



Kitsap County
Department of Human Services

Kitsap County

Community Investments in Affordable Housing



2024 Policy Plan

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Executive Summary

This Policy Plan will provide program information, program requirements, as well as the expected process and timeline for those partners that are interested in applying for Kitsap County Community Investments in Affordable Housing (CIAH) funds. The typical process will be a release of the annual Policy Plan in May, informing applications and funding decisions for the current calendar year. Funding commitments can be expected to be announced late in the year.

The Policy Plan will also provide policy guidance for those in decision-making positions for the CIAH program. For example, the Policy Plan will describe the program goals, objectives, and annual priorities. These goals, objectives, and priorities will be updated annually, in coordination with community partners, the public, and County staff.

The CIAH program is funded through two separate sales and use taxes administered by Kitsap County:

1. In 2022 the Kitsap County Board of Commissioners adopted a sales and use tax (0.1%) to be dedicated to affordable housing.
 - a. County Code [4.34](#)
 - b. Authorized by RCW [82.14.540](#)
2. In 2019 the Kitsap County Board of Commissioners adopted a sales and use tax (0.0146%) known as the “Affordable and Supportive Housing Tax.”
 - a. County Code [4.35](#)
 - b. Authorized by RCW [82.14.540](#)

The cities of Poulsbo and Bainbridge Island have opted to collect these taxes independently from the County, therefore the sales and use tax collected that fund the CIAH program are gathered from eligible purchases within Kitsap County outside of Poulsbo and Bainbridge Island.

Goals and Priorities

Based on local reports, planning documents, and meeting with the strategic planning team, the current CIAH Policy Plan has established annual goals and priorities. These goals and priorities will be revisited and updated each year, with input from both the public and community stakeholders. In 2025, when the Kitsap Block Grant Program works to begin the update to the five-year Strategic Plan, the CIAH program will join the planning process and implement a five-year plan.

Goals

The Kitsap County Community Investments in Affordable Housing (CIAH) funds are targeted to support low-income households.

CIAH has two primary goals:

1. Provide supportive and affordable housing options for Kitsap County residents.
2. Reduce homelessness for Kitsap County residents.

Priorities

To work towards these goals, the County CIAH funds have established the following priorities for 2024:

1. Develop new units of supportive housing, affordable housing, transitional housing, and shelter beds.
2. Acquire land for the development of supportive housing, transitional housing, or shelter beds.

CIAH funds will be prioritized for the development of new supportive housing, transitional housing, shelter beds, and land acquisition for that purpose; once those applications are addressed, the CIAH program will then address applications that meet the following priorities:

3. Provide housing or behavioral-health related services in relation to supportive housing. These services may include rental assistance.
4. Provide operations and maintenance support for new units of supportive housing.

Program Basics

The CIAH fund is administered by the Kitsap County Human Services Division, funded through sales and use taxes. The CIAH program's development was a response to the recognition of a serious housing shortage throughout Kitsap County as noted in many reports and data referenced above. While neighbors of all incomes may experience a housing shortage in different ways, those households earning less than 60% of the area median income (AMI) in Kitsap County are the sole focus of the CIAH program.

What Can CIAH Fund?

The CIAH program is the combination of two separate funding streams, with slightly different eligible uses.

The 0.1% sales and use tax, often referred to individually as the "1590 fund," can fund the following:

A minimum of 60 percent of revenues collected must be used for:

- Constructing or acquiring affordable housing, which may include emergency, transitional, and supportive housing, and new units of affordable housing within an existing structure, and facilities providing housing-related services, or acquiring land for these purposes.
- Constructing or acquiring behavioral health-related facilities or acquiring land for these purposes.
- Funding the operations and maintenance costs of new units of affordable housing and facilities where housing-related programs are provided, or newly constructed evaluation and treatment centers.

The remainder of the money collected must be used for the operation, delivery, or evaluation of behavioral health treatment programs and services or housing-related services.

