

Housing Stability Program 2023 Request for Proposals (RFP)

Funding for Affordable Housing Capital Projects and Operations & Maintenance, including On-Site Services

Introduction

The 2023 RFP for the Housing Stability Program is making up to \$10.4 million available from sales tax revenue authorized by House Bill 1590 and Bellevue City Council for affordable and supportive housing. RFP applications can request funding for capital investment and/or for building-related operations, maintenance and services (OMS funding). Based on Council direction for the overall Housing Stability Program (HSP), the RFP established the following priorities:

- Provide housing for households earning below 30% of area median income (AMI);
- Address and prevent homelessness and housing instability; and
- Focus on underserved, vulnerable residents in Bellevue.

This RFP (1) makes the unallocated 2022 portion of the Housing Stability Program, and a portion of the 2023 anticipated revenues available for the construction, acquisition, and/or operation, maintenance and on-site supportive services for new affordable housing that serve eligible populations; and (2) establishes priorities and criteria for the evaluation of proposed projects.

Bellevue is a member of A Regional Coalition for Housing (ARCH), which has administered a funding process to invest Bellevue and other cities' resources for affordable housing across the Eastside. This RFP is designed to complement and leverage existing funding processes, while creating a significant impact on housing needs in Bellevue.

Available Funds

The Housing Stability Program provides capital to targeted housing projects that serve Bellevue's most vulnerable residents, and funding for services that are critical for stable living. Approximately \$10.4 million in capital, supportive services and operating and maintenance funding is available through the Housing Stability Program in 2023. The total amount awarded is subject to staff and council recommendations and approval based on projects fit with priorities, amount of requested funds, and project feasibility.

To stretch the City's resources farther, applicants are encouraged to consider additional funding opportunities from other competitive programs, including the ARCH Housing Trust Fund, King County, State Housing Trust Fund, and other funding sources.

Leverage for land acquisition is available with the Washington State Housing Finance Commission's (WSHFC) land acquisition program.

Projects that qualify for the Housing Stability Program may also be eligible for the Apple Health and Homes program operated by the Dept. of Commerce which provides capital, operating and rental assistance, as well as supportive service funding.

Eligible projects may request up to \$13,112.50 per unit per year in operating, maintenance, and on-site supportive services (OMS) funding, plus inflation. The City understands that such funds are intended to

be long-term investments that create stable, supportive living environments for vulnerable residents. The City anticipates continued revenue collection and will make additional future funding available on, at least, an annual basis.

Program Priorities

The city has established the following priorities for funding:

- Provide housing for households earning below 30% of median income
- Address and prevent homelessness and housing instability
- Focus on underserved, vulnerable residents in Bellevue (e.g., homeless families with children and other eligible populations)

Although the city has established clear priorities as outlined above, funding is eligible to support projects serving a wider range and mix of households earning up to 60% of the median income. Funding under this request for proposals may also be utilized in conjunction with other more flexible funding sources that can target additional populations. The city will consider proposals that provide mixed-income housing, including providing a portion of the housing units (financed with other funds) for moderate-income housing.

Eligible populations that can be served with funding in this RFP include:

- Persons with behavioral health disabilities
- Veterans
- Senior citizens
- Persons who are homeless, or at-risk of being homeless, including families with children
- Unaccompanied homeless youth or young adults
- Persons with disabilities
- Domestic violence survivors

Eligible Use of Funds

Funding may be used for the capital costs of constructing or acquiring affordable housing, which may include emergency, transitional and supportive housing and new units of affordable housing within an existing structure. Such costs may include:

- Land acquisition, including related costs such as appraisals, excise tax, recording fees and other transaction costs
- Acquisition of existing buildings, including related costs such as a property condition report, capital needs assessment, appraisals and other transaction costs
- Construction activities, including site development, building construction, renovation or conversion of existing properties, and related sales tax

Funding may also be used for operations and maintenance costs, including on-site supportive services, of new units of affordable housing within projects funded with City capital funds. Such costs may include, but are not limited to: utilities, maintenance, insurance, property taxes, pest control, on-site and off-site property management staff, case management staff, behavioral health staff and other supportive services staff dedicated to the project.

