Affordable Housing Fund Application Guidelines

Up to $9.5 million available annually from 2025 through 2033



Economic Prosperity and Housing

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I. INTRODUCTION

The Affordable Housing Fund (AHF) is the City of Vancouver'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:

1. **Create and preserve affordable homes:** Develop and preserve affordable housing units for residents earning 50% or less of area median income (AMI), promoting housing opportunity and choice throughout the City.

2. **Contribute to efforts to end homelessness:** Provide housing and services for individuals and families who are unhoused or at risk of becoming unhoused, including motel vouchers and housing stability services.

3. **Enhance housing equity:** Collaborate with nonprofits, community-based organizations (CBOs), culturally specific service providers, and local developers to promote inclusive housing opportunities to support Vancouver's most under-resourced community members.

4. **Invest for impact:** Increase the impact of City investments by leveraging external funding sources and prioritizing projects that would not be feasible without the use of AHF funds.

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 Vancouver voters in 2016, providing $42 million total from 2017 to 2023 for affordable housing and services benefiting residents with very low-income. In 2023, this levy was renewed by voters to provide an additional $100 million in AHF from 2024 through 2033.

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

2. PROJECT TYPES

The AHF primarily serves households that earn up to 50% of area median income (AMI). 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)**
    - Construction of new affordable rental housing
    - Acquisition of land or property for affordable housing development or preservation
    - Rehabilitation of existing affordable housing to correct health, safety and livability problems
    - Preservation of publicly subsidized, existing affordable housing with expiring affordability covenants

2. **Rental Assistance and Housing Services for Households Earning Very Low Income (50% AMI)**
    - Rental assistance including arrears, security deposits, and utility allowance with a priority for households who are unhoused or at risk of becoming unhoused
    - Case management and administration necessary to assist households in obtaining or maintaining housing.
    - Limited housing stabilization costs that are directly necessary to obtain or maintain housing, such as employment-related costs (transportation, work uniforms, or tools needed to secure or maintain employment)

3. **Temporary Shelter**
    - Building, maintaining, and/or operating shelters serving people who are experiencing homelessness
    - Motel voucher programs that provide temporary overnight shelter within the City of Vancouver and the Urban Growth Area (UGA)
    - Rapid rehousing or other homeless housing (when paired with shelter)

4. **Homeownership Assistance for Households Earning Low Income (80% AMI)**
    - Development of affordable homeownership opportunities
    - Grants for homeowners to make basic repairs and accessibility improvements
    - Foreclosure prevention funding for low-income homeowners

3. FUNDING AVAILABLE

The City strategically awards Affordable Housing Fund (AHF) resources based on funding availability and program priorities established by Council. To maximize competitiveness of local multifamily projects, the City aligns its funding rounds with state applications cycles whenever feasible. When funding becomes available, the City will issue a Notice of Funding Availability (NOFA). Rental assistance, homeownership, and temporary shelter funding is made available through an annual application process, subject to available funding.

Up to $9.5 million in Affordable Housing Fund dollars are available annually from 2025 through 2033. Funding awards are recommended by the City's Housing Advisory Committee based on the criteria outlined in these guidelines. Vancouver City Council will make final funding decisions.

Funds are available for the eligible project types according to the following allocations:

Eligible Use	Annual Allocation
Housing Production/Preservation	$6,000,000
Rent Assistance & Housing Services	$2,000,000
Temporary Shelter*	$1,000,000*
Homeownership	$500,000
Total	**$9,500,000**

*The annual Temporary Shelter allocation includes $400,000 for the City's Bridge Shelter, with the remaining $600,000 available for applications.

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, with an exception for projects that preserve naturally occurring affordable housing with minimal AHF investment.

Housing Production – Multifamily

Unit Type	Per-Unit Funding Limit
Group home / shared living bedroom	$25,000
Studio	$100,000
One Bedroom	$150,000
Two Bedroom	$150,000
Three+ Bedrooms	$200,000

Housing Preservation – Multifamily

Unit Type	Per-Unit Funding Limit
Group home / shared living bedroom	$20,000
All other unit sizes	$50,000

Temporary Shelter

Unit Type	Per-Bed Funding Limit
Shelter bed	$25,000

Homeownership

Project Type	Per-Household Funding Limit
80% AMI homebuyer	$75,000

The City of Vancouver accepts applications only during the announced application window(s), which are established to align with relevant funding cycles, timelines, or program requirements. The City reserves the right to cancel its request for projects, reject any or all responses submitted, or waive/change any minor formalities if the best interest of the City would be served.

