

AFFORDABLE HOUSING FUND

2023 Application Guidelines for Housing Production, Acquisition, and Preservation

\$1,700,000 available

Applications accepted June 15 through
July 15, 2023 via ZoomGrants

Economic Prosperity
and Housing

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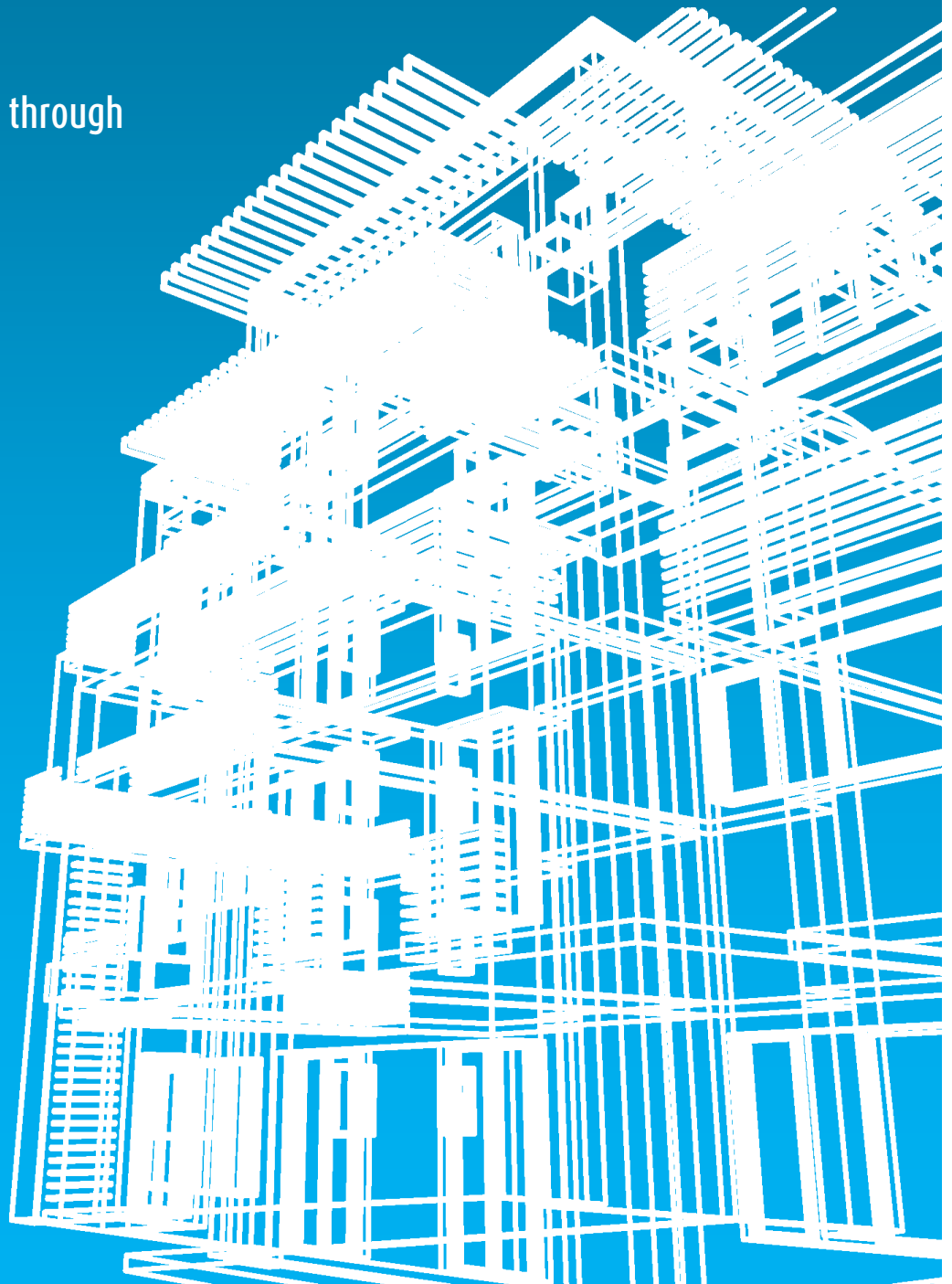


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I. INTRODUCTION

The City of Vancouver is accepting applications for Housing Production, Acquisition, and Rehabilitation programs through the Affordable Housing Fund (AHF). The AHF was created through a property tax levy approved by voters in 2016 to provide \$42 million total from 2017 to 2023 for affordable housing and services benefiting very low-income residents of Vancouver. In 2023, this levy was renewed by voters to provide an additional \$100,000,000 in AHF from 2024 through 2033.

