



**Thurston Affordable Housing Advisory Board  
October 19, 2023, 3:00-4:30PM  
The Atrium, Room 188  
Agenda**

<https://us06web.zoom.us/j/81624981630>

- 1) Attendance (5 mins)**
- 2) Approve August 17, 2023 Minutes (5 mins)**
- 3) Approve October 19, 2023 Agenda (5 mins)**
- 4) Announcements and Regional Housing Council Update (Presenter: Talauna Reed, 5 mins.)**

Talauna will provide an update on what happened at last RHC meeting.

**5) Business Items**

**5A) Board Membership (Presenters: Talauna Reed and Tom Webster, 10 mins.)**

Both the Affordable Housing Advisory Board and the Homeless Services Advisory Board have open board positions to be filled. The Affordable Housing Advisory Board will discuss the role of the advisory boards in selecting new members. The Homeless Services Advisory Board will discuss the same in the coming months. The boards will then soon put forth to RHC a joint recommendation for filling empty board positions.

**5B) Process for Continued Unexcused Absences of Board Members (Presenter: Talauna Reed, 10 mins.)**

The board will discuss how it wishes to handle unexcused absences of board members. The Homeless Services Advisory Board will discuss the same in the coming months. The boards will then soon put forth to RHC a joint recommendation for how to address unexcused absences.

**5C) Request for Information and Request for Proposals Processes (Presenters: Tom Webster, Jacinda Steltjes & Talauna Reed, 25 mins.)**

The board began discussing the upcoming RFI and RFP processes in July. The discussion will be continued in anticipation of these application processes occurring in February 2024.

Handouts:

EXHIBIT A: TAHAB – RFI Key Questions/Decisions

EXHIBIT B: 2021 Request for Information (RFI): Affordable Housing New Construction and Preservation Funding Schedule 2024

EXHIBIT C: Capital Pipeline Updated 2021

**5D) Out of Cycle Funding Requests (Presenter: Talauna Reed and Tom Steltjes, 15 mins.)**

The board will begin to discuss how it recommends the RHC handle requests for funding that are made outside the annual February RFP funding cycle.

**5E) Schedule of Regular Meetings (Presenter: Talauna Reed, Tom Webster, and Jacinda Steltjes, 5 mins.)**

The board will review and vote upon the proposed schedule of regularly occurring meetings for 2024. The board will also discuss opportunities for meeting with the Homeless Services Advisory Board periodically. Lastly, the board will discuss whether there is a need to reschedule the December 21, 2023 meeting. Action is required on 2024 schedule of regularly occurring meetings.

Handout:

EXHIBIT D: 2024 Regularly Occurring TAHAB Meeting Schedule.

**6) Good of the Order (5 mins.)**

**RHC Affordable Housing Advisory Board**  
**August 17, 2023**  
**Minutes**

**1. CALL TO ORDER – Meeting called to order by Talauna Reed, 3:00**

**1.A ROLL CALL –**

Carly Colgan \_\_\_\_NA\_\_

Charlia Messinger \_\_X\_\_

Craig Chance \_\_\_\_absent\_\_\_\_

David Puszczewicz X

Deb Larson X

Donna Feddern X

Grace Lee \_\_X\_\_

Jessie Simmons \_\_X\_\_

Meg Martin \_\_absent\_\_

Talauna Reed X

Trish Gregory absent

Trudy Soucoup absent

**OTHERS PRESENT –**

Jacinda Steltjes, Olympia TAHAB liaison; Keylee Marineau, Thurston County Homeless Services Advisory Board liaison; Tom Webster, TAHAB liaison (remote)

**2. APPROVAL OF AGENDA**

Approved unanimously

**3. APPROVAL OF MINUTES**

Action: The group reviewed and approved the minutes as presented for June 15, 2023.

Approved x Amended \_\_\_\_\_

Approved unanimously

**4. ANNOUNCEMENTS**

None

**5. BUSINESS ITEMS**

**5A. Summer 2023 Capital Funding RFP Funding Recommendations**

Presenter(s): Jacinda Steltjes, Keylee Marineau (Thurston County), Talauna Reed

Handout(s): Exhibit A: RHC Summer 2023 AH Application Summary and Exhibit B: TAHAB Funding Recommendation Worksheet.

Members discussed their scoring of applications submitted in response to the Summer 2023 Capital Funding RFP and made funding recommendations to be taken to the Regional Housing Council. Exhibit A: RHC Summer 2023 AH Application Summary and Exhibit B: TAHAB Funding Recommendation Worksheet will be used to guide the discussion. Action is required at this time.

Action: The Board made the following funding award recommendations:

Applicant Name	Project Name	Recommended Award
Housing Authority of Thurston County	Sequoia North	\$1,653,745
South Puget Sound Habitat for Humanity	Talcn Townhomes Phase 2	\$504,600
Homes First	Homes Purchase for Affordable Housing	\$300,000
Rochester Organization of Families	Rental Assistance	\$16,000
228 Olympia, LLLP (Interfaith Works & Together We Grow)	228 Olympia	\$2,751,056
Homes First	O'Farrell Senior ADUs	\$225,000
Rebuilding Together Thurston County	Critical Home Rehab Program	\$75,000
<b>TOTAL</b>		<b>\$5,525,401</b>
<b>Available funding to award</b>		<b>\$5,525,401</b>

