



**SNOHOMISH COUNTY
HUMAN SERVICES DEPARTMENT**

FALL 2023 NOTICE OF FUNDING OPPORTUNITY

AFFORDABLE HOUSING

HOME INVESTMENT PARTNERSHIP PROGRAM

AND

CHEMICAL DEPENDENCY / MENTAL HEALTH SALES TAX FUNDS

August 29, 2023

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Human Services Department**

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OVERVIEW

A. NOTICE OF FUNDING OPPORTUNITY (NOFO) – FALL 2023

The Snohomish County Office of Housing and Community Development (OHCD) is announcing the availability of Program Year 2024 HOME funds, Community Housing Development Organization (CHDO) operating funds and Chemical Dependency Mental Health Sales Tax (CDMH) funds available in 2024. Snohomish County will accept funding proposals for the following types of projects and activities:

Housing:

- ◆ Multi-Family Rental Housing Projects (HOME and CDMH)
- ◆ Shelter projects (CDMH only)
- ◆ Homeownership Development Projects (HOME Funds)
- ◆ Community Housing Development Organization (CHDO) Operating Support Grant (HOME Funds)

Applications are due by September 29, 2023, by 4:00 pm.

B. FUNDS AVAILABLE

Estimated funding includes PY 2024 HOME Capital funds, CDMH funds and CHDO Operating funds, as may be available in 2024:

◆ Estimated PY HOME Investment Partnerships (HOME)	
○ PY2024 Capital	\$1,181,800
○ PY2024 CHDO Operating	\$100,000
○ Reprogrammed HOME Capital	<u> \$0</u>
○ Total Estimated HOME	\$1,281,800
◆ 2023 CDMH Sales Tax Capital Fund	\$833,379

HOME Investment Partnerships Program (HOME), a source of federal housing development funds created under Title 11 of the National Affordable Housing Act of 1990 became available in 1992. Snohomish County administers HOME funds in cooperation with the HOME Consortium member cities. The purpose of HOME is to expand the supply of permanent affordable housing for low-income and very low-income families and individuals.

1/10 of 1% Sales Tax Capital Funds for Mental Health and Chemical Dependency (CDMH Sales Tax Fund): The funds utilized for this program are collected through the use of a sales tax option that was passed by the State Legislature in 2005: the Omnibus Mental Health and Substance Abuse Act (E2SSB 5763). Effective December 2008, Snohomish County Council passed Ordinance 08-154 “Authorizing a Sales and Use Tax to Provide for Operation or Delivery of Chemical Dependency or Mental Health Treatment and Therapeutic Court Programs and Services.” The use of these capital funds for housing projects provides long-term financing with deferred, 0% interest loans. The Sales Tax Capital funds provides permanent financing for affordable housing projects serving persons living with chemical dependency or mental health issues.

**** Note 1:** A) Applicants for Shelter Projects using only CDMH Funding, should use the NOFO Application materials in Section 4 of the NOFO.

B) Applicants for multifamily projects using HOME or CDMH funds should use the NOFO Application materials in Section 2 of the NOFO.

Program Year 2024 Funding Estimates for this NOFO's HOME funds are as follows:

HOME CHDO Operating Support	\$100,000
All Other HOME eligible activities	\$181,800
Total Estimated HOME Funds	\$281,800

- The Program Year 2024 funding amounts available for HOME affordable housing projects are an estimate based on the 2023 grant amount received by the County from HUD. Any funding available will depend upon the 2023 Federal Fiscal Year Budget that Congress passes.
- Snohomish County's 2024 HOME Program Year begins July 1, 2024.

C. HOME PROGRAM FUNDS OVERVIEW:

Funds available in this Fall 2023 NOFO may be used for affordable housing multi-family rental projects, homeownership development projects and operating support for non-profit Community Housing Development Organizations in Snohomish County. Eligible organizations and consortia of eligible entities are invited to submit applications for affordable housing projects to compete for these funds.

Snohomish County and the cities in the Snohomish County Urban County Consortium (Consortium) are allocated HOME Investment Partnerships Program (HOME) funds annually from the U.S. Department of Housing and Urban Development (HUD). The County, through its Office of Housing and Community Development (OHCD), makes a portion of these funds available each year for affordable housing for low-income families and individuals.

Snohomish County HOME Consortium: The Consortium includes the County and 19 cities and towns within the County, including the Snohomish County portion of the City of Bothell, and covers both the incorporated and unincorporated areas of the County. The City of Everett has an Interlocal Agreement with Snohomish County for HOME funds and conducts a separate funding round process for City of Everett HOME funds.

Applicants for projects located in the City of Everett, should contact the City and the County before preparing applications to determine which funding process is open to these projects. Projects that are (or will be) located in the City of Everett are not restricted from applying for County funds, as long as residents from the entire County are included (on a proportional basis), when applications for tenancy in the projects are solicited.

HOME CHDO Operating Support Grant: The County makes up to 5% of its annual HOME allocation available to certified CHDOs that are developing HOME-assisted capital housing projects. These funds are restricted to general organizational operating expenses and capacity building. Direct costs of funded HOME projects, including personnel and other direct project management costs, are not an eligible use of these funds. Operating costs for existing housing projects are also not eligible for this support. **Only Snohomish County Consortium CHDOs that are eligible to be certified for Program Year 2024 and are undertaking a HOME-assisted project may apply for this Operating Support Grant.**

HOME CHDO Set-aside: HOME CHDO Set-aside funds must be committed within 2 years of the County's HOME funding agreement with HUD.

