

DIRECT APPROPRIATION RECIPIENT OVERVIEW

Housing Trust Fund Awards (HTF)

Multifamily Housing Unit

8/14/2025



Washington State
Department of
Commerce

v1.4

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Introduction


Congratulations! You've received an award or direct appropriation from the Multifamily Housing Unit (MHU)!

This presentation provides a high-level overview of what to expect after receiving an award from MHU through one of our many programs that provide capital funding to develop, rehab, renovate, or preserve multifamily rental housing projects for low income and special needs populations.

Award recipients (contractors) will work closely with the following MHU teams throughout the life of the contract:

- Housing Development Team
- Contract Specialists Team
- Compliance Asset Managers Team





WASHINGTON STATE DEPARTMENT OF COMMERCE
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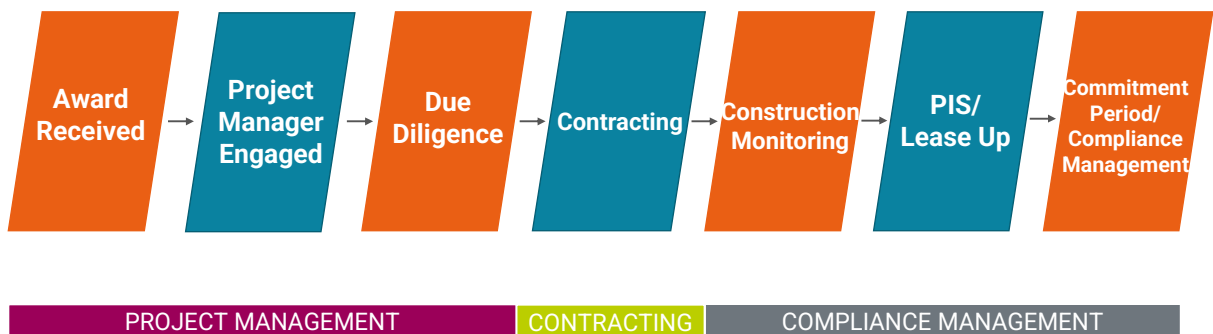
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Resources

- 2025-2027 Capital Budget 1021 (4)
- HTF Handbook
- HTF Loan & Grant Policy
- Commerce website: www.commerce.wa.gov/htf
 - HTF Handbook
 - Program guidance
 - Evergreen Sustainability Development Standard (ESDS)

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Project Life-Cycle



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Congratulatory Letter



Direct Appropriation recipients (Contractors) will receive a letter from Commerce specifying the:

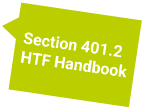
- amount of the DA funding
- conditions of the award, and
- contact information of the HTF Project Manager assigned to your project.

Once the Congratulatory Letter is sent to direct appropriation recipients, your assigned HTF Project Manager will begin the process of assisting with the development, contracting, and construction phases of the project.

HTF Project Manager Responsibilities

Your HTF Project Manager (PM) is your primary contact with Commerce for communications related to:

- Pre-contracting requirements (due diligence) & ensuring conditions of the award are met prior to contracting.
- Review & approval of the project's budget and schedule prior to contract execution.
- Negotiating specific terms & conditions of the loan or grant.
- Development & execution of the contract and any related legal documents.
- Review & approval of all reimbursement requests.
- General oversight of the project throughout construction and completion of Placed-In-Service (PIS) requirements.



PROJECT MANAGEMENT

HTF Project Management Engagement

Your HTF Project Manager will engage with you once
 Congratulatory Letters are sent with a Welcome Email Packet.

The Welcome Email Packet will include:

- Introductory to MHU and our programs
- HTF Award Conditions (from your Congratulatory Letter)
- HTF Due Diligence Checklist (DDC - for pre-contracting requirements)
- Project Data Sheet (PDS – used to build contract drafts)
- HTF Budget Update Workbook
- Invitation to schedule a kick-off meeting



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PROJECT MANAGEMENT

Kick-Off Meeting (HTF PM – Contractor)

- Discuss overview of project, award letter and conditions
- Explain Project Data Sheet (PDS) & Budget workbook
- Go over the Due Diligence Checklist and pre-contracting requirements
- Discuss project schedule and contractual timelines based on the direct appropriation funding received
- Plan scoping meetings if there are multiple public funders involved in the project (policy requirement – Section 401.6 of HTF Handbook)
- Answer contractors' questions about HTF processes



HOUSING DIVISION (HOUSING TRUST FUND (HTF))
 MISSION: TO FOSTER AND DEVELOP AFFORDABLE HOUSING THROUGH AFFORDABLE HOUSING.