## 6. GOOD OF THE ORDER

## 6. ADJOURNMENT

5:05

## **EXHIBIT A**

### **TAHAB – RFI Key Questions/Decisions**

#### **Logistics**

1. What is the right time to issue an RFI? (Consider timing for future years as well)
  - a. In February, with RFP
  - b. In Fall 2023
2. What year is the RFI targeting?
  - a. Projects in 2024
  - b. Projects in 2025
  - c. Projects in multiple years
3. How many projects per funding year should be identified for the Pipeline? Consider this answer based on a projection of about \$6 million available, although this amount may fluctuate from year to year.
  - a. 2 projects
  - b. 3 or 4 projects
  - c. Flexible based on # of quality applications
4. Should the RFI require applicants to identify which the state funding that they intend to seek (seek Housing Trust Fund, Low Income Housing Tax Credits (4% or 9%), Apple Health and Home, etc) and limit the number of Pipeline projects per State funding source?
  - a. Max of 1 project per intended funding source
  - b. Max of 2 projects requesting State funding, regardless of source
  - c. No limitations specific to state funding

#### **Content of RFI**

5. Do you want to set any priorities for types of projects placed on the Pipeline
  - a. Target AMI
  - b. Type of housing
  - c. Target population
6. Previous RFI has the following eligibility criteria. Does TAHAB want to change, add or drop any of the following criteria:
  - a. Have completed a minimum of 1 affordable housing project in past 10 years.
  - b. Demonstrate a successful track record of leveraging external funding
  - c. A planned affordable housing project in Thurston County focusing on the population making between 0% - 60% of AMI
  - d. Use funding to develop/support permanent affordable housing (Permanent housing means either ownership or for rental housing the tenant household must be offered at least a one-year lease.)

- e. Demonstrate that upon completion the project will cash flow, covering ongoing operations and maintenance expenses without the need for additional Homeless and Affordable Housing Services funding. Operations and maintenance do not include any services that may be provided to residences in addition to housing.
7. Previous RFI has the following areas of emphasis. Does TAHAB want to change, add or drop any of the following areas of emphasis, which are tied to scoring:
- a. High number of units created or preserved. The higher the number of units a project will produce, the higher the application will score. Projects will be scored 1 point per 1-bedroom unit and 1.25 points per 2+ bedroom units. The total units created will then be rounded up to the nearest whole number for scoring purposes (e.g., a project proposing 10 2-bedroom units will be scored as creating 13 units--  $10 * 1.25 = 12.5$ , which is rounded up to 13 units). Projects that do not provide information on unit size will be scored assuming units are 1-bedroom units.
  - b. Amount of funding leveraged. The higher the amount of outside funding a project will leverage, the higher the application will score.
  - c. Project Feasibility. Projects that can demonstrate a reasonable expectation that full funding and land will be secured within 12 months and construction or preservation will begin within 12 months of an award will score higher than projects which are unable to demonstrate feasibility.

## Exhibit B

# **Thurston County Public Health and Social Services**



## **Request for Information (RFI): Affordable Housing New Construction and Preservation Funding Schedule 2024**

February 2021

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## Overview

Thurston County is requesting information about planned affordable housing projects from qualified agencies. Projects will be reviewed and considered for placement into a 36-month (three (3) year) affordable housing capital projects funding schedule (Pipeline). Through this RFI, Thurston County intends to identify two projects for placement into the Pipeline for year 2024. It's the County's intention to also select a third project that could easily move forward in 2024 if either of the two selected projects were unable to proceed as anticipated.

Thurston County will also select a Community Housing Development Organization (CHDO) project to be placed in the Pipeline for year 2021. Please note that this RFI **will not** be utilized for that process. Designated CHDO organizations seeking placement into the 2021 funding schedule should respond to the [2021 RFP](#).

The Pipeline provides the County with the ability to establish a schedule of planned new construction and preservation projects for affordable housing in the community and provide agencies facilitating these projects with a greater level of financial confidence necessary to move forward in securing other resources. The 36-month funding schedule aims to accomplish the following objectives:

### **Objectives:**

- Prioritize new construction and preservation projects serving households with incomes in the range of 0% - 60% of Area Median Income (AMI);
- Support a collaborative planning process for agencies developing affordable housing in Thurston County;
- Provide agencies with greater financial confidence necessary to identify and leverage additional funding for affordable housing capital projects;
- Provide Thurston County and partner jurisdictions with a schedule of planned projects over 36 months;
- Organize and prioritize capital projects to allow Thurston County and the service system to better align agency capital projects with affordable housing inventory needs.

With input from members of the Housing Action Team, Thurston County has worked to develop Business Rules outlining the purpose of creating the 36-month Affordable Housing Pipeline and process for participation. Agencies submitting a response to this request are encouraged to review these rules for a complete understanding. These rules are available in Appendix B.

Questions regarding this Request for Information and the Business Rules should be directed to: Jacinda Steltjes, [jacinda.steltjes@co.thurston.wa.us](mailto:jacinda.steltjes@co.thurston.wa.us) no later than March 22, 2021. All submission materials must be received by **Friday, April 2, 2021 by 12:00 p.m.** Materials received after this time will not be considered for placement into the Pipeline. Materials should be delivered by e-mail to Jacinda Steltjes at [Jacinda.steltjes@co.thurston.wa.us](mailto:Jacinda.steltjes@co.thurston.wa.us). Applicants will receive an e-mail confirming their submission. Hard copies are not required at this time.

