



Request for Proposals (RFP)

Housing Stability Program, 2024

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

Total Funding Available: Up To \$10 million

Responses Due: September 10, 2024

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Introduction

The Housing Stability Program (HSP) invests capital funding into targeted affordable and supportive housing developments in Bellevue that serve the city's most vulnerable residents and funds services critical for stable living. The 2024 RFP for the Housing Stability Program makes up to \$10 million available from sales tax revenue authorized under RCW 82.14.530 and approved by Bellevue City Council. Applicants can request funding for capital investment and/or for building-related operations, maintenance and services (OMS) in the City of Bellevue. Council direction has 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.

Bellevue is a member of A Regional Coalition for Housing (ARCH), which administers the 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

Approximately \$10 million in capital and operating, maintenance and supportive services (OMS) funding is available through the Housing Stability Program in 2024. The total amount awarded is subject to council approval.

To best leverage City's resources, applicants are encouraged to consider additional funding opportunities from other competitive programs, including the ARCH Housing Trust Fund, King County, Washington State Housing Trust Fund, Low Income Housing Tax Credit (LIHTC) Programs, and other funding sources.

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

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

Eligible projects may request up to \$13,506 per unit, per year in 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.

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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 (eligible populations described below)

Beyond the priorities as outlined above, funding is eligible to support projects serving a wider range and mix of households earning up to 60% of the area median income. Funding under this RFP may be utilized in conjunction with other more flexible funding sources that can target non-HSP-eligible 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. HSP-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

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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.

Schedule

The following schedule is anticipated for this RFP:

June 21, 2024	Application package available
No later than August 23, 2024	Pre-application Conference, see below*
September 10, 2024	Applications due to ARCH by 12:00 pm
December 2024	Staff recommendation
First Quarter 2024	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 23, 2024. First-time applicants will benefit from meeting early and often with ARCH. Applicants should be prepared to provide a project description identifying:

- Population(s) to be served
- Approximate number of units
- Unit income and affordability
- Type of construction (rehab or new)
- Neighborhood issues

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- Whether relocation or displacement will be required (please see local ordinance and guidance on Bellevue relocation and displacement requirements, [Bellevue City Code Chapter 9.21 Relocation Assistance](#))
- 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 should indicate interest in OMS when scheduling so preapplication meetings can include Bellevue Human Services staff for the pre-application meeting. To schedule a pre-application meeting please contact Patrick Tippy, ptippy@bellevuewa.gov.

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

Funding Terms and Conditions

Consistent with past practice in funding projects through the ARCH Housing 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. Most common loan terms are A) interest only loans, B) interest only loans with an initial deferral period, and C) deferred loan until note maturity. ARCH will evaluate the proposed terms, and Cities will make the final determination of which form of assistance will be offered to successful applicants. Loans will be offered whenever feasible without sacrificing initial or long-term affordability. Loan applicants will not receive priority over grant applicants.

Projects must generally commit to providing long-term affordability in the form of a 55-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.

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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.

Standard Award Terms and Reporting Requirements

Exhibit A of the document outlines the City of Bellevue Standard Award Conditions. All awarded applicants will contract using the Standard Award Conditions in addition to any “Special Conditions” included in the award letter. Collectively, the Standard Award and Special Conditions are approved by the Bellevue City Council. Applicants seeking deviations from these conditions should request a variance as part of their response on the 2024 ARCH Application Addendum.

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.

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 the [ARCH website](#).

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

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Housing Finance Commission (WSHFC). ARCH also requires a copy of any supplemental application materials submitted to other funders.

Applicants wishing to apply for an OMS award should also complete the **Supplemental Application Form** or OMS funding in **Appendix A** and **B**, which are similar to applications for the Share One Human Services Funding Collaborative.

Applicants seeking OMS funding will be asked to propose and define Outcome Measures for Services Funding. Final Outcome Measures used for the project contract will be jointly written and approved by applicant and City staff. Outcome Measures should reflect how the unique services you provide improve the lives of your clients. As you prepare your outcomes, start thinking about what impacts of your services you are most proud of.

