Issue Date: March 12, 2015
Closing Date: April 6, 2015

CONTACT AND INQUIRIES

Dan Schnabel, Program Coordinator OR Gary Aden, Program Manager
Thurston County Public Health and Social Services
412 Lilly Road NE 412 Lilly Road NE
Olympia, WA 98506-5132 Olympia, WA 98506-5132
Phone: (360) 867-2531 Phone: (360) 867-2532
Email: schnabd@co.thurston.wa.us Email: adeng@co.thurston.wa.us

AVAILABILITY OF FUNDS

These funds are available as a result of the Thurston County HOME Consortium partnership between the Cities of Olympia, Lacey, Tumwater, Tenino, Yelm, the towns of Rainier and Bucoda, and Thurston County. Thurston County is designated by HUD as the Urban County and is the lead jurisdiction for this partnership. Thurston County is responsible for contracting and compliance activities related to the HOME program, ESG and SHB 2060 and ESHB 2163.

HOME, 2060, 2163 Project Funding Period: September 1, 2015 – August 31, 2016
CHG Project Funding Period: January 1, 2016 through June 30, 2017
HEN Project Funding Period: July 1, 2015 through June 30, 2016

Approximate Funding Available: HOME $396,411
CHDO Set-aside $79,289
CHG* $457,700
HEN* $1,000,000
2060 $140,000
2163 $492,300
Total: $2,565,700

The HOME Consortium is soliciting applications for HOME, CHG, SHB 2060, and SHB 2163 funding for eligible activities that provide affordable housing, homeless housing, and services that benefit low- and moderate-income and homeless and at risk of homelessness residents within Thurston County.

*The available CHG and HEN funding may increase or decrease depending on actions taken by the Department of Commerce and the State Legislature. Final funding amounts will be known in the fall of 2015.
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TO BE CONSIDERED FOR FUNDING, APPLICATIONS MUST BE SUBMITTED OR DELIVERED NO LATER THAN 4:00 PM, Monday, April 6, 2015 TO:

HOME Consortium 2015 RFP
Public Health and Social Services
412 Lilly Road NE
Olympia, WA  98506-5132

ELECTRONIC SUBMITTALS ONLY WILL NOT BE ACCEPTED.

RFP APPLICATION MATERIALS

This RFP application is available in hard copy at Thurston County Public Health & Social Services at 412 Lilly Rd NE; Olympia, WA 98506. An electronic copy can be found online at http://www.co.thurston.wa.us/health/admin/funding/index.html.

****PLEASE NOTE****

Applicants who are submitting a request to develop, rehabilitate, acquire or construct housing should submit only Section 1 of the application.

Applicants who are submitting a request for operating and maintenance funding or to provide programs for services, rapid rehousing, rental assistance, coordinated entry, homeless prevention, emergency shelter, or Housing and Essential Needs should submit only Section 2 of the application.

For more information and questions you may have regarding your agency’s application, contact Gary Aden at (360) 867-2532 or by email at adeng@co.thurston.wa.us.
ANTICIPATED TIMELINES

The following anticipated timeline is subject to change, at the discretion of the County:

March 12, 2015: Notice of Funding Availability / Request for Proposal published in the Olympian, the County’s newspaper of record

April 6, 2015: Applications are due no later than 4:00 p.m. TO Public Health and Social Services
412 Lilly Rd NE; Olympia, WA 98506

April 24, 2015: Review Committee Meetings

May 11, 2015: HOME Consortium funding recommendations

May 26, 2015: Recommendations to the Board of County Commissioners

May-June 2015: Thurston County completes requirements to add funded projects to the FY 2015 HUD Annual Action Plan, including additional public hearings. Contract Issued for HEN funding.

July 15, 2015: Thurston County submits FY 2015 HUD Annual Action Plan to HUD

August 2015: Thurston County sends preliminary award letters to successful applicants

September 1, 2015: Final award notification letters sent by Thurston County after HUD issues fully executed funding agreement with the County for HOME projects

August-October, 2015 Contracts issued for 2060, 2163, CHG funding
REQUESTS FOR REASONABLE ACCOMMODATION

Thurston County (hereafter referred to as the “County”) will provide reasonable accommodation to allow for equal participation in the Request for Proposal (RFP) application process. To request a reasonable accommodation, please contact Gary Aden at adeng@co.thurston.wa.us or call (360) 867-2532 (Voice) or TDD (800) 754-2933. This document will be provided in alternate formats, upon request.

ACCESS TO REFERENCED SUPPLEMENTARY DOCUMENTS

The electronic version of this RFP document contains active hyperlinks to supplementary reference documents. Prospective applicants who are unable to access the Internet may request copies of the documents referenced in this Request For Proposals (RFP) by contacting Gary Aden at adeng@co.thurston.wa.us or call (360) 867-2532 (Voice) or TDD (800) 754-2933. All referenced supplementary documents are available on the Thurston County Housing and Community Renewal website at www.co.thurston.wa.us/health/sscp/index.html.