The 0.0146% sales and use tax, often referred to as the “1406 fund,” can fund the following:

- Acquire, rehabilitate, or construct affordable housing.
- Operation and maintenance costs of new units of affordable or supportive housing.
- Rental assistance.

Operations and Maintenance

Eligible operations and maintenance funding is available for the following:

- Salaries and benefits of on-site staff, including all personnel costs directly associated with operating the building.
- Building management including overhead and personnel costs that are necessary to operate the building but are not located at the site.
- Project related administrative expenses such as, but not necessarily limited to accounting, audits, legal services, advertising and marketing, insurance, collection loss, and real estate taxes.
- On-going maintenance expenses such as, but not necessarily limited to janitorial supplies, maintenance contracts, security.
- Utility costs which are not specifically metered to an individual unit and not the responsibility of the tenant.

Who Can CIAH Serve?

The funds that come from the 0.1% sales and use tax (1590 fund) must serve households earning less than 60% of the area median income (AMI) **and** fitting at least one of the following characteristics:

- Persons with behavioral health disabilities;
- Veterans;

- Senior citizens;
- Persons who are homeless or at-risk of being homeless¹, including families with children;
- Unaccompanied homeless youth or young adults;
- Persons with disabilities; or
- Domestic violence survivors.

The funds that come from the 0.0146% sales and use tax must only serve households earning less than 60% of AMI.

The AMI is determined by household size and is updated annually by HUD for Kitsap County. The latest AMI data can always be found on [HUD User](#). The current AMI for Kitsap County is:

HH Size	30% AMI	60% AMI	100% AMI
1	22,900	45,800	76,300
2	26,150	52,300	87,200
3	29,400	58,900	98,100
4	32,650	65,300	108,900

Source: [HUD Income Limits](#); Updated 5/18/2023

The AMI data is typically updated in May of each year.

Funding Available

Because CIAH is funded through sales and use taxes collected in Kitsap County, the amount of funds made available each year may shift slightly. The County will attempt to remain consistent in the amount of funding made available each year.

For the 2024 Program Year, the County will make a total of **\$7,250,000** available from the CIAH fund.

Fund Type	Amount
"1590" funds	\$6,600,000
"1406" funds	\$650,000
TOTAL	\$7,250,000

As described above, the primary difference between the "1590" and "1406" funds is that "1406" funds may fund rental assistance projects. The 2024 program year includes some funds accrued from 2022, so subsequent years of CIAH may have less funding available.

Strategic Planning Team

A Strategic Planning Team was formed in February 2023 to inform the development of this plan. The team consisted of organizations representing a wide variety of expertise and perspectives. Those organizations represented are as follows:

Kitsap County Human Services	Agape Unlimited
Kitsap Mental Health Services	The City of Port Orchard
Kitsap Builders Association	The City of Bremerton
Kingston Cares	Kitsap County Housing Authority
Kitsap Community Resources	Bremerton Housing Authority
Community Frameworks	Saint Vincent de Paul of Bremerton
Homeless and Poverty Management Foundation	

The planning team met three times between February and March 2023. Each meeting was facilitated by County staff and focused on a different aspect of the CIAH program.

The first two sessions consisted of break out groups with discussion of prompts developed by County staff. The prompts intended to gain the varied perspectives of the team.

Meeting #1

Held on February 22, 2023, the first Strategic Planning Team meeting focused on establishing priorities for the funding. Within three focus groups, there were five questions to address. Below are key takeaways gathered from each focus group.

Prioritization of funds

- Prioritize the development of new units (supportive housing, transitional housing, emergency shelter beds).
- Eviction prevention and stabilization (rental assistance and services).
- Land banking, this supports development of a project pipeline.

Prioritization of eligible populations

- There should be no specific population receiving priority within the RFP.
- Because the “1406” funding is less restrictive, that funding should be made available to projects that may otherwise not be eligible for “1590” funding.

Geographic Equity

- There should be no prioritization of a specific location, however the funded projects should be distributed across jurisdictions in a balanced way.
 - This is especially important given the state requirements being passed down from House Bill 1220.

