



SAN JUAN COUNTY HEALTH & COMMUNITY SERVICES
2020 HOME FUND NOTICE OF FUNDS AVAILABLE



Release Date: July 1, 2020
Responses Due: August 5, 2020
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2020 Funding Round

Applications are being solicited in order to establish a list of projects for funding in 2020. Funding for this NOFA is provided by an affordable housing real estate excise tax authorized by RCW 82.46.075 and governed by the Administrative and Financial Plan adopted as San Juan County Resolution No. 25-2018. This is the second year this funding is being made available.

Eligible activities for the 2020 funding round include acquisition, building, rehabilitation, and maintenance of housing for very low, low, and moderate-income persons and those with special needs, including both rental and home ownership housing. The County is making **\$1,200,000** available for 2020 funding round.

Due to the ongoing outbreak of COVID-19, San Juan County is following a slightly truncated schedule for the 2020 funding round in order to still make funds available in a timely fashion. County staff will work to ensure that all function of this funding round are able to be completed in a remote fashion, including project submittals and presentations.

NOFA Schedule (subject to change)

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|---|------------------------|
| Invitation to Submit Applications..... | July 01, 2020 |
| Applications Due..... | August 05, 2020 |
| Project Presentations to Housing Advisory Committee..... | August 12, 2020 |
| Housing Advisory Committee Recommendations to the County Council..... | September 09, 2020 |
| County Council Awards Funding to Projects | Fall, 2020 |
| Grant Agreements Finalized with Awardees..... | Spring, 2021 |

Applications

There are separate applications and forms for Rental, Home Ownership, and Preservation projects. Please use the correct application and forms. Applications can be downloaded from San Juan County's webpage at:

<https://www.sanjuanco.com/1595/San-Juan-County-Home-Fund>

Note: San Juan County will accept Combined Funders Applications submitted to other funders in 2020 as completed applications as long as they meet the requirements listed in this NOFA.

When submitting your application, make sure you do so in the original format provided. DO NOT scan your Application, or otherwise convert it to other formats. Technical corrections requested by staff will be allowed within three (3) working days of the request.

1. Application Requirements

All applications must meet the requirements of the Home Fund Administrative and Financial Plan. <http://www.sanjuanco.com/DocumentCenter/View/15304/Resolution-25-2018-Adopting-Expenditure-Plan-for-Tax-for-Affordable-Housing>

A. Eligibility.

Priority will be given to applicants that have demonstrated ability to develop, own, and/or manage affordable housing. Applicants that do not have previous experience in these areas

will be expected to propose an appropriate relationship with an entity that does have this experience.

Eligible Recipients are:

1. **Nonprofit agencies:** Eligible nonprofits must have a charitable purpose. The Housing Advisory Committee's preference is to provide funding to nonprofit recipients that have established housing as a primary mission. Private nonprofit agencies will be required to submit articles of incorporation and an IRS letter as proof of nonprofit status.
2. **Housing Authorities.**
3. **Private for-profit affordable housing providers:** Eligible for-profits must have experience developing, owning, and managing multifamily rental housing. Private for-profit firms may include partnerships between one or more firms, such as a building contractor and a property manager. Private for-profit firms may also partner with nonprofit or public agencies as needed to provide sufficient capacity to develop, own and operate housing on a perpetually affordable basis.
4. **Public Agencies:** Housing programs conducted or funded by a public agency including San Juan County, or a public agency in partnership with a private nonprofit entity.

B. **Evergreen Sustainability Standards.**

All Home Fund projects must follow the Washington State Requirement for Evergreen Sustainable Development Standards(ESDS) or a standard that exceeds the ESDS verified by a third party, where applicable. Details are available through the Washington State Commerce (<http://www.commerce.wa.gov/building-infrastructure/housing/housing-trust-fund/housing-trust-fund-evergreen-sustainable-development/>).

C. **Period of Affordability.**

All projects require a minimum period of affordability of thirty (30) year from the date of project completion. Projects that maintain perpetual affordability as defined by San Juan County Code 2.27 will be given the highest preference. A covenant will be recorded against the property that requires continued use of the property for the income target population for the Period of Affordability. If an acceptable restriction on the property covering the period of affordability already exists, such as a deed covenant or land lease, the County shall accept that restriction without the need to record another covenant. All awardees will be expected to sign a recoverable grant agreement.

During this period, the owner or property manager will be required to do annual reporting of tenant incomes and rents to ensure that affordability requirements are met, and the County will monitor those reports to ensure compliance.

D. **Project Sign.**

All projects receiving funding must post a Project Funding Sign at the project construction site(s). Sign graphics shall be in accordance with the Grant Agreement approved by the County, and must be installed at the commencement of work on the site through project completion.