NOTICE OF SOLICITATION

Failure of the County to notify any interested party or parties directly regarding the availability of these funds shall not void or otherwise invalidate the RFP process.

AVAILABILITY OF FUNDS

The HOME Consortium is soliciting applications for federal HOME Investment Partnership Program (HOME), Consolidated Homeless Grant (CHG) funds, Emergency Solutions Grant (ESG) funds, and local SHB 2060 Affordable Housing (2060) and ESHB Homeless Housing (2163) funds for eligible activities that provide homeless housing, affordable housing, and housing services that benefit low- and moderate-income, homeless, and at risk of homelessness residents residing in Thurston County. Up to fifteen percent (15%) of the total HOME allocation may be used to fund projects that are owned, operated and developed by certified Community Housing Development Organizations (CHDOs).

The funding amounts listed in this RFP are considered approximate, and may be subject to change based on specific federal allocations and fees collected by the County. Contract awards are subject to the County receiving projected revenue from federal, state, and local sources.
FUND OVERVIEWS – ELIGIBLE ACTIVITIES

Federal Funds – U.S. Department of Housing and Urban Development (HUD)

HOME Investment Partnerships (HOME): Total Available $475,700
- Must benefit low-income (80% AMI) and very low-income (50% AMI) households
- Funds can be used for housing activities including acquisition, rehab, homebuyer assistance, and new construction
- Other rental restrictions apply

CHDO Set-aside from HOME funds: $79,289
- Must be certified as a CHDO (Community Housing Development Organization)
- Includes the same restrictions and conditions on use of HOME funds

State Funds – Washington State Department of Commerce

Consolidated Homeless Grant (CHG) (Including HEN): Total Available $1,457,700
- Rapid Rehousing and rental assistance (a minimum of 38% of these funds must be spent on private sector landlord owned units for individuals and families.
- Facility operation and maintenance costs
- Administration costs (limited by State grant terms)
- Data Collection through the Homeless Management Information System (HMIS)
- Services to homeless persons and families
- Services to those exiting institutions (jail, hospitals, mental health and chemical dependency programs)
- HEN: Targeted funding providing rental assistance, utility assistance and essential needs for Medical Care Services recipients whose eligibility is determined by the Department of Social and Health Services (DSHS).

Local Funds – Washington State Legislation and Document Recording Surcharges

Homeless Housing (2163): Total Available $492,300
- Benefits homeless households
- Funds can be used for priorities set by the HOME Consortium
- A portion of the CHG funding may be set aside for families receiving TANF

Affordable Housing Grant (2060): Total Available $140,000
- Benefits very low-income households (50% AMI)
• Funds can be used for operations and maintenance of very low-income and homeless housing; acquisition, construction and rehab of affordable housing (50% AMI); and emergency shelters

TOTAL AVAILABLE FUNDING: Approximately $2,565,700

ABOUT THE FUNDING

This application process brings together four (4) separate funding sources into one (1) consolidated application. A brief description of the funding sources is listed below.

HOME INVESTMENT PARTNERSHIP PROGRAM
The HOME Program was created by the National Affordable Housing Act of 1990 (NAHA). The Housing and Community Development Act of 1992 and the Multifamily Property Disposition Act of 1994 made important changes to the Program. The intent of the HOME Program is to:

• Expand the supply of decent, safe, sanitary, and affordable housing;
• Strengthen the abilities of state and local governments to provide housing;
• Expand the capacity of nonprofit community based housing development organizations; and,
• Leverage private sector participation in financing affordable housing.

CONSOLIDATED HOMLESS GRANT PROGRAM
The Consolidated Homeless Grant (CHG) state funds support a variety of activities, including: operations of emergency shelter and transitional housing units, rental assistance, rapid rehousing, data collection and reporting.

The Housing and Essential Needs (HEN) state funds are limited to providing rental assistance, utility assistance and essential needs for Medical Care Services recipients whose eligibility is determined by the Department of Social and Health Services (DSHS).

HOMELESS HOUSING GRANT PROGRAM
The Homeless Housing Grant Program was created in Washington State by Engrossed Second Substitute House Bill (ESSHB) 2163 on August 1, 2005. The law created a document recording fee on certain documents to be utilized by local jurisdictions to reduce homelessness. Administration of the grant funds are shared between local governments and the state. Eligible uses of the funds are broad; as long as the program funded addresses homelessness through housing and/or services.