The AHF is the city's largest local resource for affordable housing, providing flexible financing for the development or rehabilitation of projects or units serving very low-income households (earning up to 50% of area median income). With this local funding, the City's main objectives are to:

- Create and preserve affordable homes for residents earning 50% of area median income or lower, promoting housing opportunity and choice throughout Vancouver;
- Contribute to efforts to end homelessness by providing housing and services for individuals and families who are homeless or at risk of homelessness;
- Collaborate with nonprofit and for-profit developers and agencies to promote a variety of housing choices, including units in mixed-income developments; and
- Leverage City investments with other funding sources to maximize the number of quality affordable housing units that are created or preserved each funding cycle.

To meet these objectives, the City seeks to partner with developers and housing providers throughout the region to implement creative and innovative projects that will lead to lasting change through the Affordable Housing Fund (AHF). A maximum per-unit award is \$75,000 per Housing Production and Acquisition unit, \$40,000 per Housing Preservation unit, and \$35,000 per bedroom for a group home. **If you have a creative, out-of-the-box idea, we encourage you to speak with program staff about how the City might support your project.** No potential solutions are off the table in our efforts to keep Vancouver affordable and welcoming for people of all incomes.

See the City of Vancouver Affordable Housing Fund Administrative and Financial Plan at <http://www.cityofvancouver.us/affordablehousingfund> for more information.

2. FUNDS AVAILABLE

The City of Vancouver is currently accepting proposals for **housing production, acquisition, and rehabilitation projects** serving households earning up to 50% of area median income (AMI). The maximum per-unit award is \$75,000 per Housing Production unit and \$35,000 per bedroom for a group home. These limits also determine the number of units subject to continuing compliance with Affordable Housing Fund requirements throughout the affordability period. Housing Production and Preservation awards must be at least \$250,000 unless otherwise approved by the City's Chief Financial Officer. **A total of \$1,700,000 in Affordable Housing Fund dollars are available for production, acquisition, or preservation projects.**

Proposed projects must include four or more units serving income-eligible households. **Innovative projects are encouraged and will be considered.** Affordable Housing Funds may pay for a

variety of development-related costs. See Section 4: *Funding Uses and Terms* for more information about eligible projects and expenses.

The City of Vancouver reserves the right to cancel this request for projects, reject any and all responses submitted, or waive/change any minor formalities of this request if the best interest of the City would be served.

3. APPLICATION PROCESS AND FUND POLICIES

A. ACCESSING THE APPLICATION

Applications will be submitted through ZoomGrants. A link to the online application, these guidelines, and previously funded projects are available through the City’s website at: www.cityofvancouver.us/ahf

B. APPLICATION PROCESS AND TIMELINE

June 15, 2023	Applications available
July 15, 2023	Final application due at 5 p.m. PDT
July 2023	Project prioritization by Grant Review Committee
August 2023	City Council public hearing to adopt funding recommendations
September 2023	Notification of funding awards

C. ELIGIBLE HOUSEHOLDS

All Affordable Housing Fund projects must serve eligible households. Projects will be monitored annually to ensure compliance with eligibility requirements. Eligible households are defined as those meeting the following income and residency requirements:

Household Income

Eligible households must earn no more than 50% of the area median income (“AMI”). Income limits are provided annually by the Department of Housing and Urban Development (“HUD”) and adjusted for household size. Current HUD-provided income limits are shown below. Household income documentation shall include a self-certification of income and documentation that may include tax returns, check stubs, benefits information, or checking information

Household Size	1	2	3	4	5
50% AMI Limit*	\$39,500	\$45,150	\$50,800	\$56,400	\$60,950

*Income limits provided by Washington State Housing Finance Commission effective May 15, 2023. Numbers represent gross annual income.

Vancouver Residency

Eligible households must be residents of Vancouver.

D. ANNUAL INCOME DETERMINATION

The incomes of tenants in units constructed or rehabilitated with the Affordable Housing Fund must be reviewed annually to determine eligibility. Eligible tenants may earn up to 50% AMI adjusted for household size (see current HUD-provided income limits in section 3-D: *Eligible Households*). The following conditions apply:

- Tenants must disclose all household income sources.
- Adequate documentation must exist on file to support the income amounts disclosed.
- During the affordability period, if a tenant is over the maximum income upon review, the next available comparable unit must be made available to an eligible household.

