



CITY OF  
**Vancouver**  
WASHINGTON

# Affordable Housing Fund 2024 Application Guidelines

Up to \$9.5 million available



## **Economic Prosperity and Housing**

P.O. Box 1995  
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[www.cityofvancouver.us/eph](http://www.cityofvancouver.us/eph)

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## I. INTRODUCTION

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The City of Vancouver is accepting applications for the Affordable Housing Fund (AHF). The AHF is the city's largest local resource for affordable housing, providing flexible financing for new unit development, preservation of affordable units, rental assistance, and homelessness assistance for households with very low-income (earning up to 50% of area median income). AHF can also be used to support homeowners or first-time homebuyers who earn low-income (up to 80% of area median).

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, housing providers, and service providers to implement creative and innovative projects that will lead to lasting change through the Affordable Housing Fund (AHF).

The AHF was initially 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.

For additional detail, please see the Affordable Housing Fund Administrative and Financial Plan at: <http://www.cityofvancouver.us/ahf>.

## 2. PROJECT TYPES

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The AHF primarily serves households that earn up to 50% of area median income (AMI) with a preference for seniors, people who are homeless, families with children and people with special needs. A portion of AHF funding is set aside for homeownership opportunities for households earning up to 80% AMI. The AHF may be used for the following project types:

- 1. Housing Production and Preservation for Units Affordable to Tenants with Very Low Income (50% AMI)**
  - a. Construction of new affordable rental housing
  - b. Acquisition of land or property for affordable housing development
  - c. Incentives to property owners to convert existing market-rate units to affordable units
  - d. Rehabilitation of existing affordable housing to correct health, safety and livability problems
  - e. Funding publicly subsidized projects (e.g., tax credit project) with expiring affordability periods to ensure continued affordability
  
- 2. Rental Assistance and Housing Services for Households Earning Very Low Income (50% AMI)**
  - a. Rental assistance including rent, rental arrears, application fees, security deposits, utilities in conjunction with rental assistance
  - b. Other housing stabilization services including and housing stabilization assistance (costs related to obtaining or maintaining employment to remain stably housed)
  
- 3. Temporary Shelter**
  - a. Building, maintaining, and/or operating shelters serving people who are experiencing homelessness
  - b. Motel voucher programs that provide temporary overnight shelter
  - c. Rapid rehousing or other homeless housing
  
- 4. Homeownership Assistance for Households Earning Low Income (80% AMI)**
  - a. Basic repairs and accessibility improvements for homeowners
  - b. Development or acquisition of homes affordable to people with low income
  - c. Funding for foreclosure assistance to homeowners with low-income

### 3. FUNDING AVAILABLE

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The City of Vancouver is currently accepting proposals for eligible projects serving households earning up to 50% of area median income (AMI). This includes rental housing production and preservation as well as temporary shelter assistance. The City intends to open applications two to three times per year, depending on funding availability and project readiness.

**Up to \$9.5 million in Affordable Housing Fund dollars are available through this application cycle. The City may offer an additional application in Fall of 2024.**

Award limits are based on the project type shown in the table below. 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 are a minimum of \$250,000.

<b>Project Type</b>	<b>Funding Limits</b>
50% AMI rental unit production	\$75,000
50% AMI rental unit preservation	\$40,000
30% AMI rental unit production	\$105,000
30% AMI rental unit preservation	\$55,000
Group home/shared living per bed	\$25,000
Temporary shelter production or preservation per bed	\$25,000
80% AMI homeownership assistance per household	\$75,000

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

### 4. PROJECT ELIGIBILITY

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#### A. ELIGIBLE FUND RECIPIENTS

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

## B. ELIGIBLE HOUSEHOLDS

All AHF 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% AMI or 80% AMI for homeownership projects. Income limits are provided annually by the Department of Housing and Urban Development and adjusted for household size. Current income limits are shown below:

Household Size	1	2	3	4	5
50% AMI Limit*	\$39,500	\$45,150	\$50,800	\$56,400	\$60,950
80% AMI Limit*	\$63,150	\$72,200	\$81,200	\$90,200	\$97,450

\*Effective May 15, 2023. Numbers represent gross annual income.

**Income Determination:** Income documentation for all households served by an AHF project must be reviewed upon intake. For rental housing projects, tenant income must be reviewed annually to determine eligibility. The following conditions apply:

- Households must disclose all income sources
- Adequate documentation must exist on file to support the income amounts disclosed
- For rental and homeownership projects, if a household is over the maximum income upon review, the next available comparable unit must be made available to an eligible household

**Vancouver Residency:** Eligible households must be residents of Vancouver.

## C. ELIGIBLE RENTAL UNITS

All units created or assisted with Affordable Housing Fund must be located within Vancouver city limits. This includes rental assistance and temporary shelter assistance. All rental projects must be 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.

