2025 ARCH Housing Trust Fund Addendum

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| **Instructions**  The ARCH Housing Trust Fund Addendum requests additional clarification questions to be included in the 2025 ARCH Housing Trust Fund application and provides underwriting criteria to determine a project’s alignment with Priorities and Project Feasibility.  Please see the 2025 ARCH Housing Trust Fund Guidelines for detailed application assembly instructions. |

**ARCH Addendum Checklist**

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| --- | --- | --- | --- |
| **Document Type** | **Requirement** | **Attached** | **n/a** |
| 9% LIHTC Self Score worksheet | Project financing includes 9% Low Income Housing Tax Credits |  |  |
| 4% LIHTC Self Score worksheet | Project financing includes 4% Low Income Housing Tax Credits |  |  |
| Signed ARCH RFP Exhibit A: Standard Conditions | All projects |  |  |
| ARCH RFP Addendum Exhibit A: Underwriting Matrix | All Rental Projects |  |  |
| ARCH RFP Addendum Supplemental Questions | All projects |  |  |

**Tab 2**

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| --- | --- | --- | --- |
| Title Report | (include all encumbrances in a single .pdf file) |  |  |
| ESDS Project Priorities Survey | All projects |  |  |
| ESDS Sustainable Development Outline Form | All projects |  |  |
| Neighborhood/Offsite Amenities Map | All projects |  |  |

**Tab 3**

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| --- | --- | --- | --- |
| Market Study | All rental projects (except those serving 100% households exiting homelessness) |  |  |

**Tab 7**

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| --- | --- | --- | --- |
| LOI from Investor | LIHTC projects |  |  |
| LOI from Lender (Construction and Permanent) | As applicable |  |  |

**Tab 9**

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| --- | --- | --- | --- |
| Real Estate Owned Schedule   * Schedule to include properties owned by sponsor, sponsor as General Partner or Managing Member, including property value, net operating income, total outstanding debt, list of all outstanding debt and loan terms, maturity date, actual debt service coverage ratio, and any contingent liability or guarantee requirements. | LIHTC projects |  |  |
| Internal Financial Statements through June 30, 2025 |  |  |  |

**ARCH RFP Addendum Supplemental Questions**

**Environmental**

1. Please identify page number for the page in the attached Phase 1 Environmental Site Assessment or Limited Survey report that discusses the following (include those that are applicable base on subject site):

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| --- | --- |
| **Narrative Description** | **Page #** |
| Asbestos |  |
| Lead |  |
| Mold |  |
| Wetlands |  |

**Title Report**

1. Does your Title Report attached in Section 2 include hyperlinks to any covenants, easements, or encumbrances?

**Yes**

**No**

If yes, please compile all covenants, easements, or encumbrances into a single pdf file or request similar format from the title company.

**Higher Energy Standards**

1. Does this project intend to meet higher energy standards (Net-Zero, Passive House, etc.) or include energy efficient systems (solar panels, water systems, etc.)?

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1. Is your project required to meet or exceed ESDS requirements?

Yes

No

If yes, please submit your ESDS checklist in Section 2 attachments of the application submission information.

**Neighborhood/Offsite Amenities**

1. Using the PROJECT LOCATION(S) as the center point(s), create a map that clearly displays significant examples of the following locations, if present, from the project. Projects in Urban areas (including King County) should use a radius of 0.5 miles; projects in Rural areas may use a radius of up to 2 miles. Do not embed the map in this document; submit it as an Attachment as part of Tab 2.
2. Grocery (food) store(s)
3. Household items
4. Personal care items
5. Neighborhood health clinics
6. Behavioral health clinics
7. Food banks
8. Social service providers
9. Schools\*
10. Parks
11. Sports fields
12. Swimming pools
13. Public Transportation Options:
    * For *Bus Stops/Train Stations*, identify frequency of service, and if High Capacity Transit Corridor
    * For *Ferry terminals --* identify frequency of service

**Market Study**

1. Does the Market Study reference other LIHTC or affordable properties in east King County available in WSHFC data or funded by local funders?

Yes

No

**Timely Delivery of Housing**

1. Will this project begin construction with 24 months of application?

Yes

No

1. If not, when would this project commence construction?

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1. Please identify potential issues that could prevent this project from meeting the timeline identified in Form 5.

**Proposed Rents and Rental Increases**

1. Please clarify which rent schedule has been utilized in Form 8A. If you are choosing not to maximize rents, please explain why.

