



Grays Harbor County Affordable Housing Capital Projects: New Construction and Rehab Funding Schedule 2021 - 2023

Overview

In an effort to organize limited funding as effectively as possible to increase affordable housing in our community, Grays Harbor County is requesting information from qualified agencies for consideration in a thirty six (36) month, three (3) year affordable housing capital projects funding schedule (pipeline). The County reserves the right to request that Applicants submit additional information as may be requested by staff to clarify submitted information. Also, the County reserves the right to suspend, amend, or modify the provisions of this RFI, to reject all proposals, to negotiate modifications of proposals.

This pipeline will provide the County with the ability to see a schedule of planned new and rehab construction projects for affordable housing in the community, and provide agencies facilitating these projects with a greater level of confidence to move forward in securing the necessary resources. The 36-month funding schedule aims to accomplish the following objectives:

Objectives:

- Focus limited resources on households with income in the range of 0% - 50% of Area Median Income for new construction and rehab projects
 - Priority will be given to projects that serve households with 0-30% of AMI
- Support a collaborative planning process for agencies developing affordable housing in Grays Harbor County
- Provide agencies with lead time to identify and leverage additional funding for affordable housing capital projects
- Provide Grays Harbor County and jurisdictions with a schedule of planned projects over 36 months
- Organize and prioritize capital projects to allow Grays Harbor County and the service system 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 schedule 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 department 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 department under this chapter also requires compliance with the revenue and taxation laws, as application to the recipient, at the time the grant is made.

In addition agencies must meet the following criteria for consideration:

1. Applicant must have demonstrated experience with successful residential/commercial projects
2. Successful track record of leveraging external funding that minimizes the County's contribution of local funds
3. A planned affordable housing project in Grays Harbor County focusing on the population making between 0% - 50% of AMI
4. Projects shall be consistent with the goals and objectives of the County's Five Year Plan to Address Unmet Housing Needs.
5. 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.

Agencies can submit multiple projects for consideration but will receive only 1 placement in the schedule. Exceptions will be made if there are not enough projects submitted from multiple agencies to build a complete 36 month schedule. Projects not included in the 36 month capital projects schedule can be submitted for funding consideration during the designated OPEN funding window of the capital projects cycle (see below). In addition, projects initially not placed in the funding schedule can resubmit for funding during the OPEN window of the schedule.

Insurance Requirements

Selected applicants for the funding schedule will be required to comply with the County's insurance requirements, summarized as follows:

- Applicant has or will obtain General Liability Insurance with limits not less than \$1,000,000 per occurrence, \$2,000,000 General Aggregate
- Applicant shall maintain automobile insurance in an amount not less than \$1,000,000 combined single limit for each accident.
- Workers' Compensation insurance coverage shall be maintained as required by the State of Washington
- Professional liability insurance "claims made" coverage shall be maintained to cover damages that may be the result of errors, omissions, or negligent acts of Contractor in an amount not less than \$1,000,000 per claim
- Property insurance, including during the course of construction builder's risk insurance, covering the development, covering all risks of loss, excluding earthquake, for one hundred (100%) of replacement value
- All entities working on the development must maintain all required insurance in an amount not less than \$1,000,000
- All policies, both during construction and after completion must name the County as an additional insured and provide appropriate endorsements

Profile of Affordable Housing Needs

The 2019 ["Grays Harbor County Plan to Address Unmet Housing Needs"](#) identified, described, and quantified the needs for affordable housing for various populations. The included and referenced "Who Needs Affordable Housing" report is included in Appendix C. This profile may inform applicant project design and considerations.

Sites Available for the Development of Affordable Housing

There are several resources available to applicants or potential applicants that may be useful in identifying possible affordable housing construction and/or rehabilitation sites* (The following documents will be available at <https://www.healthygh.org/directory/housing>) :

- Grays Harbor County Vacant¹ Parcel Inventory
 - PDF File
 - CVS/Excel File
- Washington State Department of Commerce has published a “Surplus Property suitable for Affordable Housing” report that lists several properties in Grays Harbor County. Projects that use properties on this list may receive additional points on state funding applications like CDBG, HTF, and Tax Credits
- List of Tax Auction Properties
 - Grays Harbor County owned/managed
 - “Over the Counter for Sale”:
 - http://cms5.revize.com/revize/graysharborcounty/Forestry/2020%20Available%20Parcels_OTC.pdf
 - Master Tax Title properties list:
 - http://cms5.revize.com/revize/graysharborcounty/Forestry/Surplus%20Properties%20Available%20for%20Purchase_2020.pdf
 - Questions/more information contact Francine Smith, Tax Title Coordinator at fsmith@co.grays-harbor.wa.us or 360-249-5071

For individual City-owned/managed tax title properties contact the City’s Community Development staff for more information.

