

Affordable Housing Funds

Grant Application, Guidelines, and Instructions
(Amended, January 19, 2010)

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Kittitas County Affordable Housing Funds

Section 1 – The Affordable Housing Act Program

The Washington State Legislature passed SHB 2060 into law in June, 2002. The law requires each county in Washington State to charge a ten-dollar surcharge on all recorded documents with the exception of those previously excluded from any fees. The intent of this act is to assist in the development and preservation of affordable low-income housing to address critical local housing needs. The law was amended in 2007.

RCW 36.22.178 as amended provides that the County may retain up to 5% of these funds for administration of the funds and 40% of the remaining amount will be forwarded to the State and is deposited into Affordable Housing for All account to be used to support extremely low-income persons with incomes at or below 30% of the area median income. The remaining 60% is retained by the County and deposited into a special fund to be used for housing projects or units within housing projects that are affordable to very low-income persons at or below 50% of the area median income (AMI).

The portion retained by the county shall be allocated to very low-income housing projects or units within housing projects in the county, cities and towns according to an inter-local agreement between the county and the cities and towns within the county, consistent with countywide and local housing needs and policies. A priority must be given to eligible housing activities that serve extremely low-income households with incomes at or below 30% of the AMI.

Permissible Uses Under the Law

1. Acquisition, construction, or rehabilitation of housing projects or units within housing projects that are affordable to very low-income households with incomes at or below 50% of the area median income, including units for homeownership, rental units, seasonal and permanent farm worker housing units, and single room occupancy units;
2. Supporting building operation and maintenance costs of housing projects or units within housing projects eligible to receive housing trust funds, that are affordable to very low-income households with incomes at or below 50% of AMI, and require a supplement to rent income to cover ongoing operating expenses (“Maintenance and Operations support”);
3. Rental assistance vouchers for housing units that are affordable to very low-income households with incomes at or below 50% of AMI, to be administered by a local public housing authority or other local organization that has an existing rental

assistance voucher program, consistent with or similar to the United States Department of Housing and Urban Development's Section 8 rental assistance voucher program standards; and

4. Operating costs for emergency shelter and licensed overnight youth shelters.

Organizations Eligible to Receive Housing Trust Funds

RCW 43.185.060

Eligible organizations

Organizations that may receive assistance from the department under this chapter are local governments, local housing authorities, regional support networks established under chapter 71.24 RCW, nonprofit community or neighborhood-based organizations, federally recognized Indian tribes in the state of Washington, and regional or statewide nonprofit housing assistance organizations.

Eligibility for assistance from the department under this chapter also requires compliance with the revenue and taxation laws, as applicable to the recipient, at the time the grant is made.

Section 2 -- Local Plan Guiding Principles

The following Guiding Principles are recommended to the Kittitas County Board of Commissioners (BOCC) for the implementation of SHB 2060, RCW 36.22.178.

A. Administration

The Kittitas County Board of Commissioners has primary responsibility for administration of the program, which funds are maintained by the Auditor's office pursuant to RCW 36.22.178(1) until disposition is approved and made by the Board of County Commissioners, after recommendation by the Kittitas County Homeless and Affordable Housing Committee.

B. Review Committee

The Kittitas County Homeless and Affordable Housing Committee ("The Committee") shall receive and make recommendations on grant applications and provide accountability for use of affordable housing funds. The Committee members will be required to follow established conflict of interest policies, at a minimum those requirements outlined in statute at Title 42 RCW. The Kittitas County Board of Commissioners shall make the final determinations of awards.

C. Fund Availability

Annually, the BOCC shall publish a Request for Proposal (RFP) through its established methods the first week of February and the first week of August. This notice will set forth the purpose; amount of funds available; term of funds to be awarded; deadline for submission of funding applications; where to obtain an application; and other information related to the application process.

In addition to the RFP Process, the Committee may, upon application, recommend disbursement of funds outside the annual RFP process to meet emergent needs.

