



HOUSING & COMMUNITY DEVELOPMENT FUND

NOTICE OF FUNDING AVAILABILITY (NOFA)

2026



Homeownership Production Program

2026 FUNDING ROUND

RELEASE DATE: DECEMBER 22, 2025



CITY OF BELLINGHAM HOUSING & COMMUNITY DEVELOPMENT FUND
2026 NOTICE OF FUNDING AVAILABILITY (NOFA)
HOMEOWNERSHIP PRODUCTION PROGRAM

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Application Round

Applications are being solicited in order to establish a list of housing projects for funding in 2026. Funding from the City of Bellingham Housing & Community Development Fund may include one of these sources: Bellingham Housing Levy, HOME Investment Partnership Program (HOME) and Community Development Block Grant (CDBG).

Eligible Housing Activities and Funding Available

There are a variety of opportunities for City funding of housing projects. Funding is available in the following program areas:

- Rental Housing** - production of new rental (multifamily) housing primarily serving households that earn less than 50% of Area Median Income (AMI). Funding is available for both the Rental Housing and Housing Preservation programs, with the possibility to award multiple projects funding.
- Rental Assistance and Supportive Services** - only those agencies that are requesting production of new multifamily housing under this NOFA may request rental assistance and supportive service funds. No additional funds are available, and services funding must be included within the Rental Housing request (above).
- Housing Preservation** - preservation of multifamily housing, including shelters and transitional housing. Funding is available for both the Rental Housing and Housing Preservation programs, with preservation projects typically receiving a small portion of this amount.
- Community/Public Facilities and Infrastructure** – community/public facilities and improvements that principally benefit low-income persons or areas, including community facilities such as food banks, senior centers, childcare facilities, community centers, and acquisition of existing housing.
- Homeownership Production** - creation of ownership opportunities that expand homeownership while implementing the City's infill goals. Funding is available for ownership housing development, including federal funding assistance, through projects that maintain long-term affordability for low-income households.

Other Funding Available

The City and partners provide other financial assistance, including Housing and Human Service grants, Emergency Multifamily Repair Needs up to \$50,000, Acquisition & Opportunity Loans, Housing Repair and Weatherization and First Time Homebuyer Downpayment Assistance. Contact the City for more information on these opportunities or referral to one of our partner agencies.

Applications

Applications can be downloaded from Bellingham's web page at
<https://cob.org/services/housing/funding-opportunities/partnerships-funding>.

When submitting your application, make sure you do so in the original format provided. DO NOT scan your Application, or otherwise convert it to other formats. Technical corrections requested by staff will be allowed within three (3) working days of the request.

Consistency with Community Priorities and Plans

Projects that are selected for funding have to demonstrate consistency with Community Priorities and Plans as further described below. But, even more important than demonstrating consistency, the City is looking for projects that specifically demonstrate how these community priorities will be implemented through the project. These Community Priorities and Plans include the following:

- 2023 - 2027 Consolidated Plan** - this Plan outlines the housing and community development goals and strategies to meet the priority needs in the City of Bellingham.
<https://www.cob.org/services/housing/Pages/consolidated-plan.aspx>
- A Home for Everyone, Whatcom County Plan to End Homelessness** - this Plan provides a blueprint for how our community will work together to prevent and end homelessness. <https://www.whatcomcounty.us/3253/Homelessness-Housing>.
- Zoning, etc.** - The city will not reserve funding for projects that require changes in zoning. <http://www.cob.org/services/planning/development>
- WA State Commerce** – the application used for City submission is the same as what is used by Commerce and other jurisdictions across the region. The City is utilizing the 2025 Funding Round documents published by Commerce during the second half of last year. These can all be found here: [2025 HTF Homeownership Funding Round | Powered by Box](#)

Applicants are advised to review the City of Bellingham Housing Development Guideline and Procedure Handbook that can be found at <https://cob.org/services/housing/planning-and-performance-documents>. These guidelines further outline how applications will be reviewed, contracts and agreements executed, and projects monitored for performance.