Eligible Applicants

Applicants must demonstrate the capacity to develop, own, and operate the proposed project. Eligible entities include:

- non-profit organizations
- private for-profit organizations
- public housing authorities
- public development authorities
- units of local government

Partnerships involving combinations of the above groups are encouraged, especially when necessary to demonstrate capacity in all areas of the project.

Evaluation Criteria

Proposals will be evaluated against the following criteria:

- **Cost** - Financial feasibility and/or cost effectiveness of the project
- **Agency Capacity** - Capacity of the applicant team to develop and operate the project
- **Leveraging** - Leverage of multiple and/or non-City funding sources
- **Housing Model** - Demonstrated success of diverse housing models in creating long-term housing stability for the proposed population(s) as specified in RCW, including but not limited to affordable family housing; senior housing; transitional housing; permanent supportive housing; group homes for individuals with disabilities; public housing; and mixed income housing
- **Citywide Approach** - Geographic distribution of housing opportunities across Bellevue
- **Project Readiness** - Ability to deploy funds quickly and respond with urgency to the current housing crisis
- **Partnerships** - Demonstration of committed partnership(s) and collaboration with other entities to develop and operate project
- **City Planning** - Meet critical needs and gaps as identified in City planning documents
- **Equity** – Projects that serve underserved populations and address the disproportionate impacts of homelessness and housing instability on communities of color

Funding Terms and Conditions

Consistent with past practice in funding projects through the ARCH Trust Fund, awards for capital funding will be made available as either secured grants or loans. The city is willing to offer flexible terms designed to accommodate a range of projects. Applicants should indicate in their application whether they are applying for a grant or loan, and what loan terms are proposed for the project. Loans will be offered whenever feasible without sacrificing initial or long-term affordability. Loan applicants will not receive priority over grant applicants. A subordinate deed of trust will be required.

Projects must generally commit to providing long-term affordability in the form of a 50-year regulatory agreement. Such agreements will include both income and rent restrictions and other eligibility criteria to ensure that occupants meet the requirements of RCW 82.14.530.

If the project is converted to an alternative use or becomes non-affordable at any time during the project's agreed-to term of affordability, the city's contribution to the project, whether in the form of a grant or a loan, will be subject to immediate repayment, and potentially a proportionate share of appreciation.

Awards for OMS, including on-site services, will be provided initially as 5-year renewable contracts. Funds will be disbursed on a reimbursement basis for eligible expenses. Grants may be extended in 5-year increments based on consideration of contract performance and for the duration of the term of affordability under any City covenant.

Note: This section does not cover all the standard terms and conditions included in agreements for city funding. Applicants may contact staff with any questions about other boilerplate provisions.

Schedule

The following schedule is anticipated for this RFP:

June 16, 2023	Application package available
No later than August 18, 2023	Pre-application Conference, see below*
September 15, 2023	Applications due to ARCH by 12:00 pm
December 2023	Staff recommendation
First Quarter 2023	Recommendation reviewed by City Council

***Pre-Application Meetings**

Applicants are required to schedule a Pre-Application Conference to identify and discuss potential issues no later than August 18, 2023. First-time applicants will benefit from meeting early and often with ARCH. Applicants should be prepared to provide a project description identifying the population to be served, approximate number of units, income and affordability, type of construction (rehab or new), neighborhood issues, whether relocation or displacement will be required, team members (developer, architect, property manager, if known), and likely funding sources. Applicants are also welcomed to solicit early input from ARCH on site or project concept when considering acquisition of a site or building. Applicants applying for OMS funding can schedule with ARCH and will include Human Services staff for the pre-application meeting. To schedule a pre-application meeting please contact Patrick Tippy, ptippy@bellevuewa.gov.

