



# NOTICE OF FUNDING AVAILABILITY (NOFA)

## Affordable Housing Sales Tax Funds: Affordable Housing Capital Projects and Housing Services 2025

Issued March 27, 2025

Applications reviewed on a rolling basis. For funding consideration in 2025, applications must be received no later than October 31, 2025.

**COMMUNITY DEVELOPMENT DEPARTMENT**  
**501 North Anderson Street | Ellensburg, Washington 98926 | 509-962-7231**

<https://ci.ellensburg.wa.us/>

## 1. INTRODUCTION & HOUSING NEEDS

The City of Ellensburg is seeking proposals from qualified developers and service providers to create affordable housing and meet urgent housing needs in the City of Ellensburg. Proposals may be submitted by a single organization that meets all the criteria or by a partnership between organizations that collectively meet all the criteria.

This NOFA does not have a set closing date; **applications will be reviewed and evaluated as received**. Applicants are encouraged to meet with City staff prior to submitting an application for funding. Applications that are deemed complete and meet eligibility criteria by City staff will be reviewed and evaluated by the Affordable Housing Commission with its award recommendations forwarded to City Council as the final decision-maker.

As of 2024, approximately 20,970 people resided in the City of Ellensburg and the City population is expected to grow approximately 2% annually. Approximately one-third to one-half of residents are students at Central Washington University. Approximately 11% of Ellensburg residents are 65 years of age or older, and this percentage is expected to rise in coming years.<sup>1</sup> Approximately 15% of all residents and 39% of residents 65 years of age or over have a disability.<sup>2</sup>

### Cost-burdened households

One of the best indicators of affordable housing needs is the number of cost-burdened households. A household is considered cost-burdened if they spend more than 30% of their income on housing and basic utility costs. Cost-burdened households have limited resources left over to pay for other necessities such as food, clothing, medical care, transportation, and education, and are also at higher risk of displacement when housing costs rise or life circumstances change. As of 2021, there were an estimated 2,975 renter households and 615 homeowner households that were cost-burdened in Ellensburg, more than 41% of all households and nearly 54% of renter households. As calculated in 2021, almost half (46%) of older adults who live alone were cost-burdened. Cost burdens are highest among populations with lower incomes; for example 93% of households with incomes below 30% of Area Median Income (AMI)(in 2024 about \$24,000 annually for a household of two people or \$35,000 for a household for four people) were cost-burdened.

### Housing inventory and household sizes

In averaged data from 2019-2023, more than 59% of households in Ellensburg were couples or individuals living alone, yet only 18% of housing unit inventory were studios or 1-bedrooms. The lack of smaller housing types can pose a barrier to many people living alone or with a partner who do not need or cannot afford a larger home. Additional City of Ellensburg housing needs assessment data is available at: [Creating Affordable Housing in Ellensburg](#).

### Homelessness

Annual point in time (PIT) counts identified 48 people in in 2023 and 91 people in 2024 experiencing homelessness in Kittitas County, many of whom live in Ellensburg. During the 2024-2025 season, an average of 11 people per night used the Cold Weather Shelter.

## 2. 2025 AVAILABLE FUNDS

In November 2017, Ellensburg voters approved a one tenth of one percent increase in City sales tax for housing and related services consistent with RCW 82.14.530. The purpose of this local funding source is to support housing and related services in the City of Ellensburg. Per state law, housing created with these funds or contracted services are required to serve households earning no more than 60% of AMI.

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<sup>1</sup> Comprehensive Housing Affordability Strategy (CHAS) Demographic Data 2019-2023

<sup>2</sup> CHAS Selected Social Characteristics 2019-2023

Uses	Estimated funds	Source	Types of funding
Must directly support the <b>creation or acquisition of new affordable housing units</b>	Up to \$2.5 million	0.1% city sales tax	Grants and/or low interest forgivable loans
Must support <b>housing-related services</b> for target populations (see section 7A for examples and details)	Up to \$240,000 per calendar year	0.1% city sales tax	Grants

If applicant prefers and it is appropriate for the project, funds may be provided as a low-interest long-term forgivable loan. Specific terms for loans and grants will be negotiated based on the project needs. As indicated in the application form, requests for city sales tax funds will only be considered for projects with a site plan that meets city code requirements, and which can also demonstrate site control.