I. General Terms and Conditions

Homeownership Production projects must meet the requirements of the Housing Levy & Affordable Housing Administrative & Financial Plan (<https://www.cob.org/services/housing/Pages/planning-and-performance-documents.aspx>) and are intended to create opportunities for first-time homeownership that meets City infill and neighborhood objectives.

Funding Available

The Housing Development Guidelines and Housing Levy & Affordable Housing Sales Tax Administration and Financial Plan both dictate a limit of \$75,000 per home available for

homeownership assistance. Homebuyer assistance may come solely from City Funds, or from federal HOME and CDBG dollars, or a combination of funding sources. Projects applying through this funding round may be awarded up to two years of expected funding.

The City will reserve the right to reallocate funds by program, depending on the number and quality of applications received.

General Terms and Conditions

The City has established the following additional terms and conditions for Homeownership Development.

1. **Eligibility.** This NOFA is only available to those projects which would create new income-restricted homeownership units through new construction (or construction and redevelopment), and preserve that affordability over the long term. Projects are encouraged that increase homeownership in neighborhoods with a disproportionate (greater than 60%) concentration of rental housing.
2. **Income Targeting.** Homebuyer units must be targeted to households with incomes between 50% and 80% of Area Median Income (AMI). The City may waive the 50% AMI minimum under certain conditions (see Housing Levy Guidelines). Eligible households must complete a pre-purchase homebuyer education program and qualify for a first mortgage.
3. **Project Readiness.** Projects need to demonstrate their ability to carry out the project.
 - a. The City reserves the right to review the funding commitment after one year to determine progress if loan agreements have not been signed.
 - b. The City will hold the funding commitment for no longer than two (2) years. At that point, the project will need to have all necessary financing in place (June 2028), although the City may extend that time for circumstances out of the control of the applicant.
 - c. The City will require that the project is complete within four (4) years of funding commitment (June 2030), although the City may extend that time for circumstances out of the control of the applicant.
 - d. If common infrastructure is part of the project, the project needs to demonstrate that revenues are sufficient to cover projected operating expenses (Operational Pro forma required).
 - e. Applicant has sufficient capacity to develop, manage and deliver the project.
 - f. Applicant must have site control.

4. Funding Limits/Match Requirements.

Homebuyer units are limited to \$75,000 per home in City funding (Housing Funding Administrative and Financial Plan requirement).

5. Evergreen Sustainability Standards.

All City-funded Production and Preservation of Homes Program projects must follow the City's implementation of the Washington State requirements for Evergreen Sustainable Development Standards, as specified in the Housing Development Handbook. Details are available through the Washington State Department of Commerce (<http://www.commerce.wa.gov/building-infrastructure/housing/housing-trust-fund/housing-trust-fund-evergreen-sustainable-development/>), and the City of Bellingham Housing Development Handbook, Section 212.

6. Period of Affordability.

Homebuyers need to be eligible for financial assistance at the time of purchase. Requests for funding needs to identify how the project will ensure affordability over the long term, and whether the applicant intends to ensure long-term affordability through enforcement of resale restrictions on future purchasers of the home. Programs that achieve long-term affordability (50+ years) through restrictions on resale will receive priority consideration.

7. Development Fees.

The City sets limits and requirements for fees as follows:

- a. **Developer Fee.** The City will allow no more than 10% of the award go towards a Developer Fee. (See [Housing Development Handbook.](#))
- b. **Contractor's Profit and Overhead.** Contractor's Overhead and Profit cannot exceed 10% of the contract amount.
- c. **City Monitoring Fee.** The City will charge a Monitoring Fee, due at the time of loan closing that will be used to monitor the project for the affordability period for the project. Projects need to include this fee in their Project Budget. A one-time monitoring fee of \$1,000 per unit is required and is an eligible expense for City funds.

8. Eligible Organizations and Capacity.

- a. Priority will be given to applicants that have demonstrated ability to develop, own, or manage affordable housing. Applicants that do not have previous experience in these areas will be expected to propose an appropriate relationship with an entity that does have this experience. See Housing Levy & Affordable Housing Sales Tax Administrative & Financial Plan for eligible borrowers.
- b. Sponsor must demonstrate sufficient capacity to develop the project, manage the project long-term (50 years), and deliver appropriate services, if applicable.

