



Seattle
Office of Housing

Notice of Funding Availability

Rental Housing Program

AMENDED: September 3, 2025 on [Funding Opportunities](#)
Published: July 17, 2025 on [Funding Opportunities](#)

Application Due Dates

Application for Production

Thursday, September 18, 2025 at 12:00 noon.

Application for Preservation | Application for Stabilization

Thursday October 16, 2025 at 12:00 noon.

City of Seattle

Bruce A. Harrell, Mayor

Office of Housing

Maiko Winkler-Chin, Director

Amendment: Notice of Funding Availability, Rental Housing Program

September 3, 2025

On Tuesday, August 26, 2025, Mayor Bruce Harrell [announced a historic \\$170 million investment](#) to create, preserve, and stabilize affordable rental housing in Seattle through a Notice of Funding Availability (NOFA). In response to the increased funding, the Office of Housing is updating the **Rental Housing Program NOFA** originally **published July 17 on [Funding Opportunities](#)**.

Key amendments include:

- **Increased Funding:** The amended NOFA raises the total funding available from \$100 million to \$170 million. ([page 5](#))
- **Extended Deadline for Preservation and Stabilization Funding:** Proposals for Preservation or Stabilization funding may now be submitted between September 18 and October 16. The final deadline is Thursday, October 16 at 12:00 noon. ([page 8](#))
- **Production Funding Deadline Remains Unchanged:** Applications for Production funding must be received by Thursday, September 18 at 12:00 noon. ([page 8](#))
- **Preservation Funding Cap Eliminated:** The previous cap of \$3 million per building has been removed. There is now no limit on funding that may be requested per building. Award amounts will be determined through proposal underwriting. ([page 11](#))
- **Preservation Applications Bundled:** Applicants may bundle multiple buildings with OH Regulatory Agreements into one Preservation funding request, provided they can close financing by March 2027; such bundles achieving efficiencies may count as one project toward the three-project NOFA limit. ([page 12](#))
- **Stabilization Funding Cap Removed:** The previous \$30,000 per-unit cap for regulated units has been eliminated. There is now no limit on the maximum funding that may be requested per regulated unit. Award amounts will be determined through proposal underwriting. ([page 13](#))

Table of Contents

Introduction: Rental Housing Program Goals	4
Funding Availability	5
How to Apply	6
Application Materials and Checklist.....	7
Threshold Criteria	9
Funding Categories and Eligibility	9
1. New Production and Acquisition	9
2. Preservation	11
3. Stabilization.....	12
Minimum Requirements and Competitive Criteria.....	13
A. Project Plan, Site, and Design	13
B. Development Team and Experience	14
C. Financing and Affordability	18
D. Community and Racial Equity Outcomes	21
Final Notes and Next Steps	21

Introduction: Rental Housing Program Goals

The Seattle Office of Housing (OH) is announcing the availability of at least **\$170** million in Rental Housing Program capital funds to support a range of affordable housing investments across the city of Seattle. The 2025 NOFA introduces three distinct funding categories – preservation, production, and stabilization – to align resources with the evolving needs of communities and the OH-funded housing portfolio:

- **New Rental Production and Acquisition:** Supports the creation of new, permanently affordable rental housing. This may include new construction or the acquisition of existing housing that is “new” to OH – meaning it has not previously received OH capital funding or is not already regulated under an OH agreement. Projects must demonstrate readiness to proceed, financial feasibility, and alignment with OH’s policy priorities, including deep affordability, access to opportunity, and displacement prevention.
- **Preservation:** Focuses on the rehabilitation and/or recapitalization of existing affordable housing already in the OH portfolio. These properties are typically subject to existing OH regulatory agreements and may face challenges such as expiring affordability restrictions, deferred maintenance, or contributing financial strain to the sponsor or owner. Projects must demonstrate a clear public benefit from reinvestment, such as extending long-term affordability, improving physical conditions, and supporting continued housing stability for current residents.
- **Stabilization:** Provides targeted capital investment for distressed properties with existing OH regulatory agreements that are facing ongoing financial or operational challenges. For the purposes of this NOFA, stabilization funding is limited to capital investments used primarily to “buy down” and/or restructure existing hard debt in order to restore positive property cash flow and achieve a minimum 1.1 debt service coverage ratio (DSCR). OH may also consider modification requests to existing regulatory agreements where changes demonstrably contribute to long-term project viability and remain consistent with City goals. Such modifications may include changes to income and rent limits or extensions of affordability terms.

Through its affordable housing investments, the City of Seattle seeks to achieve a number of objectives:

- Provide a mix of affordable rental housing, serving a range of households, family sizes, and income levels consistent with income limits and affordability requirements for each fund source, to promote housing opportunity and choice throughout the City.
- Contribute to countywide efforts to make homelessness rare, brief, and one-time by providing housing that serves individuals and families who are homeless or at risk of homelessness, including those who are disproportionately impacted by housing instability, including, but not limited to, people with long or repeated periods of homelessness, chronic disabilities, criminal records, who served in the US military, or who have other significant barriers to housing.
- Provide housing that offers service delivery models to support recovery for those with substance use disorders.
- Provide a stable and healthy living environment where low-income individuals and families can thrive, with culturally relevant and linguistically competent services, and with access to education, employment, affordable transportation, and other opportunities and amenities.
- Acquire and preserve existing affordable housing, including occupied buildings that are subsidized rental housing or affordable private market housing, particularly such occupied

buildings where low-income residents may be at risk of displacement.

