



Washington State Housing Trust Fund RAPID CAPITAL HOUSING ACQUISITION NOFA # HFU-2021-03

2021 FUNDING ROUND

Notice of Funding Availability and Solicitation of Project Applications (NOFA)

Published: July 09, 2021

Technical Assistance Period: July 09, 2021 – July 22, 2021

Applications Accepted Starting: By Noon on August 05, 2021

- 1. Read this Notice of Funding Availability (NOFA), its appendices, and all of the instructions carefully;**
 - 2. Respond to all of the questions in the application forms (all Excel and Word files); and**
 - 3. Submit all materials/attachments as instructed. Refer to the “Application Requirements Checklist & Affidavits” documents.**
-

Table of Contents

I. Introduction	2
II. Funds Available	2
III. Timeline – Subject to revision based on business needs.....	2
IV. Conditions of This NOFA	3
V. Geographic Determination	5
VI. Application Documents and Instructions	5
VII. Questions.....	6
Appendix A: Phase 1 Application Evaluation Criteria	
Appendix B: Phase 2 Application Evaluation Criteria [RESERVED]	
Appendix C: Phase 3 Application Evaluation Criteria [RESERVED]	
Appendix D: Definitions	

I. Introduction

This Notice of Funding Availability and Solicitation of Applications (NOFA) is intended for applicants seeking funding to **acquire or rent real property for a rapid conversion into enhanced emergency shelters, permanent supportive housing, transitional housing, permanent housing, youth housing, drop-in center, or shelter** for extremely low-income people, as well as individuals, families, unaccompanied youth, and young people experiencing sheltered and unsheltered homelessness.

II. Funds Available

A. Washington State Housing Trust Fund [SHB 1080 § 1071(1-6)]

The Washington State Legislature appropriated **\$71,300,000** from the State Building Construction Account – State, and **\$22,532,000** from the Coronavirus Capital Projects Account, in the 2021-2023 Capital Budget for the Department of Commerce (Commerce) to award for acquisition or rental of real property to be converted into housing for extremely low income people and/or people experiencing homelessness.

State funds awarded through this NOFA must be **contracted as recoverable grants**. Commerce is currently awaiting direction from the U.S. Department of the Treasury regarding the requirements to obligate Coronavirus Capital Account funds.

III. Timeline – Subject to revision based on business needs

Project applications will be solicited in three phases, as outlined below:

- Phase 1:** Projects that propose to acquire, or reimburse previously acquired, properties in alignment with the program requirements in this NOFA are eligible for funding consideration during the Phase 1 application period.
- Phase 2:** Phase 1 eligible projects, as well as projects that include both acquisition and rehabilitation elements that will allow for occupancy within **90 days**, are eligible for funding consideration.
- Phase 3:** Phase 1 and Phase 2 eligible projects, as well as projects that include both acquisition and rehabilitation elements that will allow for occupancy with **180 days**, are eligible for funding consideration.

Phase	Open	Applications Due	Estimated Notice to Proceed Issuance
1	July 9, 2021	August 5, 2021	September 2, 2021
2	September 16, 2021	November 10, 2021	December 15, 2021
3	February 1, 2022	April 5, 2022	May 3, 2022

The Department of Commerce, at its sole discretion, reserves the right to modify this timeline. Any modifications will be posted on our website at www.commerce.wa.gov/htf.

IV. Conditions of This NOFA

A. Pre-development and Application Preparation Costs

Completion of a competitive application often requires significant time and expense. Commerce recognizes that applicants will incur costs preparing for and submitting their applications. All applicants should be aware that Commerce cannot be held responsible for pre-development or application preparation costs in response to this NOFA, regardless of whether funding is awarded.

B. Application Timeline

Applicants will submit a **preliminary application** that will allow Commerce to assess the viability of the project. Once the pool of applicants is evaluated, those selected will be provided a **Notice to Proceed** and granted 45 days to complete itemized due diligence requirements necessary to meet Commerce and other funders' requirements to execute contracts. Once satisfied, Commerce will execute contracts and begin disbursing funds to successful contractors.

C. Thresholds

Only **Qualified Applications** will be reviewed and evaluated for funding. "**Qualified Applications**" are defined as those applications that meet all threshold criteria detailed in Appendix A, B, or C, as appropriate to each project type.