D. ELIGIBLE APPLICANTS AND ACTIVITIES:

Eligible Applicants

The following types of organizations/entities are eligible for capital funding:

- Public Housing authorities
- Non-profit organizations
- Local governments (HOME only)
- Community Housing Development Organizations (CHDOs) (HOME only)
- For-profit entities

Partnerships are encouraged among local governments, public housing authorities, other non-profit housing developers, for-profit developers, and service providers in order to produce the greatest number of units for the most reasonable public investment and to provide appropriate supportive services to residents with special needs.

Eligible Housing Project Types and Activities

Funding is available for the following project types and development activities:

- Permanent Rental Housing
- Acquisition of land and buildings
- New Construction
- Substantial Rehabilitation of Multi-Family Housing
- Conversion of an existing structure to Multi- Household Affordable Housing
- Homeownership Development Activities (HOME only)
- Shelter projects (CDMH only)
- Transitional Housing
- Relocation Costs
- Site Improvements

This list of eligible activities is not intended to be all-inclusive. Please contact OHCD staff with any questions concerning the eligibility of a proposed project or program.

E. THE NOFO APPLICATION REQUIREMENTS AND INSTRUCTIONS

This Fall 2023 NOFO application has separate requirements for different types of projects to better analyze the applicant's proposal and funding request.

Instructions: Complete the appropriate Combined Funders Application, Combined Funders Forms, Snohomish County Addendum and Supplemental Submittals as required by project or program type as outlined below.

Multi-Family Rental Housing Projects (HOME and/or CDMH funds):

- 1) Fall 2023 Multi-Family Application Checklist and Instructions
- 2) 2023 Multi-Family Combined Funders Application- (Required Word document)
- 3) 2023 Multi-Family Combined Funders Application Forms- (Required Excel document)
- 4) 2023 Snohomish County Multi-Family Rental Housing Addendum- (Required)
- 5) Tenant Relocation Plan (If applicable)
- 6) Environmental Review Supplement (Not required if requesting only CDMH funds.)
- 7) 2023 CDMH Sales Tax Supplemental Application (if applicable)

Homeownership Development Projects (HOME only):

- 1) Fall 2023 Homeownership Application Checklist and Instructions
- 2) 2023 Homeownership Combined Funders Application- (Required Word document)

- 3) 2023 Homeownership Combined Funders Application Forms (Required Excel document)
- 4) 2023 Snohomish County Homeownership Development Addendum (Required)
- 5) Tenant Relocation Plan (If applicable)
- 6) Environmental Review Supplement (Required)

Shelter Projects (CDMH Only):

- 1) Fall 2023 Shelter Application Checklist and Instructions
- 2) 2023 Multi-Family Combined Funders Application- (Required Word document)
- 3) 2023 Multi-Family Combined Funders Application Forms- (Required Excel document)
- 4) 2023 CDMH Sales Tax Supplemental Application- Shelter

CHDO Certification (HOME only):

- 1) **New** CHDOs: To apply for certification as a NEW CHDO, complete and submit the New CHDO Application for Certification
OR
- 2) **Existing** CHDOs: All existing CHDOs must complete and submit the Renewal Certification Packet

CHDO Operating Support Grants (HOME only):

To apply for a Program Year 2023 Operating Support Grant, complete and submit the Operating Support Grant Application

Application Links and hard copies:

The Fall 2023 NOFO applications and related documents, including the Combined Funders Applications and forms are available on Snohomish County’s website:

<http://www.snohomishcountywa.gov/754/Housing-Projects>

Hard copies of the application will also be available at the Snohomish County Division of Housing and Community Services, located at 3000 Rockefeller Avenue, Administration Building West, Fourth Floor, Everett, WA, or by emailing OHCD.Funding@snoco.org.

Detailed Instructions and Application Format:

See the “Fall 2023 Multi-Family Application Checklist and Instructions” and/or the “Fall 2023 Homeownership Application Checklist and Instructions” for these details.

Combined Funders Application: Snohomish County, along with other jurisdictions, is using the Combined Funders Application, which is accepted by the Washington State Department of Commerce (Commerce), Washington State Housing Finance Commission (WSHFC), King County, City of Seattle, and ARCH. There is a common application for rental housing projects (Multi-Family) and a separate application for the homeownership development projects. The 2023 Multi-Family rental and the 2023 Homeownership Combined Funders Applications (CFA) are the current applications for 2023 for the combined funders.

Housing Threshold Criteria and Evaluation Criteria:

Applicants are encouraged to review the Threshold Criteria and Evaluation Criteria (attached as **Appendix G**) in preparing application submittals. Please note that this is **not** an application submittal and it does not need to be completed by the applicant.

F. APPLICANT ASSISTANCE

Technical Assistance and Application Workshop

A workshop for housing projects requesting HOME, CHDO and CDMH funds is scheduled as follows:

September 12, 2023

1:00 pm – 2:00 pm

Zoom Meeting

(see County NOFO webpage for weblink)

<http://www.snohomishcountywa.gov/754/Housing-Projects>

Applicants are strongly encouraged to attend the application workshop to discuss proposed projects. The meeting will provide technical assistance to applicants to determine an applicant's and/or project's potential eligibility to receive funding, to review application requirements and to discuss regulatory provisions. Please download application materials for reference for the application workshop.