- Will need to consider the location of the projects and their proximity to services, transit, amenities, etc.

Meeting #2

Held on March 16, 2023, the second Strategic Planning Team meeting focused on establishing program policy boundaries for the funding. Within three focus groups, there were eight questions to address. Below are key takeaways gathered from each focus group.

Period of Affordability

- The state Housing Trust Fund uses 40 years, it makes sense to align with them.
- Provide some flexibility for small-scale projects.

Proportion of Funding to Eligible Activities

- Capital funding should be the majority, that is the biggest gap and the largest need.
- Remain flexible and readdress needs and priorities each year.

Meeting #3

Held on March 29, 2023, the third Strategic Planning Team meeting focused on recapping the previous two meetings and providing more space for input on the CIAH program. This meeting ultimately informed the current draft of the CIAH Policy Plan.

Needs Analysis

In December 2022 the Washington State Department of Commerce and the Puget Sound Regional Council released results of a survey asking residents of Kitsap County to rank what they perceive to be the largest problems Kitsap County residents are facing.

The top three problems identified by residents were:

1. Cost of Living
2. Homelessness
3. Housing costs/rents

This ranking is typical of other Counties involved in the survey. Cost of housing, homelessness, costs of rent, and overall increases in cost of living are interconnected.

The need for increased supply of supportive and affordable housing has grown as the County has grown in population, and this trend is expected to continue based on Washington State Department of Commerce projections. There have been many high-quality needs assessments done regarding the needs of Kitsap County residents when it comes to housing and homelessness. These needs assessments have also informed the

development of several strategic plans for other funding streams or to inform long-term planning documents. This section will provide highlights from several needs assessments and strategic plans that will serve as the basis for the goals objectives, and priorities for CIAH funding.

City of Bremerton & Kitsap County Affordable Housing Report

This report was completed in 2020 by ECONorthwest, an economic consulting firm based in Seattle, specializing in analyses that impact policy decisions. This study was completed to fulfill the County and City of Bremerton's desire to understand the affordable housing market and inventory and identify strategies to encourage more affordable housing.

The report identified ten high-priority recommendations, each with a detailed page of evaluation criteria. Of the ten recommendations, two of them are clearly within the realm of CIAH funds.

- Create a Revolving Loan Fund
- Pool Existing Resources

Create a Revolving Loan Fund

In the first year of operation, CIAH will not set-aside funds for the development of a revolving loan fund, however this was brought up in several of the Strategic Planning Team meetings and is something that CIAH funds could reasonably spearhead in the near future. While the revolving loan fund may gain some seed money from CIAH, the goal would be for other partners interested in the development of additional affordable and supportive housing to contribute to the revolving loan fund.

Pool Existing Resources

The County has operated a Coordinated Grant Process for several years. This coordinated process has included several funding streams that are both local and federal funds. Included below is the list of funding streams, and their estimated annual amount:

- Community Development Block Grant (CDBG) [~\$1,000,000]
- HOME Investment Partnership [~\$800,000]
- Affordable Housing Grant Program (AHGP) [~\$300,000]
- Homeless Housing Grant Program (HHGP) [~\$1,000,000]

The CDBG and HOME program are federal funding streams, while the AHGP and HHGP sources are local funding streams. Each of these programs has a slightly different aim and set of reporting requirements, but each program's primary goal is to support low-income households with housing and services to obtain stability. Adding CIAH to this coordinated grant process will significantly increase the amount of funding available to the community and do so in a way that will not significantly increase the complexity or administrative requirements on applicants.

ECONorthwest Housing Needs Analysis

Along with providing affordable housing recommendations, the study also provided a detailed needs assessment for housing in Kitsap County. This needs assessment was completed in conjunction with a detailed look at the housing inventory of the County as well as the housing landscape.

The needs analysis provided two summary findings that are extremely relevant to the CIAH program and should inform the priorities of funding.

