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# Washington State Homeownership Unit Housing Trust Fund - Homeownership NOFA #HOU-2024-07

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## 2024 FUNDING ROUND

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

<b>Published:</b>	<b>July 22, 2024</b>
<b>Technical Assistance Period:</b>	<b>July 20, 2024 – September 19, 2024</b>
<b>Applications Deadline:</b>	<b>By NOON on September 23, 2024</b>

- 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 included in each application).**

*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.*

**OPEN TECHNICAL ASSISTANCE PERIOD:** *July 20, 2023 – September 19, 2023*

**SAVE THE DATES** [See [NOFA Timeline](#) for complete schedule]:

**Application Workshop Webinars\*:**

**August 12, 2024 1:00 PM – 2:30 PM:** [Down Payment Assistance](#)

**August 20, 2024 10:30 AM – 12:00 PM:** [New Construction/Acquisition with Rehabilitation Only](#)

**August 21, 2024 11:00 AM – 12:30 PM:** [Permanent Affordability Subsidy](#)

*\*All presentations will be recorded and posted online.*

**In-Person Application Workshops:**

**August 1, 2024 10:00 AM – 12:00 PM:** [Olympia In-Person Application Workshop](#)

**August 8, 2024 9:30 AM – 12:00 PM:** [Seattle In-Person Application Workshop](#)

**August 15, 2024 10:00 AM – 12:00 PM:** [Spokane In-Person Application Workshop](#)

**August 29, 2024 1:00PM – 3:00PM** [Burlington In-Person Application Workshop](#)

*\*\*To register for workshops and webinars, go to the [NOFA Timeline](#) document for links.*

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## I. Introduction

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The Department of Commerce (Commerce) is soliciting applications for 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. Construction projects, down payment assistance funding, and affordability subsidy funding must be completed within three (3) years of the award date.

## II. Funds Available

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The total funds awarded in 2024 will be determined by the readiness of the proposed projects to proceed to construction and/or funding, along with the quality of applications.

### A. Capital Budget Appropriation – Housing Trust Fund [ESSB 5949; Section 1020(4)]

The Washington State Legislature appropriated \$18,252,000 in the 2024 Supplemental Capital Budget, Laws of 2023, Section 1020(4), for awards to organizations eligible under RCW 43.185A.040 for the development of homeownership projects affordable to first-time homebuyers whose income is up to 80 percent of the area median income (AMI), adjusted for household size, for the county where the property is located are eligible to apply, except that projects located in rural areas of the state, as defined by the department, serving homebuyers whose income is up to 100% of the AMI, adjusted for household size, for the county where the property is located.

Commerce retains 3% of the above funds to administer the HTF capital homeownership program, \$547,560. The remaining \$17,704,440 million shall be awarded as a result of this NOFA, provided that sufficient, qualified applications are received.

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

Project Applications Solicited (this NOFA)	July 19, 2024
Technical Assistance, Application Clarifying Questions and Answers	July 20, 2024 – September 19, 2024
Deadline for Submittal of Waivers (project funding maximum, ESDS, etc.)	September 6, 2024
<b>Project Applications Due to <u>and Received by</u> Commerce</b>	<b>BY NOON on September 23, 2024</b>
Preliminary List of Applications Received Published on Commerce Website	October 11, 2024
Applicant Interviews	October 21, 2024 – November 15, 2024
Final Funding Decisions and Awards	December 27, 2024
<b>HTF Contract Execution and Construction/Development Started</b>	<b>June 2025</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 2024 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 **\$4 million** for new construction and **\$2 million** for **DPA and Affordability Subsidy**. – *Eligible to seek a waiver for greater funds.*

**Per Applicant:**

There are no per applicant limits pursuant to Engrossed Substitute Senate Bill 5949.

### 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 September 6, 2024** to [HOUApplication@commerce.wa.gov](mailto:HOUApplication@commerce.wa.gov). Click [here](#) for the waiver form.