- Affirmatively further fair housing and advance the City's equitable development goals, including by prioritizing investments in areas where residents have experienced and/or are at risk of displacement (particularly for communities that have been disproportionately negatively impacted by systemically racist practices such as redlining), that provide high access to opportunity, or that have not received significant public investment for affordable housing previously.
- Contribute to the development of sustainable, walkable neighborhoods, particularly near high-capacity transit, giving low-income residents access to transportation, services, and economic opportunity. Working collaboratively with other funders of affordable rental housing to ensure that the greatest number of quality affordable housing units are preserved or produced each funding round.
- Promote cost-effective sustainable design, construction, rehabilitation, and operations of affordable housing.
- Reinvest in low-income housing when necessary to upgrade major building systems, improve operations, energy efficiency, and safety, and extend the life of the building.
- Promote City goals to support project sponsors based in communities working to address housing inequities and who have the experience and resources to effectively address the needs of underserved communities including Black, Indigenous, and People of Color communities, and others historically excluded from equitable access to housing.

Funding Availability

This NOFA includes funding from local and federal sources, each of which has specific affordability restrictions and requirements. OH encourages all applicants to be familiar with the specific requirements of the available funding sources. At the time of the NOFA release, OH has at least **\$170** million available for awards. If additional resources become available for this funding round, they will be allocated to support competitive projects submitted this NOFA round. Applicants do not need to specify which NOFA sources they are seeking. OH will determine appropriate fund sources based on project-specific and programmatic considerations.

Housing supported by OH is income- and rent-restricted to ensure that it is occupied by and affordable to eligible households. For each restricted unit, the maximum allowable income (by household size) and housing cost (by number of bedrooms) aligns with the affordability level set by covenant or other regulatory agreement. These maximums are expressed as percentages of the area median income. For development budget and underwriting purposes, please use the 2025 OH Rent and Income Limits.

Housing Levy Rental Preservation and Production Program

Funding from the Housing Levy will be available in this NOFA. At least 60% of the sum of Levy Rental Housing Program funds and Operating, Maintenance, and Services Program funds shall be used to support homes affordable to households with incomes at or below 30% of Median Income. The balance of Program funds shall be used for housing affordable to households with incomes at or below 60% of Median Income.

The Housing Levy was renewed and approved by Seattle voters in November of 2023 and provides property tax revenue over seven years from 2024 through 2030 for the production, preservation, and

operations of affordable rental housing for low-income residents in Seattle. Applications for stabilization are not eligible for 2023 Levy dollars.

Incentive Zoning Bonus Program Funds and Mandatory Housing Affordability Programs

Funding from Seattle's Mandatory Housing Affordability (MHA) and Incentive Zoning (IZ) land use code requirements is available for housing affordable to households with incomes at or below 60% of Median Income. If additional proceeds are available December 1, they will be included in the 2025 NOFA awards.

- MHA funds are from commercial and residential development in areas upzoned to provide additional development capacity (SMC 23.58B and 23.58C, respectively).
- IZ affordable housing bonus funds are from commercial and residential development with bonus floor area (SMC 23.58A.014 and SMC 23.58A.024, respectively).

JumpStart Payroll Expense Tax (PET)

The JumpStart Fund is used by the City of Seattle to make investments in affordable housing, equitable development, advancing Seattle's Green New Deal, and to support programs and services funded by Seattle General Fund. The housing allocations from JumpStart prioritize projects serving households at or below 30% of Area Median Income but can be used to support housing serving households with incomes up to 60% of Area Median Income. Funds may be used for construction or acquisition of rental housing as well as operating, maintenance, and service costs for projects.

How to Apply

Step 1: Complete the 2025 NOFA Pre-Application Intake & Scheduling Form

All applicants must begin by submitting the NOFA Project Intake Form:

<https://forms.office.com/g/UvWrB7bHpA> This form collects preliminary information about your project and initiates the setup of your customized SharePoint application workspace.

Step 2: Receive Your Customized Application Workspace

After booking your meeting, you will receive an email containing:

- A Microsoft Bookings Link to schedule your Pre-App Meeting
- A SharePoint Document Set link customized for your project, which includes:
 - Application templates and materials (also available on the OH website), including:
 - Seattle Application Checklist – A PDF listing all required narrative sections, Excel forms, and attachments
 - CFA – Narrative Questions & Required Attachments – A Word document with narrative questions used by State, WSHFC, King County, and OH
 - CFA – Project Workbook – An Excel file with tabs (e.g., "Form 1 – Project Summary", "Form 2A – Building Information")
 - ESDS Application

Additional materials for Production and Acquisition Proposals only:

- Certification of Consistency with the Consolidated Plan
 - Siting Determination (can be submitted as a PDF email)
 - Neighborhood Notification documentation and draft Community Relations Plan
- A resource library containing relevant policy documents and supporting guidance including:

- A. Developer Fee Schedule – Maximum allowable fees, limits on deferred vs. cash, and disbursement timing
- A1. Policy Reference Library – Overview of included policies and how to use them across the project lifecycle
- B. Development Siting Policy – Guidance on site selection, equity, displacement risk, and access to opportunity
- C. Loan Terms and Conditions – Standard loan structure, affordability periods, and repayment triggers
- D. ESDS Procedures – Compliance process for Evergreen Sustainable Development Standard (ESDS v4.1)
- E. Good Standing Policy – Requirements for applicant eligibility based on prior OH performance and reporting
- F. Prevailing Wage Policy – Rules for applying state and federal wage requirements on funded projects
- G. Public Funds Eligible Uses Matrix – Chart of eligible costs by funding source to support budget planning
- H. RARAP Policy – Requirements for relocation, displacement, and acquisition compliance
- I. Utility Allowance (SHA) – Guidelines for rent setting using Seattle Housing Authority utility schedules
- J. Neighborhood Notification – Expectations for community engagement and early notification
- K. WMBE Policy – City utilization goals for Women- and Minority-Owned Businesses and Section 3 compliance

This workspace is your official submission folder and central resource for the NOFA.

Step 3: Confirm Submission Using the Final Form

Once all materials are uploaded and the signed checklist has been added to your SharePoint folder, complete this short confirmation form: <https://forms.office.com/g/61XLW17y6L>

This step is required to certify that your application is complete and ready for review.

Application Materials and Checklist

All required submission documents are listed in the Seattle Application Checklist, which is included in your SharePoint folder. This checklist is the guiding document for determining application completeness and eligibility.

File Naming Requirements

Begin each filename with the checklist reference number, using the format:

- 1.1_ProjectNarrative.docx
- 2.3_SiteControlAgreement.pdf
- Do not create subfolders — the numeric prefixes act as the organizing structure
- Do not use tabbed folders from prior years or other funders
- Documents will automatically be tagged with your project and team name
- Contact OH staff if you have issues accessing or uploading to your project workspace

Application Delivery

Upload all materials to your assigned SharePoint folder by September 18, 2025 at 12:00 noon (PST) for Production applications; and by October 16, 2026 at 12:00 noon (PST) for Preservation applications or for Stabilization applications. Do not email or submit hard copies. OH staff may provide accommodations if needed, but SharePoint is preferred.

Application Timeline

Date	Milestone
July 31, 11:00 a.m.–12:00 p.m.	Information Session - General
August 21	Consistency Letter & Siting Determination due
September 11	Information Session (Preservation and Stabilization)
September 12	Last day to hold a pre-application meeting
September 18, 12:00 noon	Production Proposal Application deadline
September 18 through October 16, 12:00 noon	Preservation Proposals or Stabilization Proposals may now be submitted during this period. The final deadline is Thursday, October 16 at 12:00 noon.
December 19 (est.)	Award announcements

Information Session - General

OH will host a virtual NOFA Information Session:

- Thursday, July 31, 2025
- 11:00 a.m. – 12:00 p.m. PST
- Microsoft Teams Meeting ID: 271 655 406 347 0
- Passcode: X6pv7Tk6
- Dial-in: +1 206-686-8357,,874352643#
- Phone Conference ID: 874 352 643#
- Video Device: Tenant key: seattle@m.webex.com, Video ID: 115 941 801 3

Information Session – Preservation and Stabilization

OH will host an additional virtual NOFA Information Session on amendments to the Preservation and Stabilization applications.

- Thursday, September 11, 2025
- 1:00 – 1:45 p.m.
- Microsoft Teams Meeting ID: [289 704 241 532 5](#)
- Passcode: LQ76Tf2d
- Dial-in: ±1 206-686-8357,,746662483#
- Phone Conference ID: 746 662 483#
- Video Device: Tenant key: seattle@m.webex.com, Video ID: 115 602 106 0

These sessions will be recorded and posted on the OH website with the slide deck and Q&A. They are recommended but not mandatory.

Disclosure of Documents

All application materials become property of the City upon submission. Under RCW Ch. 42.17, materials may be subject to public disclosure. Applicants claiming confidentiality must clearly label those portions

and cite applicable exemptions. OH does not guarantee confidentiality, and broad confidentiality claims may lead to disqualification. The City is not responsible for any disclosure-related consequences. OH retains one copy of all applications in compliance with public record laws.

Interpreter Services

Interpreter services and alternate formats are available upon request. TTY users may contact the Washington State Relay Service at 1-800-833-6388 and ask to be connected with the Office of Housing at 206-684-0721.

Questions

Please contact Alex Hutchinson, Rental Housing Program Manager at alex.hutchinson@seattle.gov with any questions about the application process.

Threshold Criteria

Applications must meet the following threshold requirements to be reviewed:

- Submitted on time – No exceptions
- No more than 3 applications per sponsor, including joint applications and affiliates
- Complete application – Must follow the Seattle Application Checklist (a cure period of 8 calendar days may be provided)
- Pre-application meeting – Required with OH's Capital Investments team
- Rental Production proposals – Must meet all NOFA Priority Categories
- Preservation and Stabilization proposals – Must meet relevant eligibility criteria
- Consistency Letter – Must be requested early and submitted by August 21
- Siting Determination – Also due by August 21; allow 30 days for processing
- Neighborhood Notification and Community Relations:
 - Activities must be completed before application submission
 - A draft Community Relations Plan must be submitted (can be finalized post-award)

Funding Categories and Eligibility

The Office of Housing (OH) will provide capital funding through three main categories in the 2025 NOFA: New Production and Acquisition, Preservation, and Stabilization. Each category has specific objectives, priorities, and eligibility requirements aimed at increasing and maintaining the supply of high-quality, permanently affordable housing in Seattle. Projects must meet the outlined thresholds and demonstrate alignment with OH's policy goals to be considered for funding.