AFFORDABLE HOUSING GRANT PROGRAM
The Affordable Housing for All Grant Program came about through the enactment of Substitute House Bill 2060 which became law in Washington State on June 13, 2002. The law created a document recording fee on certain documents to be utilized for low-income housing.
ELIGIBLE ACTIVITIES

HOME INVESTMENT PARTNERSHIP PROGRAM (HOME)
The Eligible activities are defined in the HOME program regulations at 24 CFR 92.205. A list of some of the activities follows:

• Rehabilitation of residential property
• New construction of residential property
• Acquisition of residential property
• Relocation associated with an eligible HOME project

The following activities generally are not eligible for Thurston County HOME funding:

• Project reserve accounts, except for the initial 18 months of a HOME assisted new construction project
• Emergency home repair programs
• Public housing units
• Commercial properties
• Shelters, unless they meet Section 8 Housing Quality Standards and otherwise can be considered rental housing
• Project based tenant assistance

Note: The above lists are not comprehensive. For a complete list of eligible or ineligible activities refer to HOME regulations in 24 CFR 92.205. Local priorities also direct investment strategies.

CONSOLIDATED HOMELESS GRANT PROGRAM

• Rental assistance and Rapid Rehousing programs serving homeless persons and families;
• Operating costs for facilities that serve homeless persons and families;
• Operating subsidies for transitional housing or permanent housing serving formerly homeless families or individuals;
• Services to prevent homelessness, such as emergency eviction prevention programs including temporary rental subsidies to prevent homelessness;
• Temporary services to assist persons leaving state institutions and other state programs to prevent them from becoming or remaining homeless;
• Outreach services for homeless individuals and families;
• Collection of Data on homeless persons served in the Homeless Management Information System (HMIS); and
• Administrative costs
For a complete list of eligible activities see State of Washington CHG guidelines for further information.

**HOMELESS HOUSING GRANT PROGRAM (2163)**
Eligible activities are defined in the legislation for Washington State Engrossed Second Substitute House Bill (ESSHB) 2163. A list of some of the activities follows:

- Rental and furnishing of dwelling units for the use of homeless persons;
- Costs of developing affordable housing for homeless persons, and services for formerly homeless individuals and families residing in transitional housing or permanent housing and still at risk of homelessness;
- Operating subsidies for transitional housing or permanent housing serving formerly homeless families or individuals;
- Services to prevent homelessness, such as emergency eviction prevention programs including temporary rental subsidies to prevent homelessness;
- Temporary services to assist persons leaving state institutions and other state programs to prevent them from becoming or remaining homeless;
- Outreach services for homeless individuals and families;
- Development and management of local homeless plans including homeless census data collection; identification of goals, performance measures, strategies, and costs and evaluation of progress towards established goals;
- Rental vouchers payable to landlords for persons who are homeless or below thirty percent of the median income or in immediate danger of becoming homeless; and
- Other activities to reduce and prevent homelessness as identified for funding in the local plan.

**AFFORDABLE HOUSING GRANT PROGRAM (2060)**
Eligible activities are defined in the legislation for Substitute House Bill 2060. A list of eligible activities follows:

- Provide funding for operation and ongoing maintenance of emergency shelters (not including capital improvements);
- Provide funding for operation and ongoing maintenance (not including capital improvements) of housing, including transitional housing that is eligible for WA State Housing Trust Fund grants. [Note that the WA State Housing Trust Fund requires that facilities serve the target population for at least 40 years.];
- Provide funding for capital projects serving persons at or below 50% median income (AMI) for at least 25 years, including:
o Provide funding to build new single-family housing units, including duplexes, multifamily housing, and single room occupancies.

o Build emergency or youth shelters;

o Build group homes or special-needs housing;

o Provide funding to rehabilitate housing (repair/replace roofs, walls, electrical systems, doors, floors, cabinets, ceilings, bathrooms, etc.);

o Acquisition of housing;

o Acquisition of land for future housing;

o Payment of soft costs (not bricks/mortar) associated with housing development.

o Provide short-term rental/mortgage assistance consistent with the requirements of the 2060 Legislation.

THURSTON COUNTY HOME CONSORTIUM GOALS AND STRATEGIES

HOME Affordable Housing Priorities (in priority order)

1. Supportive Housing – acquisition/rehabilitation
   a. Prioritize projects with committed services from other resources and “shovel ready.”

2. Affordable Housing-- acquisition/rehabilitation/home ownership (up to 80% AMI)
   a. Prioritize “shovel ready” projects

Homeless Housing Priorities (in priority order)

1. Maintain existing high performing programs integral to our current system
   a. Maintain Shelter system (family, youth, singles, emergency)
   b. Maintain Rental Assistance (Rapid Rehousing, Targeted Prevention and Shelter Diversion) and Transitional Housing for youth and young adults
   c. Maintain Coordinated Entry
   d. Maintain Supportive Housing (5th on list to maintain because we want other systems of care to support operations of this program type)

2. Increase Supportive Housing

3. Increase Rental Assistance (Rapid Rehousing, Targeted Prevention and Shelter Diversion)

4. Increase Transitional Housing for youth and young adults

5. Increase Shelter beds

6. Increase Coordinated Entry
CITIZEN PARTICIPATION

The U.S. Department of Housing and Urban Development (HUD) program regulations require that citizens be given the opportunity to examine and appraise the County’s use of HOME funds. Citizens are afforded an opportunity to participate by membership on the Housing Citizen’s Advisory Committee (HCAC), by attendance at HOME Consortium meetings, through participation at public focus groups throughout the review and recommendation process. All meetings are open to the public and published on the Thurston County Public Health and Social Services/Housing and Community Renewal website at www.co.thurston.wa.us/health/sscp/index.html.

