



Department of Commerce

Washington State Housing Trust Fund Ultra-High Energy Efficient Affordable Housing Demonstration Program FUNDING PLAN

Funding Availability

As part of the Capital budget for the 2015-17 Biennium, the Washington State Legislature has appropriated to Department of Commerce (Commerce) \$2.5 million for the purpose of designing and constructing ultra-high energy efficient affordable housing projects including single and multifamily units. The funds can be used solely for loans or grants to low-income housing developers.

Applicant Eligibility

- Applicant must be an eligible Housing Trust Fund (HTF) recipient, per [RCW 43.185.060](#).
- Applicant must apply during the 2016 HTF Stage 1 application round. Commerce expects to announce the Stage 1 Notice of Funding Availability (NOFA) in January 2016.
- Applicant must apply during the 2016 HTF Stage 2 application round and meet all of the Project Funding Criteria identified in the NOFA. Commerce expects to announce the Stage 2 NOFA in July 2016. Only applicants receiving a regular HTF funding award will be eligible to compete for an Ultra-High Energy Efficient award. The Ultra-High Energy Efficient awards will be offered in addition to the regular HTF awards.
- Applicant must demonstrate energy-saving and renewable energy systems designed to reach Net-Zero Energy use after housing is fully occupied. The successful applicants will be required to provide a series of life-cycle cost analysis reports to Commerce (see more details below).

Funding Priorities

- a) Whether the project is being awarded HTF funds in the 2016 application round.
- b) Whether the proposed design has demonstrated that the project will achieve Net-Zero Energy use when fully occupied;
- c) The life-cycle cost of the project; life-cycle costs will be compared among similar projects and priority given to projects projecting lower life-cycle costs;
- d) Whether the project demonstrates a design, use of materials, and construction process that can be replicated by the Washington building industry;
- e) The extent to which the project leverages non-state funds;
- f) The extent to which the project is ready to proceed to construction;
- g) Whether the project promotes sustainable use of resources and environmental quality;
- h) Whether the project is being well-managed to fund maintenance and capital depreciation;
- i) Whether the project demonstrates reduction of housing and utilities carbon footprint;
- j) The extent to which the project is planning for anticipated and unexpected occupant behaviors in operations in order to encourage behaviors that optimize performance;
- k) Other criteria that Commerce considers necessary to achieve the purpose of this program, such as, narrative discussion of key concepts including but not limited to: integrated design, local

economy benefits, resiliency planning, post-occupancy commissioning, and additional feedback loops to the affordable housing community.

Funding Limits

Commerce aims to fund a few projects across Washington State to demonstrate Net-Zero Energy performance. Given the total amount of funds available, applicants are encouraged to consider the following guidelines when building their budgets:

- \$100,000-\$250,000 per project may be awarded for homeownership projects. Part of a project (rather than the entire project) can demonstrate Net-Zero Energy, but it must be scaled down to a building or buildings.
- \$500,000-\$1,000,000 per project may be awarded for multifamily projects. Part of a project (rather than the entire project) can demonstrate Net-Zero Energy, but it must be scaled down to a building or buildings.
- The Ultra-High Energy Efficient funding will be awarded in addition to the HTF award. Each application will also be subject to the HTF funding limit policy identified in the Stage 2 NOFA. For example: a project can receive a \$3 million award from the HTF and receive an additional \$500,000 Ultra-High Energy Efficient award.

Application Requirements

- Applications must be submitted to Commerce by the date designated on the HTF Stage 1 and Stage 2 NOFAs. All necessary application materials will be available for download on the [HTF website](#). The Ultra-High Energy Efficient Application, as well as the following attachments, will be required in order to be considered for funding:
 - Energy model comparing the base case (which will be provided by Commerce) to the project's model;
 - Life-Cycle Cost Tool comparing the base case provided by Commerce to the project proposal;
 - Applicable narrative sections.

Estimated Timeline

Stage 1 Applications Solicited: January 2016

Stage 1 Applications Due: February 2016

Stage 2 Applications Solicited: July 2016

Stage 2 Applications Due: September 2016

Awards Announced: December 2016

Housing Trust Fund Reporting Requirements (post-construction)

Requirements due:	Requirements:
<p>At Construction Completion</p>	<ol style="list-style-type: none"> 1. Narrative to Commerce: Lessons learned during the design and construction phases. Examples of what would be expected are: (a) how the design, use of materials, and construction process could be replicated by the Washington building industry, including the affordable housing industry; (b) how project costs compare to the costs of traditional design and construction. 2. Public Webinar: Lessons learned during the design and construction phases. Examples of what would be expected are: (a) how the design, use of materials, and construction process could be replicated by the Washington building industry, including the affordable housing industry; (b) how project costs compare to the costs of traditional design and construction. 3. Life-cycle Cost Analysis (as built): Provide to Commerce an update to the initial Life Cycle Cost Tool with as-built costs and any design changes.
<p>Annually, for the first three years after housing is fully occupied</p>	<ol style="list-style-type: none"> 1. Life-cycle Cost Analysis (update): Verify Net-Zero Energy performance by providing to Commerce an update to the as-built Life Cycle Cost Tool with actual project utility data. 2. Narrative to Commerce: Lessons learned through occupancy and operations.

Process Changes:

Commerce reserves the right to revise this process as needed.