynski, Art Noll, Patricia Kienholz*

**Evaluation & Review Committee:** *Kim Taylor, Rebecca Sero, Diane Zemke, Arlene Patton, Fran Papenleur, Amme Paluch, Anne Whigham, Jessie Norris, Sarah Clements-Sampson, Christina Kamkosi, Mike Crowley, Mark Muszynski, Rowena Pineda*

**Executive Committee:** Third Wednesday of each month, 1:30 to 3:00 P.M. City Hall, 6<sup>th</sup> floor Conference Room - *Diane Zemke, Arlene Patton, Anne Whigham, Fran Papenleur, Kim Taylor, Adrian Leithauser, Dawn Kinder, Kelly Keenan*

**CA/CD:** First Tuesday of each month, 5:30 - 7:00 P.M. West Central Community Center, Newton Room

Refer to <https://spokanechhs.org/> for information on Board-related meetings and events

**AMERICANS WITH DISABILITIES ACT (ADA) INFORMATION:** The City of Spokane is committed to providing equal access to its facilities, programs and services for persons with disabilities. The Spokane City Council Chamber in the lower level of Spokane City Hall, 808 W. Spokane Falls Blvd., is wheelchair accessible and also is equipped with an infrared assistive listening system for persons with hearing loss. Headsets may be checked out (upon presentation of picture I.D.) at the City Cable 5 Production Booth located on the First Floor of the Municipal Building, directly above the Chase Gallery or through the meeting organizer. Individuals requesting reasonable accommodations or further information may call, write, or email Human Resources at 509.625.6363, 808 W. Spokane Falls Blvd, Spokane, WA, 99201; or [msteinolfson@spokanecity.org](mailto:msteinolfson@spokanecity.org). Persons who are deaf or hard of hearing may contact Human Resources through the Washington Relay Service at 7-1-1. Please contact us forty-eight (48) hours before the meeting date.



## Community, Housing, & Human Services (CHHS) Board

June 5th, 2019  
Meeting Minutes

Meeting called to order at 4:02 PM.

### Attendance

- **Board Members Present:** Melody Dunn, Gordan Graves, Adriane Leithauser, Dillon Thorpe, and Anne Stuyvesant-Whigham (phone) Diane Zemke.
- **Staff Present:** Kelly Burnett, George Dahl, Kelly Keenan, Tim Sigler
- **Guests Present:** Aaron Breen, Tim Crowley, Doug Engle, Eric Lyons

### Approval of the Agenda

Before the meeting agenda could be approved the City of Spokane has asked to add an action item to the agenda. The context of this action item will be to allow the executive committee to be able to approve items in their meetings.

Motion to approve agenda with the additional action item by CHHS Board Member Diane Zemke and seconded by CHHS Board Member Gordan Graves.

➤ AGENDA APPROVED

Public Comments: No comments were made.

### Approval of the May 2019 Meeting Summary

Motion to approve the May Meeting Summary with adding member to the attendance by CHHS Board Member Melody Dunn and seconded by CHHS Board Member Zemke.

➤ MEETING SUMMARY APPROVED

### Action Items:

#### **2019 Annual Action Plan:**

In the last CHHS board meeting, the board opened up a 30 day public comment period. No comments have been received. The CHHS department is now seeking approval to send this action plan to HUD.

Motion to approve opening the public comment period for the 2019 Annual Action plan by CHHS Board Member Zemke and seconded by CHHS Board Member Melody Dunn.

➤ MOTION APPROVED

#### **2018 Annual Action Plan Amendment:**

At the last board meeting, the board opened up a 30 day public comment period regarding a substantial amendment to the 2018 annual action plan.

Motion to approve opening the public comment period for the Substantial Amendment to the 2018 Annual Action plan by CHHS Board Member Taylor and seconded by CHHS Board Member Zemke.

➤ MOTION APPROVED

### Habitat for Humanity:

Eric Lyons and Aaron Green with Habitat for Humanity provided the following information

Note: Minutes are summarized by staff. An audiotape, presentations, and handouts of the meeting is on file – Community, Housing, and Human Services, City of Spokane

regarding the projects that they are working on with the CDBG funds that were they were awarded for the Derelict projects. Two homes of the 7-10 have been purchased and are in the process of their rehabs. The group was fortunate enough to get 3 homes on the same block. Spokane Alliance and the community centers have compiled a list homes that are derelict in their neighborhood. Habitat has been contracted by some home owners regarding a property that they currently own and are planning on selling it.