D. Conditions for Receiving Funds

The following requirements are conditions for executing a contract and receiving funding. Any project or applicant unable to confirm in their application that they **can meet** these requirements will not be awarded funds.

1. **Funds must be contracted as a Recoverable Grant.**

This requirement is a function of the funding source from which the Legislature appropriated RCHA funds, non-taxable bond proceeds. Commerce does not have the authority to award funds as loans.

Per Section 1071(3) of Substitute House Bill (SHB) 1080, if the grantee is found to be out of compliance with provisions of the contract, the grantee shall repay to the state general fund the principal amount of the grant plus interest calculated at the rate of interest on state of Washington general obligation bonds issued on the date closest in time to the date of authorization of the grant.

2. Recipients of state grants must comply with Washington State **prevailing wage** requirements. Questions regarding prevailing wage requirements or applicability should be directed to the Washington State Department of Labor & Industries.

Commerce is releasing an updated Housing Trust Fund Contract template. The template will be published for public review for two weeks starting in mid-July. The template will be implemented for state funded projects effective August 15, 2021. Please visit the Commerce Housing Trust Fund website for details at www.commerce.wa.gov/htf.

E. Application Review Process

Applications will be evaluated and ranked using the prioritization criteria identified in the appropriate Appendix.

At Commerce's sole discretion, applications may be denied or deferred to the Rapid Capital Housing Acquisition (RCHA) Phase 2 application cycle due to project feasibility concerns.

Commerce reserves the right, at its sole discretion, to commit funds in excess of a geographic region's target based on the prevalence of viable projects that satisfy the legislative intent for RCHA funding.

F. Waivers

Requests for waivers to the funding cap, or for any other issue related to a project's threshold requirements (above), must be submitted in writing via email by **no later than 5 PM on July 22, 2021** to the htfapp@commerce.wa.gov mailbox.

Applicants should consult the [HTF Handbook](#) (Sections 207.8 and 301.2.1) prior to requesting a waiver. Waivers are the exception, rather than the rule. Approved waivers will be published on Commerce's website.

G. Consistency

Applicants **MUST** ensure that the information they enter in the application submitted to Commerce is internally consistent (i.e., from one form to another, or between the Excel tabs and the Word sections).

Applicants should pay particular attention to numbers of units, area median income levels, population categories, sources and uses amounts, funding structures, etc. Also, if the project calls for a manager's unit, a common area unit, or other rent- and income unrestricted units, applicants should make sure to identify those units in their application forms.

H. Reporting Requirements

1. Awards Data

Commerce is required to report to the legislature, at a minimum, the area median income levels served in the projects awarded funds. As a result, area median income levels, as submitted for funding consideration, may not be changed once a project is selected for funding.

2. Third Party Certification of Final Development Costs

Commerce is required to report to the Legislature certified final project development costs, including data and descriptive statistics such as average and median per unit costs, regional costs variation, and other costs deemed necessary to improve cost controls in affordable housing. A separate line item has been included in the CFA forms dedicated to the cost to conduct third party certification (i.e., audit) of the project's final development costs. Applicants are encouraged to use this line item for the estimated third party cost certification. The expense to conduct a third part cost certification is eligible for reimbursement under HTF policies (see [HTF Handbook](#) for details).

V. Geographic Determination

Applicants should consult the definition of “Rural” in Appendix D to determine which region a project site is located.

If it remains unclear whether a project site would be considered Rural, Urban, or Small Urban, please submit a request for clarification to the NOFA coordinator via the htfapp@commerce.wa.gov mailbox during the Technical Assistance period.

VI. Application Documents and Instructions

Project Application documents can be downloaded from Commerce’s [Applying to the Housing Trust Fund webpage](#).

Application materials have been crafted specifically for the Rapid Capital Housing Acquisition NOFA. **DO NOT use any other application versions.**

Applications submitted using forms other than the Rapid Capital Housing Acquisition forms will not be considered “Qualified Applications” as defined above.

A. Submittal Requirements

- ONLY electronic submissions of the Rapid Capital Housing Acquisition forms and supporting materials will be accepted. Hardcopies of the application or materials WILL NOT be accepted by Commerce.
- Application documents must be submitted via email to the HTF Applications inbox **ONLY AFTER THE APPLICATION SUBMITTAL DATE AND TIME, i.e., Noon on August 05, 2021:**

htfapp@commerce.wa.gov

Please indicate in the subject line that the submitted materials pertain to the **Rapid Capital Housing Acquisition Program, NOFA #HFU-2021-03**.