1. Kitsap County has not been producing housing to keep up with growth. Across the country, a standard in the housing market has been to produce 1.10 units for each new household formed. From 2010-2017 Kitsap County produced 0.43 units for each new household formed.
2. Kitsap County is gaining households at the lowest (<\$20k/yr) and highest (>\$80k/yr) income levels since 2010.

These two summary findings together point to the need for development of new housing units and types for those low-income households, most specifically, those households earning 0-30% of the area median income.

ECONorthwest Housing Inventory

Another part of the report evaluated the current housing inventory, looking at type, location, price, tenure, size, occupancy, affordability, and economic and financial conditions. Focusing on the housing affordability component of this report, here are the highlights that will inform the CIAH program specifically.

- There is a significant mismatch in rental housing affordability in Kitsap County. 2017 data shows just over 8,000 units being occupied by households earning less than 30 AMI, and about 2,500 units affordable to those households.
 - There is a deficit of nearly 6,000 units affordable to households earning 30% of the area median income or less.

Kitsap County Countywide Planning Policies (CPP)

Adopted in October 2021, the housing element of the Countywide Planning Policies describe policies for the encouragement of future development of affordable housing. While these policies require close collaboration with Cities and only exist within the context of a wider housing and affordable housing landscape, there are several policies that may inform what projects the CIAH program prioritizes. After each bullet, there will be a reference to the policy as stated in the linked document.

- Each jurisdiction shall develop some flexible combination of appropriately zoned land, regulatory incentives, financial subsidies to make adequate provisions for the

needs of middle and low-income households, which include the development of transitional and supportive housing. (AH-2)

- Disperse housing types so there is no concentration or geographic isolation of housing meant to provide an option for any low-income household. (AH-3)
- Affordable housing for households earning less than 80% of the median area income should be focused within cities and unincorporated UGAs with easy access to transportation, employment, high opportunity areas, and other services. (AH-4)

HOME-ARP (American Rescue Plan)

As a response to an increased need for funding to address homelessness and needed supportive services, the Department of Housing and Urban Development (HUD) made available a one-time funding source known as HOME-ARP to be administered alongside the HOME Investment Partnership program. HOME-ARP funds are specifically targeted to benefit households who are currently homeless, at risk of homelessness, or another type of vulnerable population as defined by HUD. The development of the HOME-ARP Action Plan required that County staff go through a planning process to administer the \$2,653,349 grant. The planning process included consultations with stakeholders, a needs and gap analysis, and an expected distribution of funds based on eligible activities. HOME-ARP funds may be used for any of the following:

- Supportive services
- Acquisition or development of non-congregate shelter(s)
- Tenant based rental assistance (TBRA)
- Development of affordable rental housing
- Non-profit operation costs
- Non-profit capacity building
- Administration and planning

Some key data indicators from the HOME-ARP planning process that served as the basis for the funding priorities are:

- The Washington State Department of Commerce Housing for All Planning Tool (HAPT) indicates that Kitsap County will need an additional 1,787 units of permanent supportive housing and 1,598 shelter beds by 2044. Both numbers represent dramatic increase in production of these units when compared to production from 2010 to 2017.
- When identifying gaps in the current shelter/housing inventory and service system, the HOME-ARP planning process described a need to meet the needs of vulnerable households that may experience a wide variety of developmental, physical, or mental health conditions that make market rate housing difficult to find.

- Seventy-two units of permanent supportive housing were built in 2022, however there is significant need for the development of additional units.

As a result of the planning process, the HOME-ARP funding will be dedicated to the following:

- Supportive services – 15% or ~\$400,000
- Development of affordable rental housing – 80% or ~\$2.1 million
- Administration and planning – 5% or ~\$130,000

The planning process for the HOME-ARP funds highlighted the tremendous need for funds to be made available for capital investment in either new construction of or rehabilitation of units for vulnerable populations. It is important to note that while CIAH funds are annually renewed based on sales and use tax gathered in Kitsap County, HOME-ARP funds are a single-source fund and when expended will not be renewed.

