



ARCH HOUSING TRUST FUND 2025 APPLICATION ROUND REQUEST FOR PROPOSALS (RFP)

INTRODUCTION AND PURPOSE

The Cities of Beaux Arts Village, Bellevue, Bothell, Clyde Hill, Hunt's Point, Issaquah, Kenmore, Kirkland, Medina, Mercer Island, Newcastle, Redmond, Sammamish, Woodinville, Yarrow Point, and King County have entered into an interlocal agreement to cooperatively plan for and provide affordable housing on the Eastside through an organization called ARCH (A Regional Coalition for Housing). To accomplish this, ARCH member cities provide funding to affordable housing projects through the ARCH Housing Trust Fund.

At least once a year, ARCH holds a competitive application round for Housing Trust Fund (HTF) resources, in coordination with the State Department of Commerce, King County and the Washington State Housing Finance Commission. The general purpose of the Housing Trust Fund is to create and preserve affordable housing that meets the needs of low-income households earning up to 50% of median income. In certain circumstances, for example, to promote affordable homeownership or to leverage another program's funding such as 4% Low Income Housing Tax Credits, moderate-income households earning up to 80% of median income may also be assisted.

AVAILABLE FUNDING

Approximately **\$3.5 million in funding for projects across the ARCH region** is anticipated to be available for the 2025 application round. This total is made up of local funds contributed by ARCH members, including flexible general funds, fee-in-lieu funds, and sales tax funds authorized under RCW 82.14.540 (HB 1406) and RCW 82.14.530 (HB 1590¹).

In addition, the City of Issaquah is making up to **\$2.5 million available as part of the Inclusive Housing Investment Pool (IHIP) for projects located in Issaquah**. IHIP was established to award funds collected through HB 1590 (0.1% sales tax) and HB 1406 funds for development of affordable housing in Issaquah for eligible populations earning up to 60% AMI. City priorities include preservation, transit-oriented development (TOD), and local partnerships. IHIP will use the same application materials and evaluation criteria as the ARCH HTF, except as noted in the "Review Process" portion of this RFP. Please follow the ARCH HTF application and submittal instructions to be considered for an IHIP award.

¹ Applicants should note that housing projects developed with HB 1590 funds must serve specific populations earning at or below 60% AMI, including seniors, veterans, persons with behavioral health disabilities, families and individuals who are homeless or at risk of being homeless, unaccompanied homeless youth or young adults, persons with disabilities, and domestic violence survivors.

In addition to the funds described above, ARCH will continue to consult with individual cities to explore the viability of other funding opportunities such as fee in lieu funds for projects in those jurisdictions.

FUNDING PRIORITIES

ARCH has established priorities for the Housing Trust Fund to align with its adopted Strategic Plan, “Building More Affordable Housing Faster,” elevating the following priorities for 2025:

1. Timely Delivery

- a. **Timely Delivery of Housing.** ARCH will prioritize projects that can demonstrate the ability to advance quickly through the development and entitlement process, execute financing commitments, and deliver housing as rapidly as possible. Staff will evaluate a project’s readiness, sponsor track record, and organizational commitment to timely delivery.

2. Maximizing Unit Creation with ARCH Investment

- a. **Leveraging Private Investment.** ARCH encourages project sponsors to pursue private investment that provides maximum leverage of local resources. Use of the Low-Income Housing Tax Credit and tax-exempt bond programs are highly encouraged, together with other public funders, private lenders, or other creative financing structures.
- b. **Maximizing Competitiveness of Other Sources.** Projects that will maximize unit creation will leverage an ARCH award with other public sources. As the competition has grown for public funding, the importance of aligning projects with scoring criteria has also grown. ARCH will prioritize projects who are maximizing scoring for the County, State, and WSHFC programs. These programs also align with many of ARCH’s long-term policy objectives.
- c. **Cost-Effective Development Approaches.** ARCH encourages project sponsors to propose cost-effective approaches to development that will minimize requests to the Housing Trust Fund. This includes approaches such as utilizing free or discounted property, utilizing in-kind support, using extended amortization periods to increase leverage, redeveloping underutilized property already owned by the sponsor, working with cities to minimize structured parking by demonstrating reduced demand, and creating small/efficient unit layouts (e.g., SROs, co-housing, etc.) that still meet the needs of the proposed population.