Habitat has been going to auctions to find houses that they can possible purchase and are able to do the rehab on these homes for reasonable prices. In order for Habitat to keep these homes affordable they need to be under 155K, this price will also need to include the rehab of the house as well. With word of mouth about what Habitat is doing they are currently getting 3-5 leads per week on homes that people feel are derelict in their area. Another way that Habitat has been trying to get leads on houses in trying to reach out to other programs and working with an attorney to see if they can reach out to home owners before their homes go to auction and are out of reach. Hoping that if they can put an offer on the table before they are too far gone then it at least will give the home owners some kind of option. Currently has

Habitat roughly has about 30 families that are currently in their programs. Families in this program put in what they call sweat equity and in return they can work towards getting a home of their own.

Board member Gordan Graves asked Eric how one might be able to get a presentation or more information about this program. He feels that this might be a good option for veterans who are working towards getting their life back on track.

Members of the board asked Habitat if there were other challenges that they were faced with. Besides funding Habitat is faces challenges with the Housing Market, with prices on the rise it makes it harder to find homes for reasonable prices and leave room for them to do any renovations. The other challenges that they are faced with are the changes in codes. With the changes in some of the codes, it has made rehabbing these homes a bit more difficult.

#### **Consolidated Plan Update:**

City staff Member George Dahl presented on the Consolidated Plan. Staff member Dahl stated that he has been doing some footwork with trying to engage the community. He has also meet with ALTCEW about the survey and engagement that he is doing. Feels like he might get the same responses/results that they have received around what is needed. Some the results indicate that there is not enough Affordable Housing or access to affordable housing. County Member Tim Crowley gave a brief update on the counties consolidated plan. They currently have a couple of surveys that will be going out regarding, wanting to know what they the community sees are needs are. They are working with the same timeline that they city is.

#### **Director Report**

Staff member Keenan provided the Director's report including the following items:

- Staffing Updates - not to many changes to be announced. As the board has been notified before Melora Sharts is retiring- She is still doing some work in the office and her official day will be July 12<sup>th</sup>. Our intent is to hire another employee that will be monitoring the home programs but be structured differently, and we will be looking for someone to do the contracting. This will be probably be something that is contracted out. We are in the process of hiring a project person for our homeless team. We have received numerous applications and the first review will take place on June 10<sup>th</sup>, 2019.
- 5 year RFP update - Staff are in the middle of creating the contracts and grant agreements for the RFP. Staff is also in the middle of competing their debriefings with

agencies who did not receiving any funding.

- Envision Center - Continuing to run - We are looking to see what other strategies we can come up with keeping people there and to see if we can get more providers there. This has been a learning process for the group and for this pilot. How are we doing outreach - staff have been doing some work with Eastern, doing focus group studies to see what kind of feedback that the agencies can provide regarding working at the Envision center. Board Member Dunn asked if a presentation should be done with the CA committee. - Looking to see if we can partner with other agencies and possible see if there are grants to keep staff members there.
- House Bill 1406 - City Council is still working on these. This bill has been signed by the Governor and now we wait to see when documents can be accessed. Hoping that we can use these funds sooner than later for affordable housing.
- The CHHS department has received word that they have been awarded UFA status. With this status it will allow us to be able to shift funds between projects. With being able to move these funds over different projects this will mean that we won't have to give back funds when the year ends. This UFA status will take effect In July 2020.
- For the last year we have been working on updating our loan systems. We are very close to this going live. It currently holds about 30 million in loans.
- RFQ Process update - Community board picked the joint application for Habitat and Community Frameworks. We are going to do some market testing and meetings. This is due to the City by September.

#### City Council:

There are no updates from City Council.

#### Committee Updates

1. Affordable Housing Committee - City Staff member Kelly Keenan presented the following information: Last Month the board had approved a couple of adjustments to the HOME parameters. The board changed the limit on the Max - Since then there has been another recommendation that the AH committee would like to bring forward the following recommendation. This new recommendation is to add another category to the Home parameters. This new category would be to have limit at 60% of AMI. The other item that we would like to have approved would be to request that the board have the Executive Committee the ability to have voting rights to make any approvals should more adjustments need to be approved while the board does not have a meeting in July.

