



**COMMUNITY, HOUSING AND HUMAN
SERVICES DEPARTMENT**
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Community, Housing & Human Services Department

2015 FUNDING NOTICE

HOME PROGRAM MULTIFAMILY HOUSING

HOME Investment Partnerships Program (HOME):
Loans for the Acquisition, Construction & Rehabilitation of Rental Properties



**EQUAL HOUSING
OPPORTUNITY**

GENERAL INFORMATION

Community, Housing & Human Services Contact Information	1
2015 Funding Allocation Schedule	1
About the Funding	1
Eligible Activities	2
Eligible Applicants	3
Community, Housing & Human Service Board	3
Funding Priorities	4
2015 Funds Available	5
How to Access and Submit Application	5
Assistance with the Application	6
Application Review and Rating Process	6
HUD Income Limits	7
If Your Agency is Awarded Funds	8

COMMUNITY, HOUSING & HUMAN SERVICES CONTACT INFORMATION

Department

Community, Housing and Human Services Department
808 W. Spokane Falls Blvd
Spokane, WA 99201
509.625.6325
<https://my.spokanecity.org/chhs/>
CHHSRFP@spokanecity.org

HOME Investment Partnerships Program (HOME) – Multifamily Housing Program

Staff Contacts: Melora Sharts & Paul Trautman
509.625.6325
msharts@spokanecity.org & ptrautman@spokanecity.org

2015 FUNDING ALLOCATION SCHEDULE

Wednesday	7/29/15	Release of funding availability.
Wednesday – Tuesday	7/29-9/8/15	Technical assistance available.
Wednesday	9/9/15	Multifamily Housing Program Applications Due @ 5:00 P.M.
	September/ October	Staff review of applications and project reviews by committees.
	11/4/15	CHHS Board meeting to review and approve funding recommendations.
	11/5/15	Applicants are notified of allocations.
	November/ December	Staff briefs City Council on allocations.
	2015-2016	As projects are fully funded and documented, City Council votes on approval of projects.
<i>*The City reserves the right to revise the above schedule. Changes to this schedule will be posted on the Community, Housing and Human Services Department website https://my.spokanecity.org/chhs/</i>		

For the Multifamily Housing Program application materials, download them from the CHHS website or contact the CHHS Department. These include:
Multifamily Housing Program Description
Combined Funder Application (Word)
Combined Funder Application Forms (Excel)
City of Spokane Addendum (Word) – Read before completing application

If you intend to submit an application, you are encouraged to contact Department staff to discuss your project as soon as possible.

ABOUT THE FUNDING

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 and funds became available in 1992. 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 loans to the owners of rental properties within the City limits, who agree to rent to low-income households at affordable rents for a number of years. HOME funds are used for the acquisition, rehabilitation, and/or construction of affordable rental properties. HOME funds cannot be used for building operations or tenant services. Over the last 21 years, about \$19 million in HOME funds and \$782,000 in other locally-administered funds have supported the development of projects with over 2,400 units of permanent and transitional housing, including almost 1,200 that are affordable to very low-income households.

ELIGIBLE ACTIVITIES

Eligible projects must (1) increase the supply of rental housing affordable to low-income households, or (2) preserve existing affordable housing that is likely to be lost, when economically feasible. Preservation projects are defined as projects that will preserve affordable units that will be lost due to conversion to other uses or market rate rents, and projects where health or safety hazards put households at risk of losing their housing. 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 following are **eligible housing uses**:

- Construction, purchase, or rehabilitation of permanent rental housing or transitional housing.
- Purchase and/or rehabilitation of manufactured homes under certain conditions, such as being situated or placed on a permanent foundation and connection to permanent utilities.

Ineligible property types include:

- Commercial (non-residential) properties or commercial portions of mixed use properties
- Correctional facilities
- Emergency shelters (including shelters for disaster victims)
- Facilities that provide continual or frequent nursing, medical or psychiatric services including nursing homes, convalescent homes, hospitals, and residential treatment facilities
- Projects previously assisted with HOME funds during the minimum federal Period of Affordability (except those funded in the prior 12 months)
- Properties with outstanding Rental Rehabilitation Program loans (as program requirements conflict)
- Public housing
- Student dormitories

Many project-related costs are eligible and are listed in the Multifamily Housing Program Description. In general, costs must be directly related to the acquisition, development, financing, and construction of affordable rental housing. Projects combining commercial and residential uses are eligible; however, the HOME funds **may not** be used for non-residential portions of the project. Housing projects that include units affordable to a range of household incomes are eligible, however, HOME funds may only be used toward units that are available to very low-income households. While a project may offer services to the residents, participation in services must be voluntary and may not be a condition of the tenant's lease.