3. Other Long-Term ARCH Objectives

ARCH continues to support other long-term policy objectives for local investment. These include:

- a. **Populations.** The Housing Trust Fund aims to serve a diverse range of populations. ARCH has set the following long-term goals for use of housing

resources.

Population	Target (%)	Actual % Awarded
Family	56%	58%
Senior	19%	18%
Homeless	13%	16%
Special Needs	12%	8%

Sponsors should be sure to identify funds for ongoing operations and supportive services when appropriate for the intended residents.

- b. **Geographic Equity.** The Housing Trust Fund has a long-term objective of producing housing across East King County. ARCH looks to create broad distribution in the siting of all types of affordable housing over time to maximize choice for individuals and families seeking affordable homes. A map of existing Housing Trust Fund projects is available on the organization's [website](#).
- c. **Preservation. *Projects that preserve housing at risk of conversion to market-rate are a high priority***, particularly when existing low-income residents are likely to be displaced. Preservation projects will be particularly competitive when they can demonstrate an efficient use of resources relative to new construction projects. ARCH will accept applications at any time for such projects and will work to expedite the review process when urgency has been demonstrated.
- d. **Transit-Oriented Development.** Transit-oriented development is designed to support dense, walkable communities that increase access to employment, services, and other opportunities. Several ARCH cities have adopted local plans and policies to support residential density near current and planned transit infrastructure. Multifamily projects, especially those near transit centers or high frequency transit, are encouraged, especially given the scoring priority with WSHFC, Commerce, and other funding sources.
- e. **Racial Equity.** ARCH encourages proposals that advance racial equity through strategies that intentionally dismantle the racially disparate impacts of our current housing system. For example, such strategies may include, but are not limited to: preserving existing communities at risk of displacement, including manufactured housing communities; increasing opportunities for very low-income households to access historically exclusive neighborhoods; creating meaningful project partnerships that give voice and ownership to residents and communities of color; affirmatively marketing new housing

opportunities to communities less likely to access opportunities in East King County; and addressing historic inequities in access to homeownership.

- f. **Shelter and Supportive Housing.** ARCH encourages projects that ensure the availability of shelter and supportive housing on the Eastside for homeless families, single adults, and youth. ARCH is particularly interested in projects from experienced providers with a track record of utilizing best practices that leverage operating and services funding while thoughtfully and successfully integrating projects into the fabric of existing communities. Providers considering such proposals should work with ARCH, member cities human services staff, and King County to ensure that adequate funding for operations and supportive services is available.
- g. **Innovative Sustainable & Environmentally Friendly Solutions.** ARCH encourages project sponsors to design with environmental sustainability in mind. Amenities and materials that meet residents' needs, promote long-term durability, and reduce operating costs are encouraged.

ELIGIBLE APPLICANTS

Housing Trust Funds may be applied for by housing developers or sponsors that are:

- Non-profit organizations
- Private for-profit organizations
- Public housing authorities
- Public development authorities
- Units of local government

Partnerships involving combinations of the above groups are encouraged, especially in the case where a private for-profit organization applies for funding. Partnerships are seen as opportunities to produce the greatest number of units for the most reasonable investment of HTF funds with the longest duration of benefit to low- and moderate-income people.

ELIGIBLE BENEFICIARIES

The general purpose of the Housing Trust Fund is to create and preserve affordable housing that meets the needs of *low-income households earning up to 50% of median income*. In certain circumstances (for example, to promote affordable homeownership or to leverage another program's funding such as 4% Low-Income Housing Tax Credits), moderate-income households earning up to 80% of median income may also be assisted. As noted above, HB 1590 funds are limited to supporting projects that serve specific eligible populations. Applications should be clear about the proposed populations to be served so that ARCH may assess the best fit for potential funding.

Income and rent limits for the Housing Trust Fund are available on the ARCH [website](#).