9. Financing Available.

The City's financial assistance is available as a loan, secured by financial interest in the affordable housing property. Loan terms will vary based on the financial needs of the project. The City may authorize deferred payment loans for those projects with inadequate sources to repay the loans. Deferred payment loans shall be secured in a manner to ensure that if the project no longer provides the benefits of affordable housing as approved by the City, that the loan (with interest) would become due and payable.

The interest rate for projects not using low-income housing tax credits will generally be 1% for nonprofit-sponsored projects and 3% for private for-profit-sponsored projects.

The interest rate for projects using low-income housing tax credits will be a minimum of 1% simple interest and a maximum of the Applicable Federal Rate for the purposes of Section 42 of the Internal Revenue Code, depending on the project's projected capacity for repayment. The actual interest rate for projects using low-income housing tax credits will generally range from 1-3% and will be set on a case-by-case basis.

Applications should identify the proposed terms for the project and include payments as applicable in the operating pro forma.

10. Operating Expenses and Operating Reserves (Projects that include Common Instructure Only).

Applications must include an operating expense budget with sufficient detail to demonstrate that the proposal will have sufficient funds to operate once completed. Projects may be allowed to use cash flow to pay for services that are needed by project residents, subject to City approval. Affordable housing projects should not have a cash on cash return greater than 10%.

Operating expenses are not an eligible expense. Capitalized operating reserves are an allowed expense and can be included in the funding approved by the City. All projects must demonstrate in the operating pro forma the ability to capitalize an operating reserve by the end of the second full year of project operation. The operating reserve will be equivalent to three months of the project's first year operating expenses.

11. Replacement Reserves (Projects that include Common Instructure Only).

Applications must identify how the project intends to accumulate and provide funds when needed to replace or maintain major common systems in order to maintain long-term viability of the property. The assumptions behind the amounts put into the budgets should be stated as part of the narrative explanation for that line item. The per unit reserves need to be reflected in the development budget if they are capitalized and in the operating pro forma if they are to be deposited out of operating income.

Capitalized replacement reserves are an allowed expense and can be included in the funding approved by the City.

12. Wage and Labor Requirements.

Applicants seeking funds should assume that state prevailing wage rates (Chapter 39.12 RCW) will apply, and build the requisite costs into all project development budgets.

Applicants are advised to consult with the Washington State Department of Labor and Industries or private legal counsel prior to applying for funding to determine whether prevailing wages must be paid and, if so, whether commercial or residential rates apply.

Applicants seeking funds should also assume that federal labor requirements will apply, if applicable, as the City reserves the right to assign federal and/or City funds (including Affordable Housing Sales Tax and Housing Levy funds) for projects. When federal funds trigger prevailing wages determined under the Davis-Bacon Act in a project, the higher of either the State Residential Prevailing Wage Rates (unless modified as stated below) or Davis-Bacon wage rates will apply to each job classification, unless applicable law requires otherwise. In cases where Davis-Bacon wages are triggered, Davis-Bacon monitoring procedures are followed instead of City monitoring procedures. Refer to the Housing Development Handbook for more information.

13. Competitive Selection of Contractors.

Borrowers must competitively select their contractors, following the process as described in the Housing Development Handbook. Borrowers must propose a competitive process. The borrower shall submit a summary of their proposed competitive selection process. The City reserves the right to review and approve the process prior to implementation.

14. Project Location.

All projects funded under this program must be located within the City of Bellingham. The project must be located in an area that allows the proposed use and housing density without requiring zoning changes. Preference will be given for rental production projects located in areas which promote socioeconomic diversity. All new construction and rental projects must be located no more than ½ mile from a public transportation route (www.ridewta.com), and preference is given to those projects that are located in a high-frequency transit service area (30-minute headways).

15. Project Sign.

All projects receiving funding must post a Project Funding Sign at the project construction site. Sign graphics shall be in accordance with the Funding Agreement approved by the City and must be installed at the commencement of work on the site through project completion and occupancy.

II. Competitive Selection Criteria

In addition to the general requirements, the City will evaluate proposals in the following areas.