Thurston County publishes an Annual Action Plan outlining projected use of funds as recommended by the HOME Consortium and approved by the Board of County Commissioners for the upcoming program year (September 1st to August 31st). Prior to the adoption of the Annual Action Plan, a public hearing will be held by the Board of County Commissioners on or about June 17, 2015 to provide citizens an opportunity to comment on the activities that will be carried out in FY 2015 (September 1, 2015 to August 31, 2016).

REQUIRED MONITORING

FOR FEDERAL FUNDING:
Thurston County staff will work with successful applicants to ensure specific benchmark or milestone requirements are met. Thurston County staff will require monitoring activities are conducted at each of the following phases of a project:

Predevelopment:
Upon award of funding, Thurston County staff will meet with the applicant to review all of the HOME program and monitoring requirements. Applicants will be required to report on the status of the project on a quarterly basis. The report should include the status of the site plans, financing, permits, and other predevelopment activities;

Development:
During the development phase of the project, staff will meet regularly with the applicant to ensure all program requirements are being met. On-site inspections will be conducted during construction prior to any release of funds; and

Close Out:
Prior to project close out, staff will meet with the applicant to ensure all compliance documentation and beneficiary data has been received. A cost certification and completion checklist will be required prior to final close out.

Housing Activities: Records to be maintained shall include (this list is not all inclusive):

• A copy of the written agreement with each landlord or developer receiving HOME assistance indicating the total number of dwelling units in each multi-unit structure assisted
and the number of those units that will be occupied by low- and moderate-income households;

- The total cost of the activity, including both HOME and non-HOME funds;
- Documentation that all individuals served in conjunction with the Project are eligible, and assurance that records are maintained documenting that the residents of the Project do not have a total gross annual family household income of all household members equal to or less than the Section 8 Housing Assistance Payments Program established by HUD for an equivalent family size. The definition of household is defined as all persons occupying the same housing unit, regardless of their relationship to each other. The occupants could consist of a single family, two or more families living together, or any other group of related or unrelated persons who share living arrangements; and
- For each unit occupied by a low- and moderate-income household, the size, ethnicity, and income of the household.

For rental housing activities only, the records shall include:

- Rent charged (or to be charged) after assistance, for each dwelling unit in each structure assisted; and
- Information as necessary to show the affordability of units occupied (or to be occupied) by low- and moderate-income households pursuant to criteria established and made public by the grantee.
- Housing services that charge rent must comply with the HUD Fair Market Rents (FMR) Schedule for Thurston County, as updated annually, below:

<table>
<thead>
<tr>
<th>HUD FINAL FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thurston County Fair Market Rents by Unit Bedrooms</td>
</tr>
<tr>
<td>Efficiency</td>
</tr>
<tr>
<td>------------</td>
</tr>
<tr>
<td>$769</td>
</tr>
</tbody>
</table>

For more information, please visit www.huduser.org.

- For each property acquired on which there are no structures, evidence of commitments must be present ensuring that the above criteria will be met when the structures are built;

**FOR LOCAL FUNDING, AND CHG/HEN:**
All agencies that serve homeless or at risk households will be required to submit performance reports on a monthly or quarterly basis and will be required to enter data into HMIS in a timely and accurate manner.

Agencies will be monitored annually for compliance with program guidelines.
ELIGIBLE APPLICANTS

Any IRS designated non-profit or neighborhood-based organization, local government, Council of Governments, Housing Authority, Community Action Agency, Regional Support Network (under 71.24 RCW), or federally recognized Indian tribe serving residents of unincorporated Thurston County, or any of the Thurston County Cities and Towns, may apply to use these funds for eligible activities.

Thurston County requires that all applicants that apply for funding be registered as a business entity with the State of Washington and possess a Washington State Unified Business Identifier (UBI) number and a Federal Tax ID number.