4. PROJECT ELIGIBILITY

A. ELIGIBLE FUND RECIPIENTS

Nonprofit agencies, for-profit firms, and the Vancouver Housing Authority 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 updated annually by the U.S. Department of Housing and Urban Development (HUD) and adjusted for household size. Income limits are provided online at: https://www.cityofvancouver.us/ahf.

Income Determination: Income documentation for all households served by an AHF project must be reviewed upon intake, apart from Temporary Shelter projects for people experiencing homelessness.

For rental housing projects, tenant income must be reviewed annually to determine eligibility. Households must disclose all income sources and adequate documentation must exist on file to support the income amounts disclosed. If a rental 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 the City of Vancouver**.**

C. PRIORITY POPULATIONS

Several higher-need populations exist among Vancouver's households with very low-income. To best meet the needs of these residents, the AHF will prioritize projects and programs serving:

- Senior households (must include one or more individuals aged 62 or over)
- People who are unhoused, or exiting an institution with no housing plan
- Families with children
- Undocumented individuals and households
- People with special needs, including but not limited to:
    - Individuals with disabilities
    - Individuals experiencing mental, physical or behavioral health challenges
    - Survivors of domestic violence
    - Veterans

D. ELIGIBLE RENTAL UNITS

All units created or assisted with Affordable Housing Fund must be located within Vancouver city limits. Rental Assistance and Motel Voucher projects can also be located within the Urban Growth Area (UGA) (For more details, see item I. Use of Affordable Housing Funds in the UGA below). Project jurisdiction can be verified through the City's "Do I Live in Vancouver?" help tool available at: http://www.cityofvancouver.us/do-i-live-in-vancouver/.

All rental projects must be affordable to households earning up to 50% AMI for a period of up to 40 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. Rent limits are updated annually by HUD and posted online at: https://www.cityofvancouver.us/ahf.

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. Non-optional fees must be included in the gross rent for the unit and supported on the income certification and lease agreement. Any non-optional fees must keep the unit within the maximum rent limit.

For all Housing Production & Preservation projects in which 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. The property owner may propose a project-specific utility allowance based on actual usage after the property has been operating for 12 months. Non-optional fees must be included in the gross rent for the unit and supported on the income certification and lease agreement. Any non-optional fees must keep the unit within the maximum rent limit.

E. ELIGIBLE SHARED HOUSING ROOMS

Monthly rent for rooms in group homes and shared housing must be affordable to households earning no more than 50% of the area median income (AMI), based on the Fair Market Rents (FMR) established by HUD each year. To calculate the maximum allowable rent per bedroom, the FMR for a home with that number of bedrooms should be added to the utility allowance and divided by the total number of rooms using the following calculation:

(FMR + Utility Allowance) / total number of bedrooms = maximum total monthly rent per bedroom

F. 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. The maximum purchase price is provided online at: https://www.cityofvancouver.us/ahf.

G. HOUSING INSPECTIONS

All AHF-supported housing units must meet the National Standards for the Physical Inspection of Real Estate (NSPIRE), which establish minimum standards for the health, safety, and physical condition of housing. Effective January 1, 2027, NSPIRE will be the required inspection standard for all AHF-supported rental and homeownership properties. Every unit must pass an NSPIRE inspection before AHF funds can be invested. For homeownership units, a private third-party home inspection may be accepted in lieu of an NSPIRE inspection, provided it adequately addresses applicable NSPIRE standards.

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.

I. USE OF AFFORDABLE HOUSING FUNDS IN THE URBAN GROWTH AREA (UGA)

The AHF can provide funding for Temporary Shelter via motel vouchers and Rental Assistance within the UGA. The boundaries of the UGA can be viewed on the Clark County GIS website at: https://gis.clark.wa.gov/portal/home/item.html?id=1b10c065d8c5431086684f3b376953c4.

The following conditions must be met to use AHF in the UGA:

- The project must be providing Rental Assistance or Temporary Shelter via motel vouchers to qualified households.
- Prior to receiving AHF assistance in the UGA, households must be current residents of the City of Vancouver or experiencing homelessness within City limits.
- All units and motel locations must be located within the UGA.
- A maximum of 20% of an AHF award for a Motel Voucher or Rental Assistance project can be utilized for households in the UGA.