### 3. CONSIDERATIONS

Prevailing wage requirements will apply to all construction undertaken with public funds and applicants will be required to show compliance in requests for reimbursement.

### 4. SUBMISSION DETAILS

All applicants must submit an electronic copy of the full application for either (1) housing development/capital projects or (2) housing services. Electronic applications may be emailed to [freyl@ci.ellensburg.wa.us](mailto:freyl@ci.ellensburg.wa.us) or submitted on the [city housing webpage](#). Emailed applications must be clearly labeled as *Proposal: City of Ellensburg 2025 Affordable Housing Development Application OR Proposal: City of Ellensburg 2025 Housing Services Application*.

If the applicant has a federally approved indirect cost rate method, applicants may request use of the established rate by providing documentation of the rate basis. Applicants who do not use an established federally approved indirect cost rate may budget up to 15% of proposed direct costs. Indirect costs are limited to overhead expenses incurred for common or joint purposes and in support of all programs. Costs coded to individual programs are considered direct costs, and should be billed as line items, not included in indirect costs.

### 5. ELIGIBILITY AND PROPOSAL REQUIREMENTS

The most current application forms are available on the [Community Development webpage](#) (<https://ci.ellensburg.wa.us/1069/Housing-In-Ellensburg>) or by contacting staff. Consideration of a funding request requires the following:

1. To be eligible for consideration, applications must be complete and meet all requirements.
2. Applicants may be provided a single, time-limited opportunity to address any deficiencies in a submitted application.
3. Applicants are required to update their applications with any material changes impacting the project or the organization that occur after the application has been submitted.

#### A. ELIGIBILITY REQUIREMENTS

<b>Eligible households – city sales tax funds</b>	<p>Serves incomes up to 60% of Area Median Income (see description in subsection B below) and within any of the following population groups:</p> <ul style="list-style-type: none"> <li>• Persons with behavioral health disabilities</li> <li>• Veterans</li> <li>• Senior citizens</li> <li>• Homeless or at risk of being homeless, including families with children</li> <li>• Persons with disabilities</li> <li>• Domestic violence survivors</li> </ul>
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<b>Eligible applicants</b>	<ul style="list-style-type: none"> <li>• 501(c)(3) non-profit organization</li> <li>• Private developer/builder</li> <li>• Public Housing Authority</li> </ul>
<b>Types of projects/activities</b>	<p>Creation of <b>new affordable housing units</b>. Projects/activities may include but are not limited to:</p> <ul style="list-style-type: none"> <li>• New construction</li> <li>• Property acquisition</li> <li>• Redevelopment</li> <li>• Mixed income properties (only those serving target populations)</li> <li>• Gap financing</li> </ul> <p><b>Housing services</b> must assist eligible city households to get into housing or remain housed. Projects/activities may include but are not limited to:</p> <ul style="list-style-type: none"> <li>• Rapid rehousing assistance</li> <li>• Homelessness prevention</li> <li>• Onsite services associated with permanent supportive housing</li> </ul>
<b>Compliance with city regulations and consistency with comprehensive plan</b>	<ul style="list-style-type: none"> <li>• Ellensburg City Code – Land Development Code, Public Works Standards, etc.</li> <li>• Goals and policies of Ellensburg Comprehensive Plan</li> </ul>
<b>Compliance with previous financial awards</b>	Compliance with previous funding agreements and affordability covenants, including timely reporting.
<b>Retention of affordability</b>	Minimum affordability retention of 25 years required for City funding contributions.
<b>Fund amount</b>	Financial award amounts vary and are proportional to the number of affordable units, retention of affordability, and level of affordability.
<b>Appraisal</b>	Acquisition activities (real property) requires submission of a certified appraisal.
<b>Site control</b>	Show owner of real property owns it free and clear of encumbrances, or although the owner does not own clear title, it is nevertheless within the power of the owner to convey clear title.
<b>Location</b>	Projects must be located within the City limits of Ellensburg.

