



# King County

## Urban Consortium Joint Recommendations Committee

*Meeting Materials for Thursday, February 26, 2015*

Click on a link below or use the Acrobat bookmarks to access documents

Item	Info
Agenda	Agenda for February 2015 JRC Meeting
Attachment A	Approved January 2015 Meeting Minutes
Attachment B	RAHP Guidelines Action Item
Attachment B.1	RAHP Guidelines Update
Attachment B.2	RAHP Guidelines Summary Sheet
Attachment B.3	RAHP Guidelines: Redline Version
Agenda Item III. Handout	RAHP PowerPoint
Agenda Item IV.	Consolidated Plan Handout
Attachment C	ARCH Memo RE: Projects
Agenda Item V. Handout	ARCH East King County Down Payment Assistance Brochure
Agenda Item V.2	ARCH CDBG Allocation Matrix
Agenda Item VII. Handout	HFP Guidelines
Agenda Item VII.2 Handout	Feed Back Questions
Agenda Item VIII. Handout	RFP Schedule for Joint Recommendations Committee
Agenda Item XI.1 Handout	HMIS Data Collection Legislation Support Info
Agenda Item XI.2 Handout	Workforce Housing Bonding Legislation Support Info
Attachment D	Info Item: CNI Application Memorandum



**King County**  
**JRC Members**

Chair  
*Ken Hearing*  
*Mayor North Bend*

Vice Chair  
*Gerald (Jerry)*  
*Robison*  
*Burien,*  
*Councilmember*  
*Sound Cities*  
*Association*

*Paul Winterstein*  
*Issaquah,*  
*Councilmember*  
*Sound Cities*  
*Association*

*Pam Fernald*  
*SeaTac,*  
*Councilmember*  
*Sound Cities*  
*Association*

*Terry Mark*  
*King County,*  
*DCHS Deputy*  
*Director*

*Gary Prince*  
*King County,*  
*DOT, TOD*  
*Program*  
*Manager*

*John Starbard*  
*King County, DPER*  
*Director*

*Dan Stroh*  
*Bellevue,*  
*Planning Director*

*Rob Odle*  
*Redmond, Director*  
*Dept. Planning &*  
*Community Dev.*

*Merina Hanson*  
*Kent, Housing and*  
*Human Services*  
*Manager*

*Rob Beem*  
*Shoreline,*  
*Community*  
*Services Division*  
*Manager*

*Steve Walker*  
*Seattle, Director of*  
*Office of Housing*

# Agenda

## JOINT RECOMMENDATIONS COMMITTEE (JRC) MEETING

**Thursday, February 26, 2015**

**9:30 AM - 11:30 AM**

**South Renton Treatment Plant Admin Building**  
**1200 Monster Road S.W., Renton, WA 98057**

[Directions and map](#)

<http://www.kingcounty.gov/environment/wtd/About/System/South.aspx>

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|--------------|--|--------|
| <b>I.</b>    | <b>Welcome and Introductions</b>   |        |
| <b>II.</b>   | <b>January 22, 2015 Meeting Minutes</b>  | 5 Min  |
|              | Attachment A – Action Item All   |        |
| <b>III.</b>  | <b>RAHP Administrative Guidelines</b>  | 15 Min |
|              | Attachment B - Action Item All   |        |
|              | <i>Valerie Kendal, Affordable Housing Planner</i>  |        |
| <b>IV.</b>   | <b>Consolidated Housing and Community Development Plan</b>                                     | 30 Min |
|              | Information Item – Update Products re 2015-2019 Consolidated Plan                              |        |
|              | <i>Valerie Kendal, Affordable Housing Planner</i>  |        |
| <b>V.</b>    | <b>ARCH Affordable Housing Projects (CDBG)</b>   | 15 Min |
|              | Attachment C - Information Item  |        |
|              | <i>Klaas Nijhuis, Senior Planner, ARCH</i>   |        |
| <b>VI.</b>   | <b>Review of Housing Repair Program Policies– Update</b>                                       | 10 Min |
|              | Information Item –   |        |
|              | <i>Clark Fulmer, HRP Section Staff</i>   |        |
| <b>VII.</b>  | <b>Housing Finance Program Non-Home Guidelines</b>   | 10 Min |
|              | Information Item – Handout Review in Process (JRC Action Item in May)                          |        |
|              | <i>Eileen Bleeker, HFP Section Staff</i>   |        |
| <b>VIII.</b> | <b>Housing Finance Program Proposed Schedule for 2015 Capital Funding Round for 2016 Funds</b> | 5 Min  |
|              | Information Item – Handout   |        |
|              | <i>Eileen Bleeker, HFP Section Staff</i>   |        |
| <b>XI.</b>   | <b>Announcements, Other Items</b>  |        |

### ADJOURN

#### Next Meeting:

**Date March 26, 9:30 AM - 11:30 AM**

Location: South Renton Treatment Plant, Renton WA

**JOINT RECOMMENDATIONS COMMITTEE MEETING**

**Thursday, January 22, 2015**

**9:30 am – 11:30 am**

**South Renton Treatment Center**

**Members Present:**

Ken Hearing - Mayor, City of North Bend, JRC Chair (Sound Cities Association)  
Gerald (Jerry) Robison - Councilmember, City of Burien, JRC Vice-Chair (Sound Cities Association)  
Paul Winterstein - Councilmember, City of Issaquah (Sound Cities Association)  
Pam Fernald - Councilmember, City of SeaTac (Sound Cities Association)  
Rob Beem - Community Services Division Manager, City of Shoreline  
Rob Odle - Director, Planning and Community Development, City of Redmond  
Dan Stroh, Planning Director, City of Bellevue  
Merina Hanson, Housing and Human Services Manager, City of Kent  
Gary Prince - Transit Oriented Development Program Manager, King County Department of Transportation  
Lisa Verner on behalf of John Starbard - Director, King County Department of Permitting and Environmental Review  
Steve Walker – Director of Housing, City of Seattle  
Terry Mark – Deputy Director, King County Department of Community and Human Services

**Members Not Present:**

John Starbard - Director, King County Department of Permitting and Environmental Review

**King County Staff:**

Kathy Tremper - Coordinator, Housing and Community Development, HCD  
Valerie Kendall, Affordable Housing Planner, Housing and Community Development, HCD  
John DeChadenedes – Coordinator, Housing Finance Program, HCD  
Mark Ellerbrook, Regional Housing and Community Development Manager, HCD  
David Mecklenburg – Project Manager, Community Development, HCD  
Clark Fulmer – Coordinator, Housing Repair Program, HCD  
Elaine Goddard – Administrative Staff Assistant, Community Services Division, CSD

**Guests:**

Evie Boykan – Human Services Manager, Tukwila  
Doreen Booth - Sound Cities Association  
Jeff Watson - Community Services Manager, City of Federal Way  
Colleen Brandt-Schluter – Human Services Manager, City of SeaTac  
Alaric Bien, Senior Planner, City of Redmond  
Diane Utecht, Human Services Coordinator, City of Renton  
Lori Fleming, Management Analyst, City of Burien

**I. Welcome and Introductions**

Ken Hearing opened the meeting at 9:35 am. He welcomed guests and asked everyone to introduce themselves.

**II. Approval of JRC November 20, 2014 Meeting Minutes:  
Attachment A – Action Item All**

MOTION: Pam Fernald moved to approve the minutes as presented. The motion was approved unanimously. It was noted that the document posted on the web only provided the first page. Kathy noted that the full document will be re-posted on the web.

**III. Elect 2015 JRC Chair and Vice-Chair.  
Action Item All**

Ken Hearing, JRC Chair, opened the floor for nominations.

Paul nominated Ken Hearing to remain Chair of the JRC. The nomination was seconded by Jerry Robison. No other nominations were brought forward. Ken's election was approved unanimously.

Paul nominated Gerald (Jerry) Robison to be 2015 Vice-chair. Ken seconded. No other nominations were brought forward. The election was approved unanimously.

**IV. Review JRC Consortium Procedures, Meeting Location and 2015 JRC Work Plan.  
Attachment B – Action Item All  
Kathy Tremper, Housing and Community Development Section Staff**

Kathy presented the proposed JRC 2015 Meeting Calendar which showed meeting dates, and agenda items to be covered during the coming year. She asked for feedback from the committee. Paul noted that the September, October and November dates are Fridays and need to be changed to the Thursday. He also wondered why there are 50% more meetings scheduled than last year. Mark Ellerbrook explained that the 2015 agenda reflects a full schedule. There are several complicated issues that need to be explored and discussed in depth this year. Kathy added that there has been a large turnover in JRC membership and some of the matters are very complex. The proposed schedule allows the committee time to discuss and better understand issues before decisions are made. Kathy verified that the current meeting location is acceptable. It was noted that future meetings will be held in the Black River Conference Room located upstairs.

MOTION: Jerry made a motion to adopt the meeting schedule, location and work plan. Rob Odle seconded. The motion was approved unanimously. An updated calendar will be attached to the January meeting minutes.

**V. HUD Choice Neighborhood initiative Implementation Grant**  
**Attachment D – Action Item All**  
**Mark Ellerbrook, Housing and Community Development Section Staff**

Mark Ellerbrook explained that the City of Renton and the Renton Housing Authority have asked the County to commit funds in their application for a HUD Choice Neighborhood Grant. The project is to redevelop the Sunset Terrace area of the Renton Highlands. The current housing is substandard, and negatively impacts the entire community. The application is due February 6. The total request to HUD is \$30 million. In order to score well, the project must leverage funds at a 2-1 ratio, which means they must match \$60 million. They are asking the JRC to approve a \$3 million commitment to this project. King County Housing and Community Development staff is proposing a \$1.5 million commitment with a stipulation that the City of Renton waive \$1.9 million in fees.

The JRC has supported similar HUD projects in King County, including the Greenbridge Project and Seola Gardens. This is a very competitive Grant. HUD only awards around 3 per year. This year they have combined 2014 and 2015 funds into one NOFA. There is no guarantee whether the change in congress will affect future grant funding, so Renton wants to get their application in now. Renton is a small city to receive a Choice Neighborhood Grant, so King County Housing Authority is also included to help increase the population served.

The Staff recommendation to commit \$1.5 million is based on revenue and spending projections over the next 5 years. Half of our money is already set aside, so we can only commit flexible dollars which would include HOME and RAHP funds. We want to be very supportive, but also be responsible toward needs county-wide. The \$3 million amount is 20-25% of what we project and would take away flexibility for funding other possible projects. It was also noted that if the JRC does recommend committing \$1.5 million that does not preclude Renton from asking for more project funding in future rounds. Rob Beem asked whether reducing the amount to \$1.5 vs \$3 million will hurt their efforts to raise enough matching funds. Mark responded that Renton has \$64 million in outstanding requests, which is more than enough to get full leverage. They have already built in a buffer. There are 5 specific projects in the packet that this money would go toward. Pre-commitment does not preclude additional funding over 5 years, but that would go through the normal application process and would have to be approved by the JRC. A question was raised as to HUD's timeline and what would happen if they did not give Renton an award. Mark responded that HUD would make their final decisions by September 30, 2015. If Renton does not receive an award then our money will be taken back and Renton Housing Authority would need to come through the regular process to request funding.