4. FUNDING USES AND TERMS

A. ELIGIBLE PROJECT COSTS

Eligible project costs include, but are not limited to:

- Appraisals
- Architectural fees
- Case management to stabilize residents
- Closing costs
- Construction, including sales tax
- Development fees and permits
- Engineering fees
- Environmental assessments and fees
- Professional services
- Purchase/acquisition
- Rental assistance
- Housing stabilization assistance
- Inspections and surveys
- General Liability 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 is provided in the form of a non-forgivable loan.

Rental or homeownership housing production and preservation projects may be able to access a predevelopment loan of no more than 25% of their AHF award prior to securing all funding sources, to be used exclusively for predevelopment expenses.

B. FUNDING TERMS

Generally, Affordable Housing Fund awards can be provided in the form of a forgivable or repayable loan for the duration of the 40-year affordability period. Specific funding terms will be negotiated based on the project needs and cash flow. All awards 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 40 years, starting from the construction completion date or acquisition date. Projects with four or fewer AHF-funded units will have an affordability period of 20 years. The start and end of the affordability period will be specified in the funding agreement, deed of trust, and 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

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 by March 31.

Additionally, reporting will include NSPIRE on-site inspection of a portion of the AHF units for all Housing Production and Preservation projects.

6. APPLICATION PROCESS

A. APPLICATION PROCESS AND TIMELINE

Applicants must first complete a pre-application to apply to the Affordable Housing Fund. A link to the online pre-application, these guidelines, and previously funded projects will be made available at the time of the NOFA through the City's website at: www.cityofvancouver.us/ahf. Once the pre-application is submitted, a link to the full application will be provided to eligible projects. Applications will be reviewed on a quarterly basis in the order they are received.

Applicants are encouraged to submit proposals for projects that are sufficiently advanced to demonstrate readiness to proceed.

To ensure efficient use of funds and timely progress on housing goals:

- Projects must demonstrate readiness to proceed within 1 to 2 years of funding approval.
- Readiness may include site control, zoning approval (or clear path to approval), a completed financial plan, and environmental or permitting approvals.

Timeline for Getting Under Contract
Approved projects will be expected to get any needed financing in place, pass underwriting review, and enter into a contract with the City to begin utilizing funding within 1 to 2 years of receiving approval. Projects that are unable to meet this timeline may risk forfeiture of their funding allocation, as the program prioritizes active, shovel-ready projects.

Request for Future Commitments
Applicants with projects anticipated to start beyond the 1-to-2-year window may still submit applications. These projects must clearly indicate the expected start date and the reason for requesting a future commitment, i.e., to demonstrate local support for state or other external funding.

While future commitments can show local support, they are contingent on the availability of funds and alignment with program priorities at the time the project is ready to proceed.

B. 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 Housing Advisory Committee.

APPENDIX A: APPLICATION QUESTIONS

The link to the pre-application is available online at www.cityofvancouver.us/ahf.

A. Pre-Application

- **Please provide the following information.**
- **Save regularly to avoid losing progress.**

APPLICATION SUMMARY
A.1 Application Title/Project Name

A.2. Amount Requested
$0.00

ORGANIZATION INFORMATION
A.3 Organization/ Agency Legal Name

A.4 Agency Address

A.5. Telephone

A.6. Website

A.7. Choose any of the following that describe yourself/your organization or company:

If "Other", please list:

CONTACT INFORMATION
PRIMARY CONTACT
A.8. First Name

A.9. Last Name

A.10. Title

A.11. Telephone

A.12. Email

CEO/EXECUTIVE DIRECTOR
A.13. First Name

A.14. Last Name

A.15. Title

A.16. Email

B. Pre-Application- Project Information

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

- o **Multifamily Construction, Acquisition or Preservation**
- o **Rental Assistance and Housing Services**
- o **Temporary Shelter**
- o **Homeownership Assistance**

B.2. Briefly describe the project for which you are requesting funds.

B.3. What is the status of the project (for example: new program, ongoing program, site control, plans, permitting, etc.)?

B.4. What is the anticipated timeline for the project?

B.5. Where is the project located (address)?

Address 1	Address 2	City	State	Zip Code

B.6. What is the project's tax parcel number?

B.7. How many units, beds or households will be supported by this AHF request?

	Number of Units
Studio	
One-Bedroom	
Two-Bedroom	
Three-Bedroom	
Group home/shared living beds	
Temporary shelter production or preservation beds	
Homeownership units	
Rental assistance households	

C. Additional Project Information

C.1. 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? (*For example, staffing, construction, program supplies, administration costs, etc.*)

C.2. 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.