Kitsap County HOME Consortium Consolidated Plan (2021-2025) and Annual Action Plans

Every five years, Kitsap County and the City of Bremerton work to update the Consolidated Plan, which includes a 5-year strategic plan identifying priority needs, goals, and funding strategies for the use of the Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) funds. In 2020, the County and City went through the planning process to update their Strategic Plan. This process involves community outreach via public survey, direct outreach to stakeholders involved in housing and services, and several public meeting to garner feedback and input on the plan.

Affordable housing, specifically the development of new rental housing and preservation of existing affordable housing were identified as the most critical need. Services for those experiencing homelessness and those in need of mental health services were also ranked as a high need. Ultimately, the planning process defined priority needs:

1. Affordable Housing – Kitsap County
 - a. Development of new affordable rental and owner housing.
2. Economic Development
 - a. Increase economic opportunities for low-income households.
3. Services
 - a. Funding for non-profits to meet basic needs, prioritizing services for children and youth, special needs populations, and food assistance programs.
4. Community and Neighborhood improvement
 - a. Public facility and infrastructure projects that are associated to affordable housing and the provision of high-priority services.

5. Affordable Housing – Bremerton
 - a. Development and preservation of affordable rental housing including new construction, acquisition, and rehabilitation.

All these priority needs may be addressed by CIAH funds, except for the economic development priority need. Specifically, CIAH funds are a best-suited match for the Affordable Housing in Kitsap County and Bremerton, as well as the Services priority need in that CIAH funds may provide capital funding for the development of spaces where services are provided.

While the Consolidated Plan is updated every five years, the Kitsap Block Grant Program must submit an Annual Action Plan which describes how the County plans to address the priority needs established in the Strategic Plan (5-year plan) with its annual allocation of funds from HUD. Annually, the Kitsap County HOME Consortium has committed all the HOME funding to preserve and increase affordable housing, while committing a portion of CDBG funds to preserve affordable housing with the balance for other priorities identified in the Plan.

CIAH funds, as part of the coordinated grant process, will work closely with the Kitsap County Block Grant Program to further address the priority needs identified in the Consolidated Plan where CIAH may provide further impact.

Behavioral Health Strategic Plan

Kitsap County's Mental Health, Chemical Dependency, Therapeutic Courts (MHCDTC) program started in 2013, being funded from 0.1% sales and use tax in Kitsap County. The mission of the program is to augment state funding of mental health and chemical dependency programs and services. The MHCDTC program develops a strategic plan every 6 years, guiding the program's policies and funding priorities. In the latest strategic plan update, the 2021-2026, the MHCDTC convened a strategic planning sub-committee to create the 2021 strategic plan update.

The sub-committee, through a planning process that involved data analysis, community surveys, and deliberation of subject matter experts on the sub-committee, developed six goals for the program, each goal having three objectives. The sixth goal, increase the number of stable housing options for chemically dependent and mentally ill residents of Kitsap County identified the need for development of additional housing options for those vulnerable populations in Kitsap County. CIAH funds are well positioned to address this county-wide goal of increasing the supportive housing, transitional housing, shelter, and permanent supportive housing options throughout the County.

Department of Commerce

The Washington State Department of Commerce issues guidance for how cities and counties plan for housing. In 2021, the Washington Legislation passed [House Bill 1220](#), which amended the Growth Management Act (GMA), instructing local governments to “plan and accommodate” for housing affordable to all income levels. This and other updates to the GMA can be found on the [Department of Commerce’s website](#).

This update to the GMA came with the development of the *Housing for All Planning Tool*. This tool is based on current housing inventory of different types, available at the various income levels, and projects the housing need in the future based on population estimates completed by the Washington Office of Financial Management. Below is the population estimate for Kitsap County in 2045, and the housing needs estimates based on the medium population estimate.