Paul expressed admiration for Renton's efforts to improve quality of life in their city. He felt that reinvestment in this area is needed, but projects need to stack up and meet the bar for funding. He does not want a biased process. Mark agreed, and expressed that this project is good and well thought out. The County has gone through rigorous analysis and will continue to monitor projects to ensure they meet expectations. Merina Hanson asked how the money will be spread through all 5 projects. Mark does not know at this time. The goal is to mix the income areas. Jerry commented that the housing in this neighborhood is 70 years old - and not built well. The city is taking on this project to revitalize a residential area that when built was not intended to last. This is a huge and ambitious project and the JRC is only considering adding 1.5%. The County's piece is small, but important. Jeff Watson asked whether the County

has done this type of set aside in the past. Mark answered that the County has pre-committed to past Hope VI projects - Greenbridge, and Seola Gardens received County backing. Executive Sims made commitments to those projects and the JRC was asked to make them happen. Executive Constantine wants the JRC to commit before he backs this project. Although this project was not on our radar, and is on a short time frame we sometimes need to be nimble and stay flexible at the same time. Rob Beem expressed support. He commented that the Housing Finance Program often makes pre-commitments. He believes that this is a purposeful commitment, and moves in the right direction. He added that \$1.5 million is a conservative amount considering the scope of the project. Rob Odle agreed but asked about the timeframe our funding would be spent within the total funding. Mark answered that there would be a plan how funding is spent, but money would probably be committed to particular projects. The least expensive money would be spent first which is public subsidies.

MOTION: Jerry made a motion to approve \$1.5 million to support the project. Mark reiterated that one other piece of the recommendation is a contingency requiring the City of Renton waive approximately \$1.9 million in fees. Jerry felt that the JRC is already reducing its commitment from \$3 to \$1.5 million which is only 1.5% of the project. He does not want the contingency of \$1.9 million fee waiver. The reasoning is valid, but Renton has a lot of skin in the game and it is up to them to put in their support. It would be symbolic to require the waiver, but it does not seem necessary. Ken asked if there should be a ceiling threshold for funding. Paul does not feel the need to set a ceiling. Projects must meet rigorous scrutiny and additional funding would be based on merit.

The Motion was then restated to approve the staff recommendation of providing \$1.5 million in housing funds, contingent upon the CNI grant application being successful and resulting in funding award to RHA for a project or projects selected over a five year period and reviewed under the standard HFP procedures; but without the requirement of Renton to waive fees. Gary seconded the Motion. The motion carried unanimously.

## **VI. King County RAHP Administrative Guidelines**

### **Information Item**

#### **Valerie Kendall, Housing and Community Development Section Staff**

Valerie Kendall presented proposed changes to the RAHP Administrative Guidelines. The JRC is not being asked to adopt the guidelines at this time; they were presented as an information item with voting in at the February meeting. Changes are highlighted on the handout. RAHP funding comes from Document Recording Fees, and varies based upon activity in the real-estate market. RAHP is used to fund shelter operations & maintenance and permanent affordable housing. Shelters receive two year awards. The Housing Finance Program comes before the JRC to present a slate of recommended housing projects. RAHP is often used as a match for federally funded projects. These guidelines are attached to RAHP Interlocal Cooperative Agreements (ICA), but they can be updated independently of the ICA's. The proposed changes include changing the formula in order to balance regional needs. The proposed formula went through rigorous analysis before deciding on the change. It was determined based on how many households in each region are cost-burdened and by county forecasting of future low income housing needs. A one page handout was passed out which shows the regional splits past and proposed. It is a small amount of change, but it took extensive negotiations. Pam expressed concern that the South Sub-region's percentage went down. Valerie assured her that there was robust discussion to determine the formula. Need is only half of

the formula, while affordable housing stock forecast is the other half. Forecasted stock is what tipped and increased the North/East equation. Steve Walker asked how often the capital RAHP meets the percentage for each sub-region. Valerie responded that the formula is rebalanced on a 3 year rolling average. Valerie encouraged members to email her with any additional questions.

**VII. Priorities for Community Development Block Grant (CDBG) 2016 Capital Non-Housing Funding Round**  
**Attachment C – Action Item, CDBG Consortium Cities only**  
**Kathy Tremper, Housing and Community Development Section Staff**

Kathy Tremper reported that each year she meets with the CDBG Consortium City members to review Sub-region funding priorities. This year each Sub-region chose to retain the same priorities as in the past. This means that the North/East sub-region will continue to pre-allocate 40% of their allocation to housing capital. The South sub-region wants maximum flexibility for using their allocation. This year's allocation will follow the same timeline as years past with the exception that the Pre-Application will commence in early February verses early March to provide more time to reach interested parties. This year's RFP will be administered by the King County Procurement Office for submittal. A public forum is expected to be held on July 10. The process will wind down in September. Kathy asked the JRC to approve the timeline and priorities and noted that only CDBG Consortium-city members are eligible to vote.

MOTION: Terry Mark made a motion to adopt priorities. Pam seconded. The motion was approved unanimously.

**VIII. Review Housing Repair Program Data and Impacts from Guidelines Amendment in Early 2013**  
**Information Item**  
**Clark Fulmer, Housing Repair Program Section Staff**

Clark Fulmer presented an update to November's presentation. HRP served 133 households in 2014 which exceeds the original estimate of 125 units. HRP receives program income from loan payoffs of \$394,265 CDBG and \$245,326 HOME. There have been reductions in HOME funding for the past several years, dropping \$133,000 annually. In 2015 the reduction to the CDBG Housing Repair Program is anticipated to be \$288,000 resulting in a shortfall of over \$421,000 in direct aid lost to low to-moderate income residents in King County. In past years money has been rolled over from one year to the next. All 2014 funding has been fully committed so we have a limited budget for repairs until the 2015 grant money comes. HRP is currently trying to distribute funds and prioritize to the lowest income people. Supply and demand is out of balance and guidelines must be reexamined to achieve assistance to the most in need first. Clark has met with South Sub-region representatives and will meet with North/East Sub-region to re-examine the HRP guidelines and make recommendations to the Consortium Cities requesting comment and consensus. Clark anticipates meeting with stakeholders in February and March and coming back to the JRC soon thereafter with a proposal. Rob Beem would like to know what Clark is looking for in the budget. The document distributed at this meeting is a snapshot of 2014 commitments Paul checked the work plan to make sure this is on the plan. Right now it is scheduled for March, so the plan may need to be modified to reflect Clark's schedule. Clark wants to meet with each sub-region to have robust discussion. He would like this done as fast as possible. A change will be made to the schedule to discuss this in March with an action item in April.

**IX. Consolidated Housing and Community Development Plan**  
**Information Item**  
**Valerie Kendall, Housing and Community Development Section Staff**

Next month Valerie will present the draft plan to review. The Strategic Plan indicates what the Consortium wants to do with available dollars. The JRC will discuss the plan in detail at the February meeting. Valerie will provide the updated document to the JRC members in early February. The new HUD format wants more numeric outcomes rather than narrative. A key component is the needs assessment. The State just came out with a state-wide assessment which is broken out by county and urban areas. It is designed for one type of jurisdiction, but King County is more complex. The template looks different, but there should be no other surprises. Paul thought it would be helpful to do some caucusing before the next meeting, perhaps via phone calls, or a short meeting.

**X. Housing Finance Program Non-HOME Guidelines**  
**Information Item**  
**John DeChadenedes, Housing Finance Program Section Staff**

John deChadenedes explained that, while last year the committee approved federal fund guidelines, in May they will be asked to approve guidelines that govern all other funds and programs. Most of the guidelines will reflect what we already do. However, in some areas we need stakeholder involvement to help make decisions. As much as possible, we would like our policies to be in sync with other funders such as Seattle.

Some areas being looked at are how the County approaches home-ownership programs. We need a balance between serving our most vulnerable populations and helping lower income residents find opportunities for home ownership. Rental rehabilitation is another area under consideration. How much should be spent to assist projects already in our portfolio to modernize, become more energy efficient, etc. Replacement reserves are generally not adequate for major capital needs. Guidelines will help determine how to prioritize preservation loan requests and help balance the need between new construction and rehabilitating existing buildings. John will bring a draft of the guidelines in April, to prepare for a vote in May.

Jeff expressed concern that jurisdictions are not requiring nonprofit developers to reserve adequate fund capital to avoid the problem of deterioration. John agreed. Public funders are aware that the requirement is in many cases not adequate for minimum replacement reserves. Options funders might consider include increasing replacement reserve requirement if cash flow allows or building better quality structures with a longer useful life. Both of these ideas are being considered. Mark added that limited resources create a struggle to balance between building the best quality and capitalizing for quantity. Many people believe that quality would cost more in the short term but could provide longer service. There is no single right answer, and we will need to continuously reevaluate this over time. Jerry mentioned that there was strong bias 20 years ago against building reserves, this has shifted over time. Another concern is how to build up reserves with no cash flow. Valerie mentioned also that tax credit projects have private investors that will want to maintain value. Paul agrees that a clear policy is needed to address these issues. If we're asking stakeholders to support, we should get ahead of questions and create good policy to demonstrate responsibility.

**XI. Announcements:**

Gary announced that Metro Transit is finalizing their long range plan to determine what kind of service will be provided. This is an extensive process. There were over 120 million riders in 2014. Metro may request voter approved money.

Next meeting: February 26, 2015. The meeting will be at this location, but upstairs in the Black River Conference Room.

The meeting adjourned at 11:18 am.

## Joint Recommendations Committee 2015 Meeting Calendar

### January 22

- Action Item: Elect 2015 JRC Chair and Vice-Chair
- Action Item:: Review JRC/Consortium Procedures, Meeting Location and 2015 JRC Work Plan
- Action Item: Priorities for Community Development Block Grant (CDBG) 2016 capital funding round
- Info/Action: HUD Choice Neighborhoods Initiative Implementation Grant Application sponsored by City of Renton, Renton Housing Authority and King County Housing Authority
- Info Item: Housing Repair Program - Analysis of Program since adoption of new policies in 2013
- Info Item: Consolidated Housing and Community Development Plan; Update Stakeholder/Consortium meetings/products re 2015-2019 Consolidated Plan
- Info Item: King County RAHP Administrative Guidelines
- Info Item: Housing Finance Program Non-HOME Guidelines (in process, JRC action in May)

### February 26

- Action Item: King County RAHP Administrative Guidelines
- Info Item: Housing Repair Program Feedback - Proposed New Policies
- Info Item: Consolidated Housing and Community Development Plan (2015-2019); Update Stakeholder/Consortium meetings/products re Consolidated Plan
- Info Item: HCD Housing Finance Program Non-Home Guidelines Proposed Updates
- Info Item: ARCH Competitive Process Affordable Housing Award Recommendations for North/East Sub-region CDBG
- Info Item: Housing Finance Program's proposed schedule for 2015 capital funding round for 2016 funds

### March 26

- Action Item: Approve Consolidated Plan Updates for 2015-2019
- Action Item: Adopt HCD Housing Finance Program Non-Home Guidelines
- Action Item: Adopt ARCH Competitive Process Affordable Housing Award Recommendations for North/East Sub-region CDBG
- Info Item: Repair Program – Review Proposed New Policies
- Info Item: Draft Housing Finance Program Guidelines (issues, Q&A, stakeholder meeting planned)

### April 23

- Action Item: Review prior year CDBG and/or HOME projects that are failing their timely expenditure requirement; review recommendations to extend or cancel projects
- Action Item: Adopt Housing Repair Program - New Policies
- Action Item: JRC review of final draft HFP guidelines update; review stakeholder input; final Q&A from JRC.
- Info Item: List of Housing Finance Program Pre-applications

### May 28

- Info Item: 2016 Program Planning: CDBG/HOME budget review
- Action Item: Adopt updated Housing Finance Program Guidelines

**June 25**

- Public Input: Public Meeting Regarding Community Development Needs
- Info Item: Virtual tour of King County Consortium Community Development projects
- Info Item: Best Starts for Kids

**July 10** (Optional and encouraged) - Forum for presentation of CDBG non-housing capital applications  
(Location to be determined)

**July 23**

- Info/Briefing Item: Ten Year Plan to End Homelessness and Initiatives;

**September 24**

- Info/Briefing Item: JRC Federal and State Legislative Agenda
- Action Item: 2016 Program Year Funds Planning - Decide on Community Development Block Grant Non-housing Capital Awards of 2015 Funding Round

**October 22**

- Action Item: JRC Federal and State Legislative Priorities for 2016
- Info/Briefing: Review and discussion of all affordable housing capital applications received in the 2015 funding round for 2016 funds.

