

Questions and Answers regarding 2022 City of Tacoma/TCRA Affordable Housing NOFA

Questions were due by: 5/11 to cedhousingdivision@cityoftacoma.org Q&A posted online on 5/25.

https://www.cityoftacoma.org/government/city_departments/community_and_economic_development/housing_division/funding_opportunities_requests_for_proposals

- 1) Q. What are the AMI income limits for Affordable Housing Fund resources?
A. 60% AMI

- 2) Q. Are funds being made available for rehabilitation of existing affordable housing?
A. Not at this time.

- 3) Q. Are CDBG funds being made available for childcare programs?
A. Not at this time.

- 4) Q. What can first time homebuyer support be used for?
A. Typically, downpayment or closing cost assistance for income eligible households.

- 5) Q. Can you list the Community Development Block Grant (CDBG) Program's National Objectives?

A. The authorizing statute of the CDBG program requires that each activity funded, except for program administration and planning activities, must meet one of three national objectives. The three national objectives are:
 - Benefit to low- and moderate- income (LMI) persons;
 - Aid in the prevention or elimination of slums or blight; and
 - Meet a need having a particular urgency (referred to as urgent need).

- 6) Q. If HOME funds are being used for downpayment assistance and construction subsidy as a part of homeownership financing, what is the required ratio between the two uses?

A. In order for any HOME funded developer subsidy to be passed through as homeownership assistance for purchase of a newly constructed home, a portion of the HOME funds must be used for construction costs. There is no required ratio for the down payment assistance amount vs. amount used on construction.

- 7) Q. If we are applying for multiple funding sources, is it all within one application?
A. Yes. There is a place to indicate which sources you are requesting. Staff will determine which sources are best suited to your project if it is to be funded.

- 8) Q. Is permanent supportive housing the only type of affordable housing that can be funded by this NOFA?

- A. No, the following types of affordable housing are eligible uses for each of the sources listed below:

HOME Investment Partnership Program (HOME)

- Construction or acquisition of affordable rental or homeownership housing (up to 80% AMI)
- Downpayment assistance (up to 80% AMI)

Local Affordable Housing Fund (HB 1406 funds)

- Construction or acquisition of affordable multifamily rental housing (up to 60% AMI)

Local Affordable Housing Fund (HB 1590 funds)

- Construction or acquisition of permanent supportive housing provided to persons within any of the following population groups whose income does not exceed 60% of area median income:
 - 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

Community Development Block Grant (CDBG)

Any housing type listed for HOME, HB 1460 or HB 1590, but limited to housing related infrastructure that falls within CDBG eligible activities.

- 9) Q. If local Affordable Housing funds are used, does the entire project need to be permanent supportive housing? Can there be units in the project that are not subsidized by local funds?
- A. No, all units do not need to be permanent supportive housing. A proportionate share of units will be designated based on funding level.
- 10) Q. What level of detail are needed in plans submitted as part of the application?
- A. Preliminary site plans and renderings are sufficient. If the project is awarded funds, more detailed plans will be required before contracting.
- 11) Q. Is there a limitation on how recent 3rd party reports are? I am referring more specifically to the Phase I ESA and survey.
- A. Phase 1 ESA is good as long as site conditions haven't changed but we reserve the right to request an updated one. If you have questions about other documents please specify which.

12) Q. We are considering applying for funds to remodel rental properties. Our tenants would be income eligible and we do not charge market rate rents. Would such a project meet the threshold for the CHDO program? How long does this process take and will this preclude us from moving forward in the application process?

A. HOME CHDO funds comprise just a small portion of all funds available through the NOFA. A developer/owner does not need to be a CHDO to apply for any of the non-CHDO funds available through the NOFA, however, CHDO funds are the only funds which rehabilitation is an eligible use under this NOFA. In order to receive HOME CHDO funds, there are specific criteria that would first need to be met for the development sponsor organization to qualify as a CHDO. These requirements are outlined in the CHDO application documents.

The CHDO certification is completed at the same time the funding application is being reviewed.

Note that for a project to receive any of the funding sources available through the NOFA, the owner/sponsor would be required to comply with HUD rent and income limits for a minimum of a 40 year affordability period. The affordability period would be established through an agreement with the Tacoma Community Redevelopment Authority (TCRA) and monitored by TCRA staff throughout the term of the agreement.