Kick-Off Agenda

Purpose: To establish a constructive working relationship that effectively delivers affordable housing for the residents of Washington.

1. Ice Breaker (All)
2. Project Overview (Grant Recipient Lead)
 - a. Identify possible topics that may need to be addressed (from Application)
3. Role Definition (PM Lead)
 - a. Department of Commerce
 - i. Multifamily Housing Unit (MHU) Project Manager
 - ii. Commerce Decision-Making
 - b. Grant Recipient - Team Members/Decision-Maker
4. Orientation to Commerce Tools (Exhibits 1-4) (PM Lead)
 - a. Attachment to Award Letter (Conditions)
 - b. Project Data Sheet (PDS)
 - c. Due Diligence Checklist (Spreadsheet)
 - d. Budget & Schedule
5. Timeline

MHU Project Manager:

- Deliver a Business Objective → Create affordable housing (Outcome Based)
- Maintain Communication → Manage operational interdependencies (Relationship-Driven)
- Manage Risk → Document the identification of technical specifications (Due Diligence)
- Deliver Results → Assist with key performance indicators, such as contract execution, real estate drawings, financial status and construction monitoring (Metric Focused)
- Navigate the Process → Coordinate transfers with internal teams (Contracts Fiscal for contracting and Asset Management when Payment Services/Project Management)

Agents contact:
 [Insert Name]

Sample Kick-Off Agenda

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PROJECT MANAGEMENT

Due Diligence/Pre-Contracting Requirements

- Project Data Sheet (PDS)
- Budget Workbook
- Statewide Vendor Number (SWV)
- Contract Management System (CMS)/Secure Access WA (SAW) Account
- Title Commitment
- Insurance

MNU RENTAL PROJECT DUE DILIGENCE CHECKLIST					
Items required prior to execution of contract, completion, and drawing funds.					
NOTE: ITEMS 1-4 REQUIRED PRIOR TO SIGNATURE OF CONTRACT DRAFTS, WHICH MAY TAKE UP TO 8 WEEKS AFTER RECEIPT.					
Other Contract Number or Data Sheet # (if any)					
Item	Status	Requirement	Memo Notes	MNU PM Comments	Contractor/Developer Comments
1	Label	Final request has been verified with the Office of Financial Management (OFM) that the organization has an active Statewide Vendor Number (SWV) and current Electronic Funds Transfer (EFT) information on file with OFM.	TIMING: Required pre-contracting (prior to development of contract).	None/Comments...	None/Comments...
2	Label	Completed Project Data Sheet (PDS).	TIMING: Required pre-contracting (prior to development of contract).	None/Comments...	None/Comments...
3	Label	Update Budget workbook (pre-contracting).	TIMING: Required pre-contracting (prior to development of contract). NOTE: Projects must complete the revision of the budget workbook provided for approval by the MNU Project Manager for Direct Appropriations. The MNU Project Manager must submit copies of the Workbooks to the Project Coordinator (PDC).	None/Comments...	None/Comments...
4	Label	Interim Title Report.	TIMING: Required pre-contracting (prior to development of contract).	None/Comments...	None/Comments...
5	Label	Item set up in CMSCMS to request and approve draw on behalf of the contractor.	TIMING: Required prior to drawing draw funds through CMSCMS. URL: https://www.wa.gov/department-of-commerce/contract-management-system URL ADD: https://www.wa.gov/department-of-commerce/contract-management-system/contract-management-system	None/Comments...	None/Comments...
6	Label	Documentation of compliance with Executive Order (EO) 21-02, including: • Consultation/Concurrence with State • List of potentially affected tribes from Wiscord and TDC • Concurrence/Consultation with all identified tribes, and • Completion of and compliance with any follow-up items requested by the consultation process.	TIMING: Required pre-contracting. Projects should initiate the consultation process as early as possible. URL: https://www.wa.gov/department-of-commerce/contract-management-system/contract-management-system	None/Comments...	None/Comments...
7	Label	Evergreen Project Plan (EPP).	TIMING: Required pre-contracting. This EPP must be reviewed by the contractor and approved by the MNU Project Manager prior to contract signing. The EPP must be submitted to the MNU Project Manager for review and approval by the Contractor (as well as the third party construction review).	None/Comments...	None/Comments...
8	Label	All documentation required to complete the Project Evaluation Report (PER) submitted to WCA (100% party construction review).	TIMING: Required pre-contracting. The PER must be received by the contractor and approved by the MNU Project Manager prior to contract signing. The PER must be submitted to the MNU Project Manager for review and approval by the Contractor (as well as the third party construction review).	None/Comments...	None/Comments...
9	Label	Project Evaluation Report (PER) completed by WCA (100% party construction review) and follow-up.	TIMING: Required pre-contracting. Also use HFF Notes for Item # 8 above.	None/Comments...	None/Comments...
10	Label	Insulation Discovery Plan to be included in applicable construction management contracts, to be verified by MNU and subject EPA.	TIMING: Required pre-contracting (to be included in applicable construction management contracts) and 30 days prior to start of work or ground disturbing activities. URL: https://www.wa.gov/department-of-commerce/contract-management-system/contract-management-system	None/Comments...	None/Comments...