**November 19**

- Action Item: –JRC votes to approve and adopt final Affordable Housing Capital Recommendations of 2015 Funding Round (2016 program year funds).

**Meetings are held from 9:30 A.M. TO 11:30 P.M. at:**

South Renton Treatment Plant Admin Building  
1200 Monster Road S.W., Renton, WA 98057

**Directions and map**

<http://www.kingcounty.gov/environment/wtd/About/System/South.aspx>

**Contact Information:**

Kathy Tremper, Community Development Coordinator  
Housing and Community Development

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Mark Ellerbrook, Regional Housing and Community Development Program Manger

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Office: 206-263-1117

**Regional Affordable Housing Program (RAHP) Administrative Guidelines**

**Issue:** This is the official recommendation and request to adopt the updated RAHP Guidelines. The RAHP Guidelines are independent of the RAHP Interlocal Agreements, which most cities in King County, including Seattle, are members. This makes it possible to have self-renewing RAHP Agreements, yet still keep RAHP Guidelines current.

**Background:** Please see the attached following documents:

- RAHP Guidelines Update 2014 Final (clean version);
- RAHP Guidelines JRC Update (explanatory document);
- RAHP Guidelines Update 2014 Redlined (showing how the document has been updated).

**JRC Options:** Possible options for the RAHP Administrative Guidelines include:

- Adopt as is;
- Adopt with changes;
- Remand for revision.

**Staff Recommendation:** Staff recommends adopting the RAHP Guidelines as written.

Staff Contact:

Valerie Kendall, Affordable Housing Planner

E-mail: [valerie.kendall@kingcounty.gov](mailto:valerie.kendall@kingcounty.gov) Phone: (206) 263-9076



**King County**  
**Department of Community and Human Services**

**King County Regional Affordable Housing Program  
Administrative Guidelines**

**I. Introduction**

The provisions of Substitute House Bill (SHB) 2060 became effective in Washington State on June 13, 2002. SHB 2060 created a document recording fee surcharge on certain documents to be utilized for low income housing.

Administration of the fund is shared between local governments and the State. The local portion of SHB 2060 funds is to be administered pursuant to a cooperative agreement between the county and the cities and towns within King County.

The work of the Housing Finance Task Force (HFTF), appointed by the King County Growth Management Planning Council in 1994, led to the passage of SHB 2060. In recognition of the recommendations made by the HFTF, a Regional Affordable Housing Program (RAHP)/2060 Planning Work Group convenes, as needed, to plan for the use of King County SHB 2060 funds. The King County RAHP/2060 Planning Work Group is made up of city representatives, county representatives, and representatives from a variety of private housing and services organizations in King County by invitation.

The King County RAHP/2060 Planning Group has designed a regional low income housing fund source, to be administered by the King County Housing and Community Development Program (HCD) in the Department of Community and Human Services.

**II. Duration of the Guidelines**

This update of the RAHP Guidelines shall take effect on XXXXX, 2014, and shall remain in effect until updated through the interjurisdictional Joint Recommendations Committee (JRC).

A RAHP Planning Work Group will be convened to recommend any proposed changes to the Guidelines for presentation to the JRC for adoption.

**III. RAHP Consortium Structure and Regional Allocation Method**

**A. Approving Body – Joint Recommendations Committee**

The Joint Recommendations Committee (JRC), as defined in the RAHP Agreement, shall be the body that reviews and updates the RAHP Guidelines beginning in 2010, and reviews and adopts annual RAHP funding allocations and related allocation policies. The JRC will be expanded, pursuant to the RAHP Agreement, to include representation from the City of Seattle on RAHP matters.



**King County**  
**Department of Community and Human Services**

Allocations and related policies adopted by the JRC must be consistent with these RAHP Guidelines, the Consolidated Plans of the King County Consortium and the City of Seattle, other local housing plans, as applicable, and the Ten Year Plan to End Homelessness in King County.

**B. Appeal Process for JRC Decisions**

Adoption of Guidelines

Pursuant to the RAHP Interlocal Agreement, a participating jurisdiction in the RAHP Consortium may appeal a JRC decision concerning the update of RAHP Guidelines. The jurisdiction must inform the Chair of the JRC, and the JRC chair will schedule time on the JRC agenda to discuss the appeal issue.

Annual Fund Allocations

Applicants for capital funds may appeal a JRC allocation decision regarding RAHP funds if they have grounds for an appeal based on a substantial violation of the allocation process, such as bias, discrimination, conflict of interest, or failure to follow the RAHP Guidelines. Appeals by applicants will receive initial review for adequate grounds by the Director of King County DCHS, and if adequate grounds for an appeal are found, the DCHS director will ask for the appeal to be placed on the JRC agenda for review.

**C. Annual Fund Allocation Recommendations**

The Interjurisdictional Advisory Committee (IAG) to the JRC, made up representatives from participating jurisdictions in the RAHP Consortium, will work with the King County Housing and Community Development Program staff, including Housing Finance Program (HFP) staff, to make RAHP allocation recommendations and related program policy recommendations to the JRC. While the advisory committee may make recommendations concerning several fund sources for affordable housing in the King County Consortium, the City of Seattle staff will participate on the committee solely for the purpose of making RAHP recommendations.

The review process for RAHP allocations will proceed as follows:

- King County HCD staff will review all applications and make preliminary funding recommendations for RAHP along with other HCD funds;
- Cities' staff will review applications for projects in their jurisdiction and make preliminary recommendations on those applications;
- Cities' staff will receive information on all RAHP applications to review prior to the advisory committee meeting at which final funding recommendations are formulated for transmittal to the JRC;
- Advisory committee participants will meet together at least annually to decide upon RAHP funding recommendations to the JRC, and may meet at other times during the year, as necessary, to discuss RAHP issues and make recommendations to the JRC.



**King County**  
**Department of Community and Human Services**

**D. Sub-regional Allocation Targets**

The RAHP Fund will be a flexible fund that can address regional and sub-regional housing needs. The fund will use sub-regional allocation targets as a means to achieve geographic equity in the distribution of RAHP SHB 2060 funds by the end of each Interlocal Cooperation Agreement period.

**RAHP Sub-regions:**

- City of Seattle Sub-region
- North/East Sub-region, which includes north and east urban and rural areas, including 40 percent of unincorporated King County<sup>1</sup>
- South Sub-region, which includes south urban and rural areas, including 60 percent of unincorporated King County

**E. Formula for Sub-regional Allocation Targets**

Each sub-region will have a targeted percentage of the RAHP project funds, including the interest on the RAHP project funds, allocated to eligible housing projects within the sub-region over the period of each Interlocal Agreement. Each sub-region will receive allocations to projects within the sub-region that are equal to or greater than 95 percent, of the sub-regions' allocation target by the end of each Interlocal Cooperation Agreement period.

The formula for allocating RAHP funds to the three sub-regions:

One half of the formula targets RAHP funds based on each sub-regions' relative share of total existing need for affordable housing. Existing need shall be determined by the percentage of households with incomes at or below 50 percent HAMFI paying more than 30 percent of their income for housing in the sub-region, according to HUD 2012 Comprehensive Housing Affordability Strategy (CHAS) data. HUD created a special housing tabulation based on 2009-2011 American Community Survey data.

One half of the formula targets RAHP funds based on each sub-regions' need to plan for affordable housing to meet the needs of the 24% of the population at or below 50% AMI, as established through the King County Countywide Planning Policies. The future need portion of the formula represents each sub-region's share of the need for 24% of the projected housing stock in the County by 2031 to be affordable to households at or below 50% of AMI; this is calculated by compiling the future affordable housing need for each jurisdiction by 2031,

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<sup>1</sup> Percent of unincorporated King County attributed to the North/East and South Sub-regions is based on 2010 census data.



## King County

### Department of Community and Human Services

considering the current stock of housing affordable to households at or below 50% of AMI, in order to arrive at a percentage for the sub-region<sup>2</sup>.

Based upon the RAHP formula, the sub-regional allocation targets are as follows:

City of Seattle:	35.8 percent
South Sub-region:	31.9 percent
N/E Sub-region:	32.3 percent

#### F. Interjurisdictional Advisory Committee to Monitor Sub-regional Allocation Targets

The advisory committee will monitor the sub-regional distribution of RAHP funds and determine if any sub-region(s) received allocations below 95 percent of the sub-region's allocation target. If any sub-region received allocations under 95 percent of the target allocation after several funding cycles, the HCD staff will work with the advisory committee to adjust the allocation targets of such sub-region(s) in the subsequent funding cycles, as needed.

In addition, the advisory committee may propose strategies and actions, for review by the JRC, that are designed to increase the percentage of RAHP funds spent in those sub-region(s). Staff of the jurisdictions that are parties to the RAHP Agreement will assist in implementing actions that will aid in achieving geographic equity in RAHP allocations by the end of each Interlocal Cooperation Agreement period.

#### IV. Use of RAHP Funds in King County

##### A. RAHP Priorities

- Capital funds for the acquisition, rehabilitation and/or new construction of units of eligible housing types. New construction is not eligible if the low-income housing vacancy rate for all of King County exceeds 10 percent<sup>3</sup>.
- Operations & Maintenance ("O&M") fund program for existing homeless housing<sup>4</sup>. This program provides O&M funding for existing<sup>5</sup> transitional housing, transition in place<sup>6</sup>

<sup>2</sup> The calculation rolls up to a sub-regional percentage based on the following information about each jurisdiction in the sub-region: [24% of each jurisdiction's projected future housing supply is affordable] minus [jurisdiction's existing affordable housing supply] = [jurisdiction's future affordable housing need].

<sup>3</sup> The low income housing vacancy rate for each county will be established by the state, pursuant to the SHB 2060 legislation.

<sup>4</sup> The O&M fund will continue to be set at approximately 22 percent of the RAHP collections for projects, which is \$700,000 per year, in order to have consistency in the O&M contracting process for the two-year contracting period of 2015/2016. During 2016 the split between RAHP capital funds, O&M funds and other uses shall be re-considered through a RAHP Guidelines planning meeting with RAHP jurisdictions and stakeholders.

<sup>5</sup> Existing housing is defined as housing that exists as of the date of an application for RAHP funds.

<sup>6</sup> Transition in place units are permanent rental units where supportive services are provided for a period of time, as needed by a household. Households do not need to move when the supportive services are phased out.



**King County**  
**Department of Community and Human Services**

units, existing shelters and licensed overnight youth shelters and/or existing projects that are converting, or have converted, from transitional housing or shelter to permanent housing or rapid re-housing through the work plan of the Committee to End Homelessness in King County. The housing units must be “eligible” for the Washington State Housing Trust Fund, and must show that they require RAHP O&M funds in order to cover ongoing building operating expenses.

- Rental assistance to be administered by a local housing authority or other local organization with rental assistance experience, in a manner that is similar to the Section 8 rental assistance program.

**B. RAHP Eligibility**

**1. Eligible Housing Types**

Capital Funds

Permanent rental housing units

Transition in place and transitional housing units; units that are not time-limited are encouraged

Rapid re-housing projects<sup>7</sup>

Emergency shelter and licensed overnight youth shelter<sup>8</sup>

Ownership housing

O&M Funds

Existing transitional and transition in place housing units

Existing emergency shelters and licensed overnight youth shelters

Existing projects that are converting or have converted from transitional housing or shelter to permanent housing or rapid re-housing through the work plan of the Committee to End Homelessness in King County<sup>9</sup>

**2. Eligible Populations Served by Housing Units**

All units funded with RAHP funds must serve households at or below 50 percent of area median income. Projects that include units for households at or below 30 percent of area median income are encouraged.

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<sup>7</sup> Capital funds for rapid re-housing are available to permanent rental housing that take rapid re-housing referrals from a rapid re-housing agency that provides services.

<sup>8</sup> RAHP funds are limited to 50 percent of the development cost of any project; consequently, if a shelter project cannot secure adequate funding for the entire cost of development, the RAHP cannot prioritize the project.