1. New Production and Acquisition

Purpose

The Production funding category supports the creation of new, permanently affordable rental housing that will be added to the OH portfolio. This funding is intended to increase the supply of high-quality, rent- and income-restricted housing that serves low-income individuals and families in Seattle. Projects funded through this category must enter into long-term regulatory agreements with OH to ensure ongoing affordability and compliance with program requirements.

Thresholds and Priorities

To be considered competitive, projects must demonstrate that they meet **at least one** priority in both the **Location** and **Population** categories and satisfy **all requirements** in the **Readiness** and **Leverage** categories:

Location

- Neighborhoods with limited or no prior investment from the Office of Housing in affordable rental housing, including areas that have not received OH funding in the past five years
- Areas that affirmatively further fair housing and advance the City's equitable development goals by creating affordable homes in communities:
 - Where residents have experienced or are at risk of displacement
 - That have been disproportionately impacted by racist systems such as redlining
 - That offer high access to opportunity

Population

- Permanent Supportive Housing (PSH) or projects housing individuals and families experiencing homelessness.
- At least 20% of units serving households at or below 30% AMI.
- At least 20% of units are larger units (2 bedrooms or greater).

Readiness

- Proposed project is within allowable zoning.
- Demonstrate a clear and achievable pathway to obtain permits and close by March 2027.
- Demonstrate financial readiness and feasibility

Leverage

- Demonstrate the ability to leverage City of Seattle financing with other public and/or private resources.
- Projects that request less than 40% of Total Residential Cost in OH funding, and less than 50% of TRC if an acquisition.

Eligible Project Types

- New construction of affordable rental housing on vacant land or land to be cleared for redevelopment
- Acquisition of existing residential properties that are not currently in OH's portfolio (i.e., not previously funded or regulated by OH)

Acquired properties must be fully residential at the time of application and must meet all applicable housing quality standards. Acquisition projects must result in a permanent affordability covenant and demonstrate a viable path to long-term operations and compliance with OH's affordability, property management, and asset management requirements.

For acquisitions of occupied buildings, the following conditions must be met:

- Rents at the time of acquisition must be affordable to households at or below 60% of Area Median Income (AMI)
- Existing tenants in restricted units must income-qualify at or below the proposed affordability level as of the acquisition date

OH will prioritize acquisition proposals involving properties built within the last five (5) years, recognizing the potential for these projects to deliver durable, energy-efficient housing with fewer immediate capital needs. These investments support the City's goals of accelerating the availability of quality housing while minimizing the environmental and financial costs associated with rehabilitation.

Applicants should clearly identify whether the project will be delivered through new construction or acquisition and provide documentation to support construction timelines, acquisition terms, rehabilitation needs (if any), and readiness to proceed within OH's target funding schedule.

Projects submitted under the Production category will be evaluated using the competitive criteria described in the Minimum Requirements and Competitive Criteria Section NOFA.

2. Preservation

Purpose

The Preservation category funds reinvestment in existing OH-funded properties to maintain long-term affordability, address critical repairs, and improve operational viability. This funding ensures that aging assets continue to serve low-income residents and contribute to the City's affordable housing goals.

Preservation Priorities

Proposed projects should address one or more of these priority investment outcomes:

- Preserve affordability for low-income households. OH will prioritize properties with affordability requirements expiring within the next 12 years.
- Support PSH or projects housing individuals and families who exited from homelessness; or properties with at least 20% of units serving households at or below 30% AMI; or properties with at least 20% of units are larger units (2 bedrooms or greater).
- Address critical life and safety needs in occupied buildings

Preservation Eligibility

- Property must have 10+ units and be within OH's portfolio.
- Sponsor must operate at least three OH-funded projects.
- Vacant buildings or those being vacated do not meet the unit threshold.
- Must demonstrate 85%+ average occupancy or show how investment will achieve this.
- If debt is carried, DSCR must be 1.0+, or plan must demonstrate path to achieve this.
- Reserve funds are insufficient for proposed scope.
- Property is not a candidate for refinance or re-syndication before 2031.
- Project must be completed, stabilized, and not trigger substantial alteration (or the work is fundable through OH).

Funding Requirements

- Maximum Preservation funding: **There is no limit on funding requested per building.**
- Applications involving sale may receive lower funding award depending on timing and scale.
- Full REO schedule required (as of 12/31/2024 or more recent).
- No leverage is required for Preservation awards.

Additional Requirements

- Loan terms must be updated per the 2024–2026 Housing Funding Policies.
- Capital Needs Assessment must be updated every five years.
- OH may extend regulatory agreements based on award size and term.
- Organizational assessments may be conducted at OH’s discretion.
- **Applicants may bundle several buildings into one application** as a Preservation funding request. Each building should have an existing OH Regulatory Agreement and be able to close on financing by March 2027. A bundle of this type that achieves efficiencies or economies of scale may count as one project toward the three project limit for the NOFA. Please discuss with OH staff if you have questions.

