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# Washington State Homeownership Unit Housing Trust Fund - Homeownership NOFA #HFU-2022-04

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## 2022 FUNDING ROUND

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

**Published:** October 19, 2022

**Technical Assistance Period:** October 19, 2022 – January 4, 2023

**Applications Deadline:** By NOON on January 19, 2023

- 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” documents).**

**Submitting a complete application by the deadline is a threshold that must be met in order for an application to be reviewed and evaluated for funding.**

**SAVE THE DATES [See NOFA [Timeline](#)]**

- ❖ **November 17, 2022: 10:00 AM – Noon – Application Workshop- Walk Through and Overview\***
  - ❖ **December 14, 2022: 1:00 PM – 3:00PM – Application Question & Answer Period\***
  - ❖ **January 10, 2023: 9:00AM – 11:00AM – Final Application Q&A Period, Submittal Overview\***
- \*All presentations will be recorded and posted online. Links to presentation registrations will be posted online.*

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Appendix A: Homeownership Application Evaluation Criteria  
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## I. Introduction

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The Department of Commerce (Commerce) is soliciting applications for *new* affordable Homeownership housing projects seeking capital funding from the state Housing Trust Fund.

This Notice of Funding Availability and Solicitation (NOFA) is intended for applicants seeking to **create affordable housing units or otherwise undertake activities resulting in an increase** of affordable housing stock in Washington State.

Projects that receive funding resulting from this NOFA must execute a contract with Commerce within six (6) months of the award date and construction projects must be completed within three (3) years of the award date.

## II. Funds Available

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The total funds awarded in 2023 will be determined by the readiness of the proposed projects to proceed to construction and the quality of applications.

### A. Capital Budget Appropriation – Housing Trust Fund [SSB 5651; Section 1020(1)(d)]

The Washington State Legislature appropriated \$25,000,000 in the [2022 Supplemental Capital Budget, Chapter 296, Laws of 2022, Section 1020\(1\)\(d\)](#), using the “traditional” HTF competitive process to fund projects developing affordable homeownership projects including down payment assistance for first-time homebuyers.

## III. Timeline – Subject to revision based on Commerce business needs

Project Applications Solicited (this NOFA)	October 19, 2022
Technical Assistance, Application Clarifying Questions and Answers	October 19, 2022 – January 4, 2023
Deadline for Submittal of Waivers (project funding maximum, ESDS, etc.)	December 15, 2022
<b>Project Applications Due to <u>and Received by</u> Commerce</b>	<b>BY NOON on January 19, 2023</b>
Preliminary List of Applications Received Published on Commerce Website	February 1, 2023
Project applicants informed of results of Threshold Review	February 8, 2023
Final Funding Decisions and Awards	Approx. March 1, 2023
<b>HTF Contract Execution and Construction/Development Started</b>	<b>September 2024</b>

**Note: Commerce reserves the right to revise the above timeline at its sole discretion.**

## IV. Conditions of This NOFA

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### 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. Populations to be Served

The funds made available via this NOFA are for the provision of homeownership to all population types, subject to the prioritizations described in Appendix A. Populations indicated as intended to be served by projects, as well as the income levels proposed, will be incorporated *as-is* into any resultant contracts.

### C. Funding Limits

To ensure that funds are distributed across the state and among applications equitably, the following funding limits will be observed in this 2022 funding round, based on projects' locations (see **Geographic Determination** below).

Commerce views organizations that share common by-laws, board members (more than 50 percent), and service area as the same organization within their common service area.

The following limits apply to all Homeownership applicants:

**Per Project:** The maximum award *per* homeownership *project* is **\$2 million**.

**Per Applicant:**

The maximum award *per applicant* is **\$4 million**.

NOTE: Prior years' awards, homeownership or multi-family, do not factor into this amount.

### D. Waivers

Applications must meet all of the thresholds identified in the review criteria described in the appropriate Appendix in order to be considered for funding. Commerce ***may*** issue threshold waivers, in extraordinary circumstances, at its sole discretion.

Applicants should consult the [HTF Handbook](#) (Sections 207.8 and 301.2.1) prior to requesting a waiver.

Waiver requests must be submitted in writing via email by **no later than December 15, 2022** to [htfapp@commerce.wa.gov](mailto:htfapp@commerce.wa.gov).

### E. Application Review Process

- ❖ Only **Qualified Applications** will be reviewed and evaluated for funding. "Qualified Applications" are defined as those applications that meet ALL of the **Threshold** criteria detailed in **Appendix A**.

- ❖ **Qualified Applications** will be evaluated and ranked based on the criteria detailed under **Decision Point #2**, with final decisions made in reference to criteria detailed under **Decision Point #3**. All criteria are detailed in **Appendix A**.

## F. Reporting Requirements

Commerce is required by statute to report various data points on the funding it administers. To facilitate this reporting, data is published on our website to reflect the response to this NOFA and the recipients of funding.

### 1. Awards Data

We are required to report all area median income levels for the awarded funds. As a result, area median income levels, as submitted for funding consideration, may not be changed after a project is awarded funds.

### 2. Third Party Certification of Final Development Costs

Certified final project development costs, including data and descriptive statistics must be reported to the legislature. Award recipients must have a third party audit of their project's final development costs. This expense is eligible for HTF funding. A separate line item has been included in the application forms dedicated to the cost for the applicant to conduct a third party certification (i.e., audit) of their project's final development costs. Applicants are encouraged to use this new line item for their estimated third party cost certification. (see [HTF Handbook](#) for details). This requirement does **NOT apply** to projects that use HTF funding for Down Payment Assistance only.