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1. Please provide information regarding the significance of the rental increases to your portfolio, if any. How is your organization implementing rental increases and what protections have you put into practice to prevent displacement due to rental increases?

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**Race Equity and Social Justice**

1. Will a Community Based Organization or By and For Organization be included in the project’s ownership structure as defined by the following:

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| --- | --- | --- |
| Entity | Yes | No |
| King County |  |  |
| Dept. of Commerce |  |  |
| WSHFC (Section 4.4 and 4.5) |  |  |

If yes, what Community Based Organization or By and For Organization will partner:

1. Will a Community Based Organization or By and For Organization be involved in the planning, development, or property lease up, as defined by the following:

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| --- | --- | --- |
| Entity | Yes | No |
| King County |  |  |
| Dept. of Commerce |  |  |
| WSHFC (Section 4.4 and 4.5) |  |  |

If yes, what Community Based Organization or By and For Organization will partner and how:

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1. Will your proposal help address housing inequities in East King County, particularly among historically underserved, vulnerable, or marginalized communities, and/or for individuals with disabilities or for whom English is not a primary language? If so, how will you engage the communities most directly impacted about the opportunities provided by this project?

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1. Describe how your project might impact the surrounding community. What are the demographics of the neighborhood of your proposed project, including race and income, and how does it compare to the population you intend to serve? In what ways will the impact of your project in this location further equity and social justice? What challenges do you anticipate for how this project will be received by the surrounding community?

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1. Describe your organization’s experience prioritizing housing for groups most impacted by housing affordability and inequity in East King County.

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1. Does your organization have a process for reviewing structures, policies, and programs with an equity and social justice lens to improve outcomes for the populations you serve? How do you obtain input from diverse client and non-client populations? Give examples, if possible, of instances where community input has driven changes in your organization’s policies, program implementation, staffing/hiring practices, or service delivery.

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1. Describe the racial, ethnic, and gender diversity of your board members and senior leadership. How does this composition help or hinder your organization’s capacity to understand and address the diverse needs of underserved communities?

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**Cost-Effective Development**

1. Please explain how your proposal is consistent with the cost-effective development approaches identified in the guidelines including construction methods, team assembly, bidding process, maximizing financing sources, and pay-in schedule.

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**Real Estate Owned Schedule**

Developers are asked to submit a real estate owned (REO) schedule, preferably in the [AHIC format](https://ahic.org/docs/AHIC_REO_Schedule.xls). This document will show a summary of all real estate (not just LIHTC 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.

**Standard Conditions**

Have you signed and attached Exhibit A- Standard Conditions from the RFP acknowledging the agency agrees to the standard conditions?

**Yes**

**No**

If **yes**, please provide the signed document in Section 1 of the application attachments.

If **no**, please provide detail on your requested deviation:

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**ARCH RFP Addendum Exhibit A: Underwriting Metrics**

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|  | **Recommended Benchmark** | **Notes to Developer** | **Applicant's value included in application materials** | **If different from the recommended value, please provide justification here. If supporting documentation is available, please include or reference attachments in (application folder)** |
| **Project Metrics- Rental** |  |  |  |  |
| **Financing Terms & Capital Budget Assumptions** |  |  |  |  |
| Credit pricing | Range: $0.80-$0.85 | If outside the range, please provide an LOI to support the application amount. |  |  |
| Construction Contingency | Floor- 10% new construction, 15% rehabilitation | If lower than the floor, please provide rationale of assumptions. |  |  |
| **Interest rates & Loan Terms** |  |  |  |  |
| Construction loan | SOFR + 200bps | If rate is lower, please provide an LOI to support the application amount. |  |  |
| Perm. Loan | 10 year Treasury + 200bps | If rate is lower, please provide an LOI to support the application amount. |  |  |
| DSCR (hard debt calculation) | 1.20 | If DCR is lower, please provide an LOI to support the application amount. |  |  |
| **Operating Assumptions** |  |  |  |  |
| Max rents | Minimum of 10% below Market Rent | If less than 10% below Market Rents as supported by a site specific market study, please provide a justification. |  |  |
| Operating Expenses (services excluded) | $ 8,000 PUPY floor | If lower than the floor, please provide documentation based on actuals. (floor should be higher for homeless projects including services) |  |  |
| Residential Vacancy | 5% | If more or less, please provide a justification. |  |  |
| **Escalation** |  |  |  |  |
| Expenses | 3% | If there is more or less than 1% point between Expenses and Revenue, please provide justification. |  |  |
| Revenue | 2% | If there is more or less than 1% point between Expenses and Revenue, please provide justification. |  |  |