



Community, Housing, and Human Services Department (CHHS)

NOTICE OF FUNDING AVAILABILITY

for the

HOME Multifamily Housing Program

Fall 2018



June 8, 2018

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REQUEST FOR PROPOSALS

The Community, Housing, and Human Services Department (CHHS) seeks applicants for funding that can be used to acquire, rehabilitate, or construct rental housing within the City of Spokane (“City”). The rental housing must be affordable to low-income residents of our community. CHHS is making available approximately \$2,200,000 through this funding notice. The City must reserve some funds for projects owned, sponsored, or developed by Community Housing Development Organizations (“CHDOs”), a designation for non-profits specializing in housing development that meet specific HOME requirements. The City has met its CHDO obligation for this year’s funds, but encourages CHDOs to apply for non-reserved funds. The amount available may change, depending upon loan payoffs, funds recovered from projects that do not move forward, and/or changes in federal funding allocated to the City.

ABOUT THE FUNDING

Funding for this Notice comes from federal funds allocated to the City. The HOME Investment Partnerships Program, 24 CFR Part 92 (“HOME” – Catalog of Federal Domestic Assistance No. 14.239), was created under Title 11 of the National Affordable Housing Act of 1990. For more information about the HOME program, go to: <https://www.hudexchange.info/programs/home/>.

The purpose of HOME is to expand the supply of permanent affordable housing for low-income and very low-income families and individuals. The City’s Multifamily Housing Program makes low-cost loans to the owners of rental properties within the City limits, who agree to rent to low-income households at affordable rents for at least 5-15 years for projects involving rehabilitation or acquisition, or at least 20 years for new construction projects. The loans HOME funds are used for the acquisition, rehabilitation, and/or construction of affordable rental properties and have the potential for deferral and at least partial debt forgiveness.

ELIGIBLE ACTIVITIES

Eligible projects must (1) increase the supply of rental housing affordable to low-income households, (2) preserve existing affordable housing that is likely to be lost, when economically feasible, or (3) rehabilitate properties to extend useful life, security, accessibility, etc., and meet minimum property standards. All units funded with HOME in the City’s Multifamily Housing Program must benefit households with incomes at or below 50% of the Spokane area median income and the property must be located within the Spokane City limits. The affordability requirements remain on the property for 5 to 30 years. Rehabilitated housing must meet the City’s “Minimum MultiFamily Housing Rehabilitation Standard for HOME-Funded Properties”. See the Multifamily Housing Program Description (“Program Description”) and application materials for detailed information on eligible properties and costs.

FUNDING PRIORITIES

The Multifamily Housing Program has distinct funding priorities, which must be consistent with the requirements of the federal funds and local plans and priorities. The review of projects includes factors, such as experience and capacity of the project team; the proposed project; alignment with the goals, objectives, strategies, and priorities of the program; and financial factors. Projects must meet at least one of these Multifamily Housing Program priorities:

- housing units affordable to households with incomes at or below 30% of Area Median Income (“AMI”);
- housing units that are affordable to households with incomes at or below 50% AMI and are located within a Target Investment Area and/or in areas designated as Centers and Corridors in the City’s Comprehensive Land Use Plan;
- housing units with three or more bedrooms that are affordable to large families with incomes at or below 50% AMI; and/or
- housing units that provide Permanent Supportive Housing for chronically homeless.

Preference may be given to projects located in the Target Investment Areas that support the above priorities. This preference will apply only for applications that meet minimum eligibility, risk assessment, and underwriting requirements. There is more information on these priorities in the Program Description. Residents of HOME-assisted units must meet the income eligibility requirements of the Program and incomes must be periodically verified to ensure ongoing compliance. The Program serves only households with incomes at or below 50% of the Spokane area median family income. See the HUD Income Limits section below for the current Spokane area income limits.

ELIGIBLE APPLICANTS

Eligible applicants include individuals, nonprofit organizations, for-profit entities, and the Spokane Housing Authority. Applicants must be experienced in developing, owning, and managing rental housing projects that are similar to what they are proposing. A number of factors are considered, which are described in the Program Description. Federal regulations require that at least 15% of the annual HOME allocation to the City be set aside for housing projects that are owned, sponsored, or developed by Community Housing Development Organizations (CHDOs). A CHDO is a nonprofit organization that meets a variety of criteria outlined in the HOME regulations. HUD has specific requirements for CHDOs to qualify as the owner, sponsor, or developer. See the “Regulatory Guidelines for HOME Funds” in the Program Description for information on CHDOs. While the City has met the minimum CHDO set aside requirement for 2018, CHDOs are encouraged to apply.