Table 1: OFM GMA Population Projections, 2045
Kitsap County Projected Population, 2045

	Low	Medium	High
Projected Population (2045)	282,026	326,724	417,222

Table 2: Projected Countywide Housing Needs Based on User Inputs

Kitsap County Population Target = 326,724	Affordability Level (% of Area Median Income)								Emergency Housing/Shelter Beds
	Total	0-30%		30-50%	50-80%	80-100%	100-120%	120%+	
		Non-PSH	PSH						
Total Future Housing Needed (2045)	135,550	9,667	2,769	16,378	37,140	20,792	13,503	35,301	1,770
Estimated Housing Supply (2020)*	110,914	4,123	114	11,737	33,907	19,338	12,078	29,617	481
Net New Housing Needed (2020-2045)	24,636	5,544	2,655	4,641	3,233	1,454	1,425	5,684	1,289

* Note: Supply of PSH in 2020 is beds. However, projections of Net New Housing Needed (2020-2045) are in housing units. See Overview tab for details.

The most significant need is among the households earning 0-30% of the area median income.

Household Size	30% AMI
1	\$21,600
2	\$24,700
3	\$27,800
4	\$30,850

These housing needs are county-wide, and each jurisdiction within the County, unincorporated Kitsap County included, will need to address a portion of the overall need. The method of geographic distribution will be determined by the [Kitsap Regional Coordinating Council](#). As noted in the ECONorthwest report referenced above, the ability to meet these housing projections will require a significant increase in the number of units

being produced, at all income levels. This supports the notion that CIAH funds should prioritize capital projects and support the development of new units.

Kitsap Homeless Crisis and Housing Plan

The Kitsap County Human Services department developed the [Homeless Crisis Response and Housing Plan](#)+ in 2018, receiving an update in late 2019. The plan was developed after a thorough community engagement process and needs analysis. The plan culminated in defining five goals, described action steps, and outlined several strategies for each goal. CIAH funds can reasonably work on several of the goals and strategies described in this plan. The list of goals below includes some of the actions/strategies where CIAH may be impactful.

Goals, Actions, and Strategies

1. Make homelessness rare.
 - a. Increase availability and accessibility of housing options for people with low incomes.
2. Make homelessness brief.
 - a. Create permanent supportive housing (PSH) units.
 - b. Make immediate shelter available for all who want it, including a low-barrier shelter option.
3. Make homelessness one-time.
 - a. Provide supportive services and tenant supports for people moving out of homelessness into temporary or permanent housing.
4. Continuously improve the homeless response system.
 - a. Develop coordination among service providers and systems of care.
 - b. Align funding sources to simplify processes for nonprofits and improve efficiency in the grant-making process.
5. Expand community engagement.
 - a. Engage with community leaders to inform, educate, and collaborate to create solutions to address housing and homelessness issues.

The plan also names several future action steps that do not necessarily have a specific responsible entity or implementation timeline but would contribute to achieving the goals described in the plan. Those future actions are:

1. Create low-barrier shelter beds in North and South Kitsap County.
2. Develop additional new units for households on a fixed income (including seniors and people with permanent disabilities).

The CIAH program, with its focus on capital projects, is well-suited to address these future actions, along with several of the goals and actions listed above.

Allocation Process

The CIAH program conducts a competitive funding application process, issuing a Request for Proposals (RFP). The CIAH RFP process is conducted in coordination with other County funds addressing housing, shelter, and service needs through the Coordinated Grant Application Process.

A schedule of the Coordinated Grant Application Process, which includes the CIAH program, is published on the [County's website](#), which details key dates for the program. A summary of that timeline and process of the CIAH program is below:

April -> The pre-application form is made public. All organizations who expect to apply for CIAH funds should complete this form providing basic project information.

May -> The Policy Plan will be made public and made available for comments/feedback. This includes the priorities for the upcoming grant cycle.

May -> The pre-application form is closed.

June -> Appointments are scheduled between County programs participating in the joint RFP Process and applicants based on pre-application forms submitted.

June -> The application link is made available.

June -> Comment period ends, a public hearing is held with the Board of County Commissioners and the Policy Plan is presented for approval.

June/July -> Technical assistance for completing the application is made available.

July -> Applications are due late July.