The application workshop will also provide an overview of important federal and/or state laws and regulations that may apply to projects receiving these funds, including:

- HOME Program requirements,
- National Environmental Policy Act (NEPA) & Environmental Review Process,
- Acquisition of Real Property and Relocation, and
- Davis Bacon and state prevailing wage rates

Applicants should familiarize themselves with the timing issues and procedural requirements involved in the development of projects related to National Environmental Policy Act (NEPA) "Choice Limiting" activities and other requirements, and Uniform Relocation and Acquisition (URA) or other federal regulations that are required when projects receive federal HOME funding. There are regulations that may affect the timing or nature of site control agreements or acquisitions, contracting, cost eligibility and other elements of project development.

Please note that, if a proposed project triggers any of these regulations, further meetings with County staff may be required. County staff members are available to provide technical assistance to potential applicants throughout the application process.

Any updates to the application after the publication date will be posted on the County's application web page. Questions from the workshop will be posted on the web page.

ADA Notice: Snohomish County facilities are accessible. The County strives to provide access to all members of the public. Please notify the ADA contact at least five days in advance of public meetings if accommodations are required. Upon request reasonable accommodations will be made to provide this application in an alternate format.

ADA Contact information: Debra May can be reached via email or phone at: debra.may@snoco.org or (425) 388-3264 or 711 (TTY)

OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT CONTACTS

Jackie Anderson, Division Manager, Housing and Community Services
(425) 388-3237 or jackiem.anderson@snoco.org

Mark Tingley
(425) 312-0595 or Mark.Tingley@snoco.org
Capital Grants Management Specialist, Environmental Reviews

Jennifer Pehlivan
(425) 262-2603 or jennifer.pehlivan@snoco.org
Capital Grants Management Specialist, Environmental Reviews

Andrew Fox
(425) 388-7264 or andrew.fox@snoco.org
Asset Management, Labor Standards and Section 3

Debra May
(425) 388-3264 or debra.may@snoco.org
Acquisition and Relocation, Consolidated Plan

Ray Padilla
(425) 388-7461 or Raymond.Padilla@snoco.org
HOME CHDO Certification & Operating

G. APPLICATION DEADLINES AND SUBMISSION

Due Date: Applicants must submit the NOFO Application directly to the County and are due by **4:00 pm on Friday, September 29, 2023**, or earlier, to demonstrate that the application was submitted by the NOFO deadline. Applicants may alternately submit by US mail, Fed Ex, or UPS, etc., please note that applications postmarked by the deadline, but not received by the deadline will not be considered for available funds. Only complete applications received by this date and time will be considered for available funds.

Mailing address: Snohomish County Human Services Department
Office of Housing and Community Development (OHCD)
3000 Rockefeller Avenue, M/S 305
Everett, WA 98201

Deliver in-person to: Snohomish County Human Services Department Reception Desk
Lower Level, (Oakes Avenue Entrance)
Robert Drewel Building (Admin East)
3000 Rockefeller Avenue
Everett, WA 98201

H. APPLICATION REVIEW and FUNDING APPROVAL SCHEDULE

August 29, 2023	Application available
September 12, 2023	Technical Assistance and Application Workshop Zoom Meeting
September 29, 2023	Applications due by 4:00 p.m.
Oct/Nov 2023	CDMH Board meeting TBD
Oct/Nov 2023	Technical Advisory Committee (Housing) meeting (tentative) to recommend PY2024 HOME funding awards

Feb/March 2024	Policy Advisory Board meeting (tentative) to recommend PY 2024 HOME awards
May 2024	County Council approval of HOME PY 2024 awards / Consortium's 2024 Annual Action Plan submitted to HUD
July 2024	HUD funding approval for PY 2024 HOME funds (estimated)
September 2024	Snohomish County may start executing HOME PY 2024 project contracts (estimated)

I. APPLICATION REVIEW AND AWARD PROCESS

Note for tax credit applicants: The Washington State Housing Finance Commission has confirmed that it will accept the TAC recommendations for the purpose of demonstrating Snohomish County's local funding commitment.

Application Review: County staff will perform a technical review of the applications for eligibility and feasibility. Applications may receive additional financial review from other qualified experts in the field of affordable housing finance. Staff will compile application review materials, evaluate projects, and prepare review summaries for the Technical Advisory Committee and Sales Tax Review Committee.

CDMH Sales Tax Fund Application Review: The review of CDMH Applications occurs in two parts. First the Sales Tax Review Committee will meet to discuss the projects and make recommendations to the full Sales Tax Board. Secondly, the Sales Tax Board then meets to make final recommendations to the Director of Human Services.

HOME Application Review

Review by Technical Advisory Committee (TAC): The Snohomish County TAC has a total of 30 positions on the roster including eight citizens representing the low-income, elderly, disabled, and minority communities; one representative appointed by each city and/or town in the Snohomish County Consortium; two representatives of the County; and a representative of the Housing Authority of Snohomish County.

The TAC will receive copies of project application materials and the Technical Analysis and Review summaries prepared by County staff. The TAC reviews the applications utilizing the evaluation criteria in this NOFO and will make funding recommendations. OHCD staff will prepare a summary of the TAC's prioritized funding recommendations for the Policy Advisory Board (PAB).

Review by Policy Advisory Board (PAB): The PAB is made up of nine members, including three County Council members; a representative from the County Executive's office, four elected city officials, and a chairperson selected from the community by the other eight PAB members. The PAB reviews the TAC's funding recommendations and develops final funding recommendations for the Snohomish County Council. The PAB meeting is expected to be scheduled for February or March 2024.

Final Approvals by the Snohomish County Council: For PY 2024 funding awards: The PAB funding recommendations for HOME funds will be included in the draft 2024 Action Plan, which will be available for public comment. The Snohomish County Council considers any comments received by the public and makes final funding approval decisions in Spring of 2024.