FUNDS AVAILABLE

CHHS is making available approximately \$2,200,000.00 for this funding notice. The maximum amount of financing available for a project depends upon the number of bedrooms and income levels of the proposed tenants, as shown in the table below. The minimum threshold for the amount of HOME funds requested is \$75,000.

Loan Limit for Units Affordable to Households
at or below 50% and 30% of Area Median Income (AMI)

Unit size	Units affordable to households ≤ 50% of AMI	Units affordable to households ≤ 30% of AMI
0-1 bedroom	\$10,000 per unit	\$30,000 per unit
2 bedrooms	\$10,000 per unit	\$60,000 per unit
3 bedrooms	\$75,000 per unit	\$100,000 per unit
4 (or more) bedrooms	\$100,000	\$120,000

A commitment to rents affordable to extremely low-income households (those making less than 30% of AMI) reduces income available to pay expenses and service debt. The greater subsidy is available on a limited basis to projects that commit units to extremely low rents that target households with incomes at or below 30% of AMI. This enables the project sponsor to reduce conventional debt paid from cash flow. Since the lower rent reduces the project's income, the City may limit the number of units affordable to households at or below 30% AMI.

HUD INCOME LIMITS AND RENTS

The Spokane Area Median Family Income ("AMI") is determined periodically by the U.S. Department of Housing and Urban Development ("HUD") on the basis of state and local earnings data and is published for cities and counties. The AMI for Spokane County effective June 1, 2018 for the HOME program is \$65,200 for a four-person household. Under the City's Multifamily Housing Program, all HOME-assisted units must be rented to households with incomes at or below 50% of AMI.

2018 Spokane Area Median Family Income

Number in Household	Extremely Low Income (Below 30% AMI)	Very Low Income (50% AMI)
1	\$13,700	\$22,850
2	\$15,650	\$26,100
3	\$17,600	\$29,350
4	\$19,550	\$32,600
5	\$21,150	\$35,250
6	\$22,700	\$37,850
7	\$24,250	\$40,450
8	\$25,850	\$43,050

2018 Spokane Area HOME Rents

	SRO	Efficiency	1-bedroom	2-bedroom	3-bedroom	4-bedroom	5-bedroom	6-bedroom
Fair Market Rent (FMR)	\$415	\$553	\$652	\$867	\$1,240	\$1,431	\$1,646	\$1,860
30% of 50% Rent		\$553	\$616	\$740	\$854	\$953	\$1,051	\$1,149
30% of 30% Rent		\$342	\$366	\$440	\$508	\$567	\$626	\$684

TIMELINE

Friday, June 8, 2018	CHHS releases funding notice. Materials will be posted on the CHHS website (https://my.spokanecity.org/chhs/) and will be distributed to the CHHS Interested Parties list.
Tuesday, August 7, 2018 (5:00 PM)	Applications are due to CHHS. Late submittals will not be accepted.
August/September 2018	CHHS Staff reviews applications.
October 2018	Affordable Housing Committee meets to make funding recommendations.
November 2018	CHHS Board reviews projects with advisory vote for City Council.
2019	As projects are fully funded and documented, staff briefs City Council on projects and City Council votes on approval of project funding.

TECHNICAL ASSISTANCE

CHHS staff is available to discuss your project and provide additional information about program requirements. We encourage you to meet with us, particularly if you have not previously applied for or received public funding. Sponsors of projects that are occupied or were built before 1978 should speak with CHHS staff as federal requirements will affect your budget. The CHHS staff will offer guidance and refer applicants to information sources and other funders, however, staff will not prepare the application.

CHHS Contacts **Melora Sharts** - msharts@spokanecity.org - (509) 625-6840

Paul Trautman - ptrautman@spokanecity.org - (509) 625-6329

REVIEW/SELECTION PROCESS

This is a competitive process. There is no guarantee any award. CHHS may offer a successful applicant an award that differs from its request. **Premature commitment or expenditure of funds for proposed activities is prohibited.** The City makes no commitment to reimburse any cost. Environmental Clearance must be completed by CHHS staff prior to any onsite work. Some costs that are not site-limiting may be reimbursable. City funds cannot be used to refinance permanent debt and the total project financing cannot exceed its cost. In a project where only a portion of the total units are HOME-assisted, the proportion of HOME financing to total financing cannot exceed the proportion of HOME-assisted units to total units. See the Program Description for additional information.