Instructions for file naming and application materials assembly are provided below. Applications must be submitted per these instructions.

B. Submittal Deadline

Applicants will receive an email confirmation of receipt the business day following the submittal date. If confirmation is not received within this period, **it is the applicant’s responsibility to follow up by submitting an inquiry to htfapp@commerce.wa.gov.**

In the event Commerce is not in actual receipt of an application, if the applicant can provide proof of a good faith attempt to timely submit the application (e.g., a screen cap of their “sent” box that clearly indicates the date), the application will be accepted. Otherwise, the application will be determined to not have arrived on time and will not be reviewed.

Please note: This “application received” receipt should not be construed as definitive confirmation that all materials have been received.

C. Application Components

Applications in response to this NOFA must be submitted only using the Rapid Capital Housing Acquisition materials and instructions specific for Multifamily/Rental projects.

Download the application documents from the Application Documents folder [here](#).

- **Application Requirements Checklist & Affidavits (Microsoft Word)**
Name this file as follows: “[PROJECT NAME] – Checklist”. Do not convert the file to PDF.
- **2021 Rapid Capital Housing Acquisition Sections (Microsoft Word)**
Name this file as follows: “[PROJECT NAME] – Sections”. Do not convert the file to PDF.
- **2021 Rapid Capital Housing Acquisition Application Forms (Microsoft Excel)**
Name this file as follows: “[PROJECT NAME] – Application Forms”. Do not convert the file to PDF.
- **Attachments**
All supplemental documents listed in the **Application Requirements Checklist & Affidavits** document, as appropriate to the project.

When submitting the application, use the following naming and file conventions for attachments:

- All files should be submitted in their original format – do not convert documents to PDF format.
- Scanned copies of paper documents must be legible with reasonably-sized font and, when applicable, clear signatures and dates.
- PDFs should be searchable whenever possible, and **should not be submitted “locked.”** If this requirement conflicts with the policies of contracted consulting firms (e.g., Phase 1 ESAs), please contact the NOFA Coordinator at htfapp@commerce.wa.gov directly. Otherwise the materials will need to be resubmitted.

VII. Questions

Questions or requests for additional information about this NOFA or the application materials must be submitted **during the Technical Assistance Period** to htfapp@commerce.wa.gov.

Please indicate in the subject line that the request pertains to the **Rapid Capital Housing Acquisition Program, NOFA #HFU-2021-03**.

Commerce may publish, and update as necessary, a questions and answers document on the [Applying to the Housing Trust Fund webpage](#).

Washington State Housing Finance Unit

Housing Trust Fund

NOFA [HFU-2021-03]

Appendix A:

2021 Rapid Capital Housing Acquisition – Phase 1

Application Evaluation Criteria

Table of Contents

OVERVIEW AND CONCEPT	8
DECISION POINT #1 – THRESHOLDS	9
T-1. Completeness of Application	9
T-2. Eligibility.....	9
T-3. Applicant Experience	10
T-4. Readiness.....	10
DECISION POINT #2 – PRIORITIES	14
P-1. Proviso Criteria	14
P-2. Commerce Criteria.....	14
DECISION POINT #3 – DETERMINANTS.....	16
E-1. Organizational Capacity and Good Standing	16

OVERVIEW AND CONCEPT

In Phase 1 of the Rapid Capital Housing Acquisition (RCHA) program, Commerce will only accept applications for funds to ***acquire existing structures suitable for immediate occupancy***. Projects with scopes of work that include rehabilitation will be accepted in Phases 2 and 3.

Geographic Funding Targets

Commerce will set targets for the three geographies at the percentages specified below, as defined in **Appendix D**.

	Competitive Target – Phase 1	Federal Coronavirus Funding - Phase 2 & 3	Estimated Allocation of Appropriation
Rural	\$ 21,390,000	\$ 6,759,600	30%
Urban	\$ 21,390,000	\$ 6,759,600	30%
King County	\$ 28,520,000	\$ 9,012,800	40%
	\$ 71,300,000	\$ 22,532,000	

The Legislative emphasis on assisting the City of Seattle, combined with King County having the highest per capita rate of unsheltered persons, has informed the above funding targets. Commerce reserves the right, at its sole discretion, to adjust these targets based on the pipeline of demand submitted for funding consideration.