APPLICATION EVALUATION PROCEDURE AND CRITERIA

Thurston County staff will jointly review applications to ensure minimum eligibility requirements are met. This will include a threshold review to ensure applications specify and include the minimum criteria below. An eligible project must meet ALL three (3) of the following criteria:

7. The activity must be eligible under HUD regulations for HOME or CHG programs as appropriate and SHB 2060 and ESHB 2163 as appropriate;

8. If serving homeless populations the activity must be described in the current Ten Year Plan to End Homelessness (TYP) and/or the Thurston County HOME Consortium Goals and Strategies; and

9. The applicant has the ability to meet and maintain compliance with applicable federal, state, and/or local regulations, as identified.

Applications will also be evaluated on the following criteria:

- The conceptual soundness of the project;
- The financial feasibility of the project; and
- Demonstrated ability to implement and administer the program.

The HOME Consortium will select members of a review committee who will rate and review applications and provide recommendations to the HOME Consortium. The HOME Consortium will make a final recommendation to the Board of County Commissioners on all funded projects.

Upon Board of County Commissioners approval, award letters will then be sent to successful applicants, officially notifying them of their award. For HOME funded projects, the award letter will indicate information on how to proceed with the NEPA level/HUD Environmental Review. The Environmental Review must be completed and approved before a contract is executed. No funds will be reimbursed prior to the execution of a Sub recipient Agreement with Thurston County.
UNACCEPTABLE SUBMITTALS

Applications submitted that are not responsive to the requirements of the solicitation are unacceptable and will not be considered. Unacceptable applications are those which are subject to at least one (1) of the following shortcomings:

1. Late submittals – Proposals received after 4:00 p.m. on April 6, 2015.
2. Does not address the essential requirements of the RFP.
3. Clearly demonstrates that the applicant does not understand the requirements of the RFP.
5. Does not contain an original hard copy and an electronic copy.
6. Has changed the formatting of the application.
7. Does not include all the information and documents required as part of the application.

SUBMITTAL DUE DATE AND INSTRUCTIONS FOR SUBMITTAL

To be eligible for consideration, the full application must be completed and received by the Department of Public Health and Social Services, 412 Lilly Rd NE; Olympia, WA 98506, no later than 4:00 p.m. on April 6, 2015.

1. One (1) signed original hard copy delivered to the county;
2. Email the following to both abelll@co.thurston.wa.us and schnabd@co.thurston.wa.us:
   a. One (1) electronic copy of the full application in PDF format, titled “[Your Agency] HOME Consortium 2015”
   b. One (1) electronic copy of your agency’s 990. Titled “[Your Agency] 990”

Electronic copies are in addition to, not in lieu of, hard copies. Applicants must use the forms provided. Applications postmarked prior to the deadline but not received by the Department of Public Health and Social Services will be considered unresponsive and are ineligible for consideration. Responses which do not contain a signed original will not receive consideration. Applications must be signed by a person authorized to bind the agency in a contract.

Applications submitted on time will be considered as submitted. Thurston County will not contact the agency for corrections to the applications. Applicants are strongly encouraged to carefully review the Anticipated Timelines associated with this announcement.

Responses shall not exceed the page limits indicated for each section of the application. If any one section exceeds the stated page limit, the excess pages from that section may be removed by reviewers and not scored or otherwise evaluated.
Covers are not necessary and three-ring binders must not be used. If mailed, applicants are strongly encouraged to send proposals to the Department of Public Health and Social Services via certified mail, return receipt requested. All proposals must be received by the stated deadline.

Each page of the application questions must be numbered, and document footers must contain the name of the applicant organization and “HOME CONSORTIUM 2015.” Applications must be typed using Calibri or Arial font and 10, 11, or 12 point font size.

Example: “ABC Agency, HOME CONSORTIUM 2015”

OWNERSHIP OF MATERIAL

Responses, applications, and other materials submitted in response to this request become the property of the County, are documents of public record, and will not be returned. By submitting an application, applicants acknowledge and agree that they and/or their organization claim no proprietary rights to the ideas or approaches contained in the applications.

PROPOSAL COSTS AND PAYMENT OF CONTINGENT FEES

The County is not liable for any costs incurred by an applicant prior to the issuance of a contract. All costs incurred in response to this solicitation are the responsibility of the applicant, including travel costs to attend workshops and/or contract negotiation sessions.

ACCEPTANCE OF TERMS AND CONDITIONS

By submitting a response to this RFP, the applicant acknowledges and accepts all terms and conditions of this request and all County, Washington State, and Federal regulations and requirements related to the delivery of the eligible activities. If the applicant is awarded a contract, the application will become part of the contract agreement. The applicant is bound by the terms of the application unless the County agrees that specific parts of the application are not part of the agreement. The County reserves the right to introduce different or additional terms and/or conditions during final contract negotiations. Applicants will be required to enter into a formal written agreement with Thurston County.

RIGHT TO REJECT OR NEGOTIATE

The County reserves the right to reject any or all applications, if such a rejection is in the County’s best interest. This Notice of Funding Availability (NOFA) is a solicitation for offers and shall not be construed as an offer, a guarantee, or a promise that the solicited services will be purchased by the County. The County may withdraw this notification at any time and for any reason without liability to applicants for damages, including, but not limited to, bid preparation costs.