E. ELIGIBLE PROJECT LOCATIONS

Projects must be located within the city limits of Vancouver.

F. ELIGIBLE FUND RECIPIENTS

Nonprofit agencies, for-profit firms and private property owners may apply for funds. Applicants must demonstrate (or have partners that demonstrate) experience developing, owning, and/or managing multifamily housing.

G. PROPERTY INSPECTION

All units constructed or rehabilitated with the Affordable Housing Fund must meet the City's Housing Quality Standards. City staff will inspect units.

H. FAIR HOUSING AND ANTI-DISCRIMINATION

The City of Vancouver's policies and procedures are developed in compliance with the Federal Fair Housing laws (Civil Rights Act of 1968, Title VIII as amended, Executive Order 11063, as amended by Executive Order 12259, implemented at 24 CFR 107). Contracts awarded under this funding source will require compliance with these laws.

4. FUNDING USES AND TERMS

A. ELIGIBLE PROJECT TYPES

Funds may be used to create or preserve housing units serving eligible households. Projects must be located in Vancouver. Projects that are ready to go and anticipate completion within a short time frame will be prioritized for funding. Eligible projects include:

- **Construction or land/property acquisition to provide new housing:** Projects must provide four or more housing units to eligible households.

- **Rehabilitation:** Rehabilitation of rental properties consisting of four or more units to correct livability issues including health, safety and accessibility. Rehabilitation must not displace current tenants to make units available to eligible households.

Innovative projects are encouraged and will be considered. Examples include, but are not limited to:

- Accessory dwelling units (ADUs)
- Mixed-income housing
- Mixed-use developments
- Pre-fabricated housing
- Single room occupancy (SRO) housing

Units assisted with the Affordable Housing Fund must remain affordable to households earning up to 50% AMI for a period of up to 20 years. While the entire development is not required to serve this income level, Affordable Housing Funds may only pay for costs associated with units serving eligible households.

The monthly rent for designated Affordable Housing Fund units must not exceed what is affordable at 50% AMI (see chart that follows). The 50% AMI rent limits are updated annually and include utilities.

Number of Bedrooms	Studio	1	2	3	4
50% AMI Rent, including Utilities*	\$987	\$1,058	\$1,270	\$1,466	\$1,636

*Maximum monthly rent, including utilities, which may be charged to tenant. Rent limits provided by Washington State Housing Finance Commission effective May 15, 2023.

B. ELIGIBLE PROJECT COSTS

Eligible project costs include, but are not limited to:

- Appraisals
- Land Costs
- Architectural fees
- Closing costs
- Construction, including sales tax
- Development fees and permits
- Engineering fees
- Environmental assessments and fees
- Gap financing
- Inspections and surveys
- Infrastructure
- Insurance
- Interest
- Financing fees
- Professional services
- Purchase/acquisition

Washington State prevailing wage rules are in effect for construction and rehabilitation projects. Exceptions may apply when the Affordable Housing Funds pay for non-construction costs or are provided in the form of an interest-bearing loan.

D. FUNDING TERMS

Generally, Affordable Housing Fund awards can be provided in the form of a grant or a loan carrying simple interest (1%) for the duration of the 20-year affordability period. Specific funding terms will be negotiated based on the project needs and cash flow. All loans will be secured with a deed of trust, promissory note and affordable housing covenant.

5. APPLICATION REVIEW CRITERIA

Applications will be reviewed by staff and a community committee. Scoring is based on the following factors:

- Organizational capacity
- Financial feasibility
- Investment priorities
- Readiness
- Collaboration
- Cost benefit and leveraging of funds

A detailed scoring guide is included at *Appendix C*. Scores are used as a guide for prioritization of projects by the review committee.

6. REPORTING REQUIREMENTS

The City of Vancouver will collect project information, including rents and tenant income, annually throughout the affordability period.

APPENDIX A: APPLICATION QUESTIONS

APPLICATION

The link to the application is available on the Affordable Housing Fund website at cityofvancouver.us/ahf.