Funds not committed to projects in Phase 1 will be available for awarding to applicants in Phase 2, which will open on **September 16, 2021**. Projects not selected for funding in Phase 1 may resubmit application materials for further consideration in Phase 2. Projects not selected for funding in Phases 1 or 2, will be considered for funding in Phase 3.

DECISION POINT #1 – THRESHOLDS

In order for applications to be considered for funding, they must meet all threshold criteria identified in this NOFA.

Commerce, at its sole discretion, may issue threshold waivers in rare and extraordinary circumstances. Applicants should consult the [HTF Handbook](#) (Sections 207.8 and 301.2.1) prior to requesting a waiver. All waiver approvals will be made public.

T-1. Completeness of Application

A completed RCHA Application Form document must be received by the deadline, as must all supplementary documents listed on the RCHA Checklist and Affidavits document.

Pursuant to SHB 1080, Section 1071(3), the application will include at a minimum, the following details:

- a. The date upon which **structural modifications or construction would begin** and the **anticipated date of completion** of the project;
- b. A **detailed estimate of the costs associated with the acquisition** and any **updates or improvements necessary** to make the property habitable for its intended use;
- c. A **detailed estimate of the costs associated with opening the beds or units**; and
- d. In addition, a **financial plan** demonstrating the ability to maintain and operate the property and support its intended tenants throughout the end of the grant contract must be submitted before the contract will be executed.

If particular documents are not available at the time of application, applicants must submit a formal waiver request to waive each missing document before the end of the technical assistance period identified earlier in this NOFA.

Applicants MUST contact Commerce staff via the htfapp@commerce.wa.gov during the technical assistance period established in this NOFA to address any questions or confusion regarding whether fields, questions, or materials must be submitted at time of application.

Attachments determined by the applicant to be “not applicable” and hence purposefully omitted must have their reasoning well explained. **Commerce reserves the right, at its sole discretion, to make final determinations regarding the applicability of materials to be used for funding eligibility and determination.**

T-2. Eligibility

Applicant organization is eligible for funding

Eligible applicants are limited to the following, in accordance with Commerce authorizing statutes:

- a. local governments,
- b. local housing authorities,
- c. nonprofit community or neighborhood-based organizations,
- d. federally recognized Indian tribes in the state of Washington, and
- e. regional or statewide nonprofit housing assistance organizations.

Eligibility for assistance from Commerce under this chapter also requires compliance with the revenue and taxation laws, as applicable to the recipient, at the time the grant is made (see [43.185A.040](#) RCW).

Project activity type is eligible for funding

Projects submitted for funding in this Phase of the Rapid Capital Housing Acquisition program must be for acquisition only. Note that this includes both projects seeking funds for closing *and* projects seeking reimbursement of recent purchases of capital assets.

Projects seeking funds for rehabilitation or renovation activities will not be evaluated for funding consideration in Phase 1.

Project residency type is eligible for funding

Eligible residency types:

- a. Enhanced emergency shelters
- b. Permanent supportive housing
- c. Transitional housing
- d. Permanent (not supportive) housing
- e. Youth housing
- f. Drop-in centers
- g. Basic Shelters

See Appendix D for definitions.

T-3. Applicant Experience

The applicant must have recent (last 7 years) and relevant housing development experience (e.g., project type, project size, funding structure) or partner with a developer that has recent and relevant housing development experience. See Section 206.2 of the [HTF Handbook](#).

T-4. Readiness

Funding

Phase 1 applicants must demonstrate a minimum commitment of \$25,000 per unit of permanent funding from non-state resources such as funds from a local government, private foundation, lender, or developer. Federal funds, such as American Rescue Plan Act (ARPA) funds, committed by a local government to the project specifically meet this threshold criterion. State resources do not count toward the minimum commitment threshold, and include state investments made through the Operating and Capital budgets, direct appropriations, HOME and the National Housing Trust Fund programs.

