

Attachment B: King County HOME Consortium Reports

A. Consolidated Housing and Community Development Plan (HCD Plan) Overall

During 2012, the King County HOME Consortium allocated HOME resources including a 2012 entitlement grant of \$2,558,681 program income of \$441,309 and prior year unallocated or recaptured HOME funds.

Rental Housing Development

A total of \$1,551 million was allocated by the HFP to a new affordable housing development project consistent with Affordable Housing Objective 1, Strategy A of the HCD Plan to make capital funds available for the construction, acquisition, or rehabilitation of good quality, new permanent affordable rental housing for low and moderate-income households.

The King County Housing Authority (KCHA) received \$2.5 million including \$1,550,600 in HOME funds, \$740,000 in Homeless Housing funds, and \$209,000 in Regional Affordable Housing Program funds to construct 86 units of permanent affordable rental housing. Eighty-five units will have rent restrictions and include 44 units affordable to households with incomes at or below 30 percent of the Area Median Income (AMI), 22 units affordable to households with incomes at or below 50 percent of AMI, and 20 units affordable to households with incomes at or below 60 percent of AMI. Fourteen of the units will be HOME-assisted.

Just south of the Fairwind complex, within the Seola Gardens redevelopment is a park with play structures, a community “pea patch” garden and 6,500 square feet of community office space in the Providence Joseph Housing Building, which is dedicated to services and organizations serving the Fairwind and other adjoining KCHA Hope IV communities. Fairwind is the third rental housing phase of the Seola Gardens Hope VI redevelopment of Parklake Homes II.

Rental Rehabilitation Program

Under HCD Plan Affordable Housing Objective 1, Strategy B, to make capital funds available to rehabilitate existing rental units for low and moderate-income households:

Manufactured Housing Community Preservationists (MHCP) received an additional \$1.249 million in HOME funds to preserve Bonel Mobile Manor, a mobile home park with 107 units in Kent of which 86 are HOME-assisted. Sixty units are occupied by households at or below 50 percent of AMI and 26 units are occupied by households at or below 80 percent of AMI. The remaining 21 units are market-rate. While these low-income homeowners own their own units, they lease spaces beneath their homes from MHCP. The HOME funds were used to acquire the park and rehabilitate the infrastructure, preserving the affordability of the pad leases for the regulated homeowner units.

The primary goal of funds reserved for King County Rental Rehabilitation Program is to help preserve the existing stock of affordable rental housing and to keep it in a safe, decent and sanitary condition, especially those projects in our existing portfolio. The first priority of the program is to non-profit housing providers with projects in our existing portfolio that need repair. The second priority of the program is for non-profit housing providers who own and manage projects in King County in need of repair that may not have originally applied to the county for funding. The third priority is for for-profit housing providers who have owned and

managed a five-or-more-unit apartment building for a minimum of one year, are currently renting to tenants with incomes at or below 50 percent of AMI, and are in need of emergency repairs.

The Asset Manager continues to work to identify non-profit housing projects with an existing county investment that are in need of rehabilitation, and market the Rental Rehabilitation Program to those agencies to the extent that resources are available.

Homeowner Rehabilitation Program

Under HCD Plan Affordable Housing Objective 2, Strategy 2A to make capital funds available to repair homes owned by low and moderate-income households, prior year HOME funds were used for single-family housing rehabilitation. The rehabilitation of owner-occupied homes is part of a continuing effort to preserve the existing affordable housing stock and keep people in their homes. During 2012, the Home Repair Program (HRP) completed rehabilitation of 17 owner-occupied single family homes, expending \$204,472. These funds consisted of 2010 Home funds totaling \$73,282.00 (5 units), HOME-budgeted funds from 2011 of \$131,190 (11 units). The County has an additional 8 projects committed in 2012 that are underway. These commitments represent \$108,000 of HOME funding. Construction of these projects is expected to be complete early in 2013. Other HRP activities include marketing the programs, servicing the existing loan portfolio and regional participation in housing rehabilitation issues.