PROJECT MANAGEMENT

Due Diligence/Pre-Contracting Requirements

- Consultation with DAHP and Tribes (EO 21-02)
- Evergreen Project Plan
- Project Evaluation Report (PER)
- Compliance with SEPA/NEPA
- Environmental (HTF HB 205.4.1)
 - Phase I ESA
 - Limited Surveys for Asbestos, LBP and Mold

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PROJECT MANAGEMENT

PM Updates

- **Development Projects Changes or updates:**
 - Project management process has three (3) phases
 - Contracting phase
 - Construction phase
 - Placed-In-Service phase
 - Contractor and developers must keep project manager updated on any changes to the project throughout the development phase.
- **Project Completion and development close out is when construction is 100% completed, certificate of occupancy received, and place-in-service requirements are met.**
- **Introduction of all PM Leads, who will then introduce their team!**

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CONTRACTING

Contract Development & Execution

The Contract Specialists (CS) Team will work closely with you during the contract development phase to ensure the deadline is met.

The contract development phase involves:

- contract drafting
- document review from all parties involved in project
- execution
- closing

A completed PDS is required at least eight weeks prior to contract execution.

Contractors should allow **six to eight weeks** between receiving the drafts and final execution.

The timeframe will depend on staff workload, priorities, and type of funding.

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CONTRACTING

Contract Development & Execution

Contract documents generally include:

- Commerce contract
- Covenant
- Deed of Trust
- Promissory Note
- Priority & Subordination Agreement
- Assignment, Assumption, & Consent Agreement



HTF contract language is pre-approved by the Office of the Attorney General and, for the most part, **is non-negotiable**.

Limited revisions to the scope of work may be allowed, but any substantive changes will need to be reviewed by the Attorney General's Office which may take 3 additional weeks.

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CONTRACTING

Contract Execution & Closing

Commerce will execute the contract when the conditions have been met and all negotiable items have been agreed upon.

Commerce will sign last during contract execution process.



Closing involves the following items and additional information:

- Escrow Instructions
- Settlement Statement
- List of closing costs
- Partnership/Operating Agreement (if applicable)
- Electronic Funds Transfer (EFT) set-up

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CONTRACTING

Contracting Updates

- Introduction of Contracts Specialist (CS) Team Lead

PROJECT MANAGEMENT

Construction Phase



CONSTRUCTION
PROGRESS
MONITORING

Following closing, funds are able to be drawn down and the construction phase begins.

During the construction phase, you will work closely with your Project Manager and a 3rd party construction review team on:

- Oversight of the construction contract
- Inspections & site visits
- Alignment with construction timelines and work plans/schedules
- Compliance with ESDS requirements identified in your EPP
- Reimbursement requests, change orders, and alignment with the proposed development budget

The Washington Community Reinvestment Association (WCRA) is the construction review organization currently contracted with Commerce. They will assign a dedicated 3rd party review team located in your area to conduct site visits.

PROJECT MANAGEMENT

Placed in Service (PIS)

Once construction is approximately 50% complete, the Compliance Asset Management (CAM) Team will be engaged and discussions will begin regarding the Placed In Service/lease up process.

A project is considered placed in service **once a certificate of occupancy, or equivalent, has been issued for the property.** For acquisition-only projects, placed in service happens at contract execution.



The Placed in Service date is used to determine the start of the commitment period, annual reporting, and compliance monitoring.

PROJECT MANAGEMENT

Placed in Service (PIS)

Examples of some Placed In Service documentation collected:

- Updated Liability/Property Insurance
- Management Plan
- Remaining ESDS Requirements
- Verification of reserves
- 3rd Party Certification of Final Development Costs
- Capital Needs Assessment

Section
407 of
HTF
Handbook

Once all Placed In Service documentation is collected, any retainage held will be released.