<sup>9</sup> RAHP funds are allowed for operating support, limited to projects engaged in CEH conversion work. This will be reviewed in the 2016 RAHP Guidelines planning meeting. See Note 4.



**King County**  
**Department of Community and Human Services**

In addition to serving low and very low-income households, RAHP funds are encouraged for special population housing needs, such as:

Homeless households<sup>10</sup>, including youth and young adults;  
Households at risk of homelessness<sup>11</sup>;  
Disabled households or households with a disabled member;  
Families and homeless families;  
Other special needs populations, including senior citizens.

**3. Eligible Applicants**

Non-profit organizations

Housing Authorities

Local governments

For-profit entities are only eligible for capital funds in the top priority due to the language of the SHB 2060 legislation, which restricts building operations and maintenance funds to projects “eligible for the Washington State Housing Trust Fund”, and for-profit entities are not eligible for the Washington State Housing Trust Fund.

**4. Eligible use of RAHP Funds by Category**

**Capital funds**

Acquisition of land for eligible housing;

New construction of eligible housing;

Acquisition of building(s) for eligible housing;

Rehabilitation of units of eligible housing or to create new units of eligible housing;

Capitalization of a replacement reserve in connection with a capital investment for new or existing eligible housing units;

Capitalization of O&M rent buy-down reserves for new eligible housing units to serve households below 50 percent of AMI that are primarily homeless<sup>12</sup>, or at risk of homelessness<sup>13</sup>;

Capitalized O&M reserves may only be used to write down rents to very affordable rent levels, below 30 percent of AMI for units that do not have debt service. Capitalized O&M reserves must be used for expenses directly related to running the building and may not be used for services to

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<sup>10</sup> Homeless households include: households that lack a fixed, regular and adequate residence; households that reside in a publicly or privately operated shelter designed to provide temporary living accommodations; households that reside in time-limited housing; and households that currently reside in an institution and will be exiting the institution without a fixed, regular and adequate residence.

<sup>11</sup> Households at risk of homelessness include: households paying 50 percent or more of their income for rent, households that have a history of homelessness and are currently unstable, households living in overcrowded or substandard housing, households that are substantially behind on their monthly housing payment or have a pending eviction, households with a disability whose housing is at risk due to aging relatives or other factors.

<sup>12</sup> See Note 6.

<sup>13</sup> See Note 7.



**King County**  
**Department of Community and Human Services**

the tenants or to cover debt service<sup>14</sup>. This eligible use may not exceed 20 percent of the RAHP capital funds in any funding cycle.

O&M Funds

Existing transition in place, transitional housing units, or existing projects that are converting or have converted from transitional housing or shelter to permanent housing or rapid re-housing through the work plan of the Committee to End Homelessness in King County are eligible for O&M for ongoing building operations and maintenance expenses that cannot be covered by the rental income of the project, and may not include the cost of services to tenants or debt service.

Existing emergency shelters and licensed, overnight youth shelters are eligible for O&M for general operating expenses, including services.

Rental Assistance

Rental assistance may be administered by a local housing authority or other local organization with rental assistance experience, in a manner that is similar to the Section 8 rental assistance program.

**5. RAHP Administration**

The RAHP funds shall be administered as a regional fund by the King County HCD Program.

RAHP Capital Funds

The HCD Housing Finance Section (HFP) will staff the interjurisdictional advisory committee and will work with the committee to develop RAHP funding allocation recommendations and related policy recommendations for JRC review and adoption.

The HFP will distribute RAHP funds through contracts pursuant to the allocations adopted by the JRC, and will generate an annual RAHP report that provides information about the projects that received funding in the current year, as well as the status of projects awarded RAHP funds in prior year(s). RAHP capital funds, including capitalized O&M reserves for new projects and maintenance reserves, will be administered by HFP in conjunction with other fund sources administered by HFP. The terms of the King County Housing Opportunity Fund (HOF) will apply to RAHP contracts, however, to the extent that there are differences between the HOF guidelines and RAHP guidelines, the RAHP guidelines will apply. RAHP funds will have no

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<sup>14</sup> Other requirements for capitalized O&M reserves include: 1) projects will not be eligible for these funds unless they have either applied first to CTED for O&M and been denied, or have not received Housing Trust Fund capital dollars and are, therefore, not eligible for O&M from CTED; 2) funds will be awarded only in appropriate amounts as needed pursuant to review by the HCD/Housing Finance Program, and will be subject to negotiated modifications; and 3) capitalized reserves will be committed for a maximum of five years' rent buy-down subsidy.



**King County**  
**Department of Community and Human Services**

maximum subsidy per unit, but the development portion of the award (not including O&M rent buy-down reserves) will be limited to 50 percent of the total development cost of a project.

A financial match by the local government where a housing project is to be located is not required, but is encouraged.

**RAHP Operating and Maintenance Funds**

The RAHP O&M funds will be administered through the King County HCD Program's Homeless Housing Programs (HHP) Section. HCD/HHP will work with the Committee to End Homelessness to ensure that the uses of RAHP O&M funds are consistent with the priorities of the Plan to End Homelessness. HHP will invite city staff and other stakeholders to participate in updating the RFP for O&M funds, if and when updates are necessary, and will invite the same to participate on the panel to review applications for the RAHP O&M funds. The review panel will recommend O&M fund awards to the JRC for final adoption.

The priority for RAHP O&M funds is existing homeless housing projects that have been unsuccessful in receiving State 2060 O&M funds or other sources of O&M funds.

# Regional Affordable Housing Program (RAHP) Interlocal Agreement

## Summary sheet of the RAHP Guidelines update

### January 2015

#### Review of Process

Public funders and stakeholders met three times in the summer of 2014 to discuss updates to the RAHP Guidelines. At these meetings participants reviewed the RAHP Program in the general context of housing and homelessness, the RAHP formula used to apportion funds to the three sub-regions (Seattle, North/East, and South), and programmatic uses of funds.

#### History of RAHP Funds

In 2002, the Washington State Legislature authorized the collection of revenue for a low-income housing fund through document recording surcharge fees (HB 2060, which is codified as RCW 36.22.178). The law directs the local portion of HB 2060 funds to be administered by the County pursuant to a cooperative agreement between the County and its cities and towns.

#### RAHP Formula

The formula for allocating RAHP resources to the three sub-regions over three-year periods balances existing need for affordable housing with future need for affordable housing. Existing need is based on the current needs of low-income people in each sub-region, and is determined by the total number of households with incomes at or below 50% of AMI who are cost burdened. Cost burdened is defined as spending more than 30% of income on housing.

Future need is based on each sub-region's need to plan for adequate affordable housing stock for households at or below 50% of AMI by year 2031; and is determined by calculating approximately how much affordable housing the sub-region would need to add to reach a goal of 24% of the housing stock being affordable to households at or below 50% AMI by 2031.

	Previous	Proposed
City of Seattle	37.9	35.8
South	32.7	31.9
North/East	29.4	32.3

#### Programmatic Changes and Continuations

1. III E. Consortium Structure and Regional Allocation – Explanation of the data source used (HUD 2012 CHAS data), the RAHP formula, and the sub-regional allocation targets. Further explanation of the formula structure is in footnote #2.
2. Use of RAHP Funds, Priorities, footnote #4 – Continue to fund \$700,000 per year for Operating and Maintenance (O & M) through 2016, with a planning meeting(s) to be held in 2016 to re-evaluate the split between capital and O&M.
3. IV. Use of RAHP Funds, Priorities – Priority language is added about using RAHP funds (in addition to existing uses for shelters and transitional housing) for transitional housing projects converting to permanent housing or rapid re-housing through the work plan of the Committee to End Homelessness (CEH). Similar to footnote 4 above, this issue will be analyzed and re-evaluated at the planning meeting(s) in 2016.

4. IV. Use of RAHP Funds, Priorities - Rental assistance may be administered by other local organizations with experience administering housing subsidy programs in addition to housing authorities.
5. Eligible Housing Types, footnote 7 – Explains the context of use of capital funds for rapid re-housing, meaning permanent rental housing projects that take referrals of new tenants from agencies serving households with rapid re-housing assistance.
6. Eligible Housing Types, footnote 9 – RAHP funds are allowed for operating support to projects engaged in CEH conversion work. Similar to footnote 4 above, this will be reviewed in the 2016 RAHP Guidelines planning meeting.
7. Eligible Use of RAHP Funds by Category, O & M Funds – RAHP O & M Funds are eligible for existing projects that are converting or have converted from transitional housing or shelter to permanent housing or rapid re-housing through the work plan of CEH.
8. Eligible Use of RAHP Funds by Category - Rental Assistance is an eligible use of RAHP funds.



**King County**  
**Department of Community and Human Services**

**King County Regional Affordable Housing Program  
Administrative Guidelines**

**I. Introduction**

The provisions of Substitute House Bill (SHB) 2060 became effective in Washington State on June 13, 2002. SHB 2060 created a document recording fee surcharge on certain documents to be utilized for low income housing.

Administration of the fund is shared between local governments and the State. The local portion of SHB 2060 funds is to be administered pursuant to a cooperative agreement between the county and the cities and towns within King County.

The work of the Housing Finance Task Force (HFTF), appointed by the King County Growth Management Planning Council in 1994, led to the passage of SHB 2060. In recognition of the recommendations made by the HFTF, a Regional Affordable Housing Program (RAHP)/2060 Planning Work Group convenes, as needed, to plan for the use of King County SHB 2060 funds. The King County RAHP/2060 Planning Work Group is made up of city representatives, county representatives, and representatives from a variety of private housing and services organizations in King County by invitation.

The King County RAHP/2060 Planning Group has designed a regional low income housing fund source, to be administered by the King County Housing and Community Development Program (HCD) in the Department of Community and Human Services.

**II. Duration of the Guidelines**

This update of the RAHP Guidelines shall take effect on XXXXX, 2014, and shall remain in effect until updated through the interjurisdictional Joint Recommendations Committee (JRC).

A RAHP Planning Work Group will be convened to recommend any proposed changes to the Guidelines for presentation to the JRC for adoption.

**III. RAHP Consortium Structure and Regional Allocation Method**

**A. Approving Body – Joint Recommendations Committee**

The Joint Recommendations Committee (JRC), as defined in the RAHP Agreement, shall be the body that reviews and updates the RAHP Guidelines beginning in 2010, and reviews and adopts annual RAHP funding allocations and related allocation policies. The JRC will be expanded, pursuant to the RAHP Agreement, to include representation from the City of Seattle on RAHP matters.



**King County**  
**Department of Community and Human Services**

Allocations and related policies adopted by the JRC must be consistent with these RAHP Guidelines, the Consolidated Plans of the King County Consortium and the City of Seattle, other local housing plans, as applicable, and the Ten Year Plan to End Homelessness in King County.

**B. Appeal Process for JRC Decisions**

Adoption of Guidelines

Pursuant to the RAHP Interlocal Agreement, a participating jurisdiction **in the RAHP Consortium** may appeal a JRC decision concerning the update of RAHP Guidelines. The jurisdiction must inform the Chair of the JRC, and the JRC chair will schedule time on the JRC agenda to discuss the appeal issue.

Annual Fund Allocations

Applicants for capital funds may appeal a JRC allocation decision regarding RAHP funds if they have grounds for an appeal based on a substantial violation of the allocation process, such as bias, discrimination, conflict of interest, or failure to follow the RAHP Guidelines. Appeals by applicants will receive initial review for adequate grounds by the Director of King County DCHS, and if adequate grounds for an appeal are found, the DCHS director will ask for the appeal to be placed on the JRC agenda for review.

**C. Annual Fund Allocation Recommendations**

**The Interjurisdictional Advisory Committee** (IAG) to the JRC, made up representatives from participating jurisdictions in the RAHP Consortium, will work with the King County Housing and Community Development Program staff, including Housing Finance Program (HFP) staff, to make RAHP allocation recommendations and related program policy recommendations to the JRC. While the advisory committee may make recommendations concerning several fund sources for affordable housing in the King County Consortium, the City of Seattle staff will participate on the committee solely for the purpose of making RAHP recommendations.