**These tools and resources are purely informational and do not propose affordable housing development on any specific, individual sites. Other considerations may be needed to evaluate feasibility and fit of all sites identified through these tools.*

Initial Roll-out

Beginning in 2020, agencies have the opportunity to apply for consideration in the Affordable Housing Capital Projects Funding Schedule each spring. Selection priority 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% - 50% of AMI. The initial cycle began in 2020 and assigned funding years to agencies through the 2022 funding cycle.

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. Years where there are more than 2 projects planned will be assigned based on community impact and target population served.

Review of Applications & Project Selection Process

- County staff will review all submitted proposals to confirm they have met threshold criteria
- Public Health staff will facilitate a discussion with applicants who appear to meet threshold criteria and other stakeholders from the Affordable Housing Committee that will review all proposals that meet the threshold criteria using project information framework outlined in RFI to outline a reasonable 36 month project schedule
- Public Health may request presentations or seek further information from applicants to get additional contextual information or answer questions that emerge from review
- PHSS review recommendations and submit final recommendation on result of RFI process to Board of County Commissioners for review and approval
- Apparently successful applicants will work with PHSS to draft and finalize a project schedule to be monitored by Public Health staff

Annual Funding Availability

¹ Vacant is defined as “Grays Harbor County has not assigned a building value”.

Participating agencies will be assigned a designated position in the project cycle. 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.

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, agencies can substitute another project that meets additional criteria #3 and #4 above. If no project exists, then agencies have the ability to work together to swap positions with final approval from the Board of County Commissioners). These adjustments are specific only to the agencies making changes and do not affect the cycle as a whole.

Phased projects

Agencies managing projects with implementation phases across multiple years have the flexibility to swap their future positions in the cycle to stack funding in successive years. This allows for larger scale projects to be budgeted across multiple years rather than needing to ask for unrealistic funding requests in a single funding cycle.

For example:

Agency 3 has a planned project to bring 50 units of affordable housing to the market beginning in 2020. The project will be implemented in 2 phases over 36 months. However, Agency 3 will not have another “guaranteed” position in the funding cycle until 2022. Knowing this, Agency 3 can work with agencies who have placement in year 2021 to swap their slot in 2022. This will position Agency 3 to have successive years of funding and a stronger ability to leverage funds to bring the complete project to fruition.

Additionally, if the funding source allows, the agency can elect to stretch out the allocation awarded in the scheduled year across multiple years to effectively manage a phased project.

For example:

Agency 3 has a planned project to bring 50 units of affordable housing to the market beginning in 2020. The project will be implemented in 2 phases over 36 months. With the funding received in 2020, Agency 3 will be able to draw on those funds over success years rather than in a single lump sum in the first year. This will position Agency 3 to have successive years of funding and a stronger ability to leverage funds during each phase to bring the complete project to fruition.

Project Prioritization

In accordance with the County’s 5 Year Plan to Address Unmet Housing Needs, agencies with upcoming funding are required to map capital projects to identified and prioritized community housing needs. These needs will be identified through collaborative community data, facilitated by County Public Health. Agencies that do not have a capital project identified that aligns with inventory priority are encouraged to swap for a later year or convert their spot to an open funding position if capital projects exist that address priority inventory.

Project Funding for Non Participating Agencies

Agencies that are not assigned a position in the funding schedule have the opportunity to apply for funding for affordable housing capital projects during the designated OPEN position in the funding cycle.

Expediting Projects

Capital projects of participating agencies that have the opportunity to accelerate construction due to securing additional funding partners must work with agencies currently slotted for funding to swap positions. In the event that agencies are unable to come to an agreement on positioning, and the accelerated project addresses priority inventory and with potentially greater impact, then the projects will be reviewed by Public Health staff with input from the Affordable Housing Committee with a recommendation made as to which project to allocate funding to in that slot. In the event that Public Health staff and Affordable Housing Committee recommends swapping projects, the project being removed will take the position previously held by the alternate project.

Sample 36 Month Funding Cycle
6 Project Slots and 2 Open

2020	2021	2022
Project 1	Project 3	Project 5
Project 2	OPEN	OPEN