### 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 or Affordability Subsidy 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 43.185A](#): 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:

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

Please indicate in the subject line that the materials are submitted for the **HOU July 2024 Round NOFA #HOU-2024-07**.

**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 September 23, 2024.**

*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, September 23, 2024 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 [HOUApplication@commerce.wa.gov](mailto:HOUApplication@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. Applicants must use the **2024** HTF Project Application forms. Fall 2023 unfunded projects may update their application materials using the new Homeownership Applications. Please visit the list [of Fall 2023 projects](#) to see which projects are eligible to resubmit.

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 – HOU Version (Microsoft Word)

**Do not convert the file to PDF.**

- a. For DOWN PAYMENT ASSISTANCE (DPA) only projects with *no construction or acquisition and rehabilitation elements*:

**2024 CFA [HOU DPA Application](#) (Microsoft Word)**

Name this file as follows: “[PROJECT NAME] – DPA ONLY APP

**Do not convert the file to PDF.**

*\*\*DPA: funds applied at closing for a homebuyer’s down payment and/or closing costs. These funds are repaid when the home sells or is refinanced and revolved to new low income homebuyers.*

- b. For Affordability Subsidy only projects with *no construction or acquisition and rehabilitation elements*:

**2024 CFA HOU [Affordability Application](#) (Microsoft Word)**

Name this file as follows: “[PROJECT NAME] – Affordability Subsidy APP

**Do not convert the file to PDF.**

*\*\*Affordability Subsidy: funds applied at closing that stay with the property keeping the home affordable during the affordability period.*

- c. For CONSTRUCTION projects, or projects with CONSTRUCTION or project with ACQUISITION/REHABILITATION:

**2023 [CFA CONSTRUCTION APP](#) (Microsoft Word)**

Name this file as follows: “[PROJECT NAME] –CONSTRUCTION APP”.

**Do not convert the file to PDF.**

**2. Homeownership Workbook (Microsoft Excel)**

- a. For DOWN PAYMENT ASSISTANCE (DPA) only projects with *no construction or acquisition and rehabilitation elements*:

**2024 CFA HOU DPA [Workbook](#) (Excel Document)**

Name this file as follows: “[PROJECT NAME] – DPA Workbook

**Do not convert the file to PDF.**

*\*\*DPA: funds applied at closing for a homebuyer’s down payment and/or closing costs. These funds are repaid when the home sells or is refinanced and revolved to new low income homebuyers.*

- b. For Affordability Subsidy only projects with *no construction or acquisition and rehabilitation elements*:

**2024 CFA HOU DPA [Workbook](#) (Excel Document)**

Name this file as follows: “[PROJECT NAME] – Affordability Subsidy Workbook

**Do not convert the file to PDF.**

*\*\*Affordability Subsidy: funds applied at closing that stay with the property keeping the home affordable during the affordability period.*

- c. For CONSTRUCTION projects, or projects with CONSTRUCTION or project with ACQUISITION/REHABILITATION:

**2023 CFA CONSTRUCTION [Workbook](#) (Excel Document)**

Name this file as follows: “[PROJECT NAME] –CONSTRUCTION Workbook”.

**Do not convert the file to PDF.**

**3. Attachments**

All supplemental documents listed in the Homeownership Application Requirements Checklist at the end of each application, 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.
- iv. Documents should be labeled based on what they are in the application checklist in a manner that allows for the reviewers to easily decipher what the document applies to.
- v. Missing required supplemental documents may deem an application incomplete and may not be reviewed.

## 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. These fees do not apply to the 2024 funding round.

### B. Retainage

All construction and rehabilitation 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:

HOUApplication@commerce.wa.gov

**Indicate in the subject line that the question is related to the Traditional HTF Round NOFA #HFU-2024-07.**



As part of the application process under this NOFA, questions must be submitted **no later than September 19, 2024**. Commerce may publish, and update as necessary, a questions and answers document on the [Applying to the Housing Trust Fund](#) webpage.