All applications are reviewed and summarized by staff for further review by the Affordable Housing Committee and the CHHS Board. The process and selection factors are detailed in the Program Description. The CHHS Department sends letters of funding allocations to applicants. These letters contain conditions for the allocation, which must be met before the loan is documented, including funding from other sources. The allocation is conditioned upon the approval of the City Council. Selection by the Affordable Housing Committee and the CHHS Board does not guarantee approval by the City Council. When the project is ready to proceed and has commitments for all funding, the CHHS Department sends the City's project documentation to the City Council for its consideration. At a public hearing, the Spokane City Council considers the recommended project. The Spokane City Council has the final authority for allocation of the funds. After City Council approval, the funding documentation is signed by the Mayor or his/her designee. The deed of trust and covenant agreement are recorded with the County and remain in place according to their terms.

This Notice does not obligate the City to provide funding. The City reserves the right in its sole discretion to reject any or all responses to the Notice without penalty. The City reserves the right to waive minor administrative irregularities in the process, to make an award without further discussion, and/or to cancel or to reissue the Notice in whole or in part prior to the final award of funding.

APPLICATION

The corresponding application to this funding notice is located on the CHHS website under Funding Opportunities (<https://my.spokanecity.org/chhs/funding-opportunities/>). The application has multiple parts, including Word documents and Excel spreadsheets.

Applications are due to the Community, Housing and Human Services Department by **Tuesday, August 7, 2018 at 5:00 P.M.** Deliver a printed copy and an electronic copy of the application to: City of Spokane Community, Housing, & Human Services Department, 808 West Spokane Falls Blvd., Rm. 650, Spokane, WA 99203-3339. The application fee of 0.5% of the requested loan amount must be submitted with the application.

Applications submitted after 5:00 P.M. on 8/7/18 will not be considered for funding. The City reserves the right to waive minor administrative irregularities. Organizations mailing proposals should allow normal mail delivery time to ensure timely receipt of their proposals. Agencies assume the risk for their chosen method of delivery. The City assumes no responsibility for delays caused by any delivery service. Applications are considered complete if they meet the following criteria:

- Application is submitted by the application submission deadline,
- All required application questions/sections are complete,
- Required attachments are submitted with the application packet,
- Application is signed and dated by the person authorized to legally bind the organization to a contractual relationship with the City of Spokane, and
- The application fee of 0.5% is paid.

GENERAL INFORMATION

PROPRIETARY INFORMATION / PUBLIC DISCLOSURE

Materials submitted in response to this competitive process shall become the property of the City.

All applications received shall remain confidential until the award of contract recommendation has been filed with the City Clerk for City Council action. Thereafter, the Applications shall be deemed public records as defined in RCW 42.17.250 to 42.17.340, "Public Records."

Any information in the application that the applicant desires to claim as proprietary and exempt from disclosure under the provisions of state law shall be clearly designated. Each page claimed to be exempt from disclosure must be clearly identified by the word "Confidential" printed on it. Marking the entire application exempt from disclosure will not be honored.

The City will consider an applicant's request for exemption from disclosure; however, the City will make a decision predicated upon state law and regulations. If any information is marked as proprietary in the application, it will not be made available until the affected applicant has been given an opportunity to seek a court injunction against the requested disclosure.

All requests for information should be directed to the staff contacts listed in the Technical Assistance section above.

REVISIONS TO THE NOTICE

In the event it becomes necessary to revise any part of this Notice, addenda will be posted on the Community, Housing, and Human Services Department website. Applicants are encouraged to monitor the website for any changes and/or notifications.

RESPONSIVENESS

All applications will be reviewed to determine compliance with administrative requirements and instructions specified in this Notice. The applicant is specifically notified that failure to comply with any part of the Notice may result in rejection of the application as non-responsive.

MINORITY & WOMEN-OWNED BUSINESS PARTICIPATION

The City encourages participation in all of its contracts by firms certified by the Washington State Office of Minority and Women's Business Enterprises (OMWBE). Applicants may contact OMWBE at (360) 753-9693 to obtain information on certified firms.

MOST FAVORABLE TERMS

The City reserves the right to make an award without further discussion of the application submitted. Therefore, the application should be submitted initially on the most favorable terms which the Contractor can propose. There will be no best and final offer procedure. The City does reserve the right to contact an applicant for clarification of its application.