Homeownership Programs

HOME funds are being used consistent with HCD Affordable Housing Objective 2, Strategy 2B to make funds available for first-time homebuyer opportunities including education, housing counseling and down payment assistance for low to moderate-income households.

Homestead Community Land Trust (Homestead) received \$200,000 in 2012 HOME funds to provide development subsidy to create approximately 5 new homeowners. Homestead owns the land and leases it to the buyer and the buyer owns the home. Long-term affordability is preserved through a land use covenant and the homes are subject to resale restrictions.

Habitat for Humanity of East King County Community Housing Development Organization: La Fortuna – New construction of 11 units of affordable homeownership in Renton for first-time homebuyers with incomes between 40 and 60 percent of AMI. Ten homes have been constructed and six will close on sales in the first quarter of 2013. Long-term affordability at La Fortuna is also preserved through resale restrictions.

Planning and Administration

Ten percent (\$265,733) of the HOME entitlement including \$9,865 of program income funds available in 2012 were used to cover HOME program administration. Annual reports were collected and reviewed for 65 HOME-assisted projects, covering 1,787 HOME-assisted units. These projects cover transitional and permanent rental housing serving low and very low-income families and individuals (see also Section H, Monitoring and Inspections of HOME projects).

Overall, HOME funds continue to be targeted primarily to rental projects for very low-income families and individuals whose incomes fall below 50 percent of AMI. Priority for housing development funds in 2012 was to create permanent rental housing for extremely low (30 percent of AMI) and very low (50 percent of AMI) income households. Priority was given to projects creating permanent housing for homeless households in support of the King County Ten Year Plan to End Homelessness. In parts of King County where market rental rates are equivalent to rents affordable at 50 percent of AMI such as parts of South King County, HOME funds help create affordable units serving households well below this level.

B. Private Sector Participation

Total requests for housing development funds continue to exceed the amount of funds available. As a result, King County's HOME programs rely on the participation of the private sector to leverage resources to successfully implement housing projects. This includes private lenders, tax credit or tax-exempt bond investors, and sometimes foundation grants. Tax credit equity and private bank loans are the major source of private participation in the multifamily rental housing projects. The need to assemble a wide variety of public and private funds often results in lengthy development timelines even though our nonprofit housing organizations are well prepared to meet the complex and diverse requirements of each funding source.

The non-profit housing development projects also leverage other public sector funds, primarily Washington State HTF monies and consortium city CDBG or local funds. In addition, our nonprofit sponsors partner with private development consultants, construction contractors and realtors to develop HOME-funded projects. King County's HFP staff enlists the assistance of private sector experts in real estate and finance to help review housing project development proposals. These private sector experts serve as members of an external advisory committee. The King County CDBG funds complement the HOME Program by funding rental housing for persons with special needs, as well as homeowner rehabilitation serving households up to 80 percent of median income.

King County continues to collaborate with the WSHFC Homeownership Program. The WSHFC works directly with mortgage lenders to offer affordable first mortgages that are combined with HOME-funded second mortgages for income-qualified homebuyers. Various non-profits such as Homestead Community Land Trust, International District Housing Alliance, Parkview Services, and Apprisen provide education and counseling support to the first-time buyers.

The county's homeowner rehabilitation program also leverages private sector financing. Within the homeowner HRP, property owners may be offered a matching loan. The applicant pays half the cost of rehabilitation using borrowed funds, saved funds, or gifted funds and the other half is borrowed from King County as a zero-interest deferred payment loan. The maximum loan from the County is \$25,000.

C. HOME Program Match

HOME development funds are targeted to affordable permanent rental housing or the promotion of homeownership opportunities for households below 80 percent of AMI. The county's Regional Affordable Housing Program funds, the Veterans and Human Service Levy funds and Homeless Housing funds serve as match for HOME projects when awarded to the same projects. These precious local housing resources are targeted to families or

individuals at the lowest income level, including those who are homeless, are veterans, and/or have special housing needs. King County has excess match from prior year allocations of local funds to HOME funds. The 2012 HOME match report reflects a 2012 liability of \$1,092,166, and excess match available for 2012 in the amount of \$506,572.