D. Eligible Recipients

Eligible recipients of the funding under RCW 36.22.178 shall include those entities described at RCW 43.185.060 including local governments such as the county and the cities and towns within the county, local housing authorities, regional support networks established under chapter 71.24 RCW (community mental health services), nonprofit community or neighborhood-based organizations, federally recognized Indian tribes in the State of Washington, and regional or statewide nonprofit housing assistance organizations. For-profit developers may qualify if the funds are used only for projects as defined in RCW

36.22.178. Eligibility requires that the recipient be in compliance with applicable revenue and taxation laws at the time the grant is made. Use of said funds shall be limited to those uses described at “Permissible Uses Under the Law,” see Page 2 above. An eligible recipient must have:

1. Received a signed certification from the local government jurisdiction where the project will be located, stating that the project is consistent with local plans and policies; and
2. Demonstrated its ability, experience and resources to implement and sustain the project during the term of the project; and
3. Established its eligibility for Housing Trust Funds (Whether the proposed recipients are requesting funds for maintenance of existing units).

E. Preferences

Projects will be selected based on meeting the greatest County affordable housing need which will be determined annually by assessing local census and affordable housing data. Projects will also be given preference based on their ability to meet one or more of the following criteria:

- Strength of the proposal to comprehensively address homelessness and affordable housing.
- The applicants’ contribution toward total project costs, including in-kind.
- The project’s leverage of other funds.
- The project’s following of “housing first” guidelines
- Whether the project increases housing options available for single persons and disenfranchised populations, as described in the “Gaps In Service” section of the Plan.
- How the project sustains or makes use of existing resources.

F. Eligible Activities

The following are eligible activities:

Capital (acquisition, rehabilitation or new construction)*

- Leveraging support (coordinate with grant timelines)
 - Funds used to secure other funding sources or to fill remaining gap in funding
 - Funding is contingent on project receiving other funding within 12 months of application.
- Acquisition or Rehabilitation
 - Grants or loans used to leverage other financing.
 - Can be used to guarantee a loan.
 - Rentals and housing projects qualify.
 - Priority given to projects with an added monitoring component.

- New Construction
 - Capital loans or grants for new housing projects.
 - Can be used for land purchases.
 - Can be used as earnest money for a property purchase.
 - Can be used to leverage funding for a building project.
 - Pre-construction or development fees are eligible uses.

*No matching funds are available from Washington State Department of Community, Trade, and Economic Development for this category

Operations

- Operations and maintenance of both existing and new housing projects
 - Defined as physical plant activities.
 - Emergency shelters and licensed overnight youth shelters qualify.
 - Higher priority toward supporting existing housing projects.
- Deposits (first, last, security, damage, etc.)
 - Grants to agencies to administer a fund on behalf of individuals.

Rent Subsidies

- Rent subsidies for safe and affordable housing
 - Must be consistent with health and safety standards.
 - Must be administered by a local public housing authority or other local organization that has an existing rental assistance program.

G. Timeline for Applications

Applications Available:	February 1 and August 1
Applications Due:	March 1 and September 1
Decisions Announced by:	April 1 and October 1
Funds Available**:	

**After contracts/agreements signed

H. Terms and Conditions of Funding

- Terms and conditions of funding shall be in accord with RCW 43.185.070.
- Projects must have measurable goals.
- Projects must ensure they remain affordable to low-income households and must meet commitment guidelines, under RCW 43.185.070(3)(f), or serve the target population for a period of at least twenty-five years.
- Projects must be consistent with local housing plans and policies.
- Successful recipients are required to adhere to HUD’s Fair Housing Act standards and State laws that govern the landlord-tenant relationship as set forth at RCW 59.18. Recipients governed by RCW 59.18 must enter into lease agreements with

tenants and leases may not be terminated by the landlord unless the tenant fails to substantially comply with the lease.

- Funds that are provided for operation and maintenance projects shall be distributed in the form of reimbursable grants.
- Projects may use up to 12% of the award toward administrative costs; however, administrative costs must be specifically identified and reduction in administrative costs will be considered in the ultimate determination of the award.
- The Committee and BOCC reserve the right to negotiate additional terms and conditions of the award.

I. Reporting Requirements

Successful applicants will provide quarterly reports to the Committee and a final report detailing their use of funds in a format determined by the Committee.