Outcomes should measure the percentage of people you serve who experience a desired improvement. This should be based on data, not anecdotal evidence or guesses. Outcomes measure the quality of your programs and services, not the quantity of services delivered.

Questions? Watch this [5-minute video tutorial](#) and/or contact city staff.

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 12 PM Pacific time on September 10, 2024**. 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: 2024 - HSP OMS Application Workbook, if applying for OMS funding

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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 and 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 ARCH review and recommendation process. Applicants will be provided with an opportunity to review and comment on proposed funding conditions.

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.

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 82.14.530, 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

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- **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

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Exhibit A: Standard Conditions

Standard Conditions (Applicable to projects receiving capital awards)

1. The project must serve the target population and income levels required by the funding source, the sales and use tax for housing and related services authorized by RCW 82.14.530.
2. Agency shall provide revised development and operating budgets based upon actual funding commitments, which must be approved by ARCH staff. If the Agency is unable to adhere to the budgets, ARCH must be immediately notified and (a) new budget(s) shall be submitted by the Agency for ARCH's approval. ARCH shall not unreasonably withhold its approval to (a) revised budget(s), so long as such new budget(s) does not materially adversely change the Project. This shall be a continuing obligation of the Agency. Failure to adhere to the budgets, either original or as amended may result in withdrawal of ARCH's commitment of funds.
3. Agency shall submit evidence of funding commitments from all proposed sources. In the event commitment of funds identified in the application cannot be secured in the timeframe identified in the application, the Agency shall immediately notify ARCH, and describe the actions it will undertake to secure alternative funding and the timing of those actions subject to ARCH review and approval.
4. In the event federal funds are used, and to the extent applicable, federal guidelines must be met, including but not limited to the following: contractor solicitation, bidding, and selection; wage rates; and Endangered Species Act (ESA) requirements. CDBG funds may not be used to refinance acquisition costs.
5. Agency shall maintain documentation of any necessary land use approvals and permits required by the city in which the project is located.
6. Agency shall submit quarterly monitoring reports through completion of the project, and annually thereafter, and shall submit a final budget upon project completion. If applicable, Agency shall submit initial tenant information as required by ARCH.
7. Agency shall maintain the project in good and habitable condition for the duration of the period of affordability.
8. Bellevue, through its Administering Agency, may negotiate, approve, execute, and record amendments or releases of any Bellevue loan documents as may be needed for the project; provided the project still provides the anticipated affordable housing and there is sufficient collateral to secure the members' financial investment, all as determined by ARCH staff.
9. The net developer fee shall be established at the time of finalizing the Contract Budget and will follow the ARCH Net Developer Fee Schedule. Net developer fee is defined as that portion of the developer fee paid out of capital funding sources and does not include the deferred portion which is paid out of cash flow from operations after being placed in service.
10. A covenant is recorded ensuring affordability for at least 55 years, with size and affordability distribution per the following table. ** Changes may be considered based on reasonable

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justification as approved by ARCH (e.g., accommodating income averaging across the units within the project).

11. Agency must submit for ARCH staff approval a management, affirmative marketing, and services plan.

** Table to be created based on the application materials outlining number of units, unit sizes, and affordability levels.

Standard OMS Award Conditions (Apply to all projects receiving OMS awards):

1. The project must serve the target population and income levels required by the funding source, the sales and use tax for housing and related services authorized by RCW 82.14.530.
2. Funds shall be contracted for an initial 5-year term, and may be renewed in the future for additional 5-year increments, or other mutually agreeable term, subject to approval by the City Manager or his/her designee.
3. An annual inflation factor shall be allowed based on annual guidance provided by the City's Finance and Asset Management Department.
4. Agency shall inform ARCH and Human Services staff if there are changes to funding commitments that jeopardize operations and services that were reflected in the funding application.
5. Contract conditions shall generally be consistent with City of Bellevue Human Services standard contracts.

Sponsor Acknowledgement

PROJECT NAME: _____

I, the Undersigned, hereby represent and certify that the Project will meet the Standard Conditions. I certify that I have the requisite authority to execute this certification.

DATED _____ this day of , _____.

Name of entity or individual submitting this certification:

By (sign): _____

Its: _____

Name (print): _____