Infill and Neighborhood Allocation Criteria	Basis	Max Points	Weight
A. Long-term Affordability	<i>Priority for homebuyer projects that include resale restrictions.</i>	15	15%
B. Population	<i>Priority for projects with mix of incomes. Priority for targeting special needs population.</i>	20	20%
C. Cost, Notice & Readiness	<i>Priority for projects that have consulted with neighborhoods, have funding committed, and demonstrate cost effective project.</i>	15	15%
D. Leveraging	<i>Priority for projects that leverage other funding, including private and philanthropic funds</i>	15	15%
E. Sustainability	<i>Priority for projects that provide additional sustainability features.</i>	20	20%
F. Development Amenities	<i>Priority for projects that provide onsite development amenities</i>	15	15%
TOTALS:		100	

A. Long-term Affordability for Homebuyer Projects (15 points max)

Priority will be given to projects as follows:

1. **Permanent Affordability** - Projects with permanent resale restrictions on the homes through covenants and deed restrictions. **15 points**.
2. **Time-restricted resale** - Projects with restrictions on resale to qualified low-income households, would be as follows:
 - Resale restricted for fifty years - **12 points**
 - Resale restricted for twenty years - **6 points**
 - Resale restricted for ten years - **2 points**

B. Population Served (20 points max)

Priority would be given to those projects that mix incomes within the project or neighborhood and that provide units for special need populations. Points will be awarded as set forth below.

1. **Mixed-income set aside** -- Up to **15 points** will be given for those projects that provide mixed-income housing developments. Ways to earn points would include:
 - Projects that serve a range of incomes proportionately split from 30% to 100% AMI (**15 points**) through partnerships with other agencies (for those units under 50% AMI):

- No less than 40% and no more than 60% of the units in the project development are set aside as market rate units, and
 - 20 - 40% of the units are set aside for low income (between 50 - 80%¹ AMI), and
 - 20 - 30% of the units are set aside for very low-income (below 50% AMI).
- Projects that set aside no less than 40% and no more than 60% of the units in the project development as market rate units. Affordable units can be any income that is eligible for City funding. **(10 points)**
- Infill development targeting neighborhoods with disproportionate (>60%) concentration of rental housing. **(8 points)**

2. **Special Needs Population -- Up to 10 points** (maximum) will be given for those projects that provide housing to the following populations:

- The following Special Needs housing commitments are worth **2 points** each:
 - Projects in which at least 10% of the units have three bedrooms or more reserved for large households of four or more persons.
 - Projects in which at least 20% of the units are reserved for persons with physical or mental impairment.
 - Projects in which at least 20% of units are reserved for families with children, especially single-parent families.
 - Projects in which at least 20% of the units are reserved for elderly (62+) persons.
 - Projects in which at least 10% of the units are reserved for victims of domestic violence.

C. Cost, Notice & Readiness to Proceed (15 points max)

Projects will be required to enter into a funding agreement within two years of the City's commitment to fund the project. All projects will have to be complete within four years.

Projects require site control within one (1) year of funding commitment, or demonstration to the City's satisfaction of substantial progress in project development. Proposals for quality affordable housing must demonstrate a cost effective, sustainable investment of public funding. Rental Housing Production is subject to limits on the amount of City funding that will be provided per unit based on unit size, as well as limits on Developer Fees, Contractor Overhead and Profit.

Those projects that demonstrate an ability to provide affordable housing in a shorter timeframe, and can demonstrate how it will meet or exceed cost effective requirements, will get preference.

- Applicant has provided the Neighborhood Association an opportunity to review and comment on the project proposal. **(3 pts)**
- All capital and operating funds needed for the project are committed. **(3 pts)**

¹ Housing Levy rental funds are only eligible for units serving less than 60% AMI.

- The project demonstrates efficient design that will reduce operating costs, such as energy consumption, water conservation, etc. beyond minimum Evergreen Sustainability requirements or building/energy codes. **(1-5 pts)**
- The applicant's experience in development and operation of similar projects demonstrate knowledge, ability and capacity to successfully carry out the proposal. **(1-5 pts)**

D. Leveraging (15 points max)

Projects which leverage additional funds, requiring less investment than the maximum level allowed, will receive preference.