D. Community Housing Development Organizations

King County continues its efforts to support organizations that meet the Community Housing Development Organization (CHDO) criteria under HOME. The consortium's HOME policies allow CHDOs to apply for and receive up to \$30,000 in operating support funds to build the capacity of these agencies. The agency must demonstrate how an additional award would increase its ability to produce, own, and manage affordable housing.

Homestead Community Land Trust (Homestead CLT) was selected to receive \$200,000 in 2012 HOME funds for its HCLT Advantage Program. Homestead CLT is a Community Housing Development Organization (CHDO) that creates homeownership opportunities for income eligible families. It administers the HCLT Advantage Program as a subrecipient of King County in the unincorporated King County communities of White Center, Boulevard Park, Skyway, and the city of Shoreline.

The HCLT Advantage Program uses the community land trust approach to homeownership, where ownership of the land is separated from the improvements, and the land is leased back to the homeowner through a 99-year ground lease for a nominal monthly lease fee.

E. Affirmative Marketing

King County has policies and procedures for affirmative marketing of vacant units in projects of five or more units, per 24 CFR 92.351.

King County informs the general public with a description of affirmative marketing requirements when advertising its program in legal notices and advertisements in general media throughout the county. The requirements are also set out in press releases given to general media and community newspapers throughout the county.

Owners desiring to participate in the HOME program are informed of affirmative marketing requirements in the first interview. Potential tenants are informed of the requirements when given "Notice of Right to Continue in Occupancy."

In addition, the Equal Housing Opportunity logo is included in all material distributed about the program.

Owners are required to display the Equal Housing Opportunity logo during rehab work, list vacancies with the KCHA, advertise vacancies through community and minority newspapers, and/or list vacancies with minority community outreach programs and housing counseling agencies.

Recordkeeping required of owners includes keeping rejected applications of potential tenants, copies of advertising of vacant units, and copies of letters listing vacant units with minority outreach groups. Sufficient records must be kept to comply with 24 CFR 508.

F. Minority Outreach

King County has a minority outreach effort for the HOME program aimed at bringing minority- and women-owned businesses (M/WBE) into participating as contractors or suppliers for renovation and construction projects. The County encourages the following practices to promote open competitive opportunities for small businesses including M/WBEs:

1. Scheduling a pre-bid or pre-solicitation conference to provide project information and to inform M/WBEs and other firms of contracting and subcontracting opportunities
2. Placing all qualified small businesses attempting to do business in the county, including M/WBEs, on solicitation lists, and providing written notice of subcontracting opportunities to M/WBEs and all other small businesses capable of performing the work, including without limitation all businesses on any list provided by the county, in sufficient time to allow such businesses to respond to the written solicitations
3. Breaking down total requirements into smaller tasks or quantities, where economically feasible, in order to permit maximum participation by small businesses including M/WBEs
4. Establishing delivery schedules, where the requirements of the contract permit and encouraging participation by small businesses, including M/WBEs
5. Providing small businesses including M/WBEs that express interest, with adequate and timely information about plans, specifications, and requirements of the contract
6. Utilizing the services of available community organizations, contractor groups, local assistance offices, the county, and other organizations that provide assistance in the recruitment and placement of small businesses including M/WBEs.

G. Tenant Assistance/Relocation

1. King County prioritizes projects that do not cause the displacement of existing tenants. All recipients are made aware of the impact (both financial and staffing) that federally-required relocation procedures and payments may have. King County will only consider funding HOME projects with potential relocation if the project meets a critical housing need that outweighs the negative impact of residential and business displacement.
2. The King County Relocation Specialist monitors each HOME-assisted project to insure the timely issuance of required notices and project compliance. There were no HOME-assisted projects in 2012 that required relocation.
3. The steps taken by the developer's relocation agent to coordinate the provision of housing assistance and the delivery of special services to those occupants displaced include:
 - a. Identifying any special needs during the interview process
 - b. Keeping the occupant informed of project progress
 - c. Identifying comparable housing
 - d. Taking the displaced person to inspect the comparable housing
 - e. Completing claim forms

- f. Coordinating the move
- g. Assisting the occupants in any way possible.