ELIGIBLE ACTIVITIES

ARCH and other public funders have prepared a [matrix](#) which defines activities which are eligible or ineligible for particular funding sources. ARCH funds may be used for the following activities:

- Acquisition, and related costs such as appraisals, financing costs, and transaction costs
- Predevelopment, including architectural and engineering design, permits and fees
- Rehabilitation and new construction costs
- Site development
- Off-site development only when necessary to assure utility service to the project site
- Short term direct tenant assistance programs aimed at homeless prevention, e.g., rent "buy- downs" or loan programs for payment of security deposits and last-month rent deposits.
- Mixed-income projects so long as HTF dollars assist only low- and moderate-income units

In limited cases, ARCH may award a portion of the HTF funds to support early technical assistance to priority projects. Applicants with projects in preliminary stages are encouraged to consult with ARCH staff to determine if an application for HTF funds is appropriate. Another option available to projects in the preliminary stages is to apply to Impact Capital, Enterprise Community Partners, or Corporation for Supportive Housing for predevelopment funding (see predevelopment and acquisition funding sources on the ARCH [website](#)).

ARCH member cities understand that certain County, State and Federal housing programs require some level of matching by local resources. The ARCH HTF may be, and is encouraged to be, used as the local match for these programs.

INELIGIBLE ACTIVITIES

HTF funds may not be used for:

- The development of any non-residential use. HTF funds may be used in a mixed-use development only for that portion of the development that is specific to the residential use. This restriction also applies to site development and off-site development costs.
- The cost of any program operating expenses
- The cost of any political or lobbying activities or materials
- Rehabilitation of single-family housing units in a manner that would duplicate Bellevue's Home Repair Assistance and King County's Home Repair Programs
- Uses that are Public Capital Facilities such as correctional facilities or inpatient treatment facilities

ARCH TRUST FUND REQUESTS FOR PREVIOUSLY FUNDED PROJECTS

Application for funding by previously funded projects will only be accepted after careful evaluation of other strategies have been fully considered. This is not a role that the Trust Fund has historically played, however, there may be limited circumstances where such a role may be appropriate. Prior to applying to the Trust Fund, an applicant must address the following:

- Complete a sustainability evaluation that provides a comprehensive picture of the property, including trends in income and expenses, vacancy, debt obligations and refinancing options, tenants' household incomes, utilization of rental and operating subsidies, reserves and capital expenditures, and other factors to understand why operations diverged from a project's original underwriting, and what changes the owner has already implemented to improve sustainability and reduce future operating expenses
- Complete an evaluation in the form of a Capital Needs Assessment to understand the long-term needs of the property to maintain safe and decent affordable housing.
- Meetings with funders to evaluate all potentially applicable strategies to address long-term sustainability
- Implement other strategies identified through the evaluation process
- Monitor the impact of implemented strategies, and account for such impacts in any application for funding
- Document a long-term plan that would allow the property to be sustainable without additional funding support in the future

PRESERVATION, LOCAL PRIORITY PROJECTS AND LAND OPPORTUNITY ACQUISITIONS

ARCH may elect to accept applications “out of cycle” for preservation, locally funded priority projects and opportunity acquisitions. Applicants should consult with ARCH prior to submittal to determine if alternative financing sources (such as those listed under Predevelopment and Other Loan Funds) would be more appropriate. Additional criteria for “out of cycle” requests may be found below under Evaluation Criteria.

2025 APPLICATION DETAILS

SCHEDULE AND APPLICATION DUE DATE

The following schedule is anticipated for the 2025 Housing Trust Fund application round:

Date	Activity
June 25, 2025	Application package available
August 23, 2025	Deadline for pre-application conference, see below*
September 9, 2025	Applications due to ARCH by noon
October-November 2025	Questions from ARCH to applicants, if any
December 2025	Executive Board makes funding recommendations to cities
January-March 2026	ARCH recommendations reviewed by City Councils

PRE-APPLICATION CONFERENCES

Applicants are highly encouraged to schedule a Pre-Application Conference to identify and discuss potential issues **no later than August 23, 2025**. All applicants, especially first-time applicants, will benefit from meeting early and often with ARCH.

Applicants should be prepared to provide a project description identifying the population to be served, approximate number of units, income and affordability, type of construction (rehab or new), neighborhood issues, whether relocation or displacement will be required, team members (developer, architect, property manager, if known), and likely funding sources. Applicants are also welcome to solicit early input from ARCH on site or project concept when considering acquisition of a site or building.

Other potential Pre-Application Conference topics could include supplemental local funds that ARCH member cities may make available for projects in their specific jurisdiction, the process for considering local applications for Connecting Housing to Infrastructure (CHIP) funds, and requirements in the ARCH addendum.