The review process for RAHP allocations will proceed as follows:

- King County HCD staff will review all **RAHP** applications and make preliminary funding recommendations for RAHP along with other HCD funds;
- Cities' staff will review applications for projects in their jurisdiction and make preliminary recommendations on those applications;
- Cities' staff will receive information on all RAHP applications to review prior to the advisory committee meeting at which final funding recommendations are formulated for transmittal to the JRC;
- Advisory committee participants will meet together at least annually to decide upon RAHP funding recommendations to the JRC, and may meet at other times during the year, as necessary, to discuss RAHP issues and make recommendations to the JRC.



**King County**  
**Department of Community and Human Services**

**D. Sub-regional Allocation Targets**

The RAHP Fund will be a flexible fund that can address regional and sub-regional housing needs. The fund will use sub-regional allocation targets as a means to achieve geographic equity in the distribution of RAHP SHB 2060 funds by the end of each Interlocal Cooperation Agreement period.

**RAHP Sub-regions:**

- City of Seattle Sub-region
- North/East Sub-region, which includes north and east urban and rural areas, including 40 percent of unincorporated King County<sup>1</sup>
- South Sub-region, which includes south urban and rural areas, including 60 percent of unincorporated King County

**E. Formula for Sub-regional Allocation Targets**

Each sub-region will have a targeted percentage of the RAHP project funds, including the interest on the RAHP project funds, allocated to eligible housing projects within the sub-region over the period of each Interlocal Agreement. Each sub-region will receive allocations to projects within the sub-region that are equal to or greater than 95 percent, of the sub-regions' allocation target by the end of each Interlocal Cooperation Agreement period.

The formula for allocating RAHP funds to the three sub-regions:

One half of the formula targets RAHP funds based on each sub-regions' relative share of total existing need for affordable housing. Existing need shall be determined by the percentage of households with incomes at or below 50 percent HAMFI paying more than 30 percent of their income for housing in the sub-region, **according to HUD 2012 Comprehensive Housing Affordability Strategy (CHAS) data. HUD created a special housing tabulation based on 2009-2011 American Community Survey data.**

**One half of the formula targets RAHP funds based on each sub-regions' need to plan for affordable housing to meet the needs of the 24% of the population at or below 50% AMI, as established through the King County Countywide Planning Policies. The future need portion of the formula represents each sub-region's share of the need for 24% of the projected housing stock in the County by 2031 to be affordable to households at or below 50% of AMI; this is calculated by compiling the future affordable housing need for each jurisdiction by 2031,**

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<sup>1</sup> Percent of unincorporated King County attributed to the North/East and South Sub-regions is based on 2010 census data.



## King County

### Department of Community and Human Services

considering the current stock of housing affordable to households at or below 50% of AMI, in order to arrive at a percentage for the sub-region<sup>2</sup>.

Based upon the RAHP formula, the sub-regional allocation targets are as follows:

City of Seattle:	<del>37.9</del> 35.8 percent
South Sub-region:	<del>32.7</del> 31.9 percent
N/E Sub-region:	<del>29.4</del> 32.3 percent

#### F. Interjurisdictional Advisory Committee to Monitor Sub-regional Allocation Targets

The advisory committee will monitor the sub-regional distribution of RAHP funds and determine if any sub-region(s) received allocations below 95 percent of the sub-region's allocation target. If any sub-region received allocations under 95 percent of the target allocation after several funding cycles, the HCD staff will work with the advisory committee to adjust the allocation targets of such sub-region(s) in the subsequent funding cycles, as needed.

In addition, the advisory committee may propose strategies and actions, for review by the JRC, that are designed to increase the percentage of RAHP funds spent in those sub-region(s). Staff of the jurisdictions that are parties to the RAHP Agreement will assist in implementing actions that will aid in achieving geographic equity in RAHP allocations by the end of each Interlocal Cooperation Agreement period.

#### IV. Use of RAHP Funds in King County

##### A. RAHP Priorities

- Capital funds for the acquisition, rehabilitation and/or new construction of units of eligible housing types. New construction is not eligible if the low-income housing vacancy rate for all of King County exceeds 10 percent<sup>3</sup>.
- Operations & Maintenance ("O&M") fund program for existing homeless housing<sup>4</sup>. This program provides O&M funding for existing<sup>5</sup> transitional housing, transition in place<sup>6</sup>

<sup>2</sup> The calculation rolls up to a sub-regional percentage based on the following information about each jurisdiction in the sub-region: [24% of each jurisdiction's projected future housing supply is affordable] minus [jurisdiction's existing affordable housing supply] = [jurisdiction's future affordable housing need].

<sup>3</sup> The low income housing vacancy rate for each county will be established by the state, pursuant to the SHB 2060 legislation.

<sup>4</sup> The O&M fund will continue to be set at approximately 22 percent of the RAHP collections for projects, which is \$700,000 per year, in order to have consistency in the O&M contracting process for the two-year contracting period of 2015/2016. During 2016 the split between RAHP capital funds, O&M funds and other uses shall be re-considered through a RAHP Guidelines planning meeting with RAHP jurisdictions and stakeholders.

<sup>5</sup> Existing housing is defined as housing that exists as of the date of an application for RAHP funds.

<sup>6</sup> Transition in place units are permanent rental units where supportive services are provided for a period of time, as needed by a household. Households do not need to move when the supportive services are phased out.



## King County

### Department of Community and Human Services

units, existing shelters and licensed overnight youth shelters and/or existing projects that are converting, or have converted, from transitional housing or shelter to permanent housing or rapid re-housing through the work plan of the Committee to End Homelessness in King County. The housing units must be “eligible” for the Washington State Housing Trust Fund, and must show that they require RAHP O&M funds in order to cover ongoing building operating expenses.

- Rental assistance to be administered by a local housing authority or other local organization with rental assistance experience, in a manner that is similar to the Section 8 rental assistance program.

#### B. RAHP Eligibility

##### 1. Eligible Housing Types

###### Capital Funds

Permanent rental housing units

Transition in place and transitional housing units; units that are not time-limited are encouraged

Rapid re-housing projects<sup>7</sup>

Emergency shelter and licensed overnight youth shelter<sup>8</sup>

Ownership housing

###### O&M Funds

Existing transitional and transition in place housing units

Existing emergency shelters and licensed overnight youth shelters

Existing projects that are converting or have converted from transitional housing or shelter to permanent housing or rapid re-housing through the work plan of the Committee to End

Homelessness in King County<sup>9</sup>

##### 2. Eligible Populations Served by Housing Units

All units funded with RAHP funds must serve households at or below 50 percent of area median income. Projects that include units for households at or below 30 percent of area median income are encouraged.

<sup>7</sup> Capital funds for rapid re-housing are available to permanent rental housing that take rapid re-housing referrals from a rapid re-housing agency that provides services.

<sup>8</sup> RAHP funds are limited to 50 percent of the development cost of any project; consequently, if a shelter project cannot secure adequate funding for the entire cost of development, the RAHP cannot prioritize the project.

<sup>9</sup> RAHP funds are allowed for operating support, limited to projects engaged in CEH conversion work. This will be reviewed in the 2016 RAHP Guidelines planning meeting. See Note 4.



**King County**  
**Department of Community and Human Services**

In addition to serving low and very low-income households, RAHP funds are encouraged for special population housing needs, such as:

- Homeless households<sup>10</sup>, including youth and young adults;
- Households at risk of homelessness<sup>11</sup>;
- Disabled households or households with a disabled member;
- Families and homeless families;
- Other special needs populations, including senior citizens.

**3. Eligible Applicants**

Non-profit organizations

Housing Authorities

Local governments

For-profit entities are only eligible for capital funds in the top priority due to the language of the SHB 2060 legislation, which restricts building operations and maintenance funds to projects “eligible for the Washington State Housing Trust Fund”, and for-profit entities are not eligible for the Washington State Housing Trust Fund.

**4. Eligible use of RAHP Funds by Category**

**Capital funds**

Acquisition of land for eligible housing;

New construction of eligible housing;

Acquisition of building(s) for eligible housing;

Rehabilitation of units of eligible housing or to create new units of eligible housing;

Capitalization of a replacement reserve in connection with a capital investment for new or existing eligible housing units;

Capitalization of O&M rent buy-down reserves for new eligible housing units to serve households below 50 percent of AMI that are primarily homeless<sup>12</sup>, or at risk of homelessness<sup>13</sup>;

Capitalized O&M reserves may only be used to write down rents to very affordable rent levels, below 30 percent of AMI for units that do not have debt service. Capitalized O&M reserves must be used for expenses directly related to running the building and may not be used for services to

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<sup>10</sup> Homeless households include: households that lack a fixed, regular and adequate residence; households that reside in a publicly or privately operated shelter designed to provide temporary living accommodations; households that reside in time-limited housing; and households that currently reside in an institution and will be exiting the institution without a fixed, regular and adequate residence.

<sup>11</sup> Households at risk of homelessness include: households paying 50 percent or more of their income for rent, households that have a history of homelessness and are currently unstable, households living in overcrowded or substandard housing, households that are substantially behind on their monthly housing payment or have a pending eviction, households with a disability whose housing is at risk due to aging relatives or other factors.

<sup>12</sup> See Note 6.

<sup>13</sup> See Note 7.



**King County**  
**Department of Community and Human Services**

the tenants or to cover debt service<sup>14</sup>. This eligible use may not exceed 20 percent of the RAHP capital funds in any funding cycle.

O&M Funds

Existing transition in place, transitional housing units, **or existing projects that are converting or have converted from transitional housing or shelter to permanent housing or rapid re-housing through the work plan of the Committee to End Homelessness in King County** are eligible for O&M for ongoing building operations and maintenance expenses that cannot be covered by the rental income of the project, and may not include the cost of services to tenants or debt service.

Existing emergency shelters and licensed, overnight youth shelters are eligible for O&M for general operating expenses, including services.

Rental Assistance

Rental assistance may be administered by a local housing **authority or other local organization with rental assistance experience, in a manner that is similar to the Section 8 rental assistance program.**

**5. RAHP Administration**

The RAHP funds shall be administered as a regional fund by the King County HCD Program.

RAHP Capital Funds

The HCD Housing Finance Section (HFP) will staff the interjurisdictional advisory committee and will work with the committee to develop RAHP funding allocation recommendations and related policy recommendations for JRC review and adoption.

The HFP will distribute RAHP funds through contracts pursuant to the allocations adopted by the JRC, and will generate an annual RAHP report that provides information about the projects that received funding in the current year, as well as the status of projects awarded RAHP funds in prior year(s). RAHP capital funds, including capitalized O&M reserves for new projects and maintenance reserves, will be administered by HFP in conjunction with other fund sources administered by HFP. The terms of the King County Housing Opportunity Fund (HOF) will apply to RAHP contracts, however, to the extent that there are differences between the HOF guidelines and RAHP guidelines, the RAHP guidelines will apply. RAHP funds will have no

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<sup>14</sup> Other requirements for capitalized O&M reserves include: 1) projects will not be eligible for these funds unless they have either applied first to CTED for O&M and been denied, or have not received Housing Trust Fund capital dollars and are, therefore, not eligible for O&M from CTED; 2) funds will be awarded only in appropriate amounts as needed pursuant to review by the HCD/Housing Finance Program, and will be subject to negotiated modifications; and 3) capitalized reserves will be committed for a maximum of five years' rent buy-down subsidy.



**King County**  
**Department of Community and Human Services**

maximum subsidy per unit, but the development portion of the award (not including O&M rent buy-down reserves) will be limited to 50 percent of the total development cost of a project.

A financial match by the local government where a housing project is to be located is not required, but is encouraged.