Disclaimer: Snohomish County and the Consortium reserve the right to not award all available funds if submitted proposals do not meet the criteria for evaluation and funding. Funds not allocated during this process may be awarded during a subsequent application cycle for new proposals. In the case of HOME funds, federal deadlines for fund commitment and expenditure may require reallocation of housing development funds if implementation of a selected project is significantly delayed.

In addition, note that the federal PY2024 HOME funds are subject to the FY2024 federal budget approvals yet to be authorized by Congress.

J. EVALUATION CRITERIA

- Applications must meet the threshold criteria in order to be evaluated and scored.
- Applications for HOME and CDMH Sales Tax funding will be evaluated on the following criteria: organizational capacity, project soundness, financial feasibility, community need and benefit, and readiness to proceed by County staff using the Housing Threshold Review and Evaluation Criteria.
- The CDMH Board process will be used to further evaluate and recommend projects applying for CDMH Sales Tax funds. See the CDMH Supplemental Application for more information.
- Please see the Housing Threshold Review and Evaluation Criteria for more information, attached as Appendix G.
- Applications must comply with federal and local program regulations.
- Capital multi-family rental housing projects and homeowner development projects will compete with the same total number of points available.
- CHDO Operating Grant applications and CHDO Certification applications are not reviewed by the TAC and are not scored using the evaluation criteria in Appendix G.

K. 2024 9% TAX CREDIT PROJECTS:

NOTE: For projects proposing to use 9% Tax Credits, please note that the Washington State Housing Finance Commission may revise its 2024 9% Tax Credit Policies. Please refer to the Commission's website for the latest changes to that program.

Applicants should be aware there is a locally designated process for selecting one 9% tax credit project from each Metro County (includes Snohomish County). Please contact the County for additional information on this process for recommending Snohomish County projects, for the Commission to select the one project to receive 2024 9% tax credits.

Each county in the metro geographic pool will be allocated 9% tax credits based on the following formula:

- Base Allocation of \$1,000,000 per county;
- Additional Allocation based upon need as calculated by the most current CHAS housing needs data available (and rounded to nearest \$100,000).

In 2022, the Commission anticipated that each Metro County will receive an allocation of tax credits in of approximately **\$1.2M to \$1.7M**. Please see the Commission's 2024 9% Policies for the amounts anticipated in 2024

**APPENDIX A
HUD GUIDELINES
Snohomish County 2023 Median Income: \$146,500
(Seattle-Bellevue, WA HUD Metro FMR Area)**

2023 HUD MAXIMUM INCOME LIMITS AND RENT LIMITS:

HTF Income and Rent Limits Effective 5/15/2023; Published 5/25/2023

County:	Snohomish							
2023 Median Income:	146,500							
Income Limits by Household Size/Target Population AMI								
	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
30% AMI	28,800	32,900	37,000	41,100	44,400	47,700	51,000	54,300
35% AMI	33,565	38,360	43,155	47,950	51,800	55,650	59,465	63,315
40% AMI	38,360	43,840	49,320	54,800	59,200	63,600	67,960	72,360
45% AMI	43,155	49,320	55,485	61,650	66,600	71,550	76,455	81,405
50% AMI	47,950	54,800	61,650	68,500	74,000	79,500	84,950	90,450
60% AMI	57,540	65,760	73,980	82,200	88,800	95,400	101,940	108,540
65% AMI	62,335	71,240	80,145	89,050	96,200	103,350	110,435	117,585
80% AMI	70,650	80,750	90,850	100,900	109,000	117,050	125,150	133,200
Rent Limits by Target Population AMI/# of Bedrooms								
	30%	35%	40%	45%	50%	60%	65%	80%
0 Bedrooms	720	839	959	1,078	1,198	1,438	1,558	1,766
1 Bedroom	771	899	1,027	1,155	1,284	1,541	1,669	1,892
2 Bedrooms	925	1,078	1,233	1,387	1,541	1,849	2,003	2,271
3 Bedrooms	1,068	1,246	1,425	1,603	1,781	2,137	2,315	2,623
4 Bedrooms	1,192	1,391	1,590	1,788	1,987	2,385	2,583	2,926
5 Bedrooms	1,316	1,534	1,754	1,973	2,192	2,631	2,850	3,229

NOTE:

1. Snohomish County is part of the Seattle-Bellevue, WA HUD Metro FMR Area, so all information presented applies to all of the Seattle-Bellevue, WA HUD Metro FMR Area. HUD generally uses the Office of Management and Budget (OMB) area definitions in the calculation of income limit program parameters. However, to ensure that program parameters do not vary significantly due to area definition changes, HUD has used custom geographic definitions for the Seattle-Bellevue, WA HUD Metro FMR Area.

The Seattle-Bellevue, WA HUD Metro FMR Area contains the following areas: King County, WA; and Snohomish County, WA.

Snohomish County is included in the HUD Income limits and the HUD Fair Market Rents for the Seattle-Bellevue, WA HUD Metro FMR Area. HUD has published the 2023 Section 8 (Multifamily) income limits, Effective June 15, 2023.

https://www.huduser.gov/portal/datasets/il/il2023/select_Geography.odn

2023 HOME MAXIMUM INCOME AND RENT LIMITS:

The 2023 HOME Program Income and Rent Limits are in the 2 charts below. For all HOME units, the maximum allowable rent is the HUD calculated High HOME Rent Limit and/or the Low HOME Rent Limit.