August -> The Capital Grant Recommendation Committee (GRC) goes through a training and begins to review applications.

September -> Funding recommendations are made public and the community is encouraged to provide feedback.

October -> The comment period ends; a public hearing is held with the Board of County Commissioners and funding recommendations are approved.

November/December -> Statements of work (SOW), contracts, and expenditure plans are formed.

January -> The program year begins.

Grant Recommendation Committee

All submitted applications will be reviewed by the Capital Grant Recommendation Committee (GRC) and county staff. The Capital GRC is an eight-member committee that is formed to review submitted applications to the CIAH funds, as well as the Capital projects for the HOME and CDBG programs. The nine members are selected in the following ways:

- 1 member to represent North Kitsap, selected by that Commissioner.
- 1 member to represent Central Kitsap, selected by that Commissioner.
- 1 member to represent South Kitsap, selected by that Commissioner.
- 1 member to represent Bremerton, chosen by the Mayor of Bremerton.
- 1 member to represent Poulsbo, chosen by the Mayor of Poulsbo.
- 1 member to represent Bainbridge Island, chosen by the Mayor of Bainbridge Island.
- 1 member to represent Port Orchard, chosen by the Mayor of Port Orchard.
- 1 member chosen at-large, selected by the Board of County Commissioners.

At-large members are selected from a pool of applicants that have submitted the necessary application forms and demonstrated some level of experience in a wide variety of areas relevant to CIAH, CDBG, or HOME funds. For more information on the Capital Grant Recommendation Committee see the County website.

Application Scoring

Applicants can expect a scoring system that aligns with how other grants in the Coordinated Grant Application Process have scored applications in the past. Each application being scored against a rubric that is made public. Some example of evaluation criteria include:

- Project readiness
- Cost
- Leveraged funds
- Partnerships
- Sustainability
- Period of affordability (for capital projects)
- CIAH Project priority

Applicant Process

Below are the summarized steps in the process from the applicant's perspective.

1. Submit the pre-application form asking for basic project information.

2. Attend a pre-application appointment that will include funding managers from each eligible source of funding based on the project's pre-application form.
3. Submit the Organization Information Application.
 - a. This application is submitted one time per year, regardless of the number of project applications an applicant submits.
4. Submit the Project Application.
5. Attend an interview with the Grant Recommendation Committee (GRC) to discuss the application.
6. The GRC deliberates and scores applications based on the scoring matrix (made public along with the RFP) and the goals and priorities of the CIAH program for the given year.

Awards will be announced in September of each year and will be discussed at a public hearing in October of each year.

General Program Rules

The CIAH fund was created in April 2022, as a unified program to implement the two separate sales and use taxes meant to support affordable housing and services. Both sales and use taxes are authorized through Washington State Legislature (RCW 82.14.530 and 82.14.540).

These rules may be adjusted to meet shifting priorities, market needs, or changes in objectives. Any changes will be reflected in the annual update to this Policy Plan and highlighted during the public comment period.

Eligible Recipients

The eligible recipients of CIAH funds are:

- Nonprofit Agencies
- Units of Government
- Housing Authority
- Corporation, Limited Liability Company, General Partnership, Joint Venture, or Limited Partnership
 - This must ultimately be controlled by a nonprofit or public corporation to obtain a tax credit or another housing or service-related objective.

Conditional Commitment

CIAH funds are awarded as a conditional commitment and a contract will be executed upon completion of the following conditions:

- Must have documented all committed funding sources for the project that equal the total project need.
- Any required environmental assessments have been completed.
- Project underwriting has been completed.

Organizations will have 2 years from notification of CIAH funds being committed to complete these conditions.

Project Timelines

Capital Projects

Recipients of CIAH funds for construction and/or rehabilitation will have four (4) years from the contract execution date to complete projects. Project completion means that all construction work and title transfer is completed, and the final invoice for CIAH funds has been submitted.

Land Acquisition

Capital projects that include land acquisition may seek a project timeline longer than four (4) years. This should be disclosed in the application submission and may be negotiated.