E. **Application components.**

Please ensure your application contains sufficient detail on the following areas:

1. Project description: location, number of units, rent levels, need, and special characteristics.
2. Recipient capacity in the development, ownership, and management of affordable housing and capacity to serve the focus population.
3. Tenant profile: a description of proposed and existing tenants and their needs, household size, and estimate and source of tenant income.
4. Evidence of site control: In addition to fee simple ownership, site control could be achieved with an option to purchase, an earnest money agreement, or a lease (or option to lease) with a minimum term of 30 years. The County will consider projects where the underlying ownership is through a real estate contract if the contract holder subordinates his/her interest to the County loan or if there is adequate provision for the applicant to discharge the underlying contract and obtain fee title. The County may consider proposals and reserve funding for projects prior to site control, but evidence of site control must be established prior to County funding of any activities.
5. Appraisal: If the project involves acquisition, an appraised value based on the highest and best use at the time of site control will be used to assess whether or not a fair price is paid for land, including any structures. Project applicants should make acquisition offers subject to verification by appraisals acceptable to the County.
6. Construction description: Proposed contractor selection plan; scope of work; outline specifications; cost estimates; contract type and project delivery method; plan to satisfy Evergreen standards; reports and evidence of pre-permit meeting from the County's Community Development Department.
7. Project schedule
8. Land use: Evidence that the land use designation will permit the proposed project at the time of application.
9. Phase I site assessment including asbestos/lead paint/hazardous materials survey—a survey to identify the presence and amount of asbestos/lead paint and/or any other hazardous materials or underground tanks within the building or elsewhere on site and a description of proposed abatement measures. A Phase II assessment will be required if recommended in the Phase I.
10. Development budget and proposed sources
11. Relocation Plan, if applicable
12. Operating Pro Forma (for rental housing only), including 15 year operating Pro Forma with proposed rents and required rental assistance or operating subsidy; taxes, insurance, utilities,

salaries, management fees, replacement and operating reserves, maintenance supplies and services.

13. Support services: budget and support services plan, if applicable.

14. Community Notification: description of a community notification process and any results at time of application and plans for additional notification activities. Proposal must describe how community issues or concerns raised will be addressed.

15. Consistency with Comprehensive Plan: demonstration for how the project meets the needs, priorities, goals, strategies and outcomes in the San Juan County Comprehensive Plan.

16. Mechanism to maintain affordability: copy of lease or deed restriction.

5. Evaluation Criteria

The following criteria will guide the selection of a preferred developer(s):

Rental and Homeownership Projects Evaluation Criteria: **Page 6**

Preservation Projects Evaluation Criteria: **Page 7**

Rental and Homeownership Projects Evaluation Criteria:

A. Mandatory Application Requirements (MAX POINTS = 0)

Are Administrative Costs 10% (or less) of request?

Is the project proposing an Affordability Period of at least 30 years?

Does the project meet Evergreen Sustainability Standards (ESS) or a sustainability standard that exceeds ESS verified by a third party

All funding requested is for eligible costs

Developer competence demonstrated through performance track record

Does the project meet the standards and goals identified in the NOFA?

B. Capability of the Developer (MAX POINTS =50)

Overall strength and experience of the development team (20 points)

Materials submitted demonstrate financial strength and ability (15 points)

Capacity to take on this project (10 points)

All personal involved with this project clearly identified (5 points)

C. Development Concept (MAX POINTS =50)

Overall concept, site layout and building(s) design (25 points)

Materials submitted demonstrate compatibility with the community goals outlined in the San Juan County Comprehensive Plan (5 points)

Project utilizes renewable energy (5 points)

Project meets or will exceed ADA and Section 504 accessibility requirements (5 points)

Proposed project is sited in an Urban Growth Area (5 points)

Project proposes to use local developer, builders, subcontractors, suppliers and/or workers (5 points)

D. Cost & Readiness to Proceed (MAX POINTS = 30)

Greater than 50 % of capital funds committed (10 points)

Evidence of site control (10 points)

Phase I Site assessment completed (5 points)

Per-square foot and per-unit costs reflect current market trends or below (5 points)

E. Housing Priorities (Choose one) (See Admin Plan or Affordable Housing Strategic Action Plan) (MAX POINTS = 10)

Long-term Rentals; Rent Range \$680 - \$940/month (10 points)

Long-term Rentals; Rent Range \$0 - \$680/month (10 points)

Long-term Rentals; Rent Range \$940 - \$2,000 (10 points)

Short-term, Reduced Amenity Housing; Serving Seasonal Temporary Worker; Rent Range \$400 - \$500/month; (10 points)

Homeownership; Price Range \$80,000 - \$275,000 (10 points)

Housing with Supportive Services (e.g. Transitional or Group Housing) (10 points)

F. Bonus Points (MAX POINTS = 60)

Are County Funds a minority share of the total project cost (<= 49% of overall costs)? (20 points)

Is the project proposing an Affordability Period of 50 years or more? (10 points)

Is the project proposing an Affordability Period of 99 years or more? (10 points)

Provides housing that serves a special population (homeless, seniors, disabled, veterans, youth, domestic violence victims (15 points)

Requires contractors to participate in State-approved apprenticeship or intern programs. (5 points)

Preservation Projects Evaluation Criteria:

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| A. Mandatory Application Requirements (Y or N, MAX POINTS = 0) |
| Are Administrative Costs 10% (or less) of request? |
| Does the project have an existing Affordability restriction? If no, is project proposing a new affordability restriction? |
| Does the project meet Evergreen Sustainability Standards (ESS) or a sustainability standard that exceeds ESS verified by a third party? |
| Relocation Plan (if applicable) detailed in Application? |
| Is all funding requested for eligible costs? |
| Developer competence demonstrated through performance track record? |
| Does the project meet the standards and goals identified in the NOFA? |

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| B. Capability of the Developer (MAX POINTS =50) |
| Overall strength and experience of the development team (20 points) |
| Materials submitted demonstrate financial strength and ability (15 points) |
| Capacity to take on this project (10 points) |
| All personal involved with this project clearly identified (5 points) |

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| C. Preservation Concept (MAX POINTS =60) |
| Overall concept (20 points) |
| Lifespan of affordable housing units increased by thirty or more (>=30) years (10 points) |
| Project incorporates renewable energy (5 points) |
| Project will increase ADA and Section 504 accessibility (10 points) |
| Project proposes to use local developer, builders, subcontractors, suppliers and/or workers (5 points) |
| Project will reduce out of pocket utility costs for residents (10 points) |

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| D. Cost & Readiness to Proceed (MAX POINTS = 40) |
| Greater than 50 % of capital funds committed (20 points) |
| Twenty percent or less (<=20%) of the total requested cost includes materials with a useful life of less than ten (10) years (5 points) |
| Capital Needs Assessment Provided (10 points) |
| Per-unit cost less than \$10,000 (5 points) |

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| E. Housing Priorities (Choose one) (See Admin Plan or Affordable Housing Strategic Action Plan) (MAX POINTS = 10) |
| Long-term Rentals; Rent Range \$680 - \$940/month (10 points) |
| Long-term Rentals; Rent Range \$0 - \$680/month (10 points) |
| Long-term Rentals; Rent Range \$940 - \$2,000 (10 points) |
| Short-term, Reduced Amenity Housing; Serving Seasonal Temporary Worker; Rent Range \$400 - \$500/month; (10 points) |
| Homeownership; Price Range \$80,000 - \$275,000 (10 points) |
| Housing with Supportive Services (e.g. Transitional or Group Housing) (10 points) |

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| F. Bonus Points (MAX POINTS = 40) |
| Project proposing extending Affordability Period 30 years or more? (20 points) |
| Provides housing that serves a special population (homeless, seniors, disabled, veterans, youth, domestic violence victims (15 points) |
| Requires contractors to participate in State-approved apprenticeship or intern programs. (5 points) |

6. Selection Process

Submitted applications will be evaluated in the following manner:

1. County Staff will evaluate responses and prepare initial recommendations based on the merits of the proposed projects, whether the project meets the priorities, goals and strategies of the County's adopted Administrative and Financial Plan, Comprehensive Plan, and whether the response meets the criteria of this NOFA.
2. Housing Advisory Committee (HAC) will review staff reports and present their recommendations to the County Council. On August 12th, applicants will be given an opportunity to present their project to the HAC and answer any questions the HAC may have.
3. County Council will accept or reject the HAC recommendations. The County Council has final decisions-making authority and reserves the right to reject any and all proposals, and/or withdraw or subsequently modify or review the terms contained with this NOFA.

The decision to reserve and allocate funding rests with the San Juan County Council, with advice provided by the Housing Advisory Committee and staff. The Council may choose to not fund any projects this funding round. The County also reserves the right to not allocate all funds being announced in this NOFA. Any uncommitted funds will be reallocated to a future application cycle.

The selection process timeline for this NOFA is outlined in the following tentative schedule. Dates are subject to change.

NOFA Schedule (subject to change)

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Applications are due no later than 5:00PM on August 5, 2020.

Pre-Application Meetings

Applicants are encouraged to schedule a meeting with the County prior to submitting an application for funding. In the meeting, applicants should demonstrate how the proposed project meets the County's goals and priorities. The County will provide feedback as to how the project aligns with available funding and program policies. To arrange a pre-application meeting, please email Ryan Page at ryanp@sanjuanco.com.

7. Submittal Requirements

Please see the application form for full submittal requirements including the application components, assembly, and naming conventions.

The application must be submitted in an electronic format by the application deadline. Applicants must submit all of the application materials electronically on a USB flash drive or CD. Application documents submitted via email or over the internet will not be accepted.

Applications must be mailed or hand delivered to:

San Juan County Health & Community Services
P.O. Box 607
145 Rhone Street
Friday Harbor, WA 98250

Responses must be received by 5:00PM on August 5, 2020. The electronic copy of the responses may be sent by mail or hand delivered; however, if sent by mail, the responsibility of their timely delivery is wholly upon the respondent.

Please note that all proposals are public records and all responses to this NOFA become property of San Juan County.

Questions

Please contact Ryan Page at (360) 370-0590 or email ryanp@sanjuanco.com with any questions about the application process.