## **Agency Eligibility for Funding Schedule Consideration**

Agencies which wish to be considered as part of the affordable housing pipeline schedule must meet the basic criteria defined by the Washington State Housing Trust Fund Section 105:

### **Section 105 Eligibility Applicant**

Organizations that may receive assistance under this chapter are local governments, local housing authorities, behavioral health organizations established under chapter 71.24, nonprofit community or neighborhood-based organizations, federally recognized Indian tribes in the state of Washington, and regional or state-wide nonprofit housing assistance organizations. Eligibility for assistance under this chapter also requires compliance with the revenue and taxation laws, as applicable to the recipient, at the time the grant is made.

In addition, agencies must meet the following criteria:

1. Have completed a minimum of 1 affordable housing project since 2011.
2. Demonstrate a successful track record of leveraging external funding
3. A planned affordable housing project in Thurston County focusing on the population making between 0% - 60% of AMI
4. Use funding to develop/support permanent affordable housing (Permanent housing means either ownership or for rental housing the tenant household must be offered at least a one-year lease.)
5. Demonstrate that upon completion the project will cash flow, covering ongoing operations and maintenance expenses without the need for additional Homeless and Affordable Housing Services funding. Operations and maintenance do not include any services that may be provided to residences in addition to housing.

Agencies can submit multiple projects for consideration but must complete a separate proposal for each project.

## **Pipeline Priorities**

The Regional Housing Council (RHC), after considering input from the Housing Action Team, have established the following priorities and areas of emphasis for scoring applications. The scoring criteria are provided in Appendix A.

### **Priorities**

Projects that have the following characteristics will be scored higher under the category of “Priority Need for Type of Housing/Population Served” and therefore have a higher probability of receiving placement on the Pipeline. A project that meets a priority is NOT guaranteed placement. Conversely, a project that does not meet a priority, may be selected for placement, although it is unlikely. Highest priorities are of equal importance.

### **Highest Priorities**

- Projects that serve the sub-populations of seniors, youth and young adults, families, single adults or veterans with annual incomes of 60% or less of Area Median Income;
- Projects that create new or preserve existing permanent supporting housing, permanent housing, multi-family rental or home ownership units for literally homeless individuals and families;
- Within Fair Housing regulations, projects that promote Housing First principles and practices;
- Within Fair Housing regulations, projects that promote and incorporate racial equity principles and practices;
- Projects that promote growth of personal and family wealth, such as home ownership programs;

#### Other Priorities

- Projects which illustrate a need to leverage local funds to attract other federal, state, private or foundation funds.

#### Areas of Emphasis

The application scoring criteria reflect new or growing areas of emphasis for Thurston County. Applications that have the following characteristics therefore have a higher probability of scoring high and receiving placement on the Pipeline funding schedule. However, a project that scores high in one or more areas of emphasis is NOT guaranteed placement on the Pipeline.

- High number of units created or preserved. The higher the number of units a project will produce, the higher the application will score. Projects will be scored 1 point per 1-bedroom unit and 1.25 points per 2+ bedroom units. The total units created will then be rounded up to the nearest whole number for scoring purposes (e.g., a project proposing 10 2-bedroom units will be scored as creating 13 units--  $10 * 1.25 = 12.5$ , which is rounded up to 13 units). Projects that do not provide information on unit size will be scored assuming units are 1-bedroom units. See Scoring Criteria for more information.
- Amount of funding leveraged. The higher the amount of outside funding a project will leverage, the higher the application will score.
- Project Feasibility. Projects that can demonstrate a reasonable expectation that full funding and land will be secured by 2024 and construction or preservation will begin within 12 months of an award will score higher than projects which are unable to demonstrate feasibility

#### Response Components

Thurston County is requesting information about planned affordable housing projects for consideration of placement into the Affordable Housing Pipeline. For placement consideration into two, potentially three, vacant 2024 spots on the Pipeline, agencies must submit ALL the following information in the order outlined below. Responses with missing or incomplete information will not be considered for placement.

**I. Agency Information**

- Name of the agency
- Primary contact for agency (Name / Job Title / Email / Phone)

**II. Agency Qualifications**

If the agency will not serve as the developer, answer each question in this Section (Agency Qualifications) for both the proposed developer and the applying agency.

- Statement of agency qualification based on Section 105 of the Washington State Housing Trust Fund.
- Example of at least one existing new construction or preservation project completed since 2011 and providing housing to households with income levels at or below 60% of Area Median income.
- Example of at least one affordable housing project completed since 2011 which was completed by effectively using government funding either independently or as part of a larger funding strategy.
- Statement of agency's ability to produce projects that require no additional funding for ongoing operations and maintenance. Provide at least one example of a such a project completed since 2011.

**III. Project Details**

Use the following template to provide information for the project being proposed. Do not leave any fields blank. Fields correlating with information that is unknown should be completed by writing "to be determined" for the answer.