3. Stabilization

Purpose

The Stabilization category provides targeted capital investment for distressed affordable housing properties with existing OH regulatory agreements. Priority is given to projects that have completed construction and converted to permanent financing, that are facing severe financial challenges. These challenges may include, but are not limited to:

- Inability to convert from construction to permanent financing due to insufficient debt service coverage that results in reduced loan sizing from original underwriting assumptions.
- Post-stabilization shortfalls where a project has converted to permanent debt but is unable to maintain required DSCR over time due to operating cost inflation or unexpected revenue loss.

Use of Funds

This loan fund is primarily intended to buy down senior loan principal to allow projects to sustainably meet lender-required DSCR thresholds and ensure long-term affordability. Funding is not intended as a short-term operating subsidy or working capital loan, nor is it a bridge loan to cover temporary cash flow issues. Funding is intended to achieve permanent capital restructuring in collaboration with OH, a borrower, and other lenders and investors to address defined and documented financial gaps that threaten the ongoing viability of an otherwise viable project.

Projects seeking supplemental funding that have not converted to permanent financing but placed in service should reach out to Rosey Zhou at rosey.zhou@seattle.gov.

Eligibility Criteria

- Must have an existing OH Regulatory Agreement in place.
- Must have already converted to permanent financing but experiencing ongoing DSCR shortfalls or cash flow instability are eligible for stabilization funding.
- Must provide documentation from lenders/investors about challenges and provide path to financial sustainability.
- Projects must have converted from construction loan to permanent financing to be eligible.

Financial Thresholds and Requirements

The City will evaluate stabilization funding requests based on the project’s demonstrated financial distress and the potential for strategic capital to preserve long-term viability and project success. The

applicant must provide the following baseline evidence that the project is viable but currently unable to meet debt service requirements.

- Sponsor organization must produce a trailing 6-month document that demonstrates a current DSCR of 1.0 or below on their property.
- Economic Occupancy is less than 90%.
- **There is no limit on the maximum amount of funding that may be requested per building. The request should be clearly explained in the application.**
- An updated Management Plan and responsive to other data requests from OH Asset Management team.
- If proposing rent reductions to align with market conditions, the application must include relevant market data, which may be sourced from CoStar, Yardi, or other third-party data providers.
- Requested amount brings current DSCR to at least 1.00x for a period of at least 12 months based on a revised operating pro forma.
- Project team must provide documentation from the current lender or investor detailing the current critical path to financial sustainability.

Additional Terms

All stabilization funding may require extended regulatory periods, deeper affordability, or other conditions as determined by OH.

Minimum Requirements and Competitive Criteria

In addition to meeting threshold eligibility, successful projects demonstrate clear alignment with the Office of Housing's goals: delivering deeply affordable, equitable, and sustainable housing outcomes across Seattle. This section explains how reviewers interpret application materials and what we look for in proposals that align with the mission of the Rental Housing Program.

Applications are evaluated across four core areas:

- A. Project Plan, Site, and Design
- B. Development Team and Capacity
- C. Financing and Readiness
- D. Community and Racial Equity Outcomes

A. Project Plan, Site, and Design

OH evaluates the overall development concept, including the strength of the project's planning, site strategy, and preliminary design. Competitive proposals will present a clear vision supported by realistic assumptions, thoughtful site analysis, and an achievable development timeline. Applicants should demonstrate a strong understanding of the site's physical characteristics, zoning context, and development constraints, as well as how the project will be delivered on time and within budget.

Project design should reflect a cost-effective and durable approach that supports resident well-being and long-term operations. Projects should consider neighborhood context, access to transit and amenities, and integration of sustainability goals. This combined section replaces the former "Project

Plan” and “Planning and Design” criteria to streamline evaluation of a project’s readiness and physical development strategy.

The Office of Economic Development’s (OED) CWB (Community Wealth Building) team may be included in construction conversations to convey the purposes of the BCOF (Business Community Ownership Fund) that addresses or supports associated development costs and provides long-term affordability and sustainability of that commercial space through ownership for small businesses. OED can demonstrate how effective buildouts of commercial space can support the residential and surrounding community.

Minimum Requirements

Project Plan

- Clearly states the visions, intent and goal of project

Concept Design

- Plans and drawings are to be a concept design – preliminary schematic design phase.
- Preliminary design must illustrate a clear understanding of the development team’s approach and vision.

Site Considerations

- Considerations for any Environmentally Critical Areas (ECA).
- Considerations for slope and liquefaction.
- Design should account for zoning requirements.

Competitive Criteria

Design Quality and Cost-Effectiveness

- Building design is consistent with the proposed construction budget, schedule, and development program.
- Design and construction methods reduce or contain costs, create high-quality site and building designs.
- Parking is no longer required for affordable housing projects by code. Projects with parking proposed in their development should prepare a justification and cost-analysis for OH review.

Site Integration and Resident Experience

- Project reflects thoughtful site planning that enhances neighborhood context and supports resident access to open space, services, and transit.