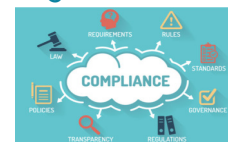
The Compliance Asset Management (CAM) Team will schedule the initial PIS visit after contract is in commitment status and will continue to work with you during the commitment period.

Compliance Asset Management (CAM) Responsibilities

The Compliance Asset Management Team ensures all multifamily/rental and shelter projects in the state's affordable housing portfolio receive appropriate oversight and monitoring over the full term of their contracts.

Oversight and monitoring by the CAM Team is completed through programmatic review of:

- Annual reports
- File and programmatic documentation reviews
- Onsite physical inspections of the project



In addition, your assigned Compliance Asset Manager will provide technical assistance for ongoing contract compliance for your contract as well as support with the Web Based Reporting System (WBARS).

CAM Engagement

Your assigned CAM Team member will be engaged prior to contract commitment status to ensure you are familiar with the contractual and programmatic obligations (i.e., unit set asides, populations served, income/rent limits etc.).

Additionally, the CAM team member will review required documentation, based on funding type. Required documentation may include:

- Affirmative Fair Housing Marketing Plan (AFHMP) – (HOME or NHTF funding only)
- Tenant Selection Plan
- Management Plan
- HOME/NHTF Rent and Utility Allowance Approval Requests
- Copies of residential Leases

COMPLIANCE MANAGEMENT

Annual Reporting & On-Site Inspections

Contractors are required to submit **annual reports** into WBARS every year.

Tables 1 – 3 & 5 are due January 31st
Table 4 due June 30th

Annual Report Reviews by the CAM Team begin in August of each year and is a review of the previous year's submission. Reported information reviewed includes, but is not limited to:

- units by area median income (AMI)
- rent charges
- certification dates
- income eligibility
- as well as a review of the overall financial position of the project to ensure the property remains in compliance

Items found to be out of compliance will require an acceptable explanation from the contractor.

COMPLIANCE MANAGEMENT

Annual Reporting & On-Site Inspections

Regular **ongoing site inspections/visits** will take place every three years.

Inspections may occur more frequently if there are concerns based on:

- a prior inspection
- annual report review
- contact from individuals residing at a property
- management turnover, etc.

During the site visit, the CAM team member will review a sample of resident files and conduct a physical inspection of the property, including a walk-through of buildings, common areas, and exterior grounds. This walk-through will include a sampling of occupied units to be inspected.

Ongoing Technical Assistance

Technical assistance is provided remotely, during onsite inspections, and occasionally through in-person training sessions.

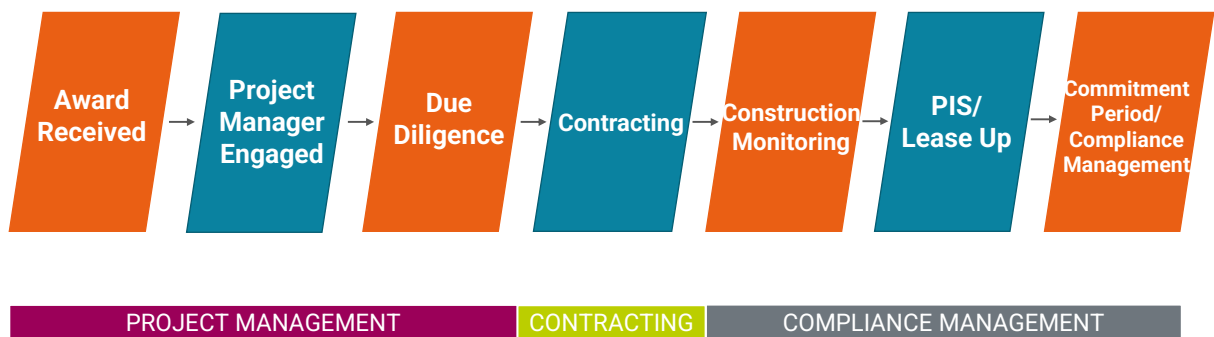
The CAM team provides the support needed to remain in compliance with the contractual and programmatic requirements by training contractors on topics including, but not limited to:

- Household eligibility
- Required file documentation
- Applicable rent and utility allowance
- Financial performance
- Annual Reports – WBARS Support

Meet the team

- Introduction of CAM Team Lead

Project Life-Cycle – Questions?



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**ANY
QUESTIONS**



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Thank you!



**We look forward to
working with you on
your project!**



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