To set up a pre-application meeting, email Patrick Tippy, ptippy@bellevuewa.gov.

LOAN AND REGULATORY TERMS

Housing Trust Fund dollars will be made available as either secured grants or loans. ARCH offers flexible terms designed to accommodate a range of projects. Applicants should indicate in their application whether they are applying for a grant or loan, and what loan terms are proposed for the project. The most common loan terms are: A) interest only loans, B) interest only loans with an initial deferral period, and C) deferred loan until note maturity. ARCH will evaluate the proposed terms, and Cities will make the final determination of which form of assistance will be offered to successful applicants. Loans will be offered whenever feasible without sacrificing initial or long-term affordability. Loan applicants will not receive priority over grant applicants.

In general, ARCH expects that projects will commit to providing long-term affordability in the form of a 55-year regulatory agreement. If the project is converted to an alternative use or becomes non-affordable at any time during the project's agreed-to term of affordability, the HTF contribution to the project will be subject to immediate repayment, and potentially a proportionate share of appreciation.

STANDARD AWARD TERMS AND REPORTING REQUIREMENTS

Exhibit A of this document outlines the ARCH Standard Award Conditions. All awarded applicants will contract using the Standard Award Conditions in addition to any "Special Conditions" added through the review of the application and included in the award letter. Collectively, the Standard Award and Special Conditions are approved by the ARCH Executive Board and Member City Councils. Applicants seeking deviations from these conditions should request a variance as part of their response on the 2025 ARCH

Application Addendum. The following reporting requirements shall apply during development and occupancy:

1. Quarterly Status Reports

Quarterly status reports are required from all HTF funded projects during the development stage (from the time funds are awarded until completion and occupancy of the project). The quarterly reports will include, at a minimum, the status of funds expended and progress to date. A final budget must be prepared and submitted at the time of construction start and project completion. ARCH will rely on the reports to determine if satisfactory progress is being made on the project. Additionally, ARCH staff will inspect the project site at least once during this period.

2. Ongoing Monitoring

After occupancy, the project sponsor will annually submit to ARCH a report summarizing the project beneficiaries, housing expenses, and other information criteria established in the ARCH regulatory agreement. Currently, ARCH accepts completion of reports through WBARS as form of annual reporting. In addition, for projects with loan payments, financial information must be reported annually which will be used for assessing contingent loan payments and project health. All projects will also be evaluated periodically for long term sustainability. Annual reports will be required for the full duration of affordability.

APPLICATION CONTENTS

ARCH uses the Combined Funders Application forms that the State of Washington, King County, the City of Seattle and other local jurisdictions have agreed to use for the convenience of applicants. The current year's application forms may be downloaded from ARCH's [website](#). Please note the two separate sets of application forms; one for rental housing, transitional housing and shelter, and a second for homeownership projects. Please submit the appropriate set of forms for your project type.

In addition to the application forms on ARCH's website, applicants proposing Low-Income Housing Tax Credits must obtain and submit a tax credit scoring form from the Washington State Housing Finance Commission (WSHFC), current version of the ESDS Project Checklist, and [Utility Incentive Form](#). ARCH also requires a copy of any supplemental application materials submitted to other funders.

To submit an application, please send an email with a link from OneDrive, Dropbox, Google Drive, or other file sharing services to submission@archhousing.org no later than 12pm Pacific time on September 9, 2025. The submittal materials for each application should include:

For rental permanent housing, transitional housing, or shelter projects:

One complete electronic application with:

1. Combined Funders Application
2. Combined Funder Project Workbook
3. ARCH HTF Addendum
4. Commerce HTF Supplemental Application, if applicable
5. King County Supplemental Application, if applicable

Applications should be arranged as follows:

1. Attachments under each Tab should be placed in a separate folder labeled with the Tab number.
2. The Project Workbook must be in Excel format with linked sheets unlocked and formulas visible.
3. Narrative responses must be in Word format.
4. Attachments must be in PDF format.

For homeownership projects:

One complete electronic application with:

1. HO1- Combined Funders Application
2. HO2- Combined Funder Project Workbook
3. ARCH HTF Addendum
4. Commerce HTF Supplemental Application, if applicable
5. King County Supplemental Application, if applicable

Applications should be arranged as follows:

1. Attachments under each Tab should be placed in a separate folder labeled with the Tab number.
2. The Project Workbook must be in Excel format with linked sheets unlocked and formulas visible.
3. Narrative responses must be in Word format.
4. Attachments must be in PDF format.