### 50% AMI Rent Limits

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

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

For Rental Assistance and Housing Services, AHF will contribute no more than 100% of fair market rent (FMR), based on the appropriate unit size for the household, unless an exception to FMR is requested and approved by the program manager. Fair market rents are updated annually by HUD and include utilities. Any other costs required as a condition of tenancy must be included in rent limits. Nonoptional fees must be included in the gross rent for the unit and supported on the income certification and lease agreement. Any nonoptional fees must keep the unit within the maximum rent limit.

If tenants pay utilities, the maximum rent charged will require an adjustment for a utility allowance. Utility allowances are updated annually by the Vancouver Housing Authority and can be found on their website: [vhausa.org/landlords/housing-choice-voucher-utility-allowances](http://vhausa.org/landlords/housing-choice-voucher-utility-allowances). The property owner may propose a project-specific utility allowance based on actual usage after the property has been operating for 12 months.

#### D. ELIGIBLE HOMEOWNERSHIP UNITS

For homebuyer assistance, the maximum purchase price is determined by HUD HOME limits for affordable single-family housing based on 95% of the median purchase price for the area using FHA single-family mortgage data. HUD updates the maximum purchase price annually.

##### Homeownership Limits

	<b>Existing or new home</b>
<b>Maximum Purchase Price</b>	\$475,000

Effective July 1, 2023.

#### D. HOUSING QUALITY STANDARDS (HQS)

All AHF-supported housing units must meet basic Housing Quality Standards (HQS). HQS define "standard housing" and establish the minimum criteria for the health and safety of units. The City will inspect the property to ensure HQS is met before investing AHF.

#### E. 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

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### A. ELIGIBLE PROJECT COSTS

Eligible project costs include, but are not limited to:

- Pre-development costs
- Appraisals
- Case management to stabilize residents
- Closing costs
- Construction, including sales tax
- Professional services
- Property purchase/acquisition
- Rental assistance
- Housing stabilization assistance
- Insurance
- Interest
- Financing fees
- Rent buy-down
- Replacement reserves

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

### B. 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.

### C. AFFORDABILITY PERIOD

Projects that receive AHF funding must maintain the housing as affordable for a certain period. The standard affordability period for Affordable Housing Fund units and shelter construction is 20 years, starting from the construction completion date or acquisition date. The start and end of the affordability period will be specified in the funding agreement, deed of trust, and/or affordable housing covenant. During the affordability period, housing must remain affordable to households with low or very low-income subject to compliance requirements.



## 5. REPORTING REQUIREMENTS

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The City of Vancouver will collect project information, including rents and tenant income, annually throughout the affordability period. These annual reports are submitted via Neighborly and are due December 31.

Additionally, reporting will include annual Housing Quality Standards (HQS) on-site inspection of a portion of the AHF units by a City-provided inspector for all Housing Production and Preservation and Homeownership projects.

## 6. APPLICATION PROCESS

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### A. ACCESSING THE APPLICATION

Applications will be submitted through Neighborly. A link to the online application, these guidelines, and previously funded projects are available through the City's website at: [www.cityofvancouver.us/ahf](http://www.cityofvancouver.us/ahf)

### B. APPLICATION PROCESS AND TIMELINE

January 29, 2024	Applications available
March 1, 2024	Final application due at 5 p.m. PDT
March 2024	Project prioritization by Grant Review Committee
April 2024	City Council public hearing to adopt funding recommendations
April 2024	Notification of funding awards

### C. 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
- Commitment to equity
- Energy efficiency
- 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.

## APPENDIX A: APPLICATION QUESTIONS

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### APPLICATION

The link to the application is available online at [www.cityofvancouver.us/ahf](http://www.cityofvancouver.us/ahf).

#### A. Organization Summary

1. *Application Summary*

Application Title/Project Name

Amount Requested

Organization

2. *Organization Information*

Organization/Entity Legal Name

Address

Telephone

Fax

Website

3. 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: \_\_\_\_\_

4. *Contact Information*

Name

Title

Telephone

Email

5. *CEO/Executive Director*

Name

Title

Email

#### B. Project Information I

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

Multifamily Construction, Acquisition, or Preservation

Rental Assistance and Housing Services

Temporary Shelter

Homeownership Assistance

2. 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?
3. What is the status of the project (for example: new program, ongoing program, site control, plans, permitting, etc.)?
4. Where is the project located (address)?
5. What is the project's tax parcel number?
6. Why was this project selected for this location? If the project includes housing development, explain how it supports safe, connected neighborhoods and encourages low-carbon transportation options, such as walkability, proximity to public transit or services.
7. How many units, beds or households will be supported by this AHF request?
  - Total Units/Beds
  - 50% AMI new rental units
  - 50% AMI preserved rental units
  - 30% AMI new rental units
  - 30% AMI preserved rental units
  - Group home/shared living beds
  - Temporary shelter production or preservation beds
  - 80% AMI ownership units
  - 50% AMI rental assistance households
8. How will this project be supported in the future? What is its long-term viability?