## B. ELIGIBLE HOUSEHOLDS

All City of Ellensburg supported housing developments must serve households deemed eligible by state statutes. The Kittitas County AMI in 2024 was \$99,800 per year for a household of four people. As defined by RCW 82.14.530, City sales tax funds must serve households that earn no more than 60% of AMI.

The United States Department of Housing and Urban Development (HUD) provides annual median income calculations adjusted by household size. Housing is considered affordable if a household is paying no more than 30% of their income on housing costs, including basic utilities. 2024 income limits adjusted by household size and rent limits (including basic utilities) for housing type are shown below for 60% of AMI in Kittitas County based on Washington State Housing Finance Commission's use of HUD data. This data is intended to guide applicants; a city-developer contract will establish the income monitoring process for the specific development based on the current AMI thresholds.

**Table 1. 2024 Household Income Adjusted by Household Size\***

Household income	Household Size							
	1-person	2-person	3-person	4-person	5-person	6-person	7-person	8-person
<b>60% AMI</b>	41,580	\$47,520	\$53,460	\$59,400	\$64,140	\$68,880	\$73,620	\$78,360

\*Income limits are 2024 estimates based on Washington State Housing Finance Commission program based on HUD limits for Kittitas County effective 2024 and will be revised in May 2025. Numbers represent gross annual income.

**Table 2. 2024 Gross Rent Limits by Housing Type and Income Level\*\***

Household income	Housing type - number of bedrooms					
	Studio	1-bedroom	2-bedroom	3-bedroom	4-bedroom	5-bedroom
60% AMI	\$945	\$1,012	\$1,215	\$1,404	\$1,566	\$1,728

\*\*Rent limits are 2024 estimates based on Washington State Housing Finance Commission program calculations of 30% of family size-adjusted household income at the tier of County AMI.

Note that monthly rent limits are inclusive of all costs to tenant including any taxes or fees and utilities. Utility allowance information for tenant-paid utilities can be found on the [Yakima Housing Authority page](#).

Residential development projects that are awarded City sales tax funds will be expected to submit annual reports identifying renter household incomes and rents consistent with the annual HUD-provided income and rent limits.

## 6. EVALUATION CRITERIA

The Affordable Housing Commission and Community Development staff will evaluate proposals using the following criteria. Matrices used for housing developments and services application are linked.

[Housing development projects evaluation matrix](#)

[Housing-related services evaluation matrix](#)

## 7. APPLICATION REVIEW AND SELECTION PROCESS

Community Development staff will review applications to ensure they are complete and eligible under the City's [revenue allocation framework](#), and RCW provisions for affordable housing and related services. If proposals are found to be incomplete, staff may request that the applicant submit the missing information before consideration.

If deemed complete and eligible, staff will prepare an analysis for each proposal. The complete application and staff analysis will be provided to the Affordable Housing Commission to assist the Commission in making City funding recommendations to City Council.

The Affordable Housing Commission will hold in-person interviews with applicants during a regularly scheduled Commission meeting, where applicants will have the opportunity to present their proposal and answer questions from the Commission.

Following interviews with the applicants and deliberations, the Affordable Housing Commission will make recommendations to City Council. City Council is the final decision-maker on allocations of city-owned property and any affordable housing tax funds requested by the applicant and will issue an award letter to successful applicants.

Applicants will be required to submit financial information including ownership structure for the developing entity or implementing organization(s). A contractual agreement must be in place prior to disposition of funds. The City will negotiate the specific terms of the contract with the selected applicant. The contract may contain covenant(s) limiting development to the approved project. The contract will also include regular reporting requirements to ensure compliance with contract terms.

## 8. TENTATIVE APPLICATION SCHEDULE

After applications are submitted, the review will follow the tentative schedule listed below. The actual timing is dependent upon applicant responsiveness and Affordable Housing Commission meeting schedules. Staff may extend the review period or document preparation in consideration of the project's readiness to proceed and receipt of a complete application.