Motion to approve adding another category the HOME Affordability by CHHS Board Member Melody Zemke and seconded by Board Member Dillion Thorpe.

➤ MOTION APPROVED

Motion to approve that the CHHS Executive Committee can make approvals during their meetings should the something come up by Board Member Zemke and Seconded by Board Member Thorpe.

➤ MOTION APPROVED

2. Evaluation and RFP committee - Seven agencies that have asked for debriefing, six of the debriefings have been completed the final one is happening on Friday. All of these debriefings has been pretty positive.

**Meeting Adjourned at 5:45pm PM.**

Note: Minutes are summarized by staff. An audiotape, presentations, and handouts of the meeting is on file – Community, Housing, and Human Services, City of Spokane

The next CHHS Board Meeting is scheduled for **August 7, 2019 from 4-6pm**  
The Meeting in July has been cancelled.

DRAFT

Note: Minutes are summarized by staff. An audiotape, presentations, and handouts of the meeting is on file –  
Community, Housing, and Human Services, City of Spokane

**BRIEFING PAPER**  
Community, Housing and Human Services Board  
**Community Based Development Organization (CBDO)**  
August 7, 2019

---

**SUBJECT:**

Brief overview of the Community Based Development Organization (CBDO) designation.

**BACKGROUND:**

Community Based Development Organizations (CBDO) are generally nonprofit community organizations with an emphasis on housing and economic development activities within a targeted geographic area. CBDO's are the only type of organization allowed to construct new housing with CDBG funds. A review of the CBDO requirements can be found in [24 CFR Part 570.204](#).

- *Generally, new construction of housing is not eligible under the CDBG program. However, the regulations allow for certain eligible entities to carry out this activity on behalf of the grantee (570.204(c)).*
- *This entity is known as Community Based Development Organization or CBDO.*
- *The eligible groups include neighborhood-based organizations, section 301(d) Small Business Investment Companies (SBICs), local development corporations (LDCs), and some Community Housing Development Organizations (CHDOs).*
- *These development organizations must meet the definition outlined in Section 105(a)(15) of the Housing and Community Development Act and §570.204 of the regulations to be considered eligible to undertake such activities.*
- *These organizations must be undertaking a neighborhood revitalization, community economic development or energy conservation project in order to use CDBG for new construction. Note that new housing construction carried out by an eligible CBDO must be part of a larger effort to revitalize the neighborhood (i.e., a plan for the community's revitalization efforts based on a comprehensive plan, not just for the sake of the CDBG project).*

**TIMELINE:**

CHHS intends to work with local partner agencies to gauge interest in CBDO designations. There is no set timeline for when CHHS will begin discussion. Following discussion, CHHS intends to issue a request for qualifications to identify and designate organizations that qualify for CBDO status.

**IMPACT:**

Designating local CBDO's will allow the City of Spokane to enhance CDBG investments in affordable housing activities, including new housing construction.

**ACTION:**

None required, this briefing is for informational purposes only.

**BRIEFING PAPER**  
Community, Housing and Human Services Board  
**2020 Consolidated Plan Briefing**  
August 7, 2019

---

**SUBJECT:**

Brief overview of the 2020 Consolidated Planning process.

**BACKGROUND:**

The Consolidated Plan is designed to help local jurisdictions assess their affordable housing and community development needs and market conditions, and to make data-driven, place-based investment decisions. The consolidated planning process serves as the framework for a community-wide dialogue to identify housing and community development priorities that align and focus funding from the CPD formula block grant programs: Community Development Block Grant (CDBG) Program, HOME Investment Partnerships (HOME) Program, and Emergency Solutions Grants (ESG) Program. The Consolidated Plan is carried out through Annual Action Plans, which provide a concise summary of the actions, activities, and the specific federal and non-federal resources that will be used each year to address the priority needs and specific goals identified by the Consolidated Plan.