Please do NOT submit hard copies of applications.

NOTE: If you have already received funding through ARCH in a previous funding round and are seeking other public funds (e.g., King County, Washington Dept of Commerce, Washington State Housing Finance Commission), you must provide ARCH with electronic copies of applications submitted to other funders.

If you have any questions about application requirements, please contact Patrick Tippy at 425.305.5364 or email at ptippy@bellevuewa.gov.

REVIEW PROCESS

Proposals for the **ARCH Housing Trust Fund** will be reviewed using the following process:

- Step 1. An initial screening will be conducted by ARCH staff to determine the completeness of each application. Staff reserves the right to deny applications that are incomplete.
- Step 2. ARCH's funding recommendations will be made by its Community Advisory Board and approved by its Executive Board.
- Step 3. ARCH member City Councils will review and approve the recommendation submitted by ARCH, or will return the recommendation, with comments, for further investigation before a final decision is made.

Proposals for the **Issaquah Inclusive Housing Investment Pool (IHIP)** will be reviewed using the following process:

- Step 1. An initial screening will be conducted by ARCH staff to determine the completeness of each application. Staff reserves the right to deny applications that are incomplete.
- Step 2. ARCH, City of Issaquah staff, and a review committee will review based on the City of Issaquah's adopted [priorities and eligibility criteria](#). Issaquah staff will prepare funding recommendations for City Council review.
- Step 3. The Issaquah City Council will review and approve the recommendation submitted by Issaquah staff, or will return the recommendation, with comments, for further investigation before a final decision is made.

EVALUATION CRITERIA

ARCH Staff will review application materials to evaluate project feasibility and fit with established **ARCH HTF** priorities and goals. Information about specific evaluation criteria is as follows:

A. Development and Operating Budgets

Projects will be evaluated for ARCH subsidy per unit, reasonableness of capital and operating budgets, proforma assumptions, and competitiveness for other funding. Development and operating budgets should provide detailed explanation to support estimated expenses.

- **Development Costs:** Costs will be assessed on a per unit and per square foot basis. Higher up-front development costs may be justified to create long-term operational efficiencies (e.g., through use of high-efficiency building systems), provided that those increased costs have a relatively short payback period. ARCH may use third party reviewers to evaluate estimated construction costs.

- **Proposed Financing:** ARCH will assess expressed interest from lenders and investors, applicant experience in obtaining financing, likelihood of securing other public funding awards based on fit with other program criteria, and other competitive criteria (e.g., estimated tax credit score if LIHTC equity is proposed). Projects that propose significant fundraising should demonstrate steps taken to prepare for and implement a capital campaign plan.
- **Operations:** Projects that will rely on public funding to cover the costs of ongoing operations or services should identify and describe the availability of such funding, and report on the project's competitiveness for such funds based on discussions with likely funders. If supportive services will be provided on-site, a detailed services budget must also be submitted.

NOTE: This year's application includes specific guidance on underwriting benchmarks for credit pricing, DSCR, construction and perm loan terms, construction contingency, operating expenses per unit per year, vacancy, and escalation of rents and operating expenses. Projects that deviate from these standards will be asked to provide a strong rationale for their assumptions.

B. Project Readiness

Projects will be evaluated for their readiness to proceed. Applicants should demonstrate full site control, describe their entitlement status to develop the proposed project (density, zoning, parking, etc.), and have initiated the intake process with the local permitting authority. Project schedule, financing timeline, and remaining entitlement and permitting process will be compared to assess readiness.

C. Sponsor and Development Team Track Record

ARCH will evaluate the experience of the project sponsor and development team, including the strength of the sponsor's financial statements and real-estate owned schedule.

Project review takes into consideration how well the proposed development team has performed on previously funded projects. The application should identify lessons learned from those projects, where applicable, and describe how performance/actions have been modified as a result.

D. Property and Asset Management Capacity

The proposed property and asset management entities will be evaluated on their experience and performance in managing comparable developments. Successful asset managers will have a detailed understanding of the physical and financial condition of their properties, regularly updated capital needs assessments, and thoughtful policies for balancing the objective of maintaining affordable rents and planning for healthy reserves and operating income to cover current and future expenses.