**C. Project Information II**

1. Construction projects only: will the proposed housing meet the Evergreen Sustainable Development Standard? How does your project incorporate energy-efficient design elements or strategies that align with Vancouver's objective to transition to 100% clean energy?
2. Describe the project's intended target population. How will this project serve communities who are over-burdened by housing costs and address racial disparities in housing?
3. In planning for this project, how have you connected to the community (or communities) described above? How will you ensure your outcomes meet or exceed the underserved population demographics in your service area?

4. How will you market the project to the community and engage in outreach to prospective participants, particularly households with low-income?
5. How will you screen households to determine income eligibility?
6. If any support services for households will be provided, please describe.
7. Describe your organization's capacity and experience to undertake and complete the proposed project within the established timeline and budget.
8. Describe your organization's fiscal management (for example record keeping, financial reporting, accounting systems, payment procedures, and/or audit requirements).
9. Describe any partner organizations involved.
10. Provide letters of collaboration if applicable

**D. Funding**

1. 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.

**E. Required Documents**

**All projects:**

- Annual Budget or YTD Financial Statement
- Line-Item Budget (template included)
- Project Timeline (template included)

**Housing Production & Preservation and Homeownership only:**

- OPTIONAL: Development Pre-Application Materials
- Development Team Summary
- Funding Sources and Uses
- Operating Pro-Forma

## 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.

Category	Maximum Points
<b>Organizational Capacity</b> <ul style="list-style-type: none"> <li>• Demonstrated experience on projects of similar size and scope (5 points)</li> <li>• Qualified staff and capacity to maintain/manage project (5 points)</li> <li>• Successful track record in managing similar projects (5 points)</li> </ul>	<b>15</b>
<b>Financial Feasibility</b> <ul style="list-style-type: none"> <li>• Ability to secure other financing needed to carry out project (5 points)</li> <li>• Reasonable and balanced budget (5 points)</li> <li>• Balanced operating budget and evidence of long-term financial viability (10 points)</li> </ul>	<b>20</b>
<b>Equitable Investment Priorities</b> <ul style="list-style-type: none"> <li>• Demonstrated commitment to addressing racial equity and housing disparities (5 points)</li> <li>• Serve one or more priority populations, including seniors, people experiencing homelessness, families with children, or people with special needs (individuals with disabilities; individuals with mental/behavioral health issues; domestic violence survivors; Veterans) (5 points)</li> <li>• Develop innovative housing solutions for marginalized or challenging-to-house populations (5 points)</li> </ul>	<b>15</b>
<b>Sustainability</b> ( <i>Housing Development projects only</i> ) <ul style="list-style-type: none"> <li>• Alignment with Evergreen Sustainable Development Standards and integration of energy-efficient design elements (5 points)</li> </ul>	<b>5</b>
<b>Readiness</b> <ul style="list-style-type: none"> <li>• Project reasonably expected to begin within one year of application = 20 points</li> <li>• Project reasonably expected to begin within two years of application = 10 points</li> </ul>	<b>20</b>
<b>Collaboration</b> <ul style="list-style-type: none"> <li>• Established partnerships supporting project goals (5 points)</li> <li>• Agreements/partnerships with community organizations providing services appropriate to target population (5 points)</li> </ul>	<b>10</b>
<b>Deeper Affordability</b> <ul style="list-style-type: none"> <li>• Project has affordable units or services targeting households at/below 30% AMI (5 points)</li> </ul>	<b>5</b>
<b>Leveraging</b> Based on the ratio of the total committed matching funds to the amount of the AHF request <ul style="list-style-type: none"> <li>• 1:1 match = 1 pts, 2:1 match = 2 pts, 3:1 match = 3 pts, etc</li> <li>• Maximum of 10 points possible</li> </ul> <p>Example: a total project cost of \$7 million with an AHF request of \$1 million and \$6 million of other funds has a 6:1 match and a score of 6 points</p>	<b>10</b>
<b>Total Points Possible</b>	<b>100</b>