The following primary community needs and priorities were identified through stakeholder meetings:

- **Housing**
  - Affordable Rental Housing
  - Affordable Homeowner Housing
- **Community Services**
  - Workforce Development
  - Food Security
  - Community Services

**AUGUST UPDATE:**

CHHS has put the community outreach on hold as we work with the Administration and Planning Department to coordinate efforts around several legislative efforts to address affordable housing. These efforts include:

- **House Bill 1406**
  - Revenue (sales tax) sharing program between Counties, local jurisdictions and Washington State Commerce Department.
- **House Bill 1923**
  - Department of Commerce grant (\$100,000) to develop local policies, and/or housing plan to address affordable housing
- **City Ordinance to revise existing Multi-Family Housing Property Tax Exception (MFTE)**
  - Enlarge existing MFTE to promote more affordable housing development in Spokane



**TIMELINE:**

CHHS has put a hold on the proposed timeline, until we have developed a joint City response to affordable housing. Our partnership will include elected officials, and the Planning Department to ensure we have a collective response to affordable housing

CHHS intends to complete and submit the 2020 Consolidated Plan during the summer of 2020. The first program year Action Plan under the 2020 Consolidated Plan will run from July 1, 2020 through June 30, 2021.

2020 Consolidated Plan (5-yr.)	Annual Action Plan Year	Program Year
	Year 1 – 2020	7/1/20 – 6/30/21
	Year 2 – 2021	7/1/21 – 6/30/22
	Year 3 – 2022	7/1/22 – 6/30/23
	Year 4 – 2023	7/1/23 – 6/30/24
	Year 5 – 2024	7/1/24 – 6/30/25

**IMPACT:**

Greater collaboration between policy, community and funding projects that address affordable housing.

**ACTION:**

None required, this briefing is for informational purposes only.



**City of Spokane  
Community, Housing and Human Services Board – Board  
Committee Report**

---

**COMMITTEE:** Affordable Housing

**Chair:** Diane Zemke

**Meeting Date:** June 11, 2019

**Date of Next Meeting:** TBD

**Members:** Diane Zemke (Chair), Adrienne Leithauser (Vice-Chair), **Phil Altmeyer, Gordon Graves, Andy Hoyer**, Patricia Kienholz, **Mark Muszynski, Arlene Patton, Michone Preston**

**Staff Present:** Paul Trautman

**Discussion**

2019 Washington Legislature summary, including: Landlord-Tenant Act will extend “pay or vacate” deadlines from 3 to 14 days and rent increase notice from 30 to 60 days; residential state prevailing wages are reduced; and new “HB1406” funds for affordable housing may become available in Spokane. Also, the Housing Trust Fund is well funded but many special set-asides. Also, AHAB, Runstad, and Housing Finance Commission have affordable housing needs studies underway.

PY2019 HOME maximum income and rent limits were released. Both incomes and rents are slightly increased. These new limits are effective June 28.

The Committee reviewed and approved its subcommittee’s recommended changes to locally-created HOME Multifamily Housing Program requirements. This includes expanding HOME unit eligibility from 30% AMI and 50% AMI to add 60% AMI units. Staff calculated the included HOME maximum subsidy limit for 60% AMI units.

Staff invited Committee members to review an updated HOME Multifamily Housing Program RFP. Funds available in this RFP may be increased by a possible Liberty Park Terrace repayment and possible Jayne Auld Manor application changes.

**Action Items Completed:**

Recommended that the CHHS Board approve changes to the locally-created HOME Multifamily Housing Program requirements.

**Action Items Pending:**

- 2019 HOME Multifamily Housing Program applications review – fall 2019
- Single Family Rehab Program Manager RFP applications review – fall 2019

**Announcements:**

The July 9 committee meeting is cancelled. Due to planned road construction, the next meeting will be held at the Envision Center, 130 S Arthur.

**Actions Needed by the Board:**

CHHS Board Executive Committee review changes to the locally-created HOME Multifamily Housing Program requirement.