ELIGIBLE APPLICANTS

The following types of organizations are eligible to apply for funds:

- Nonprofit organizations, including Community Housing Development Organizations (“CHDOs”) and faith-based organizations;
- For-profit entities, including individuals, partnerships, corporations, limited liability companies, and limited liability partnerships; and
- Housing authorities.

Applicants must:

- Demonstrate an active governing body or board of directors with skills and experience to provide leadership and direction to the agency, if a company or agency;
- Demonstrate skills and experience in developing, owning, and managing similar rental housing projects;
- Demonstrate the legal, financial, and programmatic ability to develop, construct (if construction is part of the project), and manage the proposed housing project;
- Meet the City and federal requirements such as insurance requirements, audit and financial requirements, monitoring and compliance requirements, construction and/or rehabilitation standards, and property maintenance standards;
- Demonstrate the economic and financial feasibility of the project, including financial viability, leverage, cost reasonableness, market need, and readiness; and
- Provide all documentation requested during the application review period to ensure that the project will comply with the federal requirements, including Federal Labor Standards, Provisions and the Davis Bacon Act. Failure to provide any requested information may result in termination of the project award.

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 2015, CHDOs are encouraged to apply.

COMMUNITY, HOUSING & HUMAN SERVICES BOARD

The Community, Housing & Human Services (CHHS) Board has established the following Vision and Mission Statement.

CHHS Board Vision Statement:

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

CHHS Board Mission Statement:

To provide leadership and foster partnerships that support the City’s investment in services, affordable housing and economic opportunities to foster the highest level of self-sufficiency and

quality of life for Spokane's extremely low to moderate income households.

Additionally, the CHHS Board and the Spokane City Council have adopted the following funding principles for CHHS Department funding. Proposals that align with one or more of these funding principles will be viewed more favorably than those that do not. More specific information is available in the Program Description.

- Preserve and expand quality, safe, affordable housing choices
- Improve quality of life for extremely low to moderate income residents
- Prevent and reduce homelessness
- Support vibrant neighborhoods
- Expand economic opportunities
- Support targeted investment areas

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.

Multifamily Housing Program

As approved by the CHHS Board, 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 City Council Targeted 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 will be given to projects located in the Sprague Targeted Investment Pilot (TIP) area that support the above priorities. This preference will apply only for applications that meet minimum eligibility, risk assessment, and underwriting requirements.

Information on Centers and Corridors is available by calling 509.625.6300 or on the City Planning Department's website, <https://my.spokanecity.org/business/planning/> under "Center's & Corridors". A handout summarizing Centers & Corridors is at:

<https://static.spokanecity.org/documents/business/resources/compplan/centerscorridors/centers-corridors-handout.pdf> A description of the Sprague Targeted Investment Pilot area ("TIP") is available at <https://my.spokanecity.org/projects/tip/>. See Appendix 3 of the Program Description for definitions of "Permanent Supportive Housing" and "chronically homeless".

Projects that are accessible to public transportation, services, jobs, and amenities are encouraged.

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 for the current Spokane area income limits.

2015 FUNDS AVAILABLE

About **\$1,000,000** in HOME funds will be available for projects in this 2015 funding notice. The City must reserve 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, but encourages CHDOs to apply for non-reserved funds. The amount available may change, depending upon loan payoffs and/or funds recovered from projects that do not move forward.

The maximum amount of HOME funds available for a project depends upon the number and size of HOME units in the project and the affordability level that is committed.

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

Unit size	Units affordable to households \leq 50% of AMI	Units affordable to households \leq 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 or more bedrooms	\$75,000 per unit	\$100,000 per unit
4 or more bedrooms	\$100,000	\$120,000

HOW TO ACCESS AND SUBMIT APPLICATION

Applications will be available beginning Wednesday, July 29, 2015. You may download it from the Community, Housing and Human Services department website www.spokanechhs.org, request it by email from spokanechhs@spokanecity.org, or call 509.625.6325 to request a copy by mail or to have it emailed. The application includes Word documents and Excel spreadsheets. Please read the instructions in the City Addendum before completing the application.