Tenants who are not displaced are kept informed of project progress. Tenants are assisted if temporary relocation is needed, and rents are monitored upon completion for compliance with the Uniform Relocation Act.

H. Monitoring and Inspections of HOME Projects

The public funders developed a joint inspection tool, based on the HUD REAC Physical Assessment Sub-system. Visits to properties are currently coordinated between funders to minimize the burden of multiple visits to the same property over the course of a year. Schedules between public funders are coordinated for jointly-funded projects.

On-site inspections for King County HOME-funded projects were performed for 254 HOME-assisted units during 2012. Fifty-five units had no documented deficiencies and 199 units had a wide range of documented deficiencies per the Uniform Physical Conditions Standards used. Insufficient clearance of baseboard heaters continues to be the most common health and safety deficiency.

King County continues to participate with the Washington State Housing Finance Commission, the State of Washington Department of Commerce, the City of Seattle, the City of Tacoma, Snohomish County, and the City of Spokane in utilizing the Web-Based Annual Report system (WBARS). This system collects the occupant demographic and summary project data formerly available only in an Excel format. Owners of publicly-funded affordable housing are required to enter annual data on a real time basis or via an upload from their property management software by a published due date. Each project's data is validated against the most restrictive contract as each funder's restrictions are built into the system. Reports from WBARS are used to monitor HOME-assisted projects.

In addition to demographic and compliance information on tenant occupants of the housing, the system collects critical year-end operating and reserve information to assist property owners and funders identify potential issues in advance of problems. The data allows staff to provide technical assistance to property owners in a timely manner.

I. HOME project completions in 2012

The following five housing projects were completed in 2012:

- The YWCA of Seattle, King, and Snohomish County completed Family Village at Issaquah – Phase I – 97 units of permanent affordable housing for low-income working families, independent seniors, and persons with disabilities. Thirty-nine units target households with incomes at or below 30 percent of AMI, 35 units target households at 50 percent of AMI, and 23 units target households at 60 percent of AMI. Seventy-five units are HOME-assisted.
- Imagine Housing completed construction and fully leased up Francis Village, a 61 unit (including 1 manager unit) apartment building providing permanent affordable rental housing for low and very low-income households. Forty-six units are dedicated

to households transitioning from homelessness and include 5 units targeted to veterans. Fifteen of the units target households at 30 percent of AMI, 30 units target households at 40 percent of AMI and 15 units target households at 60 percent of AMI. Ten of the units are HOME-assisted.

- The Renton Housing Authority completed the construction of eight large family townhomes in Sunset Terrace as the initial phase of the redevelopment of this neighborhood of Renton. Three units will be affordable to households with incomes at 30 percent of AMI and five units will be affordable to households at 50 percent of AMI. All eight units are HOME-assisted.
- Manufactured Housing Community Preservationists completed the rehabilitation of Bonel Mobile Manor, a 107 unit mobile home park in the city of Kent, preserving permanent affordable housing for homeowners with incomes at or below 80 percent of AMI. Sixty of the mobile home spaces are targeted to households with incomes at or below 50 percent of AMI, 26 of the spaces are targeted to households with incomes at or below 80 percent of AMI and 21 spaces are unrestricted. There are 86 HOME-assisted units in the park.
- King County Housing Authority completed the rehabilitation of Wonderland Estates Mobile Home Park, a 109 unit mobile home park for residents fifty-five years of age or older in the city of Renton. Thirty-nine spaces will be targeted to households at 50 percent of AMI, 34 spaces will be targeted to households at 80 percent of AMI, and 20 spaces will be unrestricted. Fifteen units are HOME-assisted. Construction was completed in 2012, the HOME spaces are occupied and the balance of the park is being leased up this coming year.