**RAHP Operating and Maintenance Funds**

The RAHP O&M funds will be administered through the King County HCD Program's Homeless Housing Programs (HHP) Section. HCD/HHP will work with the Committee to End Homelessness to ensure that the uses of RAHP O&M funds are consistent with the priorities of the Plan to End Homelessness. HHP will invite city staff and other stakeholders to participate in updating the RFP for O&M funds, if and when updates are necessary, and will invite the same to participate on the panel to review applications for the RAHP O&M funds. The review panel will recommend O&M fund awards to the JRC for final adoption.

The priority for RAHP O&M funds is existing homeless housing projects that have been unsuccessful in receiving State 2060 O&M funds or other sources of O&M funds.

# Regional Affordable Housing Program

## RAHP GUIDELINES – UPDATE

**JRC, February 26, 2015**

# RAHP Planning Process

## THREE MEETINGS

- **MAY 20, 2014**
- **JUNE 17, 2014**
- **JUNE 26, 2014**

# Key Recommendations

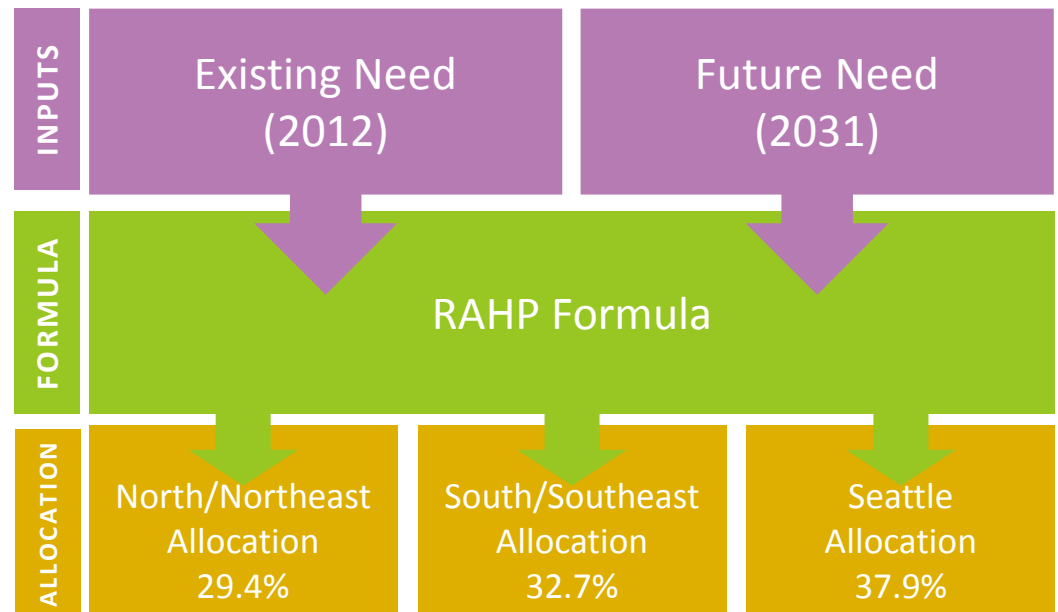
## SEE HANDOUT

- HUD 2012 CHAS
- All proposed changes will be reviewed in 2016 through a series of planning meetings.
- General use of RAHP funds – Keep split between O & M (shelters & transitional housing)-\$700,000 & HFP Capital (balance) the same through 2016.
- RAHP Priorities – Priority language added about using RAHP funds for transitional housing projects converting to permanent housing or rapid re-housing.
- Rental assistance may be administered by local organizations.
- Eligible use - RAHP Capital funds may be used for permanent rental housing that takes referrals for rapid re-housing.
- Eligible use – RAHP O & M funds may be used for conversion of transitional housing or shelters to permanent housing or rapid re-housing.
- Eligible use – Rental assistance is an eligible use.

# RAHP Formula

## Geographic equity in affordable housing.

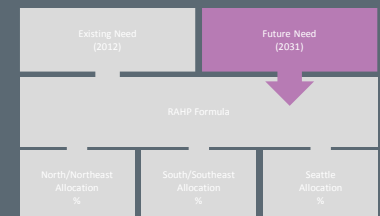
- The King County Regional Affordable Housing Program (RAHP) Guidelines support the administration of King County SHB 2060 funds for affordable housing.
- The RAHP Agreement establishes sub-regional allocations (by formula) to achieve geographic equity in the distribution of the SHB 2060 funds.
- The existing current formula was established in 2002.



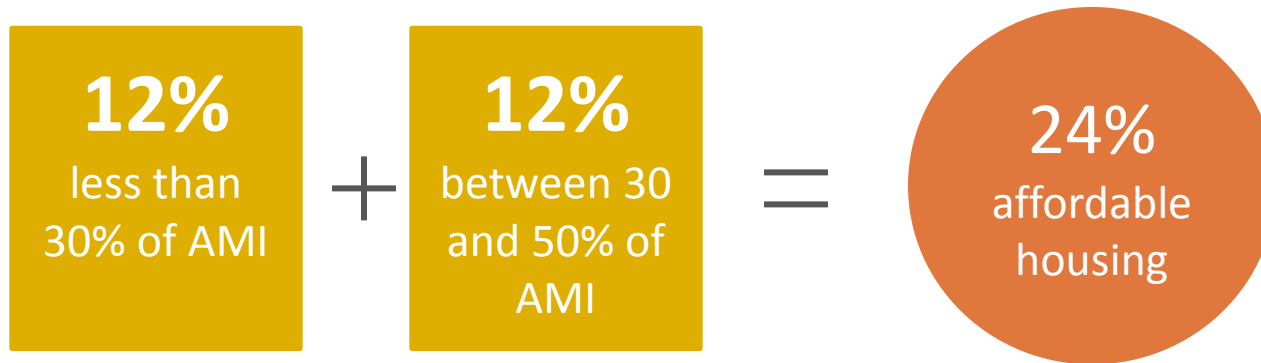
# Objective of the RAHP Formula

- Ensure that the housing needs of all economic and demographic groups are met within all jurisdictions (CWPP, 2012).
- Countywide housing need is defined as:
  - **12%** of the housing supply affordable to households earning 30% of AMI or less.
  - **12%** of total housing supply affordable to households earning between 30 and 50% of AMI.
  - **16%** of total housing supply affordable to households earning between 50 and 80% of AMI.

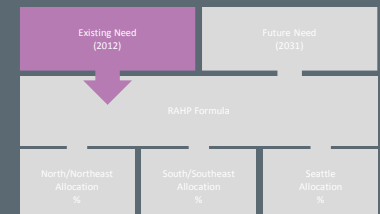
# Future Need



- Guidance on future need is provided by the CWPP (2012).
- Based on the 2010 population, the CWPP identifies a countywide need for affordable housing to be:



# Existing Need



- Housing affordability is the relationship between **household income** and **housing cost**.

## "Low income"

**30%** or less than HAMFI

**50%** or less than HAMFI

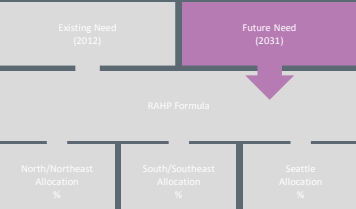
## "Cost-burdened"

**30%** of household income  
for housing & utilities

**50%** of household income  
for housing & utilities

# Future Need Option 1

## Jurisdiction Based



CALCULATION:

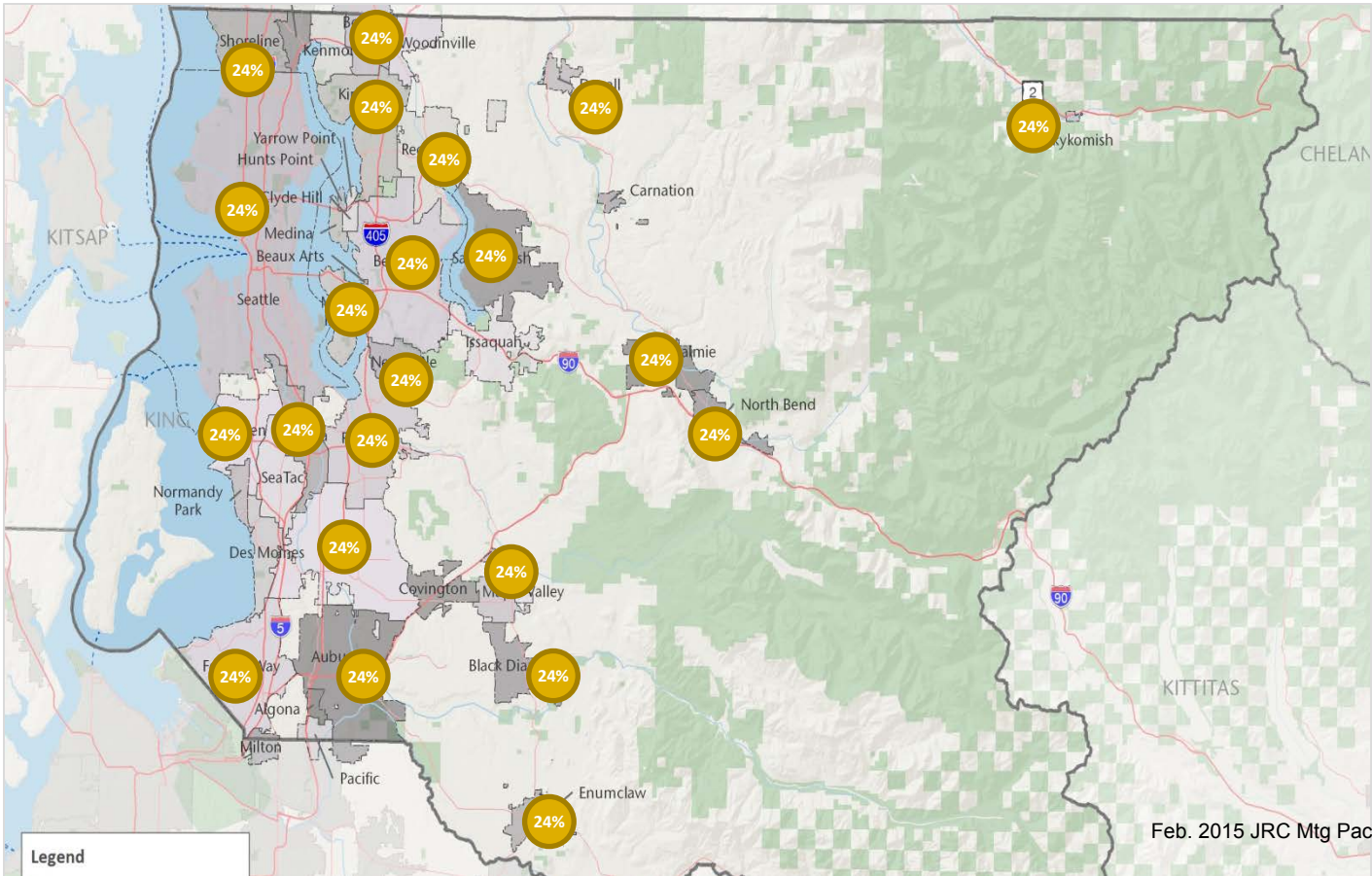
24% of jurisdiction's future housing supply