Project Name	
Provide a brief description of the proposed project	
Provide an estimated timeline for the project. Include the approximate dates the project anticipates receiving other financing awards, date the project will commence, duration of development or preservation period, date of project completion and the anticipated period of time in months between when the project is completed and when it will be fully leased or purchased.	
Location of Project  City (required) Address (if known) Zoning (if available)	

Will the project be undertaken by a Community Housing Development Organization (CHDO)? (yes/no)	
Current status of land  A – Acquired I - Identified but not acquired. (estimate timeframe for acquiring land) U – Unknown (describe plan to identify and acquire land)	
Current status of proposed project  C - Concept D - Design/planning P - Permitting S - Shovel ready O - Other (provide details)	
Primary type of project  M - Multi-Family Rental OH - Oxford Housing P - Permanent Supportive Housing S – Single Room Occupancy SFO - Single Family (Ownership) SFR – Single Family (Rental) O – Other (describe)	
Square footage of property	
Square footage of buildings	
Proposed number of total units	
Estimated breakdown of proposed number of units by bedroom size	
Average development cost per unit	
Total project budget.  Note whether Actual or Estimated.	
Do you have Pro Forma Statements? If so, please provide with submission of proposal.	

<p>Funding Sources.</p> <p>List anticipated funding sources and status of securing funds.</p>	
<p>Target population of project</p> <p>If more than one demographic is selected provide the approximate % of each population the project will serve.</p> <p>C- Chronically homeless  D- Disabled  F- Families  H- First-time homeowner  L- Literally homeless  S- Senior Citizens (Age 62 or older)  SA- Single Adults  V- Veterans  YYA- Youth and Young Adults (Up to age 24)  O- Other</p>	
<p>What percentage of Area Median Income (AMI) will the project target?</p>	
<p>Intent of funding. Select all that apply.</p> <p>B – Bridge (pre construction)  H- Homebuyer Assistance  P – Primary (construction or preservation)  S - Seed  O - other (provide details)</p>	
<p>Services to be made available to target population</p>	
<p>List name of organization that will serve as the developer. Describe organization's experience developing affordable housing that is comparable to the proposed project.</p>	
<p>List name of organization that will own the property after completion. Describe organization's experience managing affordable housing that is comparable to the proposed project.</p>	
<p>List name of organization that will</p>	

operate/manage the property after completion. Describe organization's experience managing affordable housing that is comparable to the proposed project.	
List lead and partner agencies in this project  Briefly describe roles of all parties listed.	

## **RFI Schedule**

RFI key dates:

February 26, 2021	RFI made available
March 3, 2021	Virtual Bidder's Conference, 2pm via Zoom. Registration information is available at: <a href="https://www.co.thurston.wa.us/health/admin/funding/index.html">https://www.co.thurston.wa.us/health/admin/funding/index.html</a>
March 22, 2021	Last day to ask questions to County staff about RFI
April 2, 2021	Deadline for project submission(s) (all material)
May 4, 2021	Project review and scoring completed
May 20, 2021	Regional Housing Council makes funding recommendations
June, 2021	Board of County Commissioners authorizes funding awards and 2024 Affordable Housing Capital Projects Funding Schedule announced

## **RFI Related Questions / Clarifications / Submission**

All **questions** related to this RFI and **final submission materials** should be submitted by e-mail no later than March 22, 2021 and directed to Jacinda Steltjes at [jacinda.steltjes@co.thurston.wa.us](mailto:jacinda.steltjes@co.thurston.wa.us).

## **Liabilities of Thurston County**

This RFI is a request for information about potential affordable housing projects and no contractual obligation on behalf of Thurston County whatsoever shall arise from the RFI process. Projects selected for placement in the funding schedule are subject to all rules and requirements associated with the funding source, which may include but is not limited to, project eligibility, underwriting and subsidy layering, environmental review, market analysis, cost reasonableness, cost allocation, and agency capacity review as well as affordability periods and recapture provisions. Projects placed in the Pipeline will not be awarded funds through a contract until it's demonstrated via a response to an RFP in the year development is anticipated to occur that the project has its financing sources in place and will be underway within 12 months.

This RFI does not commit Thurston County to pay any cost incurred in the preparation or submission of any response to the RFI.

## Appendix A: Scoring Criteria

Thurston County staff will review applications to ensure minimum eligibility requirements are met. This will include a threshold review to ensure applications specify and include the minimum criteria listed under Agency Eligibility for Funding Schedule Consideration. The Thurston Thrives Housing Action Team's Affordable Housing Team (AHT) will review applications and make recommendations to Thurston County's independent review committee who will review and rate applications and provide recommendations to the Regional Housing Council (RHC) Steering Committee. The RHC will make a final determination of projects placed on the funding schedule.

The Regional Housing Council has identified racial equity and the need to address racial disparities in housing as a priority. The Regional Housing Council is carefully contemplating how best to incorporate this priority into its work without causing undue and unintended harm. For this reason, the scoring criteria does not reflect this as a separate priority, but it may be considered while evaluating a project under the "meets priority need" criterion.

