

## **Amani Home Project Funding Conditions**

### **Special Conditions:**

#### **I. Prior to contracting**

- a. The City's allocation of capital funding to this Project shall continue for twenty-four (24) months from the date of Council approval of the Funding Resolution for Project and shall expire thereafter if all conditions in the Funding Resolution are not satisfied unless an extension is approved by designated City staff/City's designee. To be timely, a request for extension of the expiration date of the funding allocation must be submitted to the attention of designated City staff no later than sixty (60) days prior to the expiration date. A request for extension must be accompanied by a report on progress to date and expected schedule for closing on the acquisition of the house/building, completion of any appropriate rehabilitation or remodeling work, marketing, and opening of the house/building to occupancy. Up to a twelve-month extension of the expiration date of the funding allocation may be approved by designated City staff provided there is a finding of meaningful progress. At a minimum, to be granted an extension Congolese Integration Network (CIN) must demonstrate that all capital funding has been secured or is likely to be secured within a reasonable timeframe.
- b. CIN must work with a development consultant or demonstrate similar staff experience and capacity to (1) identify appropriate real property improved with a single family house or building with at least five bedrooms or dwelling units sufficient to accommodate five households, (2) perform appropriate due diligence on real property/site, and (3) contract with public funders for capital awards sufficient to complete the proposed project based on the specific conditions of the identified site.
- c. In selecting the real property to be acquired with City funds, CIN should consider a site large enough to make it possible in the future to partner with developers to maximize the number of dwelling units on the site and benefit from future implementation of HB 1110. This condition is not to be construed as a requirement for CIN to provide additional dwelling units on the site beyond the minimum five bedrooms in the single family house contemplated to be acquired with City funds. This condition is intended only to encourage potential partnerships that could lead to additional dwelling units in the future.
- d. Full appraisal supporting proposed purchase price.

#### **II. Through the construction period**

- a. None

#### **III. Ongoing requirements through the 55-year term of affordable housing covenant**

- a. Rental housing units funded by the Housing Stability Program must serve target populations identified at the King County area median income levels identified

below, consistent with City Council priorities reflected in City policies and the Funding Resolution.

- b. At least five rental units reserved for persons experiencing homelessness at or below 30 percent AMI.
- c. Rental housing units funded by HSP must be reserved for qualified households that meet not only income eligibility requirements but also have a household member who falls within the target population eligibility requirement.
- d. Agency must not charge rents that would be more than 30 percent of the monthly median income imputed to an eligible tenant household in the Seattle-Bellevue, WA HUD Metro FMR Area. Rent limits must be based on the imputed tenant incomes as adjusted for presumed household size and as published annually by HUD for the applicable area median income level. For HSP-funded rental units in this Project, the applicable AMI would be 30 percent AMI.
- e. The maximum rent can be adjusted no more than once every twelve (12) months.
- f. Tenant households whose income, after initial occupancy, exceeds 60 percent AMI will be deemed Over Income Tenants. The occupation of HSP-funded rental units by Over Income Tenants who pay rents affordable to 30 percent AMI households may be allowed by Agency if the Project has secured other sources of funding that are governed by laws or regulations that prohibit eviction or nonrenewal of a lease of Over-Income Tenants. Even in such cases, if an Over-Income Tenant can be evicted or the lease not renewed for good cause, the Agency must make a good faith effort to restore the units funded by HSP for the target population and the AMI level that are the intended beneficiaries of HSP funding. To the extent not otherwise in conflict with laws and regulations applicable to other sources of Project financing, Agency will either not renew the lease of Over Income Tenants or adjust the rent to be paid by the Over Income Tenant to 30 percent of actual income of the Over Income Tenant's household.
- g. Once the real property is acquired with City funds, any voluntary future sale or other transfer of ownership of such real property will be subject to the City's prior written consent. The City's designated staff may provide such consent only after appropriate review of transferee's financial and management capability and capacity to operate and maintain affordable housing and otherwise comply with the covenants and conditions securing the City's recoverable grant/loan. Additionally, title to such real property shall be encumbered with the City's right of first refusal to acquire such property at the price originally paid by CIN/Owner.

**Terms of City HSP Recoverable Grant:**

Recoverable Grant Amount: \$1,305,798

Grant Term (Years): 55 Years

Interest: 0%

Interest Calculating Method: NA

Deferral Period: 55 years

**Other Notes:**

- Interest does not accrue during Deferral Period.
- The Recoverable Grant amount will be forgiven at the end of the Grant Term if Agency operates the property in accordance with the Funding Agreement.

**Additional terms relating to nondiscrimination:**

- Nondiscrimination. The Owner shall comply with all federal, state and local laws as now existing and as may be amended prohibiting discrimination on the basis of age, sex, sexual orientation, marital status, race, creed, color, national origin or the presence of any sensory, mental or physical handicap.
- Fair Housing/Affirmative Marketing. The Project will be managed at all times in compliance with the United States and Washington State "Fair Housing Laws", RCW 49.60, and local ordinances. Additionally, the Project shall be affirmatively marketed to all eligible beneficiaries in a nondiscriminatory manner.
- City Mailing List. The City maintains a mailing list of households interested in occupying Affordable Units. The Owner may request that the City distribute vacancy or leasing information regarding the Project to the mailing list. In determining which eligible applicants shall be rented Affordable Units, the Owner shall reasonably consider persons on the City's mailing list.

**Standard Capital Award Conditions (Apply to all projects receiving capital awards):**

**I. Prior to Contracting**

- a. Reserved.
- b. In the event federal funds are used, and to the extent applicable, all federal laws, regulations and 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 be used, subject to program requirements.
- c. CIN must submit a draft management, affirmative marketing, and services plan, if applicable, for approval by staff designated by the City .

**II. Through Construction Period**

- a. None

**III. Ongoing Requirement through Period of Affordability**

- a. 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.
- b. CIN shall provide revised acquisition/development and operating budgets based upon actual funding commitments, which must be approved by staff designated by the City. If CIN is unable to adhere to the budgets, the City/City's designee must be immediately notified and (a) new budget(s) shall be submitted by CIN for City approval. The City's designee 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 City. Failure to adhere to the budgets, either original or as amended may result in withdrawal of City's commitment of funds.
- c. CIN shall maintain documentation of any necessary land use approvals and permits required by the city in which the project is located.
- d. City shall retain, and not release, five percent (5%) of the award amount until the project completion and satisfaction of the close out terms.
- e. Owner/CIN shall submit quarterly monitoring reports until the opening of the house/building to occupancy, and annually thereafter, and shall submit a final budget after closing on the acquisition and upon completion of remodeling and readiness for occupancy. Owner shall submit initial tenant information as required by the City/City's designee.
- f. Owner/CIN shall maintain the project in good and habitable condition for the duration of the period of affordability.
- g. Owner/CIN must submit for approval by the City/City's designee a final management, affirmative marketing, and services plan at least 60 days prior to occupancy.

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

- a. 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.
- b. 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.
- c. An annual inflation factor shall be allowed based on annual guidance provided by the City's Finance and Asset Management Department.
- d. CIN/Owner 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.
- e. Contract conditions shall generally be consistent with City of Bellevue Human Services standard contracts.