Sustainability and Safety

- Projects are expected to incorporate the Evergreen Sustainable Development Standard (ESDS) and reflect early planning for energy efficiency and environmental stewardship.
- Projects that incorporate Crime Prevention Through Environmental Design (CPTED) principles, such as visibility, access control, and territorial reinforcement, will be considered more competitive in this category.

B. Development Team and Experience

OH seeks to invest in organizations that will deliver sound long-term stewardship of scarce housing resources. Underwriting staff will evaluate applicants’ demonstrated capacity to develop and deliver

their proposed projects on time and within budget. OH also seeks to invest in organizations that have a high probability of providing required guarantees for construction debt, attracting Low Income Housing Tax Credit (LIHTC) investors and permanent debt lenders, as 50-60% of the typical leverage in most affordable housing projects. Applicants must also demonstrate the capacity to successfully and sustainably operate affordable housing over the long-term.

OH also seeks to invest in organizations and projects that align with the City's Race and Social Justice Initiative and that advance systemic change to eliminate race-based disparities in our communities. Organizations that have traditionally worked to address race-based housing inequities and that have relationships with communities historically underrepresented in affordable housing development, including Black, Indigenous, People of Color communities, are expressly encouraged to apply to this NOFA.

Minimum Requirements

Approval to Participate

- A signed Board of Directors or other corporate resolution authorizing requested amount to OH and their approval of the application submittal.
- Applicants that do not operate under a board structure should provide articles of incorporation, partnership agreements, or other documentation to sufficiently evidence the nature and structure of the entity. Roles and responsibilities of all officers, directors, or other partners are listed.
- Description of decision-making and oversight model used by the sponsor(s).

Organization Financials

Most recent three years of audited financials for organizations participating in project. Audits must comply with consolidation rules under U.S. Generally Accepted Accounting Principles (GAAP). Audits must include any management letters from the auditor and must reflect an unqualified opinion with no findings or material weaknesses that would cause concern about the financial operations of the applicant.

Applicants that do not have third-party audited financial statements will be required to provide alternate documentation to demonstrate the financial soundness, with the parent organization and any subsidiaries broken out, in addition to consolidated totals.

OH's review shall apply the following thresholds for New Construction and Acquisitions/Rehabilitation projects utilizing 4% tax credits:

1. Current assets should exceed current liabilities by a margin of 1.2:1.
2. Cash ratio: cash + cash equivalents should equal .5 to .75 of current liabilities.
3. Days cash: organizations should have 60 days cash at their disposal.
4. Working capital: current assets minus current liabilities should be positive.
5. Statements should show a positive trend in net assets.
6. Twelve-month cash flow statements may be requested.
7. YTD Financial Statements may be requested.
8. Real Estate Owned (REO) Schedule demonstrating at least a 1.05 DSCR average over the sponsor organization's portfolio.

Development Team Composition

As needed, Memorandum Of Understanding (MOU) between development partners describing responsibilities and roles between development partners.

Applicants that do not have direct experience in developing, owning, and managing affordable housing may demonstrate capacity by partnering with more experienced organizations. OH will evaluate any proposed partnerships to ensure they meet the needs of the proposed project and are sustainable for an appropriate length of time; if necessary, OH reserves the right to request additional materials demonstrating the capacity of partner agencies. If applicants seek to develop and operate housing through partnerships, the above criteria shall apply to the partner assuming primary ownership responsibility and financial risk for the project.

Competitive Criteria

Commitment to Race and Social Justice (RSJ) Principles

- Race and social justice contribute to the project vision, mission and composition of the applicant and partnerships.
- Organizations demonstrate a commitment to race and social justice through strategic planning, trainings, etc. to address equity and anti-racist practices.

Project Portfolio

- Organizations have experience developing multi-family, mixed-use projects serving vulnerable populations.
- Developed multi-family projects using public and private financing.
- As needed, partnerships with Black, Indigenous, People of Color and community-based organizations on previous projects that have improved housing access and outcomes for Black, Indigenous, People of Color, and other marginalized communities.
- In compliance with OH for previously funded projects, with minimal projects returning for additional funding after award.
- OH will evaluate applicants' recent development track record, including whether projects were completed within regulatory requirements, sound fiscal compliance, within the planned timeframe and budget.
- Review the performance of the applicant's current OH portfolio, if any, including the presence of a portfolio preservation plan.
- Applicant is in Good Standing as defined in the 2024-2026 Housing Funding Policies. Other applicants should submit alternate evidence of successful operations and compliance with regulatory requirements; projects employing low-income housing tax credits, for example, should demonstrate compliance with the requirements of the relevant housing finance agency.

Developer Performance

Developers with a strong track record of successful project delivery will be considered more competitive. Indicators of strong performance include:

- Demonstrated ability to close financing on time and within budget
- Consistent alignment between awarded funding and actual OH investment at closing, with less than 10% variance from award to close, averaged across OH-funded projects
- Conversion to permanent financing within 18 months of placing the project into service
- Timely compliance with OH reporting and monitoring requirements
- Consistent achievement of projected rent and income mix at lease-up, or adequate

organizational responses to achieve lease-up in the face of dynamic market forces and challenges.

- Strong internal project management and development oversight capacity.