HOME Rent and Income Limits Effective 5/15/2023

County:	Snohomish
2023 Median Income:	146,500

	Income Limits by Household Size/Target Population AMI							
	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
30% AMI	28,800	32,900	37,000	41,100	44,400	47,700	51,000	54,300
35% AMI	33,565	38,360	43,155	47,950	51,800	55,650	59,465	63,315
40% AMI	38,360	43,840	49,320	54,800	59,200	63,600	67,960	72,360
45% AMI	43,155	49,320	55,485	61,650	66,600	71,550	76,455	81,405
50% AMI	47,950	54,800	61,650	68,500	74,000	79,500	84,950	90,450
60% AMI	57,540	65,760	73,980	82,200	88,800	95,400	101,940	108,540
65% AMI	62,335	71,240	80,145	89,050	96,200	103,350	110,435	117,585
80% AMI	70,650	80,750	90,850	100,900	109,000	117,050	125,150	133,200

Seattle-Bellevue, WA HUD Metro FMR Area			
HOME Program Rents, Including Utilities			
2023	Low HOME Rent	High HOME Rent	FMR
0 Bedrooms	1,198	1,539	2,042
1 Bedroom	1,284	1,650	2,100
2 Bedrooms	1,541	1,982	2,455
3 Bedrooms	1,781	2,282	3,297
4 Bedrooms	1,987	2,525	3,847
5 Bedrooms	2,192	2,768	4,424
6 Bedrooms	2,397	3,011	5,001

For more information see:

<https://www.hudexchange.info/manage-a-program/home-rent-limits/>

<https://www.hudexchange.info/manage-a-program/home-income-limits/>

2023 WSHFC TAX CREDIT INCOME AND RENT LIMITS

The 2023 WSHFC Tax Credit Income and Rent Limits can be found at:

<http://www.wshfc.org/Managers/AMCLimits/Others/BoxInfo/20222023RentIncomeLimitsYear.pdf>

**Snohomish County
MTSP-Income and Rent Limits
Effective 5/15/23
Median Income: \$ 146,500**

Set-aside Percentage	1-person	2-person	3-person	4-person	5-person	6-person	7-person	8-person
20%	19180	21920	24660	27400	29600	31800	33980	36180
30%	28770	32880	36990	41100	44400	47700	50970	54270
35%	33565	38360	43155	47950	51800	55650	59465	63315
40%	38360	43840	49320	54800	59200	63600	67960	72360
45%	43155	49320	55485	61650	66600	71550	76455	81405
50%	47950	54800	61650	68500	74000	79500	84950	90450
60%	57540	65760	73980	82200	88800	95400	101940	108540
70%	67130	76720	86310	95900	103600	111300	118930	126630
80%	76720	87680	98640	109600	118400	127200	135920	144720

Set-aside Percentage	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom	5-Bedroom
20%	479	513	616	712	795	877
30%	719	770	924	1068	1192	1315
35%	839	899	1078	1246	1391	1534
40%	959	1027	1233	1425	1590	1754
45%	1078	1155	1387	1603	1788	1973
50%	1198	1284	1541	1781	1987	2192
60%	1438	1541	1849	2137	2385	2631
70%	1678	1798	2157	2493	2782	3069
80%	1918	2055	2466	2850	3180	3508

2023 HOME MAXIMUM PER UNIT SUBSIDY LIMITS:

The following are the current 2023 maximum HOME per-unit subsidy amounts, effective April 7th, 2023, for all HOME Participating Jurisdictions (PJs) in Washington State. The maximum per unit subsidies may determine the number of HOME Assisted Units in a project.

0 Bedrooms	\$173,011
1 Bedroom	\$198,331
2 Bedrooms	\$241,176
3 Bedrooms	\$312,004
4+ Bedrooms	\$342,482

HUD has determined these amounts in accordance with the guidance in Notice CPD-15-003 and HOME fires – Vol. 12 No.1, Revised July 2017. These are the limits on the amount of HOME funds PJs in Washington State may invest on a per-unit basis in HOME-assisted projects, per 92.250(a) of the HOME Program Final Rule. You may use these limits for your HOME projects, subject to compliance with the

underwriting and subsidy layering requirements at 92.250(b). These limits remain in effect until updated by HUD or replaced through an amendment to the HOME regulations.

Additional information is provided on the HUD Exchange webpage at:
<https://www.hudexchange.info/resource/2315/home-per-unit-subsidy/>

2023 HOME PARTNERSHIP PROGRAM HOMEOWNERSHIP OR AFTER REHAB VALUE LIMITS:

This chart below applies to HOME Homeownership cost limits for the total cost for newly constructed ownership housing or to acquire existing housing (including the rehabilitation costs). These limits cannot be exceeded for the total completed project costs, including acquisition and rehabilitation.

2023 HOME Limits: Maximum Purchase Price or After Rehab Value
 Effective July 1, 2023

	Existing Homes Purchase Limit/After Rehab Value					New Homes Purchase Limit				
	1-Unit	2-Unit	3-Unit	4-Unit	Unadjusted Median Value	1-unit	2-unit	3-Unit	4-unit	Unadjusted Median Value
Snohomish County	618,000	790,000	957,000	1,186,000	650,000	618,000	790,000	957,000	1,186,000	594,900

Source: HUD 2023 HOME Homeownership Value Limits
<https://www.hudexchange.info/onecpd/assets/File/FY-2020-HOME-HTF-Homeownership-Value-Limits.xlsx>
[HOME Homeownership Value Limits - HUD Exchange](#)

ALL HUD LIMITS IN APPENDIX A ARE SUBJECT TO REVISION BY HUD.