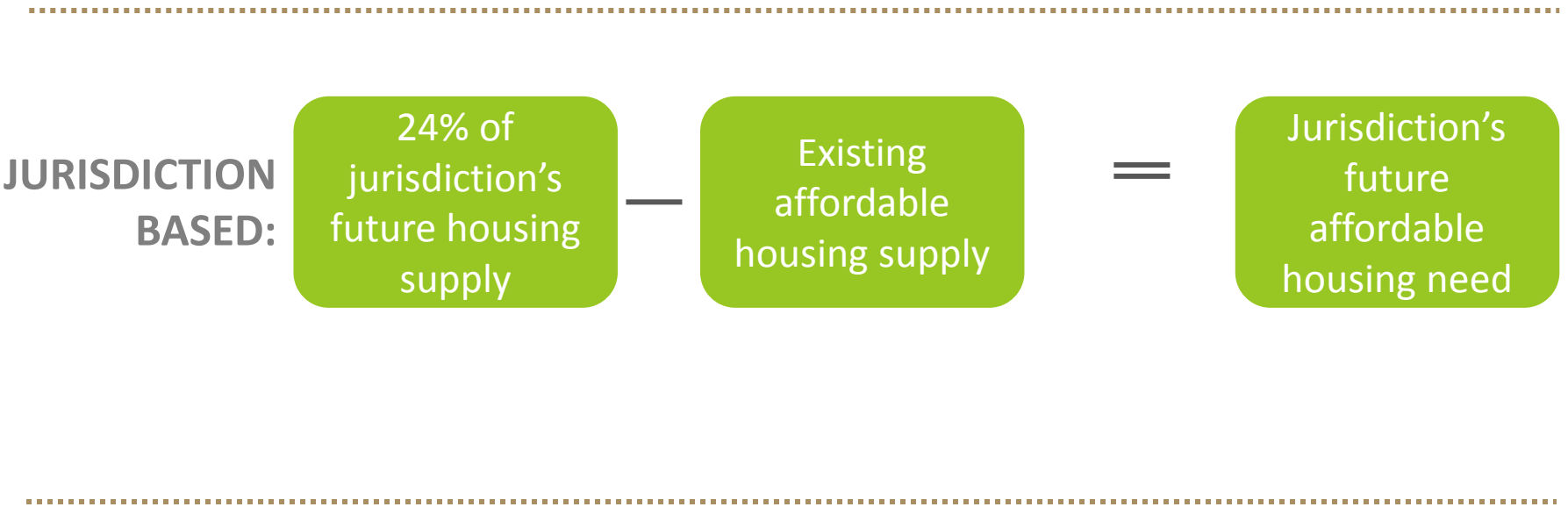
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Existing affordable housing supply

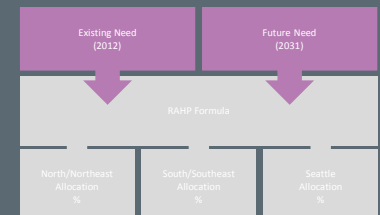
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Jurisdiction's future affordable housing need





# Balancing Future & Existing Need



The existing formula gives equal weights to existing and future need:

Existing  
Need  
(2012)  
**50%**

Future  
Need  
(2031)  
**50%**

# RAHP Formula Update

## PROPOSED NEW ALLOCATIONS

- **Seattle 35.8%**
- **South 31.9%**
- **North/East 32.3%**

## **Introduction to the King County Consortium Consolidated Plan 2015-2019**

The King County Consortium Consolidated Housing and Community Development Plan (Consolidated Plan) guides the investment of federal housing and community development funds, and other federal, state and local funds. The Consolidated Plan is a requirement of the U.S. Department of Housing and Urban Development (HUD), through which King County Consortium receives an annual entitlement, or formula grant, from each of these funds: Community Development Block Grant (CDBG), the HOME Investment Partnerships (HOME) Program, and the Emergency Solutions Grant (ESG). The King County Consortium (Consortium) includes nearly all of the suburban cities in the county, as well as the unincorporated areas of the county.

### **Quick Guide to the Consolidated Plan**

This is HUD's new uniform web-based format for the Consolidated Plan. HUD provides this template to ensure Consolidated Plans include all the required elements per 24 CFR Part 91. The core remain the same, but the new format dictates the specific questions addressed, the order of topics, includes some built in redundancies between the sections, and imposes suggested text limits for responses. In the document, HUD questions are in bold font and the Consortium responses follow in regular font. Regulation citation(s) accompanies each question.

### **Components of the Consolidated Plan**

HUD organized the Consolidated Plan web-based template into seven components. Each of the components contains sections with numbered sub-topics. The seven components follow in sort order, but not importance.

### **Administration of the Consolidated Plan (AD)**

This section collects basic information about the plan and the grantees.

### **Executive Summary (ES)**

The ES serves as an introduction and summarizes the key points of the plan.

### **The Process (PR)**

The PR collects information regarding the grantee's consultation and citizen participation efforts.

### **Needs Assessment (NA)**

The NA provides a picture of a jurisdiction's needs related to affordable housing, homelessness, housing, community development, and s. From this, the grantee will identify those needs with the highest priority, which forms the basis for the Strategic Plan and the programs and projects to be administered. Most of the data is from the HUD CHAS based upon American Community Survey 2007-2011.

### **Market Assessment (MA)**

The MA provides a picture of the environment in which the Consortium administers programs.

## Strategic Plan (SP)

The SP identifies the priority needs of the jurisdiction and describes strategies that the jurisdiction will undertake to serve the priority needs. The SP sets goals, both broad and specific, and identifies sources of funds anticipated to be available to reach those goals during the same period. This Consolidated Plan includes a wide array of funds in addition to federal, to define and report out on the efforts at meeting goals, particularly Goal One and Goal Two. This following list identifies all of the sub sections of the Strategic Plan: SP-05 Overview; SP-10 Geographic Priorities, SP-25 Priority Needs, SP-30 Influence of Market Conditions, SP-35 Anticipated Resources, SP-40 Institutional Delivery, SP-45 Goals, SP-50 Public Housing Accessibility and Involvement, SP-55 Strategic Plan Barriers to Affordable Housing, SP 60-Homelessness Strategy, SP-65 Lead-based Paint Hazards, SP-70 Anti-Poverty Strategy, SP-80 Monitoring, SP-55 Strategic Plan Barriers to Affordable housing, SP-70 Anti-Poverty Strategy.



## First-Year Action Plan (AP)

In the AP, the jurisdiction provides a concise summary of the actions, activities, and programs that will take place during the program year to address the priority needs and goals identified by the SP.

# King County Consortium Consolidated Plan Executive Summary

## ES-05 Executive Summary - 91.200(c), 91.220(b)

### 1. Introduction

The King County Consortium Consolidated Housing and Community Development Plan (Consolidated Plan) guides the investment of federal housing and community development funds, and other federal, state and local funds. The Consolidated Plan is a requirement of the U.S. Department of Housing and Urban Development (HUD), through which the King County Consortium receives an annual entitlement, or formula grant, from each of these funds: Community Development Block Grant (CDBG), the HOME Investment Partnerships (HOME) Program, and the Emergency Solutions Grant (ESG).

These funds are used to address housing, homelessness, and community development needs throughout King County over the next five years, from 2015-2019. The King County Consortium (Consortium) includes nearly all of the suburban cities in the county, as well as the unincorporated areas of the county. The King County Consortium is an interjurisdictional partnership of King County and the cities and towns of Algona, Black Diamond, Beaux Arts, Bothell, Burien, Carnation, Clyde Hill, Covington, Des Moines, Duvall, Enumclaw, Hunts Point, Issaquah, Kenmore, Kirkland, Lake Forest Park, Maple Valley, Medina, Mercer Island, Newcastle, North Bend, Pacific, Redmond, Renton, Sammamish, SeaTac, Shoreline, Skykomish, Snoqualmie, Tukwila, Woodinville, and Yarrow Point. The Consortium does not include the City of Seattle. The cities of Auburn, Bellevue, Kent, and Federal Way participate in the Consortium for the use of HOME Investment Partnership Program funds for affordable housing. These four cities receive their own CDBG entitlement and have prepared separate and included Consolidated Plans to guide the investment of those funds.

### 2. Summary of the objectives and outcomes identified in the Plan

HUD-funded housing and community development programs have a broad national goal: to “develop viable urban communities, by providing decent affordable housing and a suitable living environment, and by expanding economic opportunities, principally for low-and moderate-income persons” (the Housing and Community Development Act of 1974, as amended).

Within that broad national goal, Consortium jurisdictions work together as partners to address the needs of low-and moderate-income people, communities, and neighborhoods and have set the following goals:

**Goal One:** Affordable Housing - Ensure that there is decent, safe, and healthy affordable housing available to income-eligible households throughout the Consortium.

**Goal Two:** End Homelessness - Collaborate with the Committee to End Homeless in King County (CEH) to plan and to align Consortium funds with CEH initiatives and objectives, to ensure that in the future homelessness is rare, short in duration, and a one-time occurrence.

**Goal Three:** Community Development - Provide assistance to jurisdictions, community agencies, and communities to establish and maintain a suitable living environment with economic opportunities for low-income members of the community, including communities with disparities in health, income, and quality of life where efforts can be targeted to improve the well-being of residents and the vibrancy of the community.

### **3. Evaluation of past performance**

During the period of the 2010-2014 Consolidated Plan, the King County Consortium jurisdiction members worked closely with the community, nonprofit agencies, the private sector, the State of Washington, HUD, the Veteran's Administration, and the philanthropic community to make solid progress towards goals.

From 2010 to 2013 the King County Consortium reported in the Consolidated Annual Performance Evaluation Report (CAPER):

- 1,541 units of affordable housing created or preserved for an average of 385 affordable housing units created or preserved annually;
- 1,792 major and minor home repairs for an average of 448 homes repaired annually;
- 2,575 permanent supportive housing units through Shelter Plus Care for an average of 644 supportive housing units annually;
- 2,114 households served through the Housing Stability Program for an average of 529 households served annually;
- 5,494 people served in supportive permanent housing for an average of 1,374 annually;
- 230 families served through homelessness prevention and rapid re-housing for an average of 58 served families served annually;
- 1,345,888 shelter bed nights provided for an average of 336,472 shelter nights annually.

### **4. Summary of citizen participation process and consultation process**

A series of stakeholder and public meetings were held in 2012, 2013, and 2014 for Consortium jurisdictions and agencies working in housing, human services, and community development. The Consortium solicited public input on community needs, priorities and draft strategies. Public outreach and engagement activities were designed to reduce barriers to participation to ensure public input was broad and representative of program beneficiaries. Notices for public meetings held throughout the County were published in the Seattle Times and on the King County Department of Community and Human Services' website, and were posted at the meeting locations. One of the public open houses, in particular, targeted residents of an area of low-income housing concentration located on the boundary between the City of Tukwila and the City of SeaTac, two communities with extensive older, low-income housing stock. A total of 119 people attended the public forums representing over 30 agencies and jurisdictions.

Simultaneously, with the first Public Open Housing, the Consortium posted a web-based survey for input and comment on the draft Strategic Plan. The web-based survey was posted on the website from September 3, 2014 to October 20, 2014, and was available online with a laptop computer at the public meetings and by hard copy. The draft of the full Consolidated Plan was posted on \_\_\_\_\_ with the final draft posted on \_\_\_\_\_ for public comment. A Public Hearing was held on \_\_\_\_\_.

In addition to direct meetings and public outreach, Table 3 lists King County and regional plans which provided tailored input for the Consolidated Plan. These feeder plans provided their own public input and comment process.

**5. Summary of public comments**

This will be included after the public comment period.

**6. Summary of comments or views not accepted and the reasons for not accepting them**

This will be included after the public comment period.

**7. Summary**

In summary, Consortium partners, community members, stakeholders, service providers, housing providers, public and private funders and the local continuum of care provided valuable input in the development of the outcomes and objectives of the Consolidated Plan.

## SP-25 Priority Needs – 91.415, 91.215(a)(2)

**Priority Needs:** In the following Priority Needs table, the Sort Order column is an identifying system for Priority Needs to reference specific activities listed in *Table 52 Goals Summary*. The Sort Order does not indicate a priority tier.