Developer Pipeline

Developers with a large pipeline of projects that are not yet in service and/or not fully funded may be considered less competitive under this category, due to concerns about capacity to deliver additional projects.

Sponsors will be considered less competitive if they have:

- More than four publicly funded projects in their pipeline in Washington State (including those funded by OH and/or by other public agencies with or without City of Seattle financing)
- Two or more OH-awarded projects in predevelopment that do not have scheduled closing dates
- Pipeline projects that are delayed beyond original OH-approved schedules
- Multiple instances of award-to-close gaps exceeding 10%, unless justified
- One or more OH short-term loans that are not scheduled to close/convert to permanent financing within six months of December 31, 2025

Team Composition

- **Relationship with secondary developer (if applicable)**
 - Strong partnership between lead and secondary developer to build organizational and staffing capacity, knowledge, and experience. Strong partnerships are demonstrated through executed MOU or development agreements that clearly define roles and responsibilities.
- **Construction management**
 - Demonstrated experience in construction and construction management of multi-family, mixed-use residential projects that are completed within budget and on schedule.
 - Demonstrated experience complying with State Residential Prevailing wage rate standards.
- **Environmental**
 - Experience with platting actions, permitting, environmental review and approval, and design review on comparable development projects in the city of Seattle.
 - Experience in environmental engineering, sustainable design, and development, and/or green stormwater infrastructure best management practices.
- **Legal**
 - Experience in affordable housing development and public/private development.
 - Experience in Seattle land use and zoning.

Comparable Financing Experience

- Experience with applying for, and securing, LIHTC, and placing LIHTC-funded buildings in service, if applicable.

Comparable Management Experience

- Proposed property manager, or lead developer's management entity, has experience managing at least 60 residential units in the city of Seattle within the past seven (7) years.
- If applicable, experience with LIHTC compliance.
- Property manager's experience and approach increase or improve housing access to Black, Indigenous, People of Color, and/or marginalized communities.

C. Financing and Affordability

To help ensure OH's proper stewardship of scarce resources, all proposals must demonstrate a cost-effective investment of public funding. All projects should meet the standards described below, and all proposals, including those employing traditional financing tools, should describe how cost-saving measures are integrated into project design and development.

To be competitive, project development costs should match the per-unit limits established by Washington State Housing Finance Commission (WSHFC) for the current year. **Projects with per-unit development costs that exceed the 2025 WSHFC's cost limits will be scrutinized during the underwriting process.**

Minimum Requirements

Affordability

- All rental units proposed for funding are affordable to households at, or below, 60% AMI.
 - Any rental units in the project with affordability above 60% AMI must document other funding sources.

Ability to Finance

Asset statements and letters of credit must demonstrate the capacity to secure pre-development, construction financing, and permanent financing for the proposed project.

- 4% tax credit deals
 - Standard liquidity requirements.
 - Standard guarantor requirements.
- Non-4% tax credit deals
 - Standard construction loan guarantor requirements.

Nonresidential Funding Commitments

Projects that include nonresidential space (e.g., commercial, community, or service-related uses) must demonstrate a clear and achievable plan for securing full funding for those uses.

- If a capital campaign is listed as a funding source, at least 50% of the campaign goal must be pledged or committed at the time of application.
- Projects that rely on non-housing revenue sources (e.g., long-term leases or grants) must provide documentation of letters of intent to support the proposed funding.
- Submissions shall include:
 - Plans to apply for funding or existing funding award from another City department such as the Office of Economic Development or Equitable Development Initiative (EDI). Submissions should specify department name, project manager, amount of award or request and scope.
 - Funding from any other public entity providing capital or capacity funding awards.

Competitive Criteria

Acquisition

Applicants should demonstrate negotiation of property acquisition that ensures a competitive purchase price and reflects factors such as site work challenges and zoning limitations.

Applicants must negotiate purchase (or option) agreements with reasonable terms:

1. Agreements must require the purchase price to be supported by current appraised value, completed on or after March 1, 2025.
2. Agreements may not include automatic cost escalators that would cause the purchase price to exceed the current appraised value.
3. Agreements must comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) – see Policies and Procedures.
4. Agreements must comply with federal environmental assessment requirements and may not include “choice limiting” activity language.
5. Extension fees and earnest money deposits should be applicable toward the purchase price (and must be if the purchase price is equal to the appraised value). Applicants are strongly encouraged to consult with OH prior to payment of nonrefundable extension fees.
6. Agreements must comply with federal fund source requirements.

Project Financing

- The financing proposal, with sources and uses, supports the proposed project and is in accordance with current industry underwriting standards.
 - Proposed total development costs and operating budgets are within current industry parameters. Project financing proposal will be evaluated based on the feasibility of the underwriting, including the reasonableness of estimated development and operating costs, proposed rents and other income, the feasibility and terms of the financing sources, and the ability to support operating expenses, capital costs, and debt service to complete and operate the proposed project.
- Applicants should explain the inclusion of any project costs that are not included among standard eligible costs for OH projects.
- Applicants are expected to estimate future operating costs based on current project realities. Applicants should be prepared to provide documentation, upon request, of operating cost assumptions from a comparable completed project under similar ownership or management.