Annual Performance Report HOME Program

U.S. Department of Housing
and Urban Development
Office of Community Planning
and Development

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(exp. 8/31/2009)

Public reporting burden for this collection of information is estimated to average 2.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

The HOME statute imposes a significant number of data collection and reporting requirements. This includes information on assisted properties, on the owners or tenants of the properties, and on other programmatic areas. The information will be used: 1) to assist HOME participants in managing their programs; 2) to track performance of participants in meeting fund commitment and expenditure deadlines; 3) to permit HUD to determine whether each participant meets the HOME statutory income targeting and affordability requirements; and 4) to permit HUD to determine compliance with other statutory and regulatory program requirements. This data collection is authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act or related authorities. Access to Federal grant funds is contingent on the reporting of certain project-specific data elements. Records of information collected will be maintained by the recipients of the assistance. Information on activities and expenditures of grant funds is public information and is generally available for disclosure. Recipients are responsible for ensuring confidentiality when public disclosure is not required.

This form is intended to collect numeric data to be aggregated nationally as a complement to data collected through the Cash and Management Information (C/MI) System. Participants should enter the reporting period in the first block. The reporting period is October 1 to September 30. Instructions are included for each section if further explanation is needed.

Submit this form on or before December 31. Send one copy to the appropriate HUD Field Office and one copy to: HOME Program, Rm 7176, 451 7th Street, S.W., Washington D.C. 20410	This report is for period (mm/dd/yyyy)		Date Submitted (mm/dd/yyyy)
	Starting	Ending	

Part I Participant Identification

1. Participant Number	2. Participant Name		
3. Name of Person completing this report		4. Phone Number (Include Area Code)	
5. Address	6. City	7. State	8. Zip Code

Part II Program Income

Enter the following program income amounts for the reporting period: in block 1, enter the balance on hand at the beginning; in block 2, enter the amount generated; in block 3, enter the amount expended; and in block 4, enter the amount for Tenant-Based rental Assistance.

1. Balance on hand at Beginning of Reporting Period	2. Amount received during Reporting Period	3. Total amount expended during Reporting Period	4. Amount expended for Tenant-Based Rental Assistance	5. Balance on hand at end of Reporting Period (1 + 2 - 3) = 5
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Part III Minority Business Enterprises (MBE) and Women Business Enterprises (WBE)

In the table below, indicate the number and dollar value of contracts for HOME projects completed during the reporting period.

	a. Total	Minority Business Enterprises (MBE)			f. White Non-Hispanic
		b. Alaskan Native or American Indian	c. Asian or Pacific Islander	d. Black Non-Hispanic	
A. Contracts					
1. Number					
2. Dollar Amount					
B. Sub-Contracts					
1. Number					
2. Dollar Amount					
	a. Total	b. Women Business Enterprises (WBE)	c. Male		
C. Contracts					
1. Number					
2. Dollar Amount					
D. Sub-Contracts					
1. Number					
2. Dollar Amounts					

Part IV Minority Owners of Rental Property

In the table below, indicate the number of HOME assisted rental property owners and the total dollar amount of HOME funds in these rental properties assisted during the reporting period.

	a. Total	Minority Property Owners				f. White Non-Hispanic
		b. Alaskan Native or American Indian	c. Asian or Pacific Islander	d. Black Non-Hispanic	e. Hispanic	
1. Number						
2. Dollar Amount						

Part V Relocation and Real Property Acquisition

Indicate the number of persons displaced, the cost of relocation payments, the number of parcels acquired, and the cost of acquisition. The data provided should reflect only displacements and acquisitions occurring during the reporting period.

	a. Number	b. Cost	Minority Business Enterprises (MBE)			f. White Non-Hispanic
Households Displaced	a. Total	b. Alaskan Native or American Indian	c. Asian or Pacific Islander	d. Black Non-Hispanic	e. Hispanic	f. White Non-Hispanic
1. Parcels Acquired						
2. Businesses Displaced						
3. Nonprofit Organizations Displaced						
4. Households Temporarily Relocated, not Displaced						
5. Households Displaced - Number						
6. Households Displaced - Cost						