Scoring Criteria – Pipeline RFI Responses	Maximum Points
<b>Meets Priority Need for Type of Housing/Population Served.</b> Clearly defined project that will meet stated priority need identified in the RFI for type of housing developed.	30
<b>Number of Units Created or Preserved.</b> Based on total number of actual units to be developed by the project. All units with 1 bedroom will be scored with 1 point. All 2+ bedroom units will be scored at 1.25 points. The total unit score will be the sum of the points associated with 1-bedroom units and those associated with 2+ bedroom units rounded to the nearest whole number and then scored according to the below point distribution. For example, a 10 unit project offering 3 one-bedroom units, 4 two-bedroom units and 3 three-bedroom units would receive a score of 8 points ((3*1= 3 points for 1 bedroom units) + (7*1.25=8.75 points for 2+ bedroom units)= 11.75 units)  12 units would be scored 8 points.  1 unit – 1 point 2 units – 2 points 3 units- 3 points 4 units – 4 points 5-8 units – 6 points 9-14 units – 8 points 15-20 units – 10 points 21-25 units – 12 points 26-35 units – 14 points Over 35 units – 15 points	15



<p><b>Amount of Leverage.</b> Awarded funds represent X percentage of total project costs. (<math>\\$400,000^{\wedge} / \text{total project cost} * 100 = \text{Percentage}</math>)</p> <p>1-10% - 15 points  10.1% - 20% - 12 points  20.1% - 30% - 10 points  30.1% - 40% - 8 points  40.1% - 50% - 6 points  50.1% - 75% - 3 points  75.1 – 99.9% - 1 point  100% - 0 points</p> <p><sup>^</sup>\$400,000 will be used as a default to represent the estimate of the funding award</p>	15
<p><b>Strength of Development Team.</b> Demonstrated experience in developing and operating affordable housing.</p>	15
<p><b>Project Feasibility –</b></p> <ul style="list-style-type: none"> <li>- Reasonableness of financing timeline and expectation to secure full financing by September 2024 (0-5 points)</li> <li>- Reasonableness of development timeline and ability to comply with HOME expenditure deadline – (0-5 points) <ul style="list-style-type: none"> <li>• Expectation to start construction within 12 months of award (by September 2025)</li> <li>• Expectation to complete project within 18 months of award (by March 2027)</li> <li>• Expectation to fully lease up rental units within 6 months of construction completion and sell homeownership units within 9 months of completion.</li> </ul> </li> <li>- Reasonableness of identifying/securing land or property-(0-5 points)</li> </ul>	15
<p><b>Responsiveness of Information:</b> All relevant questions answered and information is complete and responsive to the questions asked and provide a reasonable level of detail.</p>	10
<b>Total Score</b>	<b>100</b>

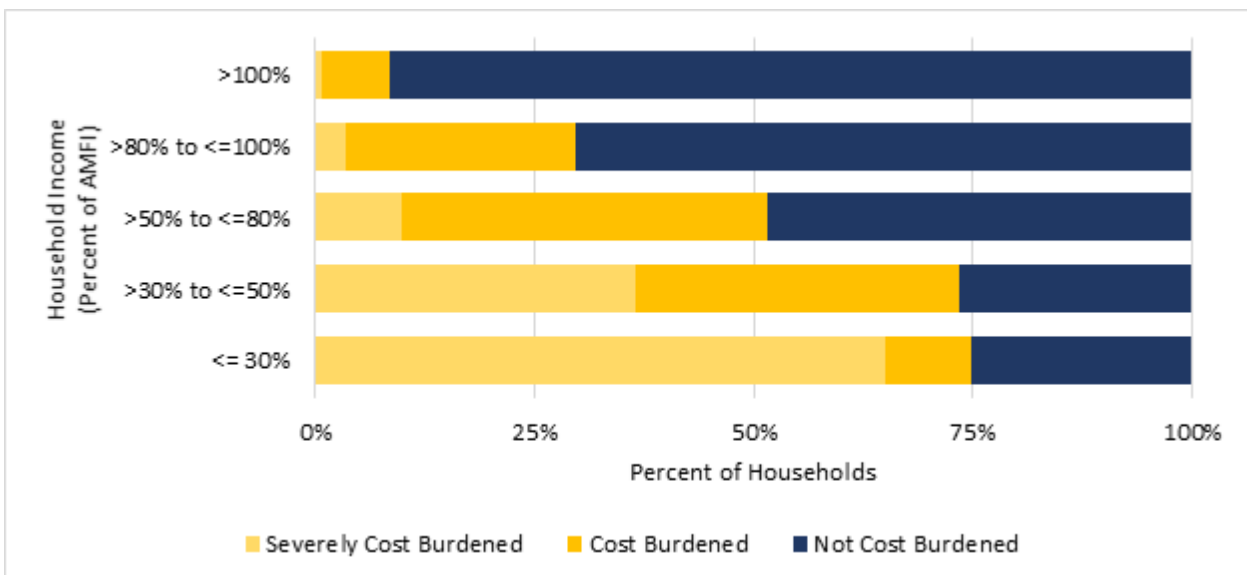
## Appendix B: Thurston County Affordable Housing New Construction and Rehabilitation Business Rules

### Overview

A [Housing Needs Assessment: Lacey, Olympia and Tumwater](#), which was conducted by Thurston Regional Planning Council and published in January 2021, identified that there is a shortage of affordable permanent housing in Thurston County. According to the Needs Assessment, approximately 34,000 housing units will be needed by 2045 to meet the growing needs of the community. Currently, roughly 6,000 households in Lacey, Olympia, and Tumwater are extremely low income – defined as earning less than 30 percent of the area median family income. In contrast, there are only 1,857 units available at below-market rents. Among households who are housed in Thurston County, over 34,000 of them are housing cost burdened<sup>1</sup>. Of these, 13,900 are severely cost burdened, spending more than half of their income on housing expenses<sup>2</sup>.

Figure 7-1 and Table 7-1, produced by Thurston Regional Planning Council and included in the Needs Assessment, illustrate cost burden by household income and by jurisdiction.