ACTIVITY	TENTATIVE TIMELINE
<b>Prior to application submittal</b>	
NOFA posted on city website and email notification sent to partners. <i>Please contact staff to be added to the funding notice distribution list.</i>	
<b>Pre-funding application meeting</b> - applicant schedules meeting with City staff	Recommended meeting held prior to submitting funding application to ensure proposed project is appropriate for funding
<b>Application review</b>	
Application submitted	Week 0
Staff verifies <b>eligibility and completeness</b> of applications.	Weeks 1-2
<b>Staff analysis</b> of feasibility and readiness to proceed (includes review with other city departments)	Weeks 3-4
Applications deemed eligible are <b>posted on city's website</b> and forwarded to Affordable Housing Commission.	Following determination of eligibility
Staff analysis submitted to Affordable Housing Commission.	Week 5
Affordable Housing Commission meeting - <b>applicant presentations, deliberation and recommendation</b> . This stage may be extended in the event applications are received	Week 6-7
Recommendation submitted to City Council.	Week 8-9
<b>Following City Council decision</b>	
Award letter sent to applicant and posted on the city website	Week 1 following City Council decision
Meeting with funding recipient and review of financial information	Week 2-3
Funding documents (agreement, covenant, promissory note, as applicable) drafted by city staff and shared with applicant for review.	Dependent on project details and applicant action
Contract signed by applicant and returned to city.	Dependent on applicant action
City Council approval of contract	Dependent on applicant and city contract negotiations
City executes agreement	Dependent on applicant and city contract negotiations

## 9. FUND AVAILABILITY

All funding awards are contingent upon the receipt of funds from local sources under which the award is issued. The City assumes no liability to the awardee, its contractors, its agents or further obligations to the awardee in the event anticipated program funds are retracted or otherwise unavailable for their intended purposes.

## 10. EXTENSIONS AND WAIVERS

Award agreements may be extended at the City's discretion upon written request of the awardee and may require City Council approval. The City has the discretion to waive all or certain conditions to an award. The extension or waiver request must provide evidence of unforeseen circumstances and adequate progress in achieving the desired outcomes.

## **11. DISCLAIMERS AND DISCLOSURE**

This NOFA is not a commitment or contract. The City of Ellensburg reserves the right to pursue all ideas generated by this request, alter timelines, amend or retract the NOFA, and/or reject any submissions.

Upon delivery, all proposals and related materials become the property of the City and under state law will become public records subject to public disclosure unless specifically exempted.

The applicant recognizes and agrees that the City will not be responsible or liable in any way for any losses that the respondent may suffer from the disclosure of information or materials to third parties, nor for any use of information or materials by third parties.

All preparation costs and related expenses are at the sole risk of the applicant. Applicants shall not have any claim against the City for costs incurred in responding to this NOFA or in any negotiations, modifications, presentations, or other actions to secure a contract for transfer of property. Unless and until a contract has been duly authorized by ordinance and signed by the City and the applicant, the City shall retain the right to terminate the NOFA process, and/or dispose of city-owned property in any manner permitted by law, without liability to the applicant.

## **12. DEFINITIONS AND ABBREVIATIONS**

### **Area Median Income (AMI)**

Area Median Income is the midpoint of a region's income distribution for a family of four. Half of the families in a region earn more than the median and half earn less than the median. Each year the United States Department of Housing and Urban Development (HUD) calculates the median income for every metropolitan region in the country. The AMI is adjusted based on household size for determining individual household's eligibility.

**HUD** - United States Department of Housing and Urban Development

**NOFA** – Notice of funding availability

### **Revised Code of Washington (RCW)**

The Revised Code of Washington (RCW) is the compilation of all permanent laws now in force. It is a collection of Session Laws (enacted by the Legislature, and signed by the Governor, or enacted via the initiative process), arranged by topic, with amendments added and repealed laws removed. It does not include temporary laws such as appropriations acts.