Additionally, Thurston County reserves the right to negotiate with selected applicants and may request additional information or modification from an applicant. When deemed advisable, and before a contract is issued, reserves the right to arrange an on-site visit/review to determine the applicant's ability to meet the terms and conditions described in this RFP.
CONTRACT AWARD AND NOTIFICATION TO SELECTED APPLICANTS

Decisions regarding contract awards for services solicited by this announcement will be made in approximately July of 2015. Awarded contracts will begin September 1, 2015 for HOME, 2163, and 2060 funding. CHG contracts will begin on January 1, 2016. HEN contracts will begin on July 1, 2015.

If the Annual Action Plan meets HUD regulations, HUD will issue a funding agreement to Thurston County after September 1, 2015. Once the funding agreement is received by the County, all proposed projects will be reviewed and approved by Thurston County staff for completed NEPA-level / HUD environmental reviews. After the environmental reviews are approved by Thurston County staff, a Subrecipient Agreement will be developed. HOME funds will not be committed prior to the execution of an agreement with Thurston County.

CANCELLATION OF APPLICANTS

The County reserves the right, with or without cause, to cancel any contract resulting from this RFP with thirty (30) calendar days written notice sent by certified mail, return receipt requested, to the applicant’s address of record, as indicated the applicant’s proposal to this RFP (or last known address on file).

NOTIFICATION OF REQUIRED ASSURANCES

Applicants who are awarded federal funding agree to comply with the following regulations, requirements, conditions, and policies identified below, including but not limited to:

1. FEDERAL REQUIREMENTS

Federally funded projects must adhere to a broad base of federal regulations including those listed below. Thurston County is responsible for ensuring that these regulations are met in all HOME-funded projects.

CONFLICT OF INTEREST:

The Applicant covenants that no person who presently exercises any functions or responsibilities in connection with Thurston County Public Health and Social Services has any personal financial interest, direct or indirect, in this proposal or any resulting Agreement. The Applicant further covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. The Applicant further covenants that in the performance of this project/proposal, no person having any conflicting interest will be employed. Any interest on the part of the Applicant or its employees must be disclosed to Thurston County.

No officer, employee, or agent of the Applicant shall participate in the selection, award, or administration of activity funded in whole or in part with CDBG funds if a conflict of interest, real or apparent, would exist, nor shall their families, or those with whom they have business ties, so benefit.
**CHANGES TO SCOPE:**
For agencies that are awarded HOME funds, if any changes are made to the scope, location and/or beneficiaries of the program, such change will require a Substantial Amendment to the Consolidated Plan. The agency will be responsible for any costs associated with public notices placed in the local newspapers and other print papers as required notifying the public of the programmatic change. (For further information see the Thurston County Housing and Community Renewal website, and find the applicable substantial plan amendment information in the Citizen Participation Plan.)

**ENVIRONMENTAL REVIEW:**
All HOME projects will need to have an environmental review completed in accordance with the National Environmental Protection Act (NEPA). The scope of the environmental review will depend on the nature and size of the project. Thurston County may need to incur costs related to the completion of the NEPA review. The cost will be passed on to the applicant as a project cost.

Once the funding application is received the applicant and anyone else in the development process cannot take any choice limiting actions until the environmental assessment is complete. Choice limiting actions include the acquisition of property, beginning construction activities, signing binding contracts, etc. If a choice limiting action is taken without the environmental assessment being completed, it will disqualify the project from receiving federal funding.

**IMPORTANT FOR PROJECTS INVOLVING ACQUISITION:** HUD only allows the use of a conditional purchase and sale contracts conditioned on completion of the environmental review for the purchase of properties. The responsible entity or applicant may enter into a purchase option on these projects if the option agreement meets the standards of Part 58.22(d). (Applicants will need to work with Thurston County staff to ensure that the option agreement meets the requirements of Part 58.22(d)).

Regulations at 24 CFR Part 58.22 make it clear that a recipient, any participant in the development process (including public or private nonprofit or for profit entities), or any of their contractors may not commit HUD or non-HUD funds on a project until the environmental review process has been completed and the Request of Release of Funds and related certification have been approved, if needed.

*Thurston County may request applicants submit a Phase I environmental, or other related studies if applicable.*

**UNIFORM RELOCATION ACT:**
All projects are subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as implemented by HUD regulation 24 CFR 570.606, as applicable. Applicants applying for the acquisition or rehabilitation of an existing building with residents living in the project, and/or businesses operating in the project, will need to provide proper relocation notices on or before application for federal funds, including HOME. Applicants will be required to meet with County staff to go over the relocation plan for the building(s) and required notices. If businesses or tenants need to be relocated as a result of the acquisition or rehabilitation, those impacted must be compensated in compliance with the URA.
For projects involving acquisition, a Property Owner Notice of Interest must be provided to the seller of the property being acquired. This notice must include language that the Applicant and the County will not use eminent domain to acquire the property and other URA requirements. A voluntary sale notice must be given at the time of the purchase and sale agreement. This notice must also include a disclosure to the seller making them aware of the fair market value of the property.