Figure 0-1. Cost burdened households in Thurston County, 2012-2016 average



Source: U.S. Dept. of Housing and Urban Development

Note: AMFI is the area median family income

Table 0-1. Cost burdened households by jurisdiction, 2012-2016 average

Percent of Area Median Family Income	Lacey	Olympia	Tumwater	Cities Combined	Thurston County
<=30%	1,375	2,375	1,030	4,780	9,025
>30% to <=50%	1,290	2,185	685	4,160	7,180
>50% to <= 80%	2,135	1,955	620	4,710	8,970
>80% to <= 100%	760	475	1,910	3,145	5,055
More than 100%	735	615	460	1,810	4,420
<b>Total Households</b>	<b>6,295</b>	<b>7,605</b>	<b>4,705</b>	<b>18,605</b>	<b>34,650</b>

Source: U.S. Dept. of Housing and Urban Development

Between 2013-2020, an average investment of roughly \$750,000 dollars annually in Federal HOME and County 2060 funding was allocated to new construction and preservation projects in Thurston County to address the need for affordable housing in the community. This represents about 30% of the annual budget for homeless and affordable housing services and programs in the County. With these funds, agencies were successful in leveraging additional capital to add and renovate approximately 255 units of publicly funded affordable housing inventory since 2009, but the demand still far outweighs the supply.

Local agencies, in collaboration with Thurston County have identified the need to organize capital projects through a 60-month (3 year) funding schedule to accomplish the following objectives:

#### Objectives

- Focus limited resources and prioritize households with income in the range of 0% - 60% of AMI<sup>3</sup> for new construction and rehab projects, and up to 80% of AMI for projects leading to homeownership with provisions to continue affordability in the event of resale.
- Support a collaborative planning process for agencies developing affordable housing in Thurston County
- Provide agencies with lead time to identify and leverage additional funding for affordable housing capital projects
- Provide Thurston County and other local jurisdictions with a schedule of planned projects over 36 months.
- Organize and prioritize capital projects to allow communities in Thurston County and their service systems to better align agency capital projects with affordable housing inventory needs

### **Business Rules**

The following business rules have been identified as elements needing to be defined to maintain transparency, fairness, cooperation and organization within the affordable housing service system and funding schedule.

#### Agency Eligibility for Funding Schedule Consideration

Agencies who wish to be considered as part of the affordable housing capital projects pipeline schedule in Thurston County must meet the criteria defined by the Washington State Housing Trust Fund Section 105:

### Section 105 Eligibility Applicant

Organizations that may receive assistance from the Housing Trust Fund (HTF) under this chapter are local governments, local housing authorities, behavioral health organizations established under chapter 71.24, nonprofit community or neighborhood-based organizations, federally recognized Indian tribes in the state of Washington, and regional or state-wide nonprofit housing assistance organizations. Eligibility for assistance from the HTF under this chapter also requires compliance with the revenue and taxation laws, as applicable to the recipient, at the time the grant is made.

In addition, agencies must meet the following criteria:

1. A minimum of 1 affordable housing project completed since 2011
2. Successful track record of leveraging external funding
3. A planned affordable housing project in Thurston County focusing on the population making between 0% - 60% of AMI. See Income Limits Summary Table below.
4. Demonstration of the future project to be cash-flow positive, covering on-going operations and maintenance expenses without the need for additional Homeless and Affordable Housing Services funding. Operations and Maintenance does not include any services that may be provided to residences in addition to housing.

FY 2020 (effective July 1, 2020)										
Thurston County WA Income Limits Summary Table										
Income Limit Area	Median Income	Income Limit Category	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Thurston County	\$86,700	Extremely Low (30% AMI)	18,200	20,800	23,400	<b>26,200</b>	30,680	35,160	39,640	44,120
		Very Low (50% AMI)	30,350	34,700	39,050	<b>43,350</b>	46,850	50,300	53,800	57,250
		60% AMI	36,420	41,640	46,860	<b>52,020</b>	56,220	60,360	64,560	68,700
		Low (80% AMI)	48,550	55,500	62,450	<b>69,350</b>	74,900	80,450	86,000	91,550
		HUD updates income limits annually. The most up-to-date income limits will apply at the time project is funded. Income limits may be found at <a href="http://www.huduser.org">www.huduser.org</a> .								

Agencies can submit multiple projects for consideration but will receive only one (1) placement in the schedule per year.

### Roll-out

For the 2021 RFI, agencies will have the opportunity to apply for consideration in the Affordable Housing Capital Projects Funding Schedule (Pipeline) to fill a minimum of two and maximum of three positions in the year 2024 funding cycle. Selection priority as established by the Regional Housing Council (RHC), will be given to eligible agencies as described above and based on the projected impact to affordable housing inventory for the target population of households earning 0% - 60% of AMI. The Pipeline RFI will be issued annually to select each succeeding year not already assigned, in the case of 2021, this will be Pipeline positions in 2024.

Once agencies have been selected for participation in the funding cycle, positioning in the cycle will be based on known capital projects already in concept along with qualified CHDO organizations for the CHDO set-aside. Years where there are more than two (2) projects planned, placement will be assigned based on community impact and target population served as determined by the RHC priorities. Selected agencies will also be required to reply to the annual Thurston County Housing Request for Proposals for the year they are positioned in the Pipeline in order to ensure their readiness and their qualification for the funding.