Eligible matching fund sources:

- Federal dollars received by a local government directly from a federal agency
- Local, private, donations, and debt financing

Ineligible sources of matching funds:

- “In-kind”, State investments through operating, capital, direct appropriations, and federal funding

Projects seeking investment in excess of \$100,000 Total Development Cost per Unit (“TDCPU”) must document commitment of matching funds from local sources. Projects seeking \$100,000 or less in TDCPU from Commerce are exempt from this matching requirement. Each dollar requested from Commerce after the first \$100,000 TDCPU must be matched 1:1 from a local source or combination of local sources.

EXAMPLE:		
Total Development Cost Per Unit (TDCPU)	Housing Trust Fund Investment Request	Minimum Matching Funds Requirement
\$100,000	\$100,000	\$ -
\$250,000	\$175,000	\$ 75,000
\$400,000	\$250,000	\$ 150,000
\$475,000	\$287,500	\$ 187,500
\$500,000	\$300,000	\$200,000

Site Control

The project site must be under the control of the applicant. For this first Phase of the RCHA program, this may be documented one of two ways:

- a. A closing statement that clearly delineates acquisition costs paid.

OR

- b. An Executed Purchase & Sale agreement that documents the agreed-upon final price. A purchase option is not sufficient to fulfil this requirement.

Zoning

Zoning of the project site must be appropriate for the proposed project, in accordance with Section 205.11 of the [HTF Handbook](#).

Authorized Use

The project must have received authorization for residential use of the property from the local building authority and Fire Marshall or duly authorized local code enforcement official.

Environmental

Project budgets must include sufficient funds to satisfactorily accomplish any remediation activities recommended by the required characterization work. Any such funds must be clearly allocated in the designated line items of the project development budget. Remediation activities are eligible for reimbursement under this NOFA.

Phase 1 ESA

A Phase 1 Environmental Site Assessment ("Phase I ESA") that meets all of the requirements described in Section 205.4.1 of the HTF Handbook must be submitted for each site included in a project. If building is new (≤5 years since Certificate of Occupancy), the ESA prepared for its construction can be accepted.

Any additional site characterization work that is recommended by the Phase I ESA preparer, including, but not limited to, Phase II ESAs, must accompany each application. If harmful materials are documented to be present, or if presence is determined to be highly probable, plans must be included with the application for the mitigation of each issue.

Limited Surveys

For projects involving acquisition and/or rehabilitation of buildings constructed prior to 1980, limited surveys for Mold, Lead Based Paint, and Asbestos must be included as part of the Phase I. Any additional site characterization work, including, but not limited to, Phase II ESAs, recommended by the Phase I ESA preparer must accompany each application. If harmful materials are documented to be present, or if presence is determined to be highly probable, plans must be included with the application for the mitigation of each issue.

Methamphetamine Testing

1. Testing for methamphetamine contamination is **required** for:
 - A. Existing, unoccupied buildings.
 - B. Vacant residential units and common/shared areas in existing, occupied buildings
 - E.g., rental units, laundry rooms, community rooms, meeting spaces.
 - C. Occupied residential units do not need to be tested to meet the requirements of this NOFA. However, in the event that this project is selected for funding, occupied residential units must be tested for methamphetamine contamination *prior to contract execution*.
 - Units that are found with methamphetamine contamination concentrations at or above the 1.5 µg/100 cm² threshold established at [WAC 246-205-541](#) **must** be addressed immediately. These properties will be expected to seek funding in Phases 2 or 3.

Please be aware of the following:

 - Methamphetamine testing is eligible for reimbursement using Commerce funding.
 - Households in the contaminated units may not be evicted due solely to the unit testing positive for methamphetamine contamination.
 - Households in the contaminated units may not be required to bear any of the costs to address the contamination.
 - Households in the contaminated units remain eligible for any and all relocation assistance as determined by law, ordinance, or policy.
2. If the structure's current property management company has an existing methamphetamine (meth) testing policy whereby all units are tested annually or upon vacancy, then the annual testing results may meet the methamphetamine testing requirements in this NOFA provided that:
 - A. Testing was done by a methamphetamine testing organization certified by the Washington State Department of Health [WEBSITE](#).
 - B. Testing has been done within the prior 12 months (September 2020 – September 2021).
 - C. Test results with concentrations greater than that allowed by law ([WAC 246-205-541](#)) have been mitigated or otherwise addressed, and records are provided to support the mitigation.
 - i. Evidence that mitigation is underway, but not yet completed meets this requirement.
 - ii. Evidence that mitigation is included in the project proposal (scope of work and budget) meets this requirement.