Sort Order  (Not in priority order)	Priority Need Name	Ensure Decent, Affordable Housing
1	Priority Level	High
	Description	Our region has an adequate supply of affordable housing so that each sub-region of the County can meet the housing needs of our region's low to moderate-income population.
	Population	<ul style="list-style-type: none"><li>• People who have very low, low, and moderate-income, and middle income</li><li>• Large families</li><li>• Families with children</li><li>• People who have a disability</li><li>• Elderly</li><li>• Veterans, including disabled veterans</li><li>• People who have a developmental disability</li><li>• People who are homeless and formerly homeless</li></ul>
	Target Areas Affected	<ul style="list-style-type: none"><li>• Countywide, with an emphasis on sites with access to high capacity transit.</li><li>• Values for the North/East Sub-region emphasize high density housing and a broad range of affordable housing types.</li><li>• Values for the South Sub-region emphasize acquisition and rehabilitation of substandard housing, preservation of affordable housing and mixed-income</li></ul>

		housing development.
	<b>Associated Goals</b>	Increase supply of affordable housing so that fewer low-and moderate- income households pay more than they can afford for housing.
	<b>Basis for Relative Priority</b>	Values: Invest in projects that serve low-income households; projects that are inclusive of homeless households and people with special needs; projects reflect values of equity and social justice; projects that are designed thoughtfully, considering connectivity and access to transit. Values for the South Sub-region emphasize acquisition and rehabilitation of substandard housing, preservation of affordable housing and mixed-income housing development; for the North/East Sub-region emphasize high density affordable housing and a broad range of affordable housing types.
<b>Sort Order</b>	<b>Priority Need Name</b>	<b>End Homelessness</b>
<b>2</b>	<b>Priority Level</b>	High
	<b>Description</b>	Values: We value working together for a coordinated homeless system; we invest in projects that ensure that homeless families, youth/young adults and adults without children are treated with dignity and receive services that emphasize recovery.
	<b>Population</b>	<ul style="list-style-type: none"> <li>• People who have very low income</li> <li>• Families with children</li> <li>• Youth and Young Adults</li> <li>• People who are chronically homeless</li> <li>• People who are mentally ill</li> <li>• People who are substance abusers</li> <li>• Survivors of domestic violence</li> <li>• People who have a disability</li> <li>• Veterans, including disabled veterans</li> </ul>

		<ul style="list-style-type: none"> <li>Elderly</li> </ul>
	<b>Target Area Affected</b>	Countywide, including the City of Seattle
	<b>Associated Goals</b>	Our region ensures that homelessness is rare, brief and is a one-time occurrence.
	<b>Basis for Relative Priority</b>	Homelessness can affect anyone in our community: families, youth, seniors, immigrants, single adults, veterans, and survivors of domestic violence. Homelessness disproportionately impacts people of color. On a single night in January more than 3,123 individuals were living outside and another 6,171 were in shelters or transitional housing.
<b>Sort Order</b>	<b>Priority Need Name</b>	<b>Community Development</b>
<b>3</b>	<b>Priority Level</b>	High
	<b>Description</b>	Establish and Maintain a Suitable Living Environment and Expand Economic Opportunities for low-and moderate-income people.
	<b>Population</b>	Low- to moderate-income people
	<b>Target Area Affected</b>	Within sub-regions to benefit to low and moderate income people or households
	<b>Associated Goals</b>	<ul style="list-style-type: none"> <li>Improve health and human services</li> <li>Living Environment</li> <li>Expand economic opportunities</li> </ul>
	<b>Basis for Relative Priority</b>	<p>We invest in projects that ensure there are equitable opportunities in communities for people to be healthy, happy, self-reliant and connected to opportunities.</p> <p>Values: We invest in projects that improve the livability of eligible communities, and emphasize environmental stewardship and the well-being of the persons that will use the project.</p>

## Anticipated Resources

Program	Source of Funds (including leverage funds)	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remaining Four Years of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total for Year One: \$		
CDBG	Federal-HUD	<ul style="list-style-type: none"> <li>Public Improvements</li> <li>Public Services</li> <li>Economic Development</li> <li>Housing</li> <li>Administration</li> <li>Planning</li> </ul>	4,474,024	522,068	237,124	5,233,216	19,096,096 (4,474,024+300,000)	Resources anticipated based upon past entitlements and the President's budget.
HOME	Federal-HUD	<ul style="list-style-type: none"> <li>Permanent housing for rental and homeownership</li> <li>Administration</li> </ul>	2,748,083	340,724	0	3,088,807	12,355,228	Resources anticipated based upon 2014 entitlement.
ESG	Federal-HUD	<ul style="list-style-type: none"> <li>Homeless Prevention</li> <li>Emergency Housing</li> <li>Administration</li> </ul>	307,168	0	0	307,168	1,228,675	Resources anticipated based upon 2014 entitlement.
McKinney-Vento Homeless Assistance Act	Federal	<ul style="list-style-type: none"> <li>Shelter Plus Care</li> <li>Supportive Housing Programs</li> </ul>	23,000,000			23,000,000	92,000,000	Joint application with the City of Seattle for the King County Continuum of Care.
Low-Income Housing Tax Credits	Federal	Permanent rental housing	20,000,000			20,000,000	80,000,000	Estimated value of anticipated LIHTC awarded per year to King County projects
Section 8	Federal	Rent subsidy	1,500,000			1,500,000	6,000,000	Estimated value of Section 8 rental supports.
VASH	Federal	Rent subsidy	500,000			500,000	2,000,000	Estimated value of VASH supports.

Consolidated Homeless Grant (CHG)	State	<ul style="list-style-type: none"> <li>Rental assistance</li> <li>Shelters</li> <li>Transitional housing</li> <li>Rapid Re-housing</li> <li>Emergency assistance</li> </ul>	4,000,000			4,000,000	16,000,000	Resources anticipated based upon past funding.
Housing and Essential Needs (HEN)	State DSHS	Rent and utility assistance and basic needs	11,000,000			11,000,000	44,000,000	Resources anticipated based upon past collections.
WA State Housing Trust Fund	State Department of Commerce	Permanent housing	3,500,000			3,500,000	14,000,000	Resources anticipated based upon past collections.
RAHP	State Levy	<ul style="list-style-type: none"> <li>Permanent housing</li> <li>Shelters</li> <li>Transitional Housing</li> <li>Administration</li> </ul>	1,755,000	0	0	1,755,000	7,020,000	Resources anticipated based upon past collection. Funds collected vary based upon property transactions.
MIDD	King County	Housing supportive services for MIDD eligible clients	2,000,000			2,000,000	8,000,000	Resources anticipated based upon past amounts.
King County Vet's Levy	King County	<ul style="list-style-type: none"> <li>Permanent housing</li> <li>Homeless housing</li> <li>Supportive services</li> <li>Employment services</li> <li>Homelessness prevention</li> <li>Administrative</li> </ul>	1,175,000	0	0	1,750,000	7,000,000	Resources anticipated based upon past collections.
King County Human Services Levy	King County`	<ul style="list-style-type: none"> <li>Permanent housing</li> <li>Homeless housing</li> <li>Homeless prevention</li> <li>Administration</li> </ul>	1,680,000	0	0	1,680,000	6,720,000	Resources anticipated based upon past collections.

King County Document Recording Fee	King County	<ul style="list-style-type: none"> <li>• Permanent homeless housing</li> <li>• Services, Operating, and Rental assistance in permanent housing</li> <li>• Administration</li> </ul>	6,407,287			6,407,287	25,629,148	Resources anticipated based upon past collections.
Suburban Cities	Jurisdiction partner cities	<ul style="list-style-type: none"> <li>• Permanent housing</li> <li>• HOME Match</li> <li>• ESG Match</li> </ul>	1,900,000			1,900,000	7,600,000	Resources anticipated based upon past collections.
Other leveraged funds	Private fundraising	<ul style="list-style-type: none"> <li>• Permanent housing</li> <li>• HOME Match</li> <li>• ESG Match</li> <li>• Services in permanent supportive housing</li> </ul>	1,000,000			1,000,000	4,000,000	Estimate of fund raising resources invested in capital, shelters, and services in permanent supportive housing.
<b>Total Resources</b>			<b>87,021,562</b>	<b>862,792</b>	<b>237,124</b>	<b>88,121,478</b>	<b>350,649,144</b>	

**Table 1 – Anticipated Resources**

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Annual Goal Outcome Indicator
1 1	Affordable Housing Production of new rental units through construction, acquisition and rehabilitation; preservation of existing rental units serving income-eligible households..	2015	2019	<ul style="list-style-type: none"><li>• Low and Mod income</li><li>• Large families</li><li>• Families with children</li><li>• Disabled</li><li>• Seniors</li><li>• Special needs</li><li>• Veterans</li><li>• Homeless and formerly homeless</li></ul>	King County Consortium	Ensure Decent, Affordable Housing	HOME CDBG RAHP Veteran’s Levy Human Service’s Levy LIHTC 2331 Document Recording Fees Section 8 Suburban Cities Private fundraising	250 housing units  50 of 250 will serve special needs and homeless households
1	Rehabilitation of ownership housing for low- to moderate-income homeowners	2015	2019	Low-to Moderate-Income homeowners	North/East sub-region and South sub-region	Ensure Decent Affordable Housing	HOME CDBG	125 households
1	Homebuyer assistance	2015	2019	Low-to moderate-income households	North/East sub-region and South sub-region	Ensure Decent Affordable Housing	HOME RAHP	5 households assisted
1	Acquisition or development of new homeownership units	2015	2019	Low-to moderate-income households	North/East sub-region and South sub-region	Ensure Decent Affordable Housing	HOME RAHP	2 housing units
2	Rental assistance in permanent supportive housing for homeless households with disabilities	2015	2019	Homeless households with disabilities	North/East sub-region and South sub-region	End Homelessness	Shelter Plus Care	Average of 700 units of permanent supportive rental housing.
2	Operating support, rental assistance, and supportive services	2015	2019	Homeless individuals, veterans, and families, including chronic homeless	North/East sub-region, South sub-region, Seattle	End Homelessness	Document Recording Fees Veteran’s and Human Services Levy MIDD	2,000 households assisted
2	Rapid Re-Housing	2015	2019	Homeless households	North/East sub-region, South sub-region, Seattle	End Homelessness	Document Recording Fees Veteran’s and Human Services Levy ESG Other resources for ESG Match	250 households assisted
2	Landlord Liaison Project	2015	2019	<ul style="list-style-type: none"><li>• Homeless households</li><li>• At risk of homelessness</li></ul>	North/East sub-region, South sub-region, Seattle	End Homelessness	Veteran’s Levy Human Services’ Levy United Way	300 households assisted
2	Housing and Essential Needs (HEN)	2015	2019	<ul style="list-style-type: none"><li>• Homeless households</li><li>• At risk of homelessness</li></ul>	North/East sub-region, South sub-region, Seattle	End Homelessness	State DSHS	9,600 households assisted
2	Emergency Shelters	2015	2019	<ul style="list-style-type: none"><li>• Homeless individuals and families</li></ul>	North/East sub-region, South sub-region, Seattle	End Homelessness	ESG RAHP CDBG Other resources for ESG Match	400,000 unit nights
2	Transitional Housing	2015	2019	<ul style="list-style-type: none"><li>• Homeless individuals and families</li></ul>	North/East sub-region, South sub-region, Seattle	End Homelessness	RAHP CDBG Section 8 Other resources	135,000 unit nights
2	Housing Stability Program	2015	2019	Homelessness Prevention	North/East sub-region, South sub-region	End Homelessness	CDBG Veteran’s and Human Services Levy CHG	500 households assisted

2	Shelter diversion	2015	2019	Homelessness Prevention	North/East sub-region, South sub-region	End Homelessness	CDBG CHG Other resources	100 households assisted
3	Community Facilities	2015	2019	Low – to Moderate –Income communities	King County Consortium	Community Development	CDBG	2 community facilities completed
3	Human Services	2015	2019	Low – to Moderate –Income communities	King County Consortium	Community Development	CDBG	700 households
3	Human Services	2015	2019	Low – to Moderate –Income communities	King County Consortium	Community Development	CDBG	50,000 persons assisted
3	Public infrastructure/parks/open space	2015	2019	Low – to Moderate –