- Private funding in an amount equal to at least 10% of project costs is provided. **(5 pts)**
- Philanthropic assistance from established organizations in an amount equal to at least 5% of project costs is provided. **(5 pts)**
- City Fund Leverage – Homebuyer projects requests 10% or more per unit below the maximum contribution levels. (See table below.) **(5 pts)**

	Funding Limit	10% Reduction
Resale Restricted	\$ 75,000	\$ 67,500
Non-Resale Restricted	\$ 40,000	\$ 36,000

E. Sustainability (20 points max)

All City-funded Production and Preservation of Homes Program projects must follow the City's implementation of the Washington State requirements for Evergreen Sustainable Development Standards, where applicable. Details are available through the Washington State Department of Commerce (<http://www.commerce.wa.gov/building-infrastructure/housing/housing-trust-fund/housing-trust-fund-evergreen-sustainable-development/>), and through the City Housing Development Handbook, Section 212.

Projects that provide one or more of the following sustainability features would get preference.

- The project renovates or rehabilitates an historic structure eligible for listing on the local, state or national register of historic places. **(4 pts)**
- The site is a grayfield (abandoned site), brownfield (hazardous site requiring remediation) or an adaptive reuse (converting non-residential). **(3 pts)**
- The project includes additional reduction in energy use, beyond minimum requirements, outlined in Section 5.2 of the [Evergreen Sustainable Development Standards](#). **(4 pts)**
- The project exceeds minimum requirements for retention of stormwater, including use of water-permeable materials in walkways or parking areas, and other methods of cleansing stormwater before infiltration or discharge. **(3 pts)**
- The project includes advanced water-conserving fixtures and water reuse beyond mandatory requirements. **(3 pts)**

F. Development Amenities (15 points max)

Projects that provide any of the following amenities currently non-existent for its residents would receive preference:

- Provide for a high-need on-site commercial or nonprofit use (if zoning permits), such as (up to 5 pts):
 - Childcare/early-learning facility.
 - Senior center
 - Job training center
 - Neighborhood resource center
 - Offices for nonprofits, offered at below-market rate rents
 - Other community uses, as described by applicant and approved by City
- Provide an onsite community garden or P-patch for resident use. (5 pts)
- Provide an onsite covered community area for resident use. (3 pts)
- Provide onsite computer center with high-speed internet access. (3 pts)
- Provide onsite playground or fitness trail (3 pts)
- Provide other onsite common fitness amenities (2 pts)

III. Application Information

The City encourages prospective applicants to review this document thoroughly to understand City funding priorities, program requirements, and the City's application and decision-making process. City staff are available to assist applicants understand City programs and policies, and to provide feedback and comments on project concepts in the early stages of pre-development. The City expects applicants to have real estate, development, affordable housing, and management experience or to partner with agencies or firms that do.

Pre-Application Meetings

Applicants are encouraged to schedule a meeting with the City prior to submitting an application for funding. In the meeting, applicants should demonstrate how the proposed project meets the City's goals and priorities. The City will provide feedback as to how the project aligns with available funding and program policies. To arrange a pre-application meeting, please email CD@cob.org.

City's Rights to Limit Funding

The decision to reserve and allocate funding rests with the Mayor of the City of Bellingham, with advice provided by the Community Development Advisory Board and Loan Review Board. Projects with federal HUD funds must be included in the Annual Action Plan of the City, and approved by the City Council. The City may choose not to fund any project which scores less than a certain point threshold. In the event of a tie, the Mayor will choose which project to fund using the Community Priorities and Plans as a guide, along with the amount of funding requested. The City also reserves the right to not allocate all funds being announced in this NOFA. Any uncommitted funds will be reallocated to a future application cycle.

Application Components

Applications can be downloaded from the City of Bellingham's web site at <https://cob.org/services/housing/funding-opportunities/partnerships-funding>.