Testing should be conducted by a contractor certified by the state Department of Health; a list of certified contractors is provided at [WEBSITE](#). Please note that, unlike testing for Asbestos Containing Materials, prospective contractors will need to know at least the following characteristics of the project structure(s):

1. Size, both in terms of units and square footage (residential and common areas, not just living space),
2. Age of the structure,
3. Current occupancy status,
4. Intent moving forward (i.e., the scope of the project being submitted for funding).

If methamphetamine contamination is detected above the legal limit, a plan for occupied units must be submitted along with remediation plan. If methamphetamine contamination is detected, but is below the limit requiring remediation, Commerce *strongly* encourages owners to clean affected units based on the recommendations of the testing contractor.

DECISION POINT #2 – PRIORITIES

In the event that Commerce receives applications from a geographic region in excess of the cap established for that region, projects passing all thresholds under Decision Point #1 above will be evaluated and ranked using the prioritization criteria identified in the proviso and Commerce programmatic criteria, as related below.

P-1. Proviso Criteria

Unit Count

Projects providing greater numbers of accommodations that will benefit extremely low-income people, as well as individuals, families, and youth experiencing homelessness, will receive higher priority.

Federal Rental Assistance

Projects with greater proportions of units for which commitments of federal rental assistance (e.g. Project-Based Section 8) have been secured will receive higher priority.

Scarcity

Commerce will use data readily available (including reports from the Office of Financial Management and the Web Based Annual Report System/WBARS) to develop a formula that will assess the relative scarcity of affordable housing in the same geographic location as proposed projects, and rate projects based on the results.

P-2. Commerce Criteria

Proportion Homeless at Entry

Projects with greater proportions of units targeted to households who are homeless at entry will receive higher priority.

Services Continuum

Projects with greater proportions of units designated as providing Permanent Supportive Housing (see Appendix D for definition of “Permanent Supportive”) will receive higher priority.

Populations Served

Projects with greater proportions of units targeted to Families with Children, persons diagnosed with Chronic Mental Illness, and/or Seniors will receive higher priority.

Local Need

Local need will be assessed based on the dimensions of Rent Burden (percent of renters paying greater than 30% of income toward rent) and Homelessness per Capita. Projects located in areas with greater need will receive higher priority.

Project Scope

Commerce staff will use their best professional judgement to evaluate the proposed project’s scope of work and service model, as applicable to the project. This includes, but is not limited to, the following considerations:

- Projects located in neighborhoods providing a greater degree of readily-accessible community resources (including transit) will receive higher priority

- Quality of plans to provide Permanent Supportive Housing, including clear, rational paths to securing operating funding over the long term
- Quality of long-term planning, generally
- Consistency of information throughout the application

Commerce staff will seek feedback from the Homeless Assistance Unit and the Office of Youth Homelessness Prevention, both of which are housed at Commerce, on projects that propose to serve homeless populations, including homeless youth.

Commerce policy is to generally encourage the development of Low- or No-Barrier housing; however, if a project with a more restrictive residency policy is proposed (e.g., “clean and sober” housing), the project may still receive a favorable score when the applicant can substantiate it as a necessary part of a continuum of units for persons homeless at entry.

Commerce interprets the language of the budget proviso as placing clear emphasis on persons who are homeless at entry and/or are considered as earning 30% or less of Area Median Income (“Extremely Low Income” or “ELI”). This places a priority on operating subsidies, as rent income is very highly unlikely to be sufficient to maintain the property on its own. Therefore, projects which have secured a commitment or commitments of funds such as will cover all projected operating costs for the first 5 years will be given preference over those with partial subsidies.

Status of the Property

Phase 1 of the RCHA program is oriented toward acquisition of properties ready for immediate occupation with little to no modification or rehab/renovation required. Newer projects (i.e., buildings with received their Certificate of Occupancy within the last 5 years), and older projects with capital needs constituting only routine maintenance, will receive higher priority. Projects with more extensive capital needs will be considered lower priority, but will not be disqualified outright.

DECISION POINT #3 – DETERMINANTS

This third step will act as a final threshold and help determine which projects are viable and should proceed for funding review and consideration during the due diligence period.

Full funding and completed due diligence are required before a final Award Notice and Contract may be issued.