Developers are asked to submit a real estate owned (REO) schedule, preferably in the

AHIC format. This document will show a summary of all real estate (not just LIHTC or affordable housing real estate) for which a General Partner/Developer/Guarantor's has a controlling interest, contingent liabilities or other risk of significant economic loss through loss of investment assets currently carried on its balance sheet, tax liability, etc. Additionally, the submitted REO schedule should include the operating performance of properties including total debt, maturity dates, annual debt service, net operating income, required debt coverage ratio and occupancy rate. Developers can submit in any format so long as the values described in the previous sentence are included.

If a project is in its preliminary stages, a boilerplate property management plan may be submitted with the application. A final management plan will be required prior to contracting. A successful management plan will include the following information:

- (i) **Occupancy:** Information in the occupancy management plan must include lease information (length, tenant eligibility and selection standards, standards for termination of lease, eviction, lease renewal) and marketing strategies including local outreach.
- (ii) **Facility:** The facility management plan should include provisions for both routine and long-term building maintenance.

E. Displacement and Relocation

Any activity which would result in the displacement of existing residents, especially low- and/or moderate-income residents, is discouraged. If displacement may occur, the applicant must submit, as part of the application for HTF, a plan for providing relocation assistance to the displaced residents. If relocation may occur, you are strongly encouraged to contact the King County Housing Finance Program's Relocation Officer at the earliest opportunity to discuss project details and determine the relocation plan and process appropriate for your project and funding needs. Please reference any applicable codes or laws in the subject jurisdiction of the proposed project to ensure that all costs associated with relocation or displacement are accounted for in final project budgets. Relocation costs should be included in the project budget. Projects funded with federal dollars (e.g., CDBG funds) must meet all applicable federal relocation requirements.

F. Criteria for "Out of Cycle" Proposals

Proposals for preservation, local priority, or land acquisition that are received outside of a normal funding cycle must demonstrate the necessity of obtaining timely financing from ARCH (rather than other interim sources of financing) in order to realize the project opportunity. In addition, applicants must demonstrate project feasibility and a high likelihood of the project being undertaken within five years. Greater consideration will be given to projects in high priority locations that meet multiple public objectives, as well as preservation projects where there is an imminent risk of displacement of low-income households. Applicants that have negotiated favorable acquisition terms will also be more competitive.

Exhibit A: ARCH Standard Conditions*

1. Before Contracting

- a. Agency shall submit quarterly monitoring reports through completion of the project, and annually thereafter, and shall submit a final budget upon project completion. If applicable, Agency shall submit initial tenant information as required by ARCH.
- b. ARCH, through its Administering Agency, may negotiate, approve, execute, and record amendments or releases of any ARCH loan documents as may be needed for the project; provided the project still provides the anticipated affordable housing and there is sufficient collateral to secure the members' financial investment, all as determined by ARCH staff.

2. Terms to be included in the Funding Documents

- c. Lender funds allocated to the Project shall not be used for any purposes other than as specified in the award conditions and as otherwise described in the Project Budget unless ARCH has given written authorization for alternative use. Spending of construction contingency must be approved in advance by ARCH. If after the completion of the project there are budget line items with unexpended balances, ARCH and other public funders shall approve adjustments to the project capital sources, including potential reductions in public fund loan balances.
- d. In the event federal funds are used, and to the extent applicable, federal guidelines must be met, including but not limited to: contractor solicitation, bidding and selection; wage rates; property acquisition; and Endangered Species Act (ESA) requirements. Owner shall include in any construction contracts or subcontracts, such requirements as may be required by the federal funds so used.
- e. The Owner shall [acquire/construct/renovate] the Project in compliance with the Project Award Letter as approved by ARCH and substantially in compliance with any plans and/or specifications submitted to and approved by ARCH.
- f. The Owner shall have in place all applicable construction, land use, environmental (including Hazardous Substances (as defined in the Environmental Indemnity)), and zoning permits, and other approvals necessary for construction, occupation and operation of the Project. Owner shall maintain documentation of any such.
- g. The Owner shall submit evidence of commitment of all public and private funds in the Project consistent with the Project Budget. In the event

commitment of funds identified in the Project Award Letter cannot be secured in the time frame identified in the application, the Owner shall immediately notify ARCH, and describe the actions it will undertake to secure alternative funding, and the timing of those actions, subject to ARCH's review and approval. All commitments of financing for the Project must be secured by the Owner prior to the release of funds.