APPENDIX B

GENERAL PROGRAM GUIDELINES

The information provided below serves as a general overview of program requirements. More detailed program information is available in Attachments D, E and F.

A. ELIGIBILITY AND AFFORDABILITY REQUIREMENTS

HOME Investment Partnerships Program (HOME)

HOME Eligibility Requirements:

Projects and programs supported with HOME funding must provide housing that is affordable to income-eligible households as defined under the HOME Program at 24 CFR Part 92. No less than 90% of the HOME-assisted rental units funded by Snohomish County each year must serve households whose incomes are at or below 60% of area median. The remaining HOME-assisted units may serve households with incomes at or below 80% of area median. Families receiving homeownership assistance with HOME funds must have incomes at or below 80% of area median.

Eligible HOME Activities:

HOME funds can be used for a wide range of housing projects and programs. These include:

- Acquisition of land and buildings
- Rehabilitation and new construction for transitional and permanent rental housing
- Reconstruction or conversion of an existing structure to affordable housing

HOME Rental Housing Affordability Requirements:

The HOME Program provides two concurrent requirements to establish maximum allowable rents for HOME-assisted units:

1. Rents for all HOME-assisted dwelling units can be no more than the lower of either (a) the HUD “Fair Market Rent” for the unit, based on the number of bedrooms, or (b) an amount not greater than 30% of the adjusted income of a household whose income equals 65% of the area median income with adjustments for the number of bedrooms in the unit; and
2. For rental projects consisting of 5 or more HOME-assisted rental units, at least 20% of the units must be occupied by very low-income families (50% AMI) and meet one of the following rent requirements: (a) rent does not exceed 30% of the annual income of a household at 50% of the area median income with adjustments for household size, or; (b) the rent does not exceed 30% of the household’s adjusted income.

HUD identifies the two different rent levels as the “High” and “Low” HOME Rents. HUD issues and updates these rent limits annually. The current high and low rents are listed in Appendix A of this application.

Below Market Rate Rents: Snohomish County will review each proposed project to assure that proposed rents are below the market rents for the area, thus providing an affordable housing opportunity not otherwise available in the community. Information regarding market rents is available from County staff.

Mixed Income Projects: Housing projects that include units affordable to a range of household incomes are eligible. However, County funds may only be used for the costs of the units that meet the HOME rent, affordability, and other regulatory requirements. Costs that are not separately identifiable for specific units may be prorated (Contact OHCD staff for instructions). County funds will be used exclusively for the assisted units within the project that meet program requirements.

HOME Policies:

Applicants for HOME funds should familiarize themselves with Snohomish County’s HOME Investment Partnership Program Policies which are included in this NOFO in Appendix D.

For HOME projects involving repair, rehabilitation or renovation, applicants should review the County’s HOME Rehabilitation Standards and Implementation Procedures (Standards). Applicants should also be aware that these Standards will be amended after HUD provides further guidance on these requirements. Rehabilitation projects receiving HOME funds in this funding cycle will need to comply with the revised Standards, once they are updated by HUD, and utilize the County’s Implementation Procedures. See **Appendix E** and **Appendix F** for more information.

Use of the Public Housing Authority utility allowance (UA) is no longer allowable for HOME units once they are completed and occupied; but the PHA UA estimate can be used for application purposes at this time. See Snohomish County Addendum, Section 8A for more information on allowable UA methods for completed HOME units.

Prior to committing HOME funds to a project, all necessary financing must be secured, a budget schedule must be established, and the underwriting and subsidy layering must be completed. Execution of a formal written Agreement with the County must be executed prior to the 2-year commitment deadline.

1/10TH OF 1% SALES TAX FOR MENTAL HEALTH AND CHEMICAL DEPENDENCY PROGRAM (CDMH)

Use Restriction: Please see CDMH Sales Tax Supplemental Application for more information. The funds require at least thirty (30) year use restriction/affordability period with covenants running with the land. Set-aside units serving individuals and/or families that require chemical dependency treatment and/or mental health services may “float” within the project, but at no time shall the established set-aside fall below the established set-aside commitment.

B. FUNDING AWARD LIMITS AND MATCHING REQUIREMENTS

County funds are intended to leverage other housing funds to maximize the available County resources for housing projects. Whenever other sources of financing can be used to extend those of the County, the applicant is encouraged to secure them. Other sources of funds include public and private grants, loans, equity investments and in-kind contributions.

HOME Maximum per unit Subsidy Amount: The amount of HOME funds Snohomish County may invest on a per-unit basis in affordable housing may not exceed 240% of the applicable per-unit dollar limits established under the Section 234 –Condominium Housing Limits for elevator-type projects in the

Seattle High-Cost Percentage (HCP) Area. These maximum per-unit dollar limits are listed in Appendix A.

HOME Match: The HOME Program does not require that a specific project provide a funding match. However, Snohomish County must document overall eligible match contributions totaling not less than 25% of the HOME funds drawn from the County’s treasury account over the course of the program. The County will coordinate with the Agency in identifying possible HOME match eligible sources under this contract.

Forms of Financial Assistance: Deferred loans (forgivable or repayable)

Long Term Affordability: Snohomish County will secure its interest in a project through promissory note secured by a recorded deed of trust, and a recorded use restriction covenant. Awards are generally secured for a period extending beyond the minimum HOME required period of affordability. The Minimum HOME Compliance period is dependent on the amount of subsidy per unit and the type of project, with a range of 15 to 20 years. Snohomish County policies encourage long term affordability, generally for 40 years, but may vary depending on the type of project and funding source(s).