E-1. Organizational Capacity and Good Standing

Good standing

The applicant organization must be in good standing with the HTF and Commerce, and must be fiscally sound. The Housing Finance Unit (HFU) Asset Management team will make this determination based on the applicant's history with HFU and Commerce (per Section 206.1.1 of the [HTF Handbook](#)), and performance of current projects under contract. Applicants that DO NOT have a history with HFU or Commerce MUST attach letters of "good standing" from local public funders (city, county) to their submittal, regardless of their organization's partnering with an experienced housing developer.

Capacity

The applicant organization must demonstrate financial capacity to perform the proposed activities—both during the completion of development and ongoing operations of the project. The HFU Asset Management team will make this determination based on the applicant's audited financial statements, and proposed sources and uses statement. See Section 206.1.2 of the [HTF Handbook](#).

Washington State Housing Trust Fund Appendix D: Definitions for 2021 Notices of Funding Availability

Table of Contents	
Overview	18
Affordable Housing	18
Basic Shelter	18
Behavioral Illness	18
Chronic Mental Illness.....	18
Developmental Disability	19
Early Learning Facility	19
Enhanced Shelter	19
First-Time Homebuyer	19
Homeless Person.....	20
Housing First	20
Permanent Supportive Housing.....	20
Rural	20
Urban	21

Overview

The definitions in this Appendix are intended to provide additional clarity for the 2021 Funding Round. A more extensive list of definitions and statutory requirements is included in the HTF Handbook at www.commerce.wa.gov/htf.

In instances where the definition provided below contradicts that provided in the HTF Handbook, the definition below should be interpreted as being in effect for the 2021 Funding Round *only*.

Affordable Housing

43.185A.010 RCW

(1) "Affordable housing" means residential housing for rental occupancy which, as long as the same is occupied by low-income households, requires payment of monthly housing costs, including utilities other than telephone, of no more than thirty percent of the family's income. The department must adopt policies for residential homeownership housing, occupied by low-income households, which specify the percentage of family income that may be spent on monthly housing costs, including utilities other than telephone, to qualify as affordable housing.

Per [HTF Handbook](#), in the context of homeownership, affordability occurs when a household's monthly housing costs are generally no more than 38% of monthly household income and total debt is no more than 45% of monthly household income. Housing costs include mortgage principal, interest, property taxes, homeowner insurance, homeowner association fees, and land lease fees, as applicable. Total debt includes other debt and utilities.

Basic Shelter

Basic shelters tend to have limited hours and provide services focused on basic needs and respite from being outdoors, like mats on the floor and a restroom. A person successfully exits a shelter program when they have left the shelter to move to a permanent home.

Behavioral Illness

WAC 182-538D-0200

"Behavioral health" means the prevention, treatment of, and recovery from substance use disorders, mental health disorders or problem and pathological gambling disorders.

Chronic Mental Illness

71.24.025 RCW

(10) "Chronically mentally ill adult" or "adult who is chronically mentally ill" means an adult who has a mental disorder and meets at least one of the following criteria:

- a.) Has undergone two or more episodes of hospital care for a mental disorder within the preceding two years; or
- b.) Has experienced a continuous psychiatric hospitalization or residential treatment exceeding six months' duration within the preceding year; or

- c.) Has been unable to engage in any substantial gainful activity by reason of any mental disorder which has lasted for a continuous period of not less than twelve months. "Substantial gainful activity" shall be defined by the authority by rule consistent with Public Law 92-603, as amended.

Developmental Disability

71A.10.020(5) RCW

"Developmental disability" means a disability attributable to intellectual disability, cerebral palsy, epilepsy, autism, or another neurological or other condition of an individual found by the secretary to be closely related to an intellectual disability or to require treatment similar to that required for individuals with intellectual disabilities, which disability originates before the individual attains age eighteen, which has continued or can be expected to continue indefinitely, and which constitutes a substantial limitation to the individual. By January 1, 1989, the department shall promulgate rules which define neurological or other conditions in a way that is not limited to intelligence quotient scores as the sole determinant of these conditions, and notify the legislature of this action.

Early Learning Facility

43.31.565 RCW

(3) "Early learning facility" means a facility providing regularly scheduled care for a group of children one month of age through twelve years of age for periods of less than twenty-four hours.