Capital Leverage

Application is consistent with housing policies and goals. It is necessary for OH investment to be leveraged with other public investments to the maximum extent practicable.

- City funding as a percentage of total development costs.
- Proposed sources of public funding and potential timing, and amount of financing award(s) from other City departments, King County, and the State of Washington.
- Allocation of Low-Income Housing Tax Credits with favorable investment terms.
- Projects proposing the use of 9% tax credits from the Washington State Housing Finance Commission (WSHFC) will likely provide housing for people who are experiencing homelessness.
- Rationale for applications seeking 9% tax credits that do not intend to dedicate housing for people experiencing homelessness.

Rent and Market Comparables

- Per-square foot and per-unit construction costs should reflect current market trends. Projects will be compared to average hard costs and to other projects proposed in a given funding round. OH will seek third-party analysis to ensure costs are aligned with the market.
- Rents of residential units should be below the market rate for the local geographic neighborhood, 10% at minimum.

- Applicants must provide evidence that the proposed unit rents are achievable in the neighborhood, based on the planned unit square footage and building amenities.
- Priority will be given to projects that propose at least 20% of units that are 2 bedrooms or more.
- Strong consideration will be given to projects that have more than 35% larger units.
- Priority will be given to projects that propose at least 20% of units serving households at or below 30% AMI.
- Strong consideration will be given to projects that propose a majority of units serving households at or below 50% AMI.

Operating and Service Subsidy

Applications serving extremely low-income and households with special needs that are seeking ongoing Operating, Maintenance, and Services (OMS) funding, must demonstrate a high likelihood of securing needed levels of subsidy. Current and future OMS funding is severely constrained at the local, state, and federal levels. Projects expecting OMS funding should establish contingency plans, in case new OMS funding is not available.

- Services and operations will be balanced with levels of subsidy and resident quality of life.

Community and Commercial Space

If community or commercial spaces are included, they must generate sufficient rental income, or equity must be provided, to support all associated development costs, including hard and soft costs.

Non-residential income and equity assumptions must be described in detail and include information about funding sources and/or rent comparables. Future applications for funding or awards provided from other City departments and/or other municipalities should be described. Description of funding commitments shall be explained with vision, goals and timeline.

Proposals should demonstrate how nonresidential space supports neighborhood needs and character and community development goals, as well as financial sustainability and long-term affordability of the housing project. Submissions should include potential or secured partnerships with commercial tenants. If a partnership has been secured, the application should include partnership details, including any legal/ownership structures that are planned for the project.

If EDI funding is committed for the proposed commercial component of the project, the EDI grantee must have an ownership stake, and the City may require deed restrictions to be placed on the property to ensure that the site is used for the proposed public benefits. The application should describe all other funder requirements for the commercial component.

Financing Capacity

Financing capacity will be evaluated based on the strength of the Applicant's assets, bank, investor, or other lender references, and current and historical commitments that demonstrate the respondent's ability to secure financing, meet lender's equity and other lending requirements, provide necessary guarantees, absorb cost overruns, and start and complete construction of the proposed project according to the proposed development schedule.

D. Community and Racial Equity Outcomes

Competitive Criteria

Housing Outcomes for Black, Indigenous, People of Color Communities

The application will be evaluated on how effectively the project advances racial equity and improves housing outcomes for Black, Indigenous, and People of Color communities. Given the legacy and continued impact of institutional racism, proposals should clearly describe how the project will increase housing access, choice, and stability for Black, Indigenous, People of Color households and other marginalized communities.

Anti-Displacement Strategies

Demonstrates commitment to anti-displacement strategies that respond to neighborhood conditions and community needs. These may include, but are not limited to, adopting a Community Preference policy, offering targeted outreach or marketing strategies, preserving cultural anchors, or prioritizing current residents at risk of displacement.

The City's Community Preference policy is explained on this [link](#) with [guidelines](#) supporting providers on how to administer their preference plan. Please reach out to Jessica Gomez at Jessica.Gomez@seattle.gov if you have questions about the policy.

Commercial and/or Community Uses

Demonstrates that nonresidential uses are thoughtfully integrated into the project to support neighborhood stability and meet community-identified needs. Projects should show how site uses contribute to local economic health, provide access to essential services, or enhance opportunities for community gathering, cultural expression, or local business development.

Partnerships with community-based organizations and/or small businesses are important to highlight. Level of community engagement and collaboration with other public entities in funding or building capacity for commercial spaces.

Final Notes and Next Steps

The 2025 NOFA reflects the City of Seattle's commitment to advancing housing that is affordable, equitable, and responsive to community needs. While the document includes detailed policies and criteria, we encourage applicants to focus on crafting a clear, complete submission that reflects your team's vision and alignment with these shared goals.

To complete your application:

- Fill out the [Pre-Application Intake Form](#)
- Schedule your required pre-application meeting (you'll receive a booking link via email)
- Use your customized SharePoint folder to prepare and upload all application materials
- Sign and upload the final checklist PDF
- Confirm your submission by completing this short form:
<https://forms.office.com/g/61XLW17y6L>

This confirmation step lets us know your application is complete and ready for review. If you have questions or need assistance, please reach out to OH staff. We value your partnership and your work to expand access to safe, affordable housing throughout Seattle.