Homeownership Programs: For homeownership projects using HOME funds, recapture or resale provisions are required if the housing does not continue to be the principal residence of the family for the period of affordability. Recaptured HOME funds will be used for other HOME eligible activities or to assist subsequent homebuyers depending upon the design of the homeownership program.

C. ACQUISITION, RELOCATION AND DISPLACEMENT

Federally assisted projects are subject to the Uniform Relocation and Assistance and Real Property Acquisition Polices Act of 1970, as amended (URA) (42 U.S.C. 4601-4655), and the government wide implementing regulations issued by the Federal Highway Administration at 49 CFR Part 24.

Acquisition of real property, displacement and relocation resulting from the acquisition, rehabilitation, or demolition of real property for a federal or federally assisted project are subject to the URA requirements. Where possible, projects must be designed to prevent or minimize displacement of tenants. Because federal funds administered by Snohomish County are made available as part of this application, any temporary or permanent displacement of tenants must be handled in accordance with all applicable provisions that cover relocation and acquisition.

Acquisition of Real Property

The URA requirements apply to any and all real property acquisition for a project that receives any amount of federal funding, regardless of whether the federal funds are used to purchase the property or for other project costs. The regulations may apply to any acquisition for which a purchase offer was made at any time after the date the applicant first intended to apply for federal funds for the project.

Voluntary vs. Involuntary Transaction: **If property is to be acquired for the project,** the applicant must identify within the application, whether the acquisition of the site is a voluntary transaction or involuntary transaction via condemnation for public use.

1. *Involuntary* - If the applicant has the power of eminent domain and elects to use that power to acquire property for the project, the applicant must demonstrate that it has or will utilize that power in compliance with the URA requirements.

2. *Voluntary* - In order for a transaction to be considered “voluntary” under the URA, prior to making an offer, the applicant must inform the seller in writing that either it does not have the power of eminent domain, or that it has the power of eminent domain, but agrees not to use this power. Further, the applicant must inform the seller of what the applicant believes to be the fair market value of the property.

Displacement and Relocation

Relocation requirements apply to any type of project or program, receiving any amount of federal financial assistance that involves action upon occupied real property. No project involving displacement will be selected for funding without complete assurance of relocation compliance. The County does not have sufficient staff to either carry out or supervise required relocation for project developers. Consequently, developers must thoroughly demonstrate the capability, resources, and preparations necessary to assure that any displacement and relocation are carried out in compliance with the law and regulations. The required resources include provision for experienced, qualified, county approved relocation personnel. Past performance on compliance with the URA, will be considered when evaluating project feasibility.

Federal funding for acquisition or rehabilitation of occupied properties, both residential and commercial, where tenants may be displaced all require a detailed **Relocation Plan**. If temporary relocation is required for the project and tenants are temporarily relocated off-site, a detailed **Temporary Relocation Plan** is required. A Relocation Plan template and a Temporary Relocation Plan template are available to download as part of this NOFO.

Demolition and Conversion

Section 104(d) Relocation Requirements (“Barney Frank Amendments” to Title I of the Housing and Community Development Act of 1974) requires one-for-one replacement of occupied and vacant occupiable low- and moderate-income dwelling units demolished or converted to a use other than as low/moderate-income housing as a direct result of activities assisted with HOME funds, and mandates the provision of relocation assistance to any lower-income person displaced as a direct result of these activities.

If your project involves acquisition, rehabilitation, or demolition of real property, contact the Relocation Specialist, Debra May, before submitting an application at 425-388-3264 or at debra.may@snoco.org. Even if there is no plan to displace tenants, acquisition requirements and other URA/104(d) requirements may be triggered.

D. SITE CONTROL AND PROJECT READINESS

Evidence of Site Control: Applicants must provide evidence of site control. Evidence of site control includes but may not be limited to: fee simple title; current purchase and sale agreement; current option to purchase; and/or earnest money agreement. Projects which have not obtained site control must identify potential sites within the application.

For HOME funds, if site control has not been obtained before an application is submitted, federal “Limitations on Pending Clearance” requirements at 24 CFR part 58.22 are triggered. **Regardless of funding utilized, no “Choice Limiting Actions” (which may include activities such as contract execution, property acquisition, leasing, demolition, rehabilitation, construction, and site improvements) may occur until an environmental review has been completed and approved by Snohomish County.** Failure to comply will prohibit the use of federal funds for the project.

A site control agreement executed after the application for funding is received by the County, and before the NEPA review has been completed, is subject to the following federal requirements:

- Single Family projects with one to four units: A Purchase and Sale Agreement with the required conditional wording may be allowed if certain conditions are met.
- Acquisition and/or rehabilitation of multi-family residential properties with 5 or more **existing** units: A Purchase and Sale Agreement **is not** allowed. Only an Option to Purchase Agreement with the required conditional wording may be allowed if certain conditions are met.

Under certain conditions, a long-term leasehold is an acceptable form of site control. In the event an applicant is considering utilizing a long-term leasehold, please contact OHCD staff by emailing OHCD.Funding@snoco.org prior to submitting this application.

To discuss the timing of the environmental review process as it pertains to scheduling key project development activities and prior to executing any site control agreement please contact the OHCD staff by emailing OHCD.Funding@snoco.org to ensure any necessary conditions will be met.

E. CONTRACTOR SELECTION AND PROCUREMENT

Procurement: State and local procurement requirements apply to all projects and vary depending on the funding source and type of agreement to be executed. Public agencies and subrecipients are also subject to the federal procurement rules at 2 CFR Part 200. The County requires review of any procurement documents to ensure that all federal requirements are included before they are finalized.