Other Award Terms/Reporting Requirements

Additional funding conditions will be spelled out in an award letter to successful applicants. At a minimum, the following reporting requirements shall apply during development and occupancy:

Quarterly Status Reports

Quarterly status reports are required from all funded projects during the development stage (from the time funds are awarded until completion and occupancy of the project). The quarterly reports for capital funding will include, at a minimum, the status of funds expended and progress to date. A final budget must be prepared and submitted at the time of construction start and project completion. Staff will rely on the reports to determine if satisfactory progress is being made on the project and funds are expected to be contracted within 12 months of council adoption. OMS reporting will be conducted with City of Bellevue Human Services team.

Ongoing Monitoring

After occupancy, the project sponsor or manager must submit an annual report summarizing the number of project beneficiaries, housing expenses for the target population and other eligibility criteria established in the regulatory agreement. In addition, for projects with loan payments, financial information must be reported annually which will be used for assessing contingent loan payments and project health. Projects with OMS awards will also be monitored by the City of Bellevue Human Services team. All projects will also be evaluated periodically for long term sustainability. The annual reports will be required for the full duration of affordability.

Review Process

Proposals will be reviewed using the following process:

1. ARCH staff will conduct an initial screening of applications to determine the completeness of each application. Staff reserves the right to deny applications that are incomplete.
2. ARCH staff will prepare a summary document and analysis of the proposals that follows the same format as the work product prepared for the ARCH Community Advisory Board; in addition, ARCH staff will evaluate whether each proposal meets the population and income level eligibility requirements by RCW 82.14.530.
3. A City of Bellevue interdepartmental staff team with experience in affordable housing, land use and permitting, supportive services, and housing-related services will review and discuss the applications; ARCH staff may request additional clarifications from applicants to support the evaluation of the staff team.
4. Staff will develop a written funding recommendation and conditions based on the recommendation of the staff review team. In the fall round, this will occur concurrently with the recommendations made by the ARCH Community Advisory Board, with the goal to align project recommendations. Applicants will be provided with an opportunity to review and comment on proposed funding conditions.
5. The City Council will review and approve the funding recommendation submitted by city staff, or will return the recommendation, with comments, for further review before a final decision is reached. The council may choose not to award a proposal during a funding round, to reject any and all proposals, and to bank revenue for future funding rounds.

Application Contents

ARCH uses the Combined Funders Application (CFA) forms that the State of Washington, King County, the City of Seattle and other local jurisdictions have agreed to use for the convenience of applicants. The current year's application forms may be downloaded from [ARCH's website](#). Applicants wishing to apply for an OMS award should also include the application workbook for OMS funding which is similar to the Share One Human Services Funding Collaborative.

In addition to the application forms on ARCH's website, applicants proposing Low Income Housing Tax Credits must obtain and submit a tax credit scoring form from the Washington State Housing Finance Commission (WSHFC). ARCH also requires a copy of any supplemental application materials submitted to other funders. Finally, applicants must complete the **Supplemental Application Form** in Appendix A.

Please note that application forms for OMS funding in Appendix B are available on the ARCH website.

Applicants are encouraged to review and incorporate the [City of Bellevue's Community Engagement Guide](#) as appropriate.

Submission Requirements

To submit an application please send an email with a link from OneDrive, Dropbox, Google Drive, or other file sharing services to submission@archhousing.org no later than 12pm Pacific time on September 15, 2023. The submission materials for each application should include:

- One complete electronic application (with Combined Funders Application narrative, Combined Funders Application budget workbook, HTF Supplemental Application, and OMS application materials, if applicable, and include:
 - Folders clearly labeled with the applicant and project name.
 - Attachments under each Tab should be placed in a separate folder labeled with the Tab number.
 - The Project Workbook must be in Excel format with linked sheets unlocked and formulas visible.
 - Narrative responses must be in Word format.
 - Attachments must be in PDF, Word or Excel formats.
- Appendix A: Supplemental Application Form
- Appendix B: 2023 - HSP OMS Application Workbook, if applying for OMS funding