CITY CONTRACT TERMS

The documentation of the Multifamily Housing Program contain a number of terms and conditions. See the Program Description for additional terms. These sources are not all-inclusive.

CITY OF SPOKANE BUSINESS LICENSE

Persons / firms doing business in the City or with the City must have a valid City of Spokane business license. Questions may be directed to the Taxes and Licenses Division at (509) 625-6070.

ANTI-KICKBACK

No officer or employee of the City of Spokane, having the power or duty to perform an official act or action related to contracts resulting from this Notice shall have or acquire any interest in the contract, or have solicited, accepted or granted a present or future gift, favor, service or other thing of value from or to any person involved in the contract.

ASSIGNMENT

Agency shall not assign, transfer or subcontract its interest, in whole or in part, without the written consent of the authorizing official for the City of Spokane.

NON-WAIVER

No delay or waiver, by either party, to exercise any contractual right shall be considered as a waiver of such right or any other right.

SEVERABILITY

In the event any provision of a resulting loan documents should become invalid, the rest of the documents shall remain in full force and effect.

DISPUTES

Any loan documents resulting from this Notice shall be performed under the laws of Washington State. Any litigation to enforce said loan documents or any of its provisions shall be brought in Spokane County, Washington.

NONDISCRIMINATION

No individual shall be excluded from participation in, denied the benefit of, subjected to discrimination under, or denied employment in the administration of or in connection with this agreement because of age, sex, race, color, religion, creed, marital status, familial status, sexual orientation including gender expression or gender identity, national origin, honorably discharged veteran or military status, the presence of any sensory, mental or physical disability, or use of a service animal by a person with disabilities.

INDEMNIFICATION

The applicant and/or Borrower (if allocated funds) will be considered an independent contractor and the agency, its officers, employees, agents or subcontractors shall not be considered to be employees or agents of the City. The Borrower in the documentation shall protect, defend, indemnify, and hold harmless the City, its officers, employees and agents from any and all costs, claims, judgments, and/or awards of damages, arising out of, or in any way resulting from, the negligent acts or omissions of the Borrower, its officers, employees or agents, in its performance and/or non-performance of its obligations under the documents. The Borrower agrees that its obligations under the indemnification shall extend to any claim, demand, and/or cause of action brought by, or on behalf of, any of its employees or agents.

INTERNAL AUDITING CONTROL

The applicant and/or Borrower (if allocated funds) shall establish and maintain a system of internal accounting control which compiles with applicable generally accepted accounting principles and governmental accounting and financial reporting standards. A copy of the Borrower's most recent audited financial statement shall be kept on file in the Community, Housing, and Human Services Department. The City has the right to supervise and audit the finances of the Borrower to ensure that actual expenditures remain consistent with the spirit and intent of any contract resulting from this Notice. The City of Spokane and/or its funding agencies and auditors may inspect and audit all records and other materials and the Agency shall make such available upon request.

OTHER INFORMATION

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. Individuals requesting reasonable accommodations or further information may call, write, or email Meghann Steinolfson at (509) 625-6903, 808 West Spokane Falls Boulevard, Spokane, Washington, 99201; or msteinolfson@spokanecity.org. Persons who are deaf or hard of hearing may contact Ms. Steinolfson through the Washington Relay Service at 7-1-1. Please contact the City forty-eight (48) hours before the meeting date.

EQUAL CREDIT OPPORTUNITY ACT INFORMATION

The federal Equal Credit Opportunity Act (ECOA), 15 U.S.C. 1691 et seq., prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex or marital status, or age (provided the applicant has the capacity to contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this

creditor is the Consumer Response Center, Federal Trade Commission, 600 Pennsylvania Ave, NW, Washington, D.C. 20580. For information regarding the ECOA, see http://www.justice.gov/crt/about/hce/housing_ecoa.php.

EQUAL HOUSING OPPORTUNITY INFORMATION

The City is pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the Nation. The City encourages and supports an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, handicap, familial status, or national origin.

WASHINGTON LAW AGAINST DISCRIMINATION INFORMATION

We do business in accordance with the Washington Law Against Discrimination, RCW 49.60, which prohibits discrimination on the basis of race, color, creed, national origin, disability, HIV/Aids and Hepatitis C status, use of guide dog or service animal, sex, marital status, age (employment only), families with children (housing only), sexual orientation/gender identity, and honorably discharged veteran or military status.