Enhanced Shelter

Enhanced shelters have extended or 24/7-hour service and provide many services such as meals, hygiene services, storage, and staffing to support leaving shelter for permanent housing. A person successfully exits a shelter program when they have left the shelter to move to a permanent home.

First-Time Homebuyer

Existing Statute Definition (43.185A.010 RCW)

(5) "First-time home buyer" means an individual or his or her spouse or domestic partner who have not owned a home during the three-year period prior to purchase of a home.

Expanded Definition for 2021 and 2022 Funding Rounds (Capital Budget, SHB 1080, Section 1068(1)(a))

- a) In addition to the definition of "first-time home buyer" in RCW 43.185A.010, for the purposes of awarding homeownership projects during the 2021-2023 fiscal biennium "first-time home buyer" also includes:
 - i) A single parent who has only owned a home with a former spouse while married;
 - ii) An individual who is a displaced homemaker as defined in 24 C.F.R. Sec. 93.2 as it existed on the effective date of this section, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this section, and who has only owned a home with a spouse;
 - iii) An individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations; or
 - iv) An individual who has only owned a property that is discerned by a licensed building inspector as being uninhabitable.

Homeless Person

43.185C.010 RCW

(12) "Homeless person" means an individual living outside or in a building not meant for human habitation or which they have no legal right to occupy, in an emergency shelter, or in a temporary housing program which may include a transitional and supportive housing program if habitation time limits exist. This definition includes substance abusers, people with mental illness, and sex offenders who are homeless.

Housing First

Per US Interagency Council on Homelessness:

Housing First is an approach and framework for ending homelessness that is centered on the belief that everyone can achieve stability in permanent housing directly from homelessness and that stable housing is the foundation for pursuing other health and social services goals. Implementing Housing First involves both project-level and community-level dimensions. Implementing Housing First at project level, including in permanent supportive housing models, means having screening practices that promote the acceptance of applicants regardless of their sobriety or use of substances, completion of treatment, and participation in services. At the community-level, Housing First means that the homelessness crisis response system is oriented to help people obtain permanent housing as quickly and with as few intermediate steps as possible.

Permanent Supportive Housing

36.70A.030 RCW

(16) "Permanent supportive housing" is subsidized, leased housing with no limit on length of stay that prioritizes people who need comprehensive support services to retain tenancy and utilizes admissions practices designed to use lower barriers to entry than would be typical for other subsidized or unsubsidized rental housing, especially related to rental history, criminal history, and personal behaviors. Permanent supportive housing is paired with on-site or off-site voluntary services designed to support a person living with a complex and disabling behavioral health or physical health condition who was experiencing homelessness or was at imminent risk of homelessness prior to moving into housing to retain their housing and be a successful tenant in a housing arrangement, improve the resident's health status, and connect the resident of the housing with community-based health care, treatment, or employment services. Permanent supportive housing is subject to all of the rights and responsibilities defined in chapter 59.18 RCW.

Rural

Projects will be deemed "Rural" if they are located in:

1. Counties with a population of less than 90,000, except for those cities within these counties with a population of greater than 25,000. For example, Franklin County except the City of Pasco.
2. Counties with a population greater than 90,000 but less than 390,000 when more than an aggregated 25% of that county's population resides in one substantially contiguous metropolitan area. In this case, the county except such metropolitan area would be considered Rural. For example: Yakima County except the City of Yakima.
3. Counties with a population greater than 390,000, but where the project is located in a sufficiently remote location to be reasonably considered as not associated with an Urban center. For example:

Eatonville, Pierce County. Projects thought to be in “Rural” areas under this definition should contact HTF staff for an official determination.

Urban

An urban area or community is generally one that does not fit into the definition of Rural.

- Urban areas in Washington State include: The greater Bellingham area
- The greater Mount Vernon-Burlington-Sedro Woolley area
- The Oak Harbor area
- The conurbation running from Marysville in Snohomish County in the north through Dupont in Pierce County in the south, and east at least as far as Issaquah
- The Bremerton-Silverdale-Poulsbo area
- The Olympia-Lacey-Tumwater area
- The Longview-Kelso area
- The greater Vancouver area
- The greater Wenatchee area
- The greater Yakima area
- The Tri-Cities area
- The greater Walla Walla area
- Clarkston (part of the greater Lewiston, Idaho area)
- The greater Spokane area
- The greater Pullman area