J. Geographic Equity

The intent is to ensure that all areas of Kittitas County receive appropriate levels of funding based on local affordable housing needs.

K. Annual Review

These Guidelines will be reviewed annually by the Review Committee.

L. Recipient Default

If it is discovered that a recipient of funding has misappropriated or misused funds, this matter will be forwarded to the Kittitas County Prosecutor's Office for action.

M. Grievance Process

An applicant who feels aggrieved in the grant application and award process may ask the Homeless and Affordable Housing Committee to review the matter for a further or revised decision. The Committee may hear the grievance by allowing the applicant to present both written and oral testimony to the Committee. After review and decision by the Committee, the applicant may appeal to the Board of Kittitas County Commissioners under procedures established in the Administrative Procedure Act, chapter 34.05 RCW.

N. Sale and Change of Use

Kittitas County has adopted an ordinance in Kittitas County Code (KCC) Chapter 2.81 concerning management of county property that may be applied in circumstances addressing sale and change of use of projects financed in whole or in part with county SHB 2060 affordable housing surcharge funds. Ordinance 2.81.090(15) provides that where County property has been conveyed without auction to a bona fide nonprofit organization,

such conveyance shall be for the purpose of improvement and utilization in perpetuity to further a recognized county purpose, in exchange for the promise to continually operate services benefiting the public on the site, with appropriate restrictions and covenants relating to timing of improvements, disposition of revenue, accessibility by the general public, nondiscrimination, compliance with laws, removal of liens, and reversion of title.

Consistent the intent of this provision to protect the interests of the county and its people, and in furtherance of the health, safety and welfare of the community, it is the policy of Kittitas County that any projects funded with 2060 funds must, pursuant to RCW 43.185.070(3)(f), serve the original target group or income level for a period of at least twenty-five (25) years.

If the recipient of 2060 funds fails to meet the objectives and requirements of the low-income housing law and fails to serve the low-income housing community in accord with the intent and requirements of RCW 36.22.178 and RCW 43.83D.120 for at least a period of twenty-five years, then any new real property acquisition acquired with 2060 funds shall revert to the county, along with all facilities constructed thereon. Upon application to the Review Committee, and upon approval by the Board of Kittitas County Commissioners, new housing projects shall have this restriction placed on the deed. At the end of twenty-five years, the restriction may be removed.

Any deviation from this procedure may be addressed only with the specific approval of the Board of Kittitas County Commissioners in a process similar to that outlined in KCC 2.81.090(15) upon sale approval by the Board of Kittitas County Commissioners.

O. Project Monitoring

The Board of County Commissioners, assisted by the Committee, shall monitor all projects for compliance with the funding terms and conditions in the contracts(s). Project monitoring shall be concluded no less than annually.

Section 3 -- Instructions For Completing A Funding Application

Grant applicants shall follow the instructions below in preparing their proposal.

- Complete the supplied application forms using a computer. No hand written forms.
- Do not use graphics or formatting embellishments beyond those within the application.
- Be sure to read Kittitas County Affordable Housing Program Guiding Principles.
- Answer each question and sub-question individually in each section.
- Leave in the question and directions. This way we will be sure of the question you are answering, and it will also facilitate easy review for the steering committee.
- Use the 1-inch margins through the entire application except as formatted otherwise.
- Use single spaced 12-point Times New Roman or similar font.
- Make certain you are answering the questions. If the question asks "How," please answer how, not whether or when.

Please also include the following:

- Current Month Statement of Income & Expenses
- Recent Fiscal Year-end Agency Audit or Financial Statement (completed by CPA)
- Agency Budget for Current Fiscal Year
- Copy of IRS Determination Letter
- Board of Directors Roster

Applications are due by 4:30 pm, Monday March 1, 2010 at the Kittitas County Board of Commissioner's Office. You will be notified that your application has been received and accepted by the Committee.

Affordable Housing Grant Program
205 W 5th AVE Suite 108
Ellensburg, WA 98926

Please submit one original and Ten (10) copies of the entire application.

NOTE: Incomplete applications may be rejected.