ZoomGrants Account and Application Summary

Application Summary

Application Title/Project Name

Amount Requested

Contact Information

Name

Telephone

Email

Organization Information

Organization/Entity Legal Name

Address

Telephone

Fax

Website

CEO/Executive Director

Name

Title

Email

Application Questions

1. Choose any of the following that describe yourself/your organization or company:

Non-profit 501(c)(3)

For-profit developer

Private property owner

Public organization

Other: _____

2. Choose any of the following activities that describe your request:

Construction of new housing

Acquisition of land for new housing construction

Acquisition of existing housing

Rehabilitation of existing housing

Other: _____

3. Describe your organization and number of years in business.

4. Describe the project for which you are requesting funds. Why are city funds needed for this project, and what specific costs will be supported by Affordable Housing Fund dollars?
5. Where is the project located (address and/or tax parcel number)?
6. How many units total will be created or preserved?
 - Total units
 - Units for households at/below 50% AMI
 - Units for households at/below 30% AMI (if any)
 - Market-rate units (if any)
7. Describe the project's intended target population, if any (for example, senior households, chronically homeless, families with children, etc.).
8. What is the status of the project (for example, site control, plans, permitting, etc.)?
9. How will you market the project to the community and engage in outreach to prospective tenants, particularly households with low-income?
10. How will you screen potential tenants to determine income eligibility?
11. If any support services for households will be provided, please describe.
12. How will this project be supported in the future? What is its long-term viability?
13. Describe your organization's fiscal management (for example record keeping, financial reporting, accounting systems, payment procedures, and/or audit requirements).
14. If you are seeking funding for this project from other organizations (including foundations, government agencies, and businesses) list each organization's name, the amount you applied for, the date you applied, and the date you expect to receive a response.
15. Describe how the proposed project addresses equity regarding race, ethnicity and/or protected classes. Examples include but are not limited to any culturally specific programming offered; plans to outreach to communities of color or special needs populations; project location in high-needs neighborhood or near culturally specific businesses/services; intent to utilize minority- or women-owned firms for construction or professional services; or diversity or cultural competency initiatives within your organization.
16. Describe any partner organizations involved. Provide letters of collaboration if available.

Submittal Documents

Templates for the project timeline and line-item budget are available in the application's Library tab on ZoomGrants.

- Upload a **development team summary** describing qualifications and experience. Include information about the ownership entity, if different from the development team.
- Upload a **project timeline** using the included template.

- Upload a **line-item development budget**.
- Upload an **operating pro forma** that includes:
 - 20-year cash flow projection for acquisition and new construction projects
 - 10-year cash flow projection for rehabilitation projects
- Provide an overview of funding sources and uses for this project under the **Sources and Uses** tab.

Optional:

- Upload a copy of **development pre-application materials**, if available.
- Upload **letters of collaboration**, if available.

APPENDIX B: APPLICATION SCORING GUIDE

Applications will be subject to the following criteria for a maximum of 100 points. Scores serve only as a guide for prioritization of projects by the review committee. Vancouver City Council will make final funding decisions.

Scoring – 100 Points

Category	Maximum Points
Organizational Capacity <ul style="list-style-type: none"> • Demonstrated experience on projects of similar size and scope • Qualified staff and capacity to maintain/manage project 	15
Financial Feasibility <ul style="list-style-type: none"> • Ability to secure other financing needed to carry out project • Reasonable and balanced development budget • Balanced operating budget and evidence of long-term financial viability 	20
Investment Priorities <ul style="list-style-type: none"> • Serve one or more priority populations: <ul style="list-style-type: none"> • Senior households (age 62 or over) • People who are homeless • Families with children • People with special needs (individuals with disabilities; individuals with mental/behavioral health issues; victims of domestic violence; veterans) • Create housing opportunities where they are limited or difficult to develop • Demonstrate a commitment to serving the range of needs of low-income renters 	15
Readiness <ul style="list-style-type: none"> • Construction reasonably expected to begin in 2023 = 20 points • Construction expected to begin in 2024 or later = 10 points 	20
Collaboration <ul style="list-style-type: none"> • Established development and/or operating partnerships • Contracts/partnerships with community organizations providing services appropriate to target population 	10
Leveraging of Affordable Housing Fund Based on share of committed matching funds. <ul style="list-style-type: none"> • 0% = 0 pts • 1-20% = 2 pts • 21-40% = 4 pts • 41-60% = 6 pts • 61-80% = 8 pts • 81-100% = 10 pts 	10
Mixed-Income Development <ul style="list-style-type: none"> • Project has both market-rate and affordable units 	5
Deeper Affordability <ul style="list-style-type: none"> • At least half of affordable units will be reserved for people at/below 30% AMI 	5