### Annual Funding Availability

Participating agencies will be assigned a position in the project cycle based on their response to the RFI. While this will allow agencies to have confidence to rely on funding for a planned project from the County, there is no guarantee on the amount of funding that will be provided. It is up to each agency to plan their project accordingly. A letter of support detailing the selection and potential availability of funds will be made available to an organization working on an upcoming capital project if necessary and requested.

### Project Flexibility

Once the initial agency placements have been established, it is the responsibility of each agency to manage timelines appropriately. If a project is postponed or cancelled, an alternative project will be selected as follows:

**1<sup>st</sup> Option.** Agencies can substitute or switch places with another project that has a place on the Pipeline schedule. When changing placement on the schedule, consideration will be given to whether the revised placement order will create potentially unfavorable competition for non-local (HTF or LIHTC for example) funding between projects placed on the schedule during the same funding year.

**2<sup>nd</sup> Option.** If no project exists on the schedule that is able or willing to switch places on the schedule, an alternative project may be identified by reviewing the ranking of projects that responded to the most recent RFI, but did not receive a placement on the schedule. Eligible projects will be contacted and given an opportunity to be placed on the schedule, moving from the top-ranked eligible project to the lowest ranked eligible project.

### Project Funding for Non-Participating Agencies

Agencies that are not assigned a position in the funding schedule have the opportunity to participate in the annual Pipeline Committee meeting to apply for funding for affordable housing capital projects during the upcoming un-assigned the funding cycle.

### Community Housing Development Organizations (CHDO)

Partner agencies designated as CHDO agencies will also participate in a funding cycle outside of the larger funding schedule and be allocated designated CHDO funding accordingly. The funding cycle for CHDO agencies will operate under the same guidelines as the larger capital projects schedule. CHDO organizations may also submit projects for consideration in the larger funding schedule.

### County Requirements and Funding Guidelines

Projects placed in the funding schedule must meet all Federal HOME and County guidelines for funding as well strategic initiatives outlined in the [Thurston County Regional Consolidated Plan](#) and the County's 5 Year Homeless Crisis Response Plan. Participating agencies will adhere to all requirements for funding eligibility. As the facilitator and fiduciary of Federal, State and County funds, the County has specific timelines under which it must operate. These timelines vary by funding program and it is the responsibility of the agency awarded funds to adhere to these timelines and to have approved and signed contracts in place with Thurston County accordingly. Projects that do not meet these stated timelines may have funding pulled by the County in order to avoid risk of losing Federal and State awards due to exceeding the distribution window. Effective communication between agencies and the Thurston County Office of Housing and Homeless Prevention will ensure projects meet all timelines for funding allocation.

Here are the existing and available sources of funding for new affordable housing and preservation in Thurston County as of 2020/2021:

**Community Development Block Grants (CDBG)** – These funds are administered by the County but are not awarded through the Regional Housing Council process and therefore are not part of this funding schedule at this time.

**Document Recording Fees (2060 / 2163)** – These funds are collected at the County level. Funding awards from 2060 are explicitly allocated to affordable housing capital construction projects serving households at or below 50% AMI. Funding awards from 2163 can be allocated to affordable housing capital construction projects in accordance with the strategy outlined in the County's 5 Year Homeless Crisis Response Plan.

**HOME Investment Partnership Program** – These funds are awarded by HUD and administered by the County. HOME funds require a project to be fully complete and occupied within 5 years of the HOME award to the County. Funding can go toward a broad range of eligible activities, including existing home purchases and rehabilitation, new construction and site acquisition, or to provide tenant-based rental assistance contracts of up to 2 years. Eligible activities must be identified in the Thurston County Consolidated Plan and in accordance with local market conditions.

**HOME CHDO** – At least 15 percent of HOME Investment Partnerships Program (HOME) funds must be set aside for specific activities to be undertaken by a special type of nonprofit called a Community Housing Development Organization (CHDO).

Thurston County and HOME Program Compliance Requirements Combined resources will be released in a single Request for Proposals asking the community to respond with programming that reaches the Thurston Thrives goals. Projects placed in the funding schedule must still submit a formal proposal to the County for final review and funding approval. Additionally, projects placed in the pipeline and ultimately funded must comply with the following HOME guidelines:

1. Agency Requirements
  - a. Identify a specific project
  - b. Demonstrate Experience and Developer Capacity
  - c. Provide a Market Assessment showing a demand for the type and # of units
2. At 12 months from the date of grant award by HUD to the County, agency awarded funding must:
  - a. Identify, secure and document all funding sources for all phases of the project
  - b. Develop a 12-month timeline to begin construction
  - c. A four (4) year timeline for completion of all phases of development requirements. The project must be completed within five (5) years from the County Grant Award from HUD.
  - d. Provide a Final budget for all phases (pre-development, acquisition, construction, permanent)
3. After completion of A. (1-3) and B. (1-4) the following must be completed before a written agreement (Contract) committing HOME funds is executed.
  - a. Cost Reasonableness Determination by third party or county.
  - b. Underwriting and Subsidy Layering review completed by County
  - c. Environmental Review completed by County or Consultant

Notes:

- An Agency receiving funding that does not complete steps A. (1-3) and B. (1-4) by the designated 12-month period may have their project pulled from the Pipeline by Thurston County. An alternative project selected to replace the non-complying project in the Pipeline will be identified by the County in accordance with procedures presented in this document.
- Agencies cannot acquire property or make other “choice limiting actions” prior to a grant award from HUD to the County, the completion of a HUD compliant Environmental Review and the completion of a written agreement (contract with the county) **regardless** of funding source used.
- HOME funds not under contract within 24 months from Grant Award Date may be lost to the county and not returned. Grant Awards to the county by HUD are generally issued in September each year.
- Other federal requirements may apply including but not limited to Davis Bacon Act, procurement regulations, Uniform Relocation Act, Affirmatively Furthering Fair Housing Requirements, Consistency with HUD Consolidated Plan and local regulations as required.