- h. The Owner shall submit evidence of insurance, as required by ARCH.
- i. The Owner shall submit evidence of site control, a market study (if applicable), and an appraisal, by a state-certified general real estate appraiser, as that term is defined in RCW 18.140.010(22), which establishes a property value equal to or greater than the acquisition price.
- j. *[If improvements already exist -* The Owner shall submit a property inspection report by a qualified third-party firm. This report shall include an analysis of deferred and other repair or maintenance items upon the Property as well as the presence of any Hazardous Substances, and if present, how it will be addressed. This report shall be accompanied by a budget and plan showing how recommended rehabilitation work will be completed in a timely manner. A budget and timetable for this work may be submitted with the inspection report or be included as an attachment to the Project Budget required in subsection I.2 hereinabove. *]*
- k. The Owner shall submit a Hazardous Substances survey for the site by a qualified third-party firm. This report shall include an analysis of the presence of any Hazardous Substances, and if present, how the Hazardous Substances will be addressed. This report shall be accompanied by a plan showing how recommended work will be completed in a timely manner. If applicable, a budget and timetable for this work shall be submitted with the inspection report.
- l. Owner shall cooperate with ARCH in obtaining an American Land Title Association Lender's Title Policy with extended title insurance insuring the [Loan/Grant] and including those endorsements reasonably required by ARCH. The costs of such policy shall be the responsibility of the Owner.
- m. The Owner shall submit a complete management and services plan and updated operating budget for review and approval by ARCH staff ("Management Plan"). At a minimum the plan shall describe: (1) the physical plan including number and size of units, amenities, and accessibility, (2) the tenant population to be served, (3) description of housing programs and services, (4) management and operation of the premises including description of management entity and staffing, rules for operation of the

premises, enforcement procedures, and maintenance and repair program and (5) coordination of services with outside providers and parking management.

- n. The Owner shall submit a project implementation timeline, and Project Budget based upon more complete cost information and actual funding commitments, which must be approved by ARCH. If the Owner is unable to adhere to the timeline and/or budgets, ARCH must be immediately notified and a new timeline and/or budgets shall be submitted by the Owner for ARCH's approval. ARCH shall not unreasonably withhold its approval to a revised timeline and/or budgets, so long as such new timeline and/or budgets does not materially adversely change the Project. This shall be a continuing obligation of the Owner. Failure to adhere to the timeline and/or budgets, either original or as amended, may result in withdrawal of the Lender's commitment of funds.
- o. On or before the date of the contract effective date, Owner shall provide Lender with an authorization, execution and enforceability opinion of Owner's counsel in a form reasonably acceptable to the Lender.
- p. Concurrent with Owner's execution of the Funding Agreement, Owner shall execute and deliver to ARCH (i) the Note, (ii) the Deed of Trust, (iii) the Regulatory Agreement, and (iv) a Certificate and Indemnity Agreement Regarding Hazardous Substances and Building Laws ("Environmental Indemnity", together with the Funding Agreement, Deed of Trust, Note, and Regulatory Agreement, the "Funding Documents").
- q. The net developer fee shall follow ARCH Net Developer Fee Schedule. A net developer fee is defined as that portion of the developer fee paid out of capital funding sources and does not include the deferred portion that is paid out of cash flow from operations after being placed in service.
- r. A covenant is recorded ensuring affordability for at least 55 years, with size and affordability distribution per the following table.** Changes may be considered based on reasonable justification as approved by ARCH (e.g., accommodating income averaging across the units within the project).

* ARCH Reserves the right to update conditions and will notify applicants of changes when they occur.

** Table to be created based on the application materials outlining number of units, unit sizes, and affordability levels.

Sponsor Acknowledgement

PROJECT NAME: _____

I, the Undersigned, hereby represent and certify that the Project will meet the Standard Conditions. I certify that I have the requisite authority to execute this certification.

DATED _____ **this day of ,** _____.

Name of entity or individual submitting this certification:

By (sign): _____

Its: _____

Name (print): _____