## V. Geographic Determination

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Projects are grouped into one of three geographic categories to facilitate distribution of funds across the state in compliance with [RCW 43.185](#): 30% of funds to projects in Rural areas. These categories are:

1. Rural
2. King County
3. Urban (not King County)

Geographic categories are defined in Appendix E

## VI. Application Documents and Instructions

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### A. Submittal Requirements

ONLY electronic submissions of the application forms and supporting materials will be accepted. Hardcopies of the application or materials WILL NOT be accepted by Commerce.

All application materials must be submitted electronically via a file sharing site (e.g. GoogleDocs, Dropbox).

Links to application document locations on the file sharing sites must be submitted via email to the HTF Applications inbox:

[htfapp@commerce.wa.gov](mailto:htfapp@commerce.wa.gov)

Please indicate in the subject line that the materials are submitted for the **Traditional HTF Round NOFA #HFU-2022-04**.

**NOTE: If Commerce cannot access the files uploaded to the site *within 48 hours of the submittal deadline*, the project will be considered to have NOT been submitted and will not be reviewed for funding.**

It is therefore **strongly** encouraged that applicants establish a “test” link to ensure that Commerce can access their submittal folders.

## B. Submittal Deadline

**Complete applications must be received by Commerce by NOON (PST) on January 19, 2023.**

*Commerce strongly recommends applicants submit their application materials 1-2 days prior to this date to allow time to mitigate any technical difficulties.*

- Applications found to be substantially incomplete will not be reviewed.
  - Only documents date stamped as having been uploaded by the NOON, January 19, 2023, deadline will be downloaded and reviewed.
  - In the event Commerce is not in receipt of an application by the deadline, 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.
1. Once an application is submitted, applicants will receive an email confirmation of receipt by noon the business day following the submittal date.
    - a. 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](mailto:htfapp@commerce.wa.gov).***
  2. A subsequent email will be provided conveying the results of the threshold review.

## C. Application Components

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

Applications in response to this NOFA must be submitted using the correct materials and instructions. All applicants must use the **2022** HTF Project Application forms.

Applications submitted using forms other than the required forms will not be considered to be “**Qualified Applications**” as defined above, and will not be reviewed.

## Application

Download the documents from the Application Documents folder [here](#). ***Do not convert any documents into PDFs unless instructions explicitly direct.***

1. **Homeownership Application Requirements [Checklist](#) – HTF Version (Microsoft Word)**  
Name this file as follows: “H - [PROJECT NAME] – Table of Contents”.  
***Do not convert the file to PDF.***

2.
  - a. For DOWN PAYMENT ASSISTANCE (DPA) only projects, with no construction or acquisition and rehab elements:  
*Homeownership [CFA Sections](#) with the HTF Addendum Extension(Microsoft Word)*  
Name this file as follows: "H – [PROJECT NAME] – DPA ONLY Sections+Addn".  
**Do not convert the file to PDF.**
  - b. For CONSTRUCTION projects, or projects with CONSTRUCTION and DPA, or project with ACQUISITION/REHABILITATION and DPA:  
*Homeownership [CFA Sections](#) with the HTF Addendum Extension(Microsoft Word)*  
Name this file as follows: "H – [PROJECT NAME] –Sections+Addn".  
**Do not convert the file to PDF.**
3. Homeownership [CFA Forms](#) (Microsoft Excel)  
Name this file as follows: "H – [PROJECT NAME] – Forms".  
**Do not convert the file to PDF.**
4. Attachments  
All supplemental documents listed in the [Homeownership Application Requirements Checklist HTF Version](#) document, as appropriate to the project.  
  
Use the following naming and file conventions for attachments:
  - i. All files should be submitted in their original format – **Do not convert the file to PDF.**
  - ii. Scanned copies of paper documents must be legible with 11 point or larger font and, when applicable, clear signatures and dates.
  - iii. PDFs should be searchable whenever possible, and should not be submitted "locked." If this requirement conflicts with the policies of contracted consulting firms, please contact Commerce staff directly.

## VII. Award Terms

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### A. Administration and Monitoring Fees

Commerce will **not** charge award recipients 1% administration and 1% monitoring fees noted in the [HTF Handbook](#) in Section 402.4.6.

### B. Retainage

All projects, regardless of HTF administered funding uses, **will have a minimum of 5% of their HTF administered funds retained** until the project is completed, including receipt by Commerce of materials related to the Placed In Service process.

### C. Terms of Award

Commerce will award funds in the form of a recoverable grant. The funds will be a grant so long as the terms of the contract are met for the duration of the 25-year commitment period.

If the contract terms are unable to be met, the funds are recovered.

The State's interest in a property will be secured by collateral and documentation as appropriate to the type of project being funded with state resources including a Contract, Deeds of Trust, Low Income Housing Covenants (with a minimum of 25 years), and Promissory Notes.

## VIII. Questions

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Send questions or requests for additional information about this NOFA or the application materials to the NOFA Coordinator, via the HTF Application inbox:

[htfapp@commerce.wa.gov](mailto:htfapp@commerce.wa.gov)

**Indicate in the subject line that the question is related to the Traditional HTF Round NOFA #HFU-2022-04.**

As part of the application process under this NOFA, questions must be submitted **no later than December 15, 2022**. Commerce may publish, and update as necessary, a questions and answers document on the [Applying to the Housing Trust Fund](#) webpage.