- If the project is not completed within 5 years of the Grant Award Date, all HOME funds must be repaid to HUD.

#### Current Funding Cycle

2019	2020	2021	2022	2023	2024
LIHI - Martin Way Phase 1	SPS Habitat for Humanity-Deyoe Vista VI	FFC Home XII	HATC – Olympia Crest III	HATC – Sequoia Landing	OPEN- Will be filled via 2021 RFI
Family Support Center - Pear Blossom 2	LIHI- Fleetwood Apartments	OPEN – Scheduled project is unable to proceed. Will be filled via 2021 RFP	LIHI – Martin Way Phase II	SPS Habitat for Humanity-Yelm Longmire	OPEN- Will be filled via 2021 RFI
CHDO -LIHI – Martin Way Phase I	Homes First-Affordable Rental Housing	OPEN- will be filled via 2021 RFP	OPEN- will be filled via 2022 RFP	OPEN- will be filled via 2023 RFP	OPEN- will be filled via 2024 RFP

#### Footnotes:

<sup>1</sup> Cost burdened is defined as a household paying more than 30% of gross wages toward housing costs. Extremely cost burdened is defined as households paying more than 50% of gross wages toward housing costs.

<sup>2</sup> Data originates from the Housing Needs Assessment: Lacey, Olympia and Tumwater. Full assessment can be found at [Housing Needs Assessment: Lacey, Olympia and Tumwater](#)

<sup>3</sup> Area Median Family Income generally refers to the annual income earned by a household of 4 that represents the middle-income level of all households in the area (Thurston County in this case). Income limits are the benchmarks established by the U.S. Department of Housing and Urban Development (HUD) that set the income thresholds households must not exceed in order to qualify for HUD-assisted housing.



# Exhibit C: Capital Pipeline Updated 2021

Project Name	Agency	Pipeline Year	City	Type of Project	Total Units	# Units for Target Population	Cost per Unit	Total Budget	Target Population	Funding Use
IN PROGRESS										
Martin Way, Phase 1	LIHI	2019	Olympia	Multi family	60	60	\$275,658	\$16,539,500	Homeless Families with Children, Homeless Adults, Homeless Vets, Disabled, WFH Families and Singles	Predevelopment/ Acquisition/ construction
Pear Blossom Place (PSH)	FSC	2019	Olympia	Multi Family	44	44	\$177,591	\$10,655,479	Homeless Families with Children PSH	Construction
SPS Deyoe Vista Phase VI	SPS Habitat	2020	Lacey	Single Family Own	8	8	\$189,500	\$1,516,000	Disabled, Mentally Ill, WFH Families and Singles, Disabled Vets	Construction
Fleetwood Apartments	LIHI	2020	Olympia	Multi family	43	43	\$34,247	\$1,472,645	Singles, including seniors	Preservation
UPCOMING YEARS										
Martin Way, Phase 2	LIHI	2021	Olympia	Multi family	64	63	\$300,255	\$19,216,306	Senior Citizens	Construction/Soft Costs
Pear Blossom Place (PSH)	FSC	2021	Olympia	Multi family	62	62	\$366,763	\$22,739,345	Homeless Families with Children PSH	Construction
Tumwater Townhomes, Phase 1	SPS Habitat	2021	Tumwater	Single family ownership	14	14	\$127,857	\$1,790,000	First-time homebuyers	Construction
Affordable Home Solar	Homes First	2021	County	Single family rental	6	6	\$12,482	\$74,893	Singles and families	Construction
FFC Homes XII	FFC	2021	Oly/Lacey	Single Family Rental/PSH	3	3	\$156,000	\$468,000	Mentally Disabled	Acquisition
Olympia Crest Phase III	HATC	2022	Olympia	Multi Family	24	15	\$264,325	\$6,343,820	Low income households	Construction
Sequoia Landing	HATC	2023	Tumwater	Multi family	8	8	\$247,070	\$1,976,563	WFH	Construction
Yelm Longmire	SPS Habitat	2023	Yelm	Single Family Home Ownership	8	8	\$201,184	\$1,609,472	WFH Families and Singles, Disabled Vets	Construction
Homann Drive	SPS Habitat	2024	Lacey	Single Family Home Ownership	8	8	\$261,625	\$2,093,000	Senior Citizens	Construction

Current as of August 23, 2021

Jacinda Steltjes

Thurston County Office of Housing & Homeless Prevention

360-490-2626

[jacinda.steltjes@co.thurston.wa.us](mailto:jacinda.steltjes@co.thurston.wa.us)

EXHIBIT D:  
2024 Regularly Occurring Thurston Affordable Housing Advisory Board Meeting Schedule

January 18, 2024  
February 15, 2024  
March 21, 2024  
April 18, 2024  
May 16, 2024  
June 20, 2024  
July 18, 2024  
August 15, 2024  
September 19, 2024  
October 17, 2024  
November 21, 2024  
December 19, 2024