# HOME Rent and Income Limits

SOURCE: HUD

MSA: Spokane, WA

EFFECTIVE: June 28, 2019

2019 HUD MEDIAN INCOME: \$71,700



City of Spokane  
Community, Housing, and  
Human Services Department  
808 W. Spokane Falls Blvd.  
Spokane, WA 99201-3339  
(509) 625-6325

	2019 INCOME LIMITS								
	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON <sup>▲</sup>	9 PERSON
MEDIAN FAMILY INCOME (100% AMI)	50,200	57,400	64,600	71,700	77,500	83,200	89,000	94,700	100,400
LOW-INCOME (80% AMI)	40,150	45,900	51,650	57,350	61,950	66,550	71,150	75,750	80,300
High-HOME Income (60% AMI)	30,120	34,440	38,760	43,020	46,500	49,920	53,400	56,820	60,230
VERY LOW-INCOME (50% AMI)	25,100	28,700	32,300	35,850	38,750	41,600	44,500	47,350	50,200
EXTREMELY LOW-INCOME*(30% AMI)	15,050	17,200	19,350	21,500	23,250	24,950	26,700	28,400	30,100

	2019 HOME PROGRAM RENTS							
	SRO <sup>a</sup>	EFFICIENCY	1 BEDROOM	2 BEDROOM	3 BEDROOM	4 BEDROOM	5 BEDROOM	6 BEDROOM
FAIR MARKET RENT (FMR)	427	569	669	885	1,266	1,484	1,707	1,929
30 OF 60 RENT		♦569	♦669	♦885	1,118	1,247	1,378	1,506
30 OF 50 RENT		♦569	♦669	807	932	1,040	1,148	1,255
30 OF 30 RENT		376	403	485	559	623	688	752

AMI – Area Median Income

<sup>▲</sup>Calculate AMI for >8-person household by adding 8% for each member over 4-person AMI and round to nearest \$50 (i.e., 9-person is 140% of 4-person AMI)

<sup>\*</sup>Spokane CHHS does not adopt less restrictive 2014 Appropriations Act poverty guidelines that restricts 30% AMI household access to limited resources.

<sup>3</sup>HOME rent for an SRO is 75% of the Efficiency Fair Market Rent (FMR).

♦HOME regulation requires that HOME rent cannot exceed FMR. Therefore, this rent is capped at FMR.



Revised 6/2019



**City of Spokane**  
**Community, Housing and Human Services Board – Board**  
**Committee Report**

---

**COMMITTEE:** Affordable Housing Subcommittee      **Meeting Date:** June 11, 2019

**Members:** Andy Hoyer, Arlene Patton, Michone Preston

**Staff:** Paul Trautman

**Discussion**

The Affordable Housing sub-committee reviewed Locally-Created HOME Multifamily Housing Program Requirements. The sub-committee made the recommendations (shown below in “track changes”) to retain, discard, or modify these local (non-HUD) requirements.

**Action Items Completed:**

The Subcommittee recommends modifications to the Locally-Created HOME Multifamily Housing Program Requirements listed below in “track changes”.

Two significant subcommittee recommendations are:

1. Remove Permanent Supportive Housing for homeless as an application priority recognizing that homeless households are equally served by HOME units at 30% AMI.
2. Expand rental housing affordability to include 60% AMI. Historically, CHHS has limited HOME funds to housing affordable to 30% AMI and 50% AMI. Adding housing at 60% AMI may encourage a broader mix of household incomes in affordable housing projects. Things to note...
  - An eligible HOME application will still need to include at least one 30% AMI or 50% AMI HOME-assisted unit. A project can't propose all units at 60% AMI.
  - This change will have little effect on HOME rents. Both 50% AMI and 60% AMI studio and 1 bedroom units will have the same rent because they are both capped at Fair Market Rent. The 60% AMI 2 bedroom rent is also capped at Fair Market Rent.
  - Rents will be capped at 60% AMI (rather than HUD's allowed 65% AMI) to avoid conflict with federal Project-Based rent exception and administrative burdens of advance rent approvals and Low-HOME unit minimum percentage.
  - A new 60% AMI HOME Maximum Subsidy must be adopted (see below)

	Max HOME Subsidy approved April 2019		New Max HOME Subsidy
	30%	50%	60% NEW
0 Bdrm	\$40,000	*\$15,000	*\$7,000
1 Bdrm	\$55,000	*\$20,000	*\$8,500
2 Bdrm	\$80,000	\$30,000	*\$11,000
3 Bdrm	\$130,000	\$80,000	\$51,000
4 Bdrm	\$160,000	\$100,000	\$65,000

\*indicates rent capped at HUD Fair Market Rent

### Actions Needed by the Board:

- 6/5/2019 CHHS Board authorized the Executive Committee to review/approve HOME program modifications due to timing challenges.
- 6/19/2019 Executive Committee reviews and approves these HOME program modifications. Staff implemented changes.