Applicants for acquisition or currently occupied property will be required to meet with County staff to go over the acquisition notices for the building(s) and/or relocation requirements prior to application.

**LABOR STANDARDS:**
Projects involving new construction or rehabilitation will adhere to federal labor laws which include:

A. **Davis-Bacon Act:** *Applicable to all HOME projects (except residential housing projects with seven (7) or fewer housing units).* Provides assurance that workers employed in construction work under federally assisted contracts are paid wages and benefits equal to those that prevail in the locality where the work is performed. If applicable, the cost of compliance monitoring for federal Davis Bacon may be passed on to the applicant as a project cost.

B. **Contract Work Hours and Safety Standards:** *Applicable to all projects.* Provides assurance that workers employed in construction work under federally assisted contracts are paid 1½ time their normal salary for working over 40 hours per week.

C. **Copeland Act:** *Applicable to all projects.* Governs the deductions from paychecks that are allowable, and requires submission of weekly payroll.

D. **Fair Labor Standards:** *Applicable to all projects.* Establishes a basic minimum wage for all work, and requires the payment of time and a half for overtime.

**EQUAL EMPLOYMENT OPPORTUNITY:**
This law prohibits discrimination against any employee or application for employment because of race, color, religion, sex, or national origin. Provisions to effectuate this prohibition must be included in all construction contracts. The Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, creed, color or national origin.

**SECTION 3 REQUIREMENTS:**
All construction contracts must meet Section 3 requirements to the greatest extent feasible. Opportunities for training and employment arising from the project will be provided to low-income persons residing in the program service area. To the greatest extent feasible, contracts for work to be performed in connection with the contractor will be awarded to business concerns that are located in or owned by a person residing in the program service area. A Section 3 plan for the project will be required to be completed prior to the start of construction and a Section 3 clause will need to be included in any construction contracts.
MINORITY BUSINESS ENTERPRISES (MBE) AND WOMAN BUSINESS ENTERPRISES (WBE):
Developers of federally funded housing projects must adopt procedures to establish and oversee a minority outreach program to ensure, to the maximum extent possible, that minorities and women, and businesses owned by minorities and women (MBE/WBE’s), are offered contracts. Applicants will need to include an outreach plan and include MBE/WBE provisions in all construction contracts.

LEAD-BASED PAINT:
If the project involves acquisition and/or rehabilitation on a building or buildings built before 1978, federal regulations require that testing for lead paint be conducted and a risk assessment be provided. Any lead-based paint hazard must be corrected in accordance with federal and state guidelines.

CONTRACTING AND PROCUREMENT:
Projects may be subject to certain Federal procurement rules which include:

A. Conflict of Interest;
B. Debarred contractors; and
C. Procurement Standards under 24 CFR 85.36 and 24 CFR Part 84.40-48, as applicable.

All contracts between applicant and contractors must include provisions as outlined in the Thurston County HOME Program contracting requirements and be reviewed by Thurston County HOME Program staff.

FAIR HOUSING AND AFFIRMATIVE MARKETING:
All projects must comply with the following federal fair housing laws, including but limited to:

A. Title VI of the Civil Rights Act of 1964 as amended;
B. The Fair Housing Act;
C. Equal Opportunity in Housing Act; and
D. Age Discrimination Act.

All projects must adopt affirmative marketing procedures in compliance with federal and County policy. An affirmative marketing plan must be provided on HUD form HUD935.2A. The plan must, to the greatest extent possible, provide information to the public and potential tenants that may be underserved in the community.

ACCESSIBILITY:
All projects must comply with the following federal accessibility laws:

A. Americans with Disabilities Act;
B. Fair Housing Act; and
C. Section 504/Handicap Accessibility.
FINANCIAL MANAGEMENT:
The applicant must comply with all relevant OMB circulars. Recipients of funds must have a financial management system in place that complies with all federal standards including cost reasonableness. Applicants that received more than $750,000 in federal funds in a program year must have an audit in accordance with OMB A-133.