Applicability of Uniform Administrative Requirements; Compliance with 2 CFR Part 200 “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards”.

Projects funded by the HOME Investment Partnership Program shall comply with the Uniform Administrative Requirements of 24 CFR §92.505, Applicability of uniform administrative requirements.

Projects funded by the Community Development Block Grant program shall comply with the Uniform Administrative Requirements of 24 CFR §570.502, Applicability of uniform administrative requirements.

In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable, as referenced in 2 CFR Part 200—Contract Provisions for Non-Federal Entity Contracts Under Federal Awards, and in Appendix II.

Contractors/Subcontractors must comply with the following provisions of 2 CFR – PART 200 – UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS:

- PROPERTY STANDARDS, §200.310 through §200.327
- Appendix II to Part 200—Contract Provisions for Non-Federal Entity Contracts Under Federal Awards

https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

Methods of Procurement: Procurement is to be done competitively, although a number of methods are allowed, depending on the scope of the procurement, funding source and type of County agreement to be executed. Non-competitive awards may be allowed only with prior written approval from OHCD, when none of the other methods is possible due to the service being available only from one source, services are needed on an emergency basis, or one of the other methods was tried without sufficient response. Each applicant is expected to include a copy of their Procurement Policies and Procedures (related to construction and/or development-related professional services) with their application for funding. If you have any questions regarding procurement requirements, contact OHCD staff by emailing OHCD.funding@snoco.org.

Other Federal and State Requirements Related to Procurement:

Equal Opportunity: Compliance with the Civil Rights Act and other equal opportunity laws is required when Federal funds are used.

Prevailing Wages: Contractors must adhere to the following wage rate requirements and are subject all other standard federal and/or state labor and wage requirements.

- The HOME program threshold for federal Davis-Bacon wage requirements is 12 or more HOME-assisted units.
- State prevailing wage requirements under Chapter 39.12 RCW may be applicable depending on the project scope, funding source and type of County agreement executed. Applicants should assume residential and/or commercial state prevailing wages apply and build the requisite costs into all project development budgets.
The County is not responsible for determining whether state prevailing wage applies to this project or for any state prevailing wage payment that may be required by law. Agency is advised to consult the Washington Department of Labor and Industries and/or private counsel to determine whether prevailing wages must be paid. Agency will comply with applicable prevailing wage rules set forth in chapter 39.12 RCW, including the filing of the “Statement of Intent to Pay Prevailing Wages” and “Affidavit of Wages Paid” as required by RCW 39.12.040, if required under Chapter 39.12 RCW. Agency shall maintain records sufficient to evidence compliance with Chapter 39.12 RCW, if applicable, and shall make such records available for the County’s review upon request.
- If you have any questions regarding prevailing wage requirements, contact OHCD staff by emailing OHCD.funding@snoco.org.

Section 3: Projects involving rehabilitation or construction must comply with the requirements of Section 3 of the Housing and Community Development Act of 1968, as amended. One of the purposes of Section 3 is to ensure that employment, job training, contracting and other economic opportunities generated by HUD assistance or HUD-assisted projects shall, to the greatest extent feasible, and consistent with existing federal, state, and local laws and regulations, be directed to low-income residents and Section 3 business concerns.

Minority/Women Owned Business Enterprises (M/WBE): Minority and women owned businesses must be provided with information about the opportunity to bid on federally funded competitive contracts.

Conflict of Interest: Entities must comply with applicable federal, state, and/or local limitations regarding who can benefit from contracts.

Bonding: Performance and Payment Bonds in the full amount of the construction contract are required for all projects.

Debarred Contractors: Federal funds may not be used to directly or indirectly employ any contractor or subrecipient during any period of debarment or suspension from federal awards.

F. OTHER REQUIREMENTS:

Appraisal: Prior to contracting for funds, Agencies will provide the County with an as-is appraisal of any real property to be acquired in conjunction with a housing project. This policy will ensure that no more than current fair market value (FMR) is paid for land or buildings to be acquired for County-assisted housing projects. The appraisal must be in a form acceptable to the County, and have been prepared no more than twelve (12) months prior to the date of the application for funding. See the HOME Policies for the specific requirements for acquisition/rehab of multi-family rental projects and for new construction of multi-family rental projects to be built on vacant land.

Market Study: Applicants must provide an assessment of the current market demand in the neighborhood for multi-family rental projects. It is recommended that this assessment address housing demand, demographic trends, housing supply, construction trends, vacancy rates, and income eligible households.

Title Report: Applicants must submit a current preliminary title report with the application to determine the condition of title and identify liens and encumbrances.

Zoning: Applicants must submit a letter from the local jurisdiction evidencing that the site is properly zoned. If a variance, special or conditional use permit is required, the local jurisdiction will provide assurance that such approval can be obtained prior to the execution of the award agreement.

Project Cost Certifications:

For projects that receive financing from a funder requiring a Cost Certification of completed project costs, as may be required by the WA State Housing Finance Commission or the WA Dept. of Commerce, HUD or other funder, the County requests these be submitted to the County for project closeout.

ADDITIONAL APPENDICES INCLUDE:

APPENDIX C

Snohomish County 2020-2024 Consolidated Plan Affordable Housing Goal Summary

APPENDIX D

Snohomish County HOME Investment Partnership Program Policies

APPENDIX E

Snohomish County HOME Rehabilitation Standards

APPENDIX F

Snohomish County HOME Rehabilitation Implementation Procedures and Certification Forms

APPENDIX G

Housing Threshold and Evaluation Criteria