Service, Operations & Maintenance

For non-capital projects (services, operations & maintenance, etc.) CIAH recipients will have two (2) years from the contract execution date to complete the project. Project completion means that the final invoice for CIAH funds has been submitted.

Financing Methods

The CIAH program is a grant-based program reimbursing eligible expenses, except in the cases where a loan is needed in order to secure tax credits of other leveraged funding. Loan terms will be negotiable and be determined at the time of underwriting review.

Matching Funds

There is no requirement for matched funds when receiving CIAH funding. However, it is encouraged to leverage CIAH funds to receive additional funding from other sources. The ability to use CIAH funds as leverage will be an aspect scored in the application review process.

Geographic Focus

The CIAH program will not focus on any specific geographic area of Kitsap County. Any eligible project within the bounds of Kitsap County will be considered. However, because Poulsbo and Bainbridge Island take their own sales and use tax from the County's CIAH fund, there are unique circumstances for funding a project in either Poulsbo or Bainbridge Island.

- The City of Poulsbo and the City of Bainbridge Island are not eligible to receive CIAH funds directly.
- The County will only consider “last-in” funds to complete the funding picture necessary for a nonprofit to develop a project in Poulsbo or Bainbridge Island.
- Proposed projects located in Poulsbo and Bainbridge Island will begin the evaluation process with a deficit of 10 points.

Affordability Period

CIAH will require a 40-year period of affordability. A 40-year affordability period aligns with the Washington State Department of Commerce Trust Fund. This 40-year affordability period also applies to acquisition of land and/or units when for the purpose of affordable/supportive housing. A deed restriction must be recorded on the property to ensure the affordability period and rights of first refusal for the sale and/or repurpose of a unit receiving CIAH funding before the period of affordability has expired.

If units are sold during the period of affordability, the award must be paid back proportionally to the number of units sold.

The period of affordability is an evaluated aspect of the application, with longer periods of affordability being preferred. Periods of affordability less than 40 years may be considered for small-scale projects and should be discussed with County staff during the pre-application process.

Carryforward Funds

There may be grant cycles where some CIAH funds made available during the RFP process are not expended and/or committed. Similarly, a project may be funded and later found ineligible or may not expend all the awarded amount upon project completion. When there are CIAH funds not committed based on any of the scenarios described above, those funds will be made available in the following grant cycle.

Market Assessment

A market assessment is not required to be submitted for access to CIAH funds. However, applicants should recognize that the application review process will look at aspects of a project that ensure the project is meeting a clear need and considers the location of the project from the lens of the population being served.

Prevailing Wage

CIAH funded capital projects are subject to the State of Washington Prevailing Wage laws on Public Works ([Chapter 39.12 RCW](#)). Where federal labor standards are triggered by another funding source on the project, the grant recipient will pay the higher wage standard defined by State and Federal regulations.

Monitoring and Reporting Plan

Monitoring will consist of periodic inspections of units funded with CIAH funds, review of policies and procedures, project financial information, and other documents as needed to gain a full picture of compliance with the program requirements.

There will be reporting requirements to ensure the project is continuing to meet the goals and objectives of the CIAH program. CIAH funding recipients can expect annual reports to be required.

The CIAH program will publish a *Monitoring and Reporting Plan* during 2023.

Project Closeout

Project closeout should occur as soon as possible after project completion so in the case there are excess CIAH funds with the project, those funds may be put to work in other eligible projects. Detailed closeout requirements are found in the contracting documents.

Contracting

The CIAH program will utilize standard Kitsap County contracting forms. For examples of these contracts, please see the [Human Services Contracts site](#).

Operations and Maintenance Contracts

The County will prioritize operations and maintenance (O&M) funding to organizations that have previously received capital funding from the County. The County will prefer to enter extended contracts for operations and maintenance costs to ensure long-term viability of the project, reviewing the contract annually.

Service Contracts

The County will prefer to enter extended contracts for services, reviewing the contract annually.

ⁱ [HUD definition = <30% AMI with some other conditions](#)