### Action Items Pending:

- Subcommittee to review Revolving Loan Fund analysis and loan modification options

*Modified Locally-Created HOME Multifamily Housing Program Requirements in “track changes”.*

### REQUIRED AFFORDABILITY

Retain	Discard	Modify	Required Item
X			HUD imposes a 5-20 year minimum Period of Affordability. However, the City adds 10 years affordability for all projects requesting loan forgiveness.
		X	The Program serves only households with incomes at or below <del>50%-60%</del> of the Spokane area median family income.
		X	Projects are encouraged to include units affordable to 30% AMI. However, the number of 30% AMI units should not exceed ½ of all units in a project to protect financial viability. <u>This limitation supports a program objective of sustainable project cash flow without reliance upon operating subsidy.</u> Projects with units for households with incomes at or below 30% AMI that rely upon project-based rental subsidy should demonstrate that the project would still be financial viable if the subsidy ends.

### ELIGIBLE APPLICANTS

Retain	Discard	Modify	Required Item
X			Owners and developers are expected to prioritize their applications, if they submit more than one application.
X			For less experienced applicants, collaborative efforts with experienced parties and/or experienced development consultants will be considered, however the entire development and operational expertise may not come from consultants.
X			Applicants will not have a voluntary or involuntary petition not dismissed within 90 days after filing under the US Bankruptcy Code by or against the Borrower.

### ELIGIBLE ACTIVITIES

Retain	Discard	Modify	Required Item
X			Projects that are accessible to public transportation, services, jobs, and amenities are encouraged.
	X		<del>CHHS charges HOME program staff costs to HOME assisted projects. This supplements HUD’s limited HOME admin funding.</del>
		X	Eligible projects must (1) increase the supply of <u>affordable</u> rental housing, (2) preserve existing housing <u>as affordable and quality</u> , and/or (3) rehabilitate properties to <u>improve housing quality and support/extend affordability</u> .
		X	Projects must meet <u>at least one</u> of the following priorities of the MHP:

			<ul style="list-style-type: none"> <li>• Housing units affordable to households with incomes at or below 30% of Area Median Income (“AMI”);</li> <li>• Housing units that are affordable to households with incomes at or below 50% AMI and are located within Target Investment Areas and/or in areas designated as Centers and Corridors in the City’s Comprehensive Land Use Plan;</li> <li>• Housing units with three or more bedrooms that are affordable to large families with incomes at or below 50% AMI; and/or</li> <li>• <del>Housing units that provide Permanent Supportive Housing for chronically homeless. The project must operate under the Housing First model. The project must participate in the Coordinated Assessment System for all housing placements and must enter data into HMIS.</del></li> </ul>
--	--	--	--

## THE APPLICATION

Retain	Discard	Modify	Required Item
X			CHHS charges an application fee of 0.5% of the requested HOME funds for each application. If the loan amount increases, an additional fee for the increased funding will apply. Fees are not refunded if the project is not funded or if the funding offered is less than the funding that was requested.
	X		<del>Full market study and appraisal are not required at the time of application to the City, but including them increases an application’s competitiveness.</del>
		X	<p>Projects will be evaluated based on the following factors:</p> <ul style="list-style-type: none"> <li>• <del>Magnitude of need and compatibility with priorities.</del></li> <li>• <del>Compatibility of the project with the neighborhood.</del></li> <li>• Project’s access to <u>public transit</u><del>transportation options appropriate to the target population.</del></li> <li>• Readiness.</li> <li>• Cost reasonableness.</li> <li>• Leverage of other funding sources, including overall leverage of public resources.</li> <li>• Social services appropriate for the housing. The application <b>must</b> identify how the sponsor will pay <u>or partner</u> for the services, if they are offered.</li> <li>• Performance of team members in managing current and past projects, including (but not limited to) compliance, monitoring, and payment history.</li> <li>• <i>Market factors <u>such as project location, housing demand, population served, and vacancy absorption rate.</u></i></li> </ul>
		X	The applicant must have site control <u>of all project sites</u> at the time of application. Applications and allocations are site specific. The application and any allocation <del>are no longer valid</del> <u>may be invalidated</u> , if site control is lost.