Applications for Homeownership Production consist of the following required documents:

- **Combined Funders Application for Homeownership** (MS Word and Excel) – Applicants will be required to complete all CFA application materials, linked on the City website.
- **City Self-Certification Form** (MS Word) – All applicants will be expected to include the certification form at the time of application submittal. Applicants will be providing assurance as follows:

To the best of my knowledge and belief that the information provided herein is true, complete, and accurate. I am aware that the provision of false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil, or administrative consequences including, but not limited to violations of U.S. Code Title 18, Section 2, 1001, 1343 and Title 31, Section 3729-3730 and 3801-3812.

Background Information

The following information is available to assist you in preparing your application:

1. **2023-2027 City of Bellingham Consolidated Plan** - <https://www.cob.org/services/housing/Pages/consolidated-plan.aspx>
2. **A Home for Everyone, Whatcom County Plan to End Homelessness** - <https://www.whatcomcounty.us/3253/Homelessness-Housing>
3. **Rent and Income Limits** - <http://www.cob.org/documents/planning/housing/hud-income-rent.pdf>
4. **Urban Village Plans** - <http://www.cob.org/services/planning/urban-villages>
5. **Whatcom County's Community Health Improvement Plan** - <https://healthywhatcom.org/wp-content/uploads/2022/03/Healthy-Whatcom-CHIP.pdf>

NOFA Schedule

Invitation to Submit Applications (NOFA released)	December 22, 2025
Applications due	February 5, 2026, 4:30 PM
Application Initial Review and Screening	February 6-20, 2026
Draft (unbalanced) Action Plan Released	March 6, 2026
Opportunity for Public Comment	March 9 - April 8, 2026
Community Development Advisory Board Public Hearing	March 12, 2026
Community Development Advisory Board Recommendation	April 9, 2026
Council Action on HUD 2026 Action Plan	May 4, 2026

**Applications are
due no later than 4:30 p.m. on Thursday February 5, 2026**

Submission Format

All applicants must submit the following to the City of Bellingham, Community Development Division as follows:

Only electronic submissions of the application forms and supporting materials will be accepted. All application materials must be submitted electronically via a file sharing site (e.g. GoogleDocs, Dropbox). Application documents are typically too large to be attached to an email; applicants must NOT attempt to submit their application materials via email.

Links to application document locations on the file sharing sites must be submitted via email to the City by email to CD@COB.ORG, with "CITY NOFA RESPONSE – HOMEOWNERSHIP" and your project name listed in the subject line. Please follow the Commerce naming convention instructions related to the CFA required documents.

Commerce Box site with materials –

[2025 HTF Homeownership Funding Round | Powered by Box](#)

Disclosure of Documents

All proposals and related materials become the property of the City upon delivery to the City. State law, RCW Ch. 42.17, provides that public records are subject to public inspection and copying unless specifically exempted. RCW Ch. 42.17 enumerates limited exemptions a public agency's obligation to disclose public records. If the applicant believes that portions of its proposal are exempt from disclosure to third parties, the applicant must clearly label the specific portions sought to be kept confidential and specify an exemption that the applicant is relying on. However, acceptance of an application containing such designations by the City is not an agreement that such material is legally confidential, and the City cannot guarantee that such information will not be disclosed. Marking all or substantially all of an application as confidential may result in the application being rejected.

The applicant recognizes and agrees that the City will not be responsible or liable in any way for any losses that the applicant may suffer from the disclosure of information or materials to third parties, nor for any use of information or materials by third parties. Materials submitted by unsuccessful applicants are subject to disposal unless picked up promptly by the applicant, except that the City will maintain one copy in compliance with public record laws.

Interpreter Services

Interpreter services for the deaf and materials in alternative formats are available upon advance request. TTY users please call (360) 778-8382 or the Washington State Relay Service at 1-800-833-6388 and ask to be connected with the City of Bellingham, Housing & Services Program Manager at (360) 778-8385.

Questions

Please contact Samya Lutz at (360) 778-8385 or email slklutz@cob.org with any questions about the application process.

The City of Bellingham does not discriminate on the basis of race, color, national origin, sex, sexual orientation, gender identify, religion, age, families with children, and disability in employment or the provision of services. With five business days' notice, special accommodations will be provided. Refer any inquiries or complaints related to HUD regulations implementing Section 504 to the Housing & Services Program Manager. Contact 778-8385 (voice) or 711 (TTY).