Section 4 -- Project Application: 2010 Funding Cycle

Applicants must submit completed proposals according to the instructions. Failure to do so may render your application ineligible. Applications must be typed in the format on the application provided.

Project/Facility Title:

Project/Facility Address:

Total Project Costs:

Grant Amount Requested:

Type of Grant Requested:

Capital: *Acquisition* *New Construction* *Rehabilitation*
 Operations & Maintenance – Single Year
 Operations & Maintenance – Multiple Year – Number of Years: 2 3
 Emergency/Youth Shelter Operations

Type of Housing: Emergency Transitional Permanent Other

Number and type of units to be funded with Affordable Housing funds:

New Preserved Rehabbed Existing Other

City, Town or Unincorporated Area to be served: _____

Name of Applicant:

Federal Tax ID#

Address of Applicant:

Name of Contact Persons:

Title:

Email address: _____ **Phone:** _____ **Fax:**

Name and Title of Authorized Representative:

Acceptance of this application may be subject to subsequent compliance reviews, including a review of the latest audit of financial statement. Preparation of an application does not

guarantee that applicants will receive funds. By signing this grant application form the undersigned certifies that all information is accurate to the best of his/her knowledge.

Signature of Authorized Representative

Date

Section I. Project Questions

Please respond to the questions in this section about the specific project to be funded.

1. **Project Title:**
2. **Project Summary and Goals:** (Provide one to two paragraphs summarizing your project and how it will strengthen or enhance the continuum of affordable housing options in Kittitas County. **Specifically list the goals of the project.**)
3. **Priorities** (How does this project respond to the Affordable Housing Grant Program Priorities for 2010? Describe how this project fills an unmet need):
4. **Preferences** (Briefly describe how your project meets one or more of the criteria listed under Section E of the Affordable Housing Program Guiding Principles):
5. **Creativity/Innovation** (Describe any creative or innovative aspects of this project. How is it different or unique? Include information about project partners/collaborations):

Section II. Funding Questions

Please respond to the questions in this section about the specific project to be funded.

1. **Affordable Housing Funds** (What will the Affordable Housing grant award funds be used for? Be as specific as possible):
2. **Other Funds** (What funding for this project have you already secured? What in-kind donations have been received? What other grants are you applying for?):
3. **Sustainability** (Discuss how this project will be sustained after the Affordable Housing funds are exhausted.)
4. **Timeline** (Provide a very specific calendar for the expenditure of the Affordable Housing funds, including important project milestones):
5. **Partial Funding** (If this project were to receive only partial funding from the Affordable Housing Grant Program, how would the funds be used? How would the project be impacted?):
6. **Other** (Is there anything else that would be helpful for the committee to know in evaluating this application?):
7. Please respond to the questions in this section about the specific project to be funded.

Section III. Agency Questions

1. **Background/History** (Please give a brief background and/or history of the applicant organization).
2. **Qualifications** (Describe your organizations' ability and qualifications to complete the project you are requesting to be funded, including any experience you have in managing public funds):

Section IV. Financial Information

Please respond to the questions in this section about the specific project to be funded.

1. What percent of your total agency budget does this request represent?
2. What percent of the total project budget does this request represent? (For Capital requests, what percent is it of the overall project budget? For O&M requests, what percent is it of the annual O&M budget?):
3. Please provide project budgets with line items for expenses and income. Be as specific as possible, itemizing where appropriate.
4. How much administrative cost is included in this application?

Section 5 -- Certification of Consistency with Local Plans

I certify that the proposed activities/projects in the application are consistent with the jurisdiction's local plans and policies.

Applicant Name:

Project Name:

Address of Project:

Name of Certifying Jurisdiction (incorporated city in Kittitas County):

Certifying Official of the Local Jurisdiction

If the application involves a housing project, it is the applicant's responsibility to ensure that the project is consistent with all building and zoning codes and the comprehensive plan of the relevant local jurisdiction (either an incorporated city/town, or Kittitas County for projects in the unincorporated county). The applicant must have the relevant City Manager or Community Development Director complete the following section and sign below as the Certifying Official.

Name: _____

Title: _____

Signature: _____

Date: _____