C.3. How will this project be supported in the future? What is its long-term viability?

C.4. Construction projects only: Describe the specific energy-efficient features or design strategies your project will implement to reduce environmental impact and long-term operating costs while contributing to Vancouver's goal of achieving 100% clean energy.

C.5. 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?

C.6. 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?

C.7. How will you market the project to the community and engage in outreach to prospective participants, particularly households with low-income?

C.8. How will you screen households to determine income eligibility?

C.9. If any support services for households will be provided, please describe.

C.10. Describe your organization's capacity and experience to undertake and complete the proposed project within the established timeline and budget.

C.11. Describe your organization’s fiscal management (for example record keeping, financial reporting, accounting systems, payment procedures, and/or audit requirements).

C.12. Describe any partner organizations involved.

C.13. Provide letters of collaboration if available.

D. Budget Details

TOTAL FUNDING SOURCES (REVENUES) MUST = TOTAL COSTS (EXPENDITURES)

D.1. Is this a Construction/Acquisition/Preservation project?

D.1a. Funding Sources

Source	Specific Source	Status	Date Applied	Anticipated Response Date	Amount
					$0.00

D.2. Affordable Housing Fund Request: List the amount of AHF funding you are requesting for this application. Please include a line- item for any expenses that will be paid using City of Vancouver funds.

Requested Line-Item Program Budget

Source	Budget Categories	Line-item Costs	Specify if "other" or "consultant"	Funding
				$0.00

D.3. Committed Funds: Provide a detailed list of all confirmed funding sources for this program, such as contributions from state, local, federal, and private organizations. The funds indicated here will serve as the program's budget throughout the contract period and must be used strictly for program purposes.

Committed Line-item Program Budget

Source	Specify Source	Budget Categories	Line-item Costs (Specify if "Other")	Specify if "other" or "consultant"	Funding Amount
					$0.00

D.4. 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.

Uncommitted Line-item Program Budget

Source	Specify Source	Date Applied	Anticipated Response Date	Amount Requested
				$0.00

E. Required Documents

Please provide the following information.

Documentation- All projects

- **Annual Budget or YTD Financial Statement *Required**
- **Project Timeline**
  Please use template ***Required**

Is this a Construction, Acquisition and/or a Preservation Project?

Documentation – Construction, Acquisition, and Preservation Only

- **Development Pre-Application Materials**
- **Development Team Summary *Required**
- **Funding Sources and Uses *Required**
- **Operating Pro-Forma *Required**

Submit

Once an application is submitted, it can only be "Re-opened" by an Administrator.

Authorized Signature

Date

APPENDIX B: APPLICATION SCORING GUIDE

Applications will be subject to the following criteria for a maximum of 95 points (100 points for Housing Production and Preservation). Scores serve only as a guide for prioritization of projects. Vancouver City Council will make final funding decisions.

Subjective Scoring – Maximum 90 points

Category	Maximum
Organizational Capacity • Effectively demonstrated experience managing projects of similar size and complexity (5 points) • Staff capacity and expertise aligns with the project's scope and requirements (5 points)	**10**
Financial Feasibility • Demonstrated ability to secure necessary project financing (5 points) • Reasonable and balanced budget (5 points) • Balanced operating budget and evidence of long-term financial viability (10 points)	**20**
Equitable Investment Priorities • Meaningful commitment to addressing racial equity and housing disparities (5 points) • 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) • Develop innovative housing solutions for marginalized or challenging-to-house populations (5 points)	**15**
Sustainability *(Housing Production & Preservation projects only)* • Thoughtful incorporation of energy-efficient features or strategies that reduce environmental impact and long-term costs (5 points)	**5**
Innovation • Project showcases innovation in program delivery by utilizing new or improved methods of delivering housing or services that increase impact, reduce costs, or better serve priority populations. (10 points)	**10**
Readiness • Clear demonstration that project is ready to proceed within a reasonable timeline within one year of award (10 points) • Project milestones are realistic and achievable given the project's current stage (5 points)	**15**
Collaboration • Project effectively leverages community partnerships to achieve goals (5 points) • Meaningful engagement with priority populations that project intends to serve (10 points)	**15**

Objective Scoring – Maximum 10 points

Leveraging Project secures additional funding sources that multiply the impact of AHF funds 1:1 match = 3 points 2:1 match = 6 points 3:1 or higher match = 10 points If no additional funds are leveraged, project demonstrates that it would not be feasible without AHF funding (Up to 10 points)	**10**