## LOAN UNDERWRITING

Retain	Discard	Modify	Required Item
X			To assess the reasonableness of costs, the City may require a third party cost analysis, at the borrower’s expense, to show that costs are reasonable.

		X	Property management fees <del>are expected to be less than</del> <del>over 8-10%.</del> <del>Excessive management fees are expected to be less than 10% of effective gross income.) will reflect poorly on your application</del>
		X	Developer/owner fees <u>are expected to be less than 15% of total development costs excluding reserves, must</u> reflect the work undertaken, <u>and be paid at project completion.</u> <del>The City does not have a strict limit on the percentage that can be paid. Payment of developer fees may be withheld until the project is complete and all other project costs are paid.</del>
		X	<del>Contracts with the prime contractor and major subcontractors shall</del> <u>Project construction contracts will</u> be provided to the City <u>upon request.</u>
	X		<del>Projects having social services for residents must identify independent funding sources for the services.</del>
X			Applicants must clearly identify any project-based rental assistance including the type of assistance, any limitation on targeted tenant population, source, amount, and duration of the assistance.
X			Project cash flow should be used for operating and maintaining the building(s) and grounds, debt service, and capital reserves.
		X	HOME funds should leverage other housing funds <del>to maximize the available resources for housing.</del>

## LOAN TERMS

Retain	Discard	Modify	Required Item
X			Loans for projects with low-income housing tax credits may request preapproval for transfer to a specific related entity when the initial tax credit compliance period is complete.
X			Loans are 3% interest compounded <u>monthly</u> during the loan deferral period.
X			Loans for housing affordable to households below 30% AMI are deferred with interest compounded <u>monthly</u> during the HUD Period of Affordability (5-20 years). These loans are eligible for full loan forgiveness. Projects maintaining affordability requirements receive forgiveness as 1/10 <sup>th</sup> of the loan balance over the 10-year City Extended Period of Affordability.
X			Loans for housing affordable to households below 50% AMI are ½ repaid and ½ forgivable. These loans are reflected in two separate Promissory Notes.  The repaid loan may be deferred for up to 2 years following project completion to allow for lease up and rent stabilization. Loan payments will be amortized with interest over a period of not more than 20 years.  The forgivable loan is deferred with compounding interest during the term of the repaid loan. This loan term is 10 years longer than the repaid loan. Projects maintaining affordability requirements receive forgiveness as 1/10 <sup>th</sup> of the loan balance over the 10-year City Extended Period of Affordability.
		X	<del>City prefers a</del> Any debt with a lien position superior to the City's <u>should</u> be a fixed rate loan.



		X	<p>Project owners are expected to contribute at least 10% of the lesser of project cost or appraised value to the project <u>development budget</u>.</p> <ul style="list-style-type: none"> <li>For-profit applicants <b>must</b> contribute cash <u>or equity to meet the 10% equity requirement</u>.</li> <li>Equity raised from the sale of low-income housing tax credits or historic tax credits is treated as owner contribution.</li> <li>Nonprofit sponsors and the Spokane Housing Authority may use grants or <del>appraised</del> equity to meet the 10% equity requirement. Investment by state or federal programs (such as grants or deferred/forgivable loans from other public funders) may be considered as the equity contribution</li> </ul>
		X	The City's loan will be in a lien position superior to loans from the owner, <del>investor</del> , developer, and other related parties, including deferred developer fee loans
X			HOME Covenants are recorded in a lien position superior to all monetary liens.

## FUNDING

Retain	Discard	Modify	Required Item
X			The construction budget should identify and describe any costs paid to the owner or developer. The City may limit its payment of development fees to a portion of committed City HOME funds.
X			The minimum amount of HOME funds to a project is \$75,000.
X			Ten percent of the City's funds will be held as retainage until the project is complete, all prevailing wage requirements are satisfied, other federal requirements are met, building permits are final, and the owner accepts the work.
		X	The operating budget should clearly identify property management fees (onsite and offsite) and distinguish them from other operating costs <del>(staff that provides or arranges services)</del> .
		X	If additional <u>project</u> funds are <u>later</u> obtained <del>in excess of that proposed in the budget</del> , the City <del>must approve the projected use of the additional funding, which may include and is not limited to reduction of</del> <u>may reduce</u> the City loan <del>or other public debt, reduction in private debt, or require</del> additional property improvements, <del>and/or other project costs.</del>