Application submission deadline is Wednesday, September 9, 2015 at 5:00 P.M.

All applications are due to the Community, Housing and Human Services Department by Wednesday, September 9, 2015 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

You must still deliver the full application to the address shown above. Applications submitted after 5:00 P.M. on 9/9/15 will not be considered for funding. The City of Spokane 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.

ASSISTANCE WITH THE APPLICATION

Individual technical assistance is available upon request. See the contact information at the beginning of this notice. Staff can clarify information or direct you to informational sources, but will not assist with preparation of your application or any of its attachments.

We expect projects to begin within 9 months of the funding allocation, but recognize that coordination with other lenders and/or investors may affect the timeline. If funds are allocated to a project and the project does not meet the time frames outlined in the allocation letter, the City may rescind the funds and make them available to other projects.

APPLICATION REVIEW AND RATING PROCESS

This is a competitive application process for limited funding; therefore, applications that meet all criteria are not guaranteed an award of funds and successful applications may be funded for less than the amount requested.

Premature commitment or expenditure of funds for proposed activities is **prohibited**. Project costs will not be eligible for reimbursement if they have been committed or spent prior to Environmental Clearance completed by CHHS staff. Some costs that are not site-limiting, e.g., soft costs like appraisal fees, legal fees, and title reports, may be reimbursable. However, architectural, engineering, or related professional services required to prepare plans, drawings, specifications, or work write-ups may be reimbursed, if incurred not more than 24 months before the date of the City loan documents and the cost reimbursement is expressly permitted in the written agreement committing the funds. Applicants must work closely with CHHS Department staff, if they expect to request reimbursement for costs.

All applications will go through the following review and rating process.

1. Initial Eligibility Screening
 - a. Application is complete.
 - b. Applicant meets eligibility requirements as of the application due date.
 - c. Project meets at least one priority.
 - d. Project provides transitional and/or permanent housing.
 - e. Proposed rents and tenant income levels are within the required limits.
 - f. Project or activity is an eligible use of funds.
 - g. Proposed budget balances, i.e., sufficient funds are identified to pay all costs.
 - h. Site control is established.

2. Staff Technical Review
 - a. Organizational Review – CHHS Staff will review applicant for financial soundness and experience.
 - b. Eligibility Review – CHHS Staff will review the application for compliance with federal, state, and local laws and regulations, as applicable.
 - c. Project Review – CHHS Staff will review the application for project feasibility, population served, financial viability, cost reasonableness, capacity, and experience of development team and property manager, and other factors.
3. CHHS staff summarizes information for the Affordable Housing (“AH”) Committee. The AH Committee reviews projects, and makes funding recommendations to the CHHS Board.
4. The CHHS Board reviews the funding recommendations and makes its recommendation for funding allocations. Staff notifies applicants by email of the recommendations.
5. 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 AH Committee and the CHHS Board does not guarantee approval by the City Council.
6. 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.
7. 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.

HUD INCOME LIMITS

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, 2015 for the HOME program is \$64,500 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.

2015 HOME Area Median Family Income

NUMBER IN HOUSEHOLD	EXTREMELY LOW INCOME (BELOW 30% AMI)	VERY LOW INCOME (50% AMI)
1	\$13,550	\$22,600
2	\$15,500	\$25,800
3	\$17,450	\$29,050

4	\$19,350	\$32,250
5	\$20,900	\$34,850
6	\$22,450	\$37,450
7	\$24,000	\$40,000

2015 HOME Rents

	SRO	Efficiency	1-bedroom	2-bedroom	3-bedroom	4-bedroom	5-bedroom	6-bedroom
Fair Market Rent (FMR)	\$350	\$467	\$571	\$773	\$1,105	\$1,254	\$1,442	\$1,630
30% of 50% Rent		\$467	\$571	\$726	\$838	\$936	\$1,032	\$1,128
30% of 30% Rent		\$339	\$362	\$436	\$503	\$561	\$620	\$677

IF YOUR PROJECT IS AWARDED FUNDS

All applicants will be notified after the CHHS Board has made its funding allocation recommendations.

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 Gita George-Hatcher at (509) 625-7083, 808 West Spokane Falls Boulevard, Spokane, Washington, 99201; or ggeorge-hatcher@spokanecity.org. Persons who are deaf or hard of hearing may contact Ms. George-Hatcher at (509) 625-7083 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 bases 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.