Addendum

Notes for Submission of the OH Addendum

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| **Instructions**The **City of Seattle Office of Housing Addendum** requests additional attachments and/or clarification for Tabs 2, 3, 6, 8 and 9. Required attachments are listed on the 2021 OH Addendum Combined Table of Contents and should be placed in the order listed. Please see the 2021 OH NOFA for detailed application assembly instructions. |

**Tab 2: Project Description**

* **Notes on a Rehabilitation Scope of Work:**
* Note that OH encourages a scope of work that assures a minimum 20 year life for all building components.
* Note that rehabilitation projects must comply minimum design standards, please contact the Office of Housing to ensure your project will meet or exceed these standards.
* **Notes for submission of Preliminary Drawings**:
* Schematic drawings should be 1/8” equals 1’- 0” at a minimum and may be reduced for presentation.
* **Notes for submission of Outline Specifications:**
* Use the Construction Specification Institute (CSI) format including divisions 1 – 16.

**Tab 3: Need & Population Served**

* **Note for submission of Neighborhood Notification Documentation:** Documentation of neighborhood notification must include the following:
* The list of addresses within at least 500 feet obtained from King County parcel viewer.
* A copy of the written notice, letter or flyer provided to neighbors. Content should include basic information about the developer agency and proposed project, (e.g., estimated schedule, contact person, and neighborhood organizations that have also been notified about the project).
* **Note for submission of the draft Community Relations Plan:** Applicant should submit their draft written plan for maintaining ongoing communication with immediate neighbors and neighborhood and community organizations throughout the project’s pre-development, design, construction and operation phases. The draft Community Relations Plan is required as part of the Certification of Consistency for the Consolidated Plan **due 30 days prior to application deadline**.
* The Final Community Relations Plan will be due 90 days post OH award.
* Early Community Outreach for Design Review: OH award winners will need to conduct a separate community engagement process with the Department of Neighborhoods in advance of the project’s Early Design Guidance application. Information can be found here: <http://www.seattle.gov/neighborhoods/outreach-and-engagement/design-review-for-early-outreach>

**Tab 6: Development Budgets**

* **Note for submission of Cost Estimates:** Cost estimates should reflect, at a minimum, State residential prevailing wage rates. If your project receives federal funds and Davis Bacon applies, the greater of federal Davis Bacon wage rates or State residential prevailing wage rates will apply, unless applicable law requires otherwise. OH is encouraging non-GC third-party cost-estimates.
* **Note for LIHTC terms**: Please use $.95 when pricing LIHTC credit. Applicants should note lower pricing if available from investor.
* **Note for Debt Interest Rates and Debt Coverage Ratio**: Please use a 30 year amortization schedule with 5% for the permanent debt interest rate. Please use 1.15 for year one on the Debt Coverage Ratio.
* **Note for Construction Loan Interest Rate**: Please use 4.25% for your construction loan interest and only charge for the period the loan is anticipated to be used. i.e. if the project starts to draw down on the construction loan at 60% completion, the timing and interest of the loan should be calculated in the budgets accordingly. Applicants should note lower interest rate if available from lender.

**Tab 8: Project Operations**

* **Note for submission of Proposed Rents, Operating/Services Budgets:** When filling out Forms 8A through 8F, please identify the actual tenant rents expected from the proposed population, and the corresponding operating/services gap, if any.
* **Note for Management Off-Site Fees**: Please use no more than 7% for Management off-site fees.
* **Note for Services Expenses**: In projects supported with debt, i.e. 4% deals, service expenses are not allowed “above the line” as it would require additional capital resources. Services expenses are not an eligible expense for capital dollars per the A&F Plan.
* **Note for Replacement Reserves**: Please use no more than $350 per unit in the operating budget.
* **Note for Operating Reserves**: These should be no more than 6 months of operating expenses (excluding service expenses) and hard debt service capitalized in the sources of financing.

**Tab 9: Development Team**

* ***Note that OH reviews financial audits for the following criteria:***
	+ 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: organization should have 90 days cash at its disposal.
		4. Working capital: current assets minus current liabilities should be positive.
		5. Statements should show a positive trend in net assets.