HOME SPECIFIC REQUIREMENTS
Thurston County may not commit HOME funds to a project consisting of new construction or rehab until the following are met:

- Committing funds is the act of signing the HOME funding agreement by Thurston County and Subgrantee
- CHDO’s must be certified at time of commitment of funds
  - CHDO certification is based upon meeting the definition of a CHDO and capacity assessment
  - CHDO’s must remain certified as a CHDO throughout the term of the Affordability Period
- All necessary funding is secured such as letter of credit, letter of available owner provided funds, or proof of grant award
- A budget and production schedule is established and accepted by Thurston County
- Underwriting and subsidy layering is completed and accepted by Thurston County
- Market assessment is completed for the specific project
- Assessment of the experience and financial capacity of the developer is completed
- All construction is expected to start within 12 months of Agreement signing

OTHER FEDERAL REQUIREMENTS:
Recipients of HOME funding will be required to comply with all federal laws and requirements including all OMB circulars and other federal requirements not listed in these instructions. These requirements will be included in any written agreement between the applicant and Thurston County. Further information is available on request.

2. THURSTON COUNTY REQUIREMENTS
Thurston County will not require supplemental documentation not specifically requested in the funding application at the time of application submission, or at the time of funding awards/reservations. However, the following documentation will be required prior to commitment of funds, and completion of the formal written agreement:

A. Evidence of site control (purchase and sale agreement, or deed of ownership);
B. Zoning certificate (if new construction/rehabilitation);
C. Complete third party construction estimates (if new construction/rehabilitation);
D. Phase I Environmental & Biological Assessment (if needed to complete environmental review);
E. Lead test and risk assessment (for acquisition of existing housing built prior to 1978);
F. Rent rolls (for acquisition of tenant occupied housing);
G. Market study or comparable rent analysis (if rental housing project that is not special needs);
H. Affirmative marketing plan – Plan to comply with Thurston County policy (not applicable for special needs housing);
I. Copies of previous years A-133 audits and corporation financial statements;
J. Copies of developer agreements or partnership agreements (if applicable);
K. Copy of Board resolution authorizing the submittal of an application. Please include in the resolution the individual authorized to sign on behalf of the organization;
L. Additional documentation may be required as needed.

The following documentation will be required prior to release of funds, and recording of loan documents:

A. Title report;
B. Property appraisal;
C. Evidence of other funding commitments, including partnership agreements (if the project is a tax credit project), or developer/sponsor agreements; and
D. Additional documentation may be required as needed;
E. Bed Count Form (services only);
F. Homeless System Performance Measures (services only); and
G. HAU Project List (services only).

**THURSTON COUNTY’S REVERSION OF ASSETS POLICY:**

Real property or facilities acquired or improved or constructed with HOME funds are subject to the below requirements:

Deed restrictions and covenants will be required that reflect the regulatory requirements for period of affordability based on the HOME program regulations at 24CFR Part 92, and as described below.
AFFORDABILITY PERIOD FOR RENTAL PROJECTS:

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>AVERAGE PER-UNIT HOME</th>
<th>MINIMUM AFFORDABILITY PERIOD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rehabilitation or Acquisition of Existing Housing</td>
<td>&lt;$15,000</td>
<td>5 years</td>
</tr>
<tr>
<td></td>
<td>15,000 - $40,000</td>
<td>10 years</td>
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<tr>
<td></td>
<td>&gt;$40,000</td>
<td>15 years</td>
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<tr>
<td>Refinance of Rehabilitation Project</td>
<td>Any dollar amount</td>
<td>15 years</td>
</tr>
<tr>
<td>New Construction or Acquisition of New Housing</td>
<td>Any dollar amount</td>
<td>20 years</td>
</tr>
</tbody>
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AFFORDABILITY PERIOD FOR HOMEBUYER PROJECTS:

<table>
<thead>
<tr>
<th>HOME FUNDS PROVIDED</th>
<th>AFFORDABILITY PERIOD</th>
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<tbody>
<tr>
<td>&lt;$15,000</td>
<td>5 years</td>
</tr>
<tr>
<td>$15,000 - $40,000</td>
<td>10 years</td>
</tr>
<tr>
<td>&gt;$40,000</td>
<td>15 years</td>
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A. This provision will be implemented through the execution of:

1) A Deed of Trust in favor of the County, placed on the property at the time an Agreement is entered into or at such later time as may be acceptable to the County.

2) A Secured Promissory Note in the amount of this Agreement;

3) A Subrecipient’s Covenant Agreement for the length of the period of interest; or

4) Any combination of the above documents.
HUD INCOME LIMITS

Area Median Income (AMI) is determined periodically by the Department of Housing and Urban Development (HUD) on the basis of state and local earnings data and is published for cities and counties.

The Area Median Income for Thurston County effective December 2014 is $74,200 for a four-person household. More information is available at www.huduser.org.

HUD updates income limits annually each December. The most up-to-date income limits will apply to all funded projects. They may be found at www.huduser.org.

<table>
<thead>
<tr>
<th>Thurston County, Washington</th>
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<tbody>
<tr>
<td>FY 2014 Income Limit Area</td>
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<tr>
<td>---------------------------</td>
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<tr>
<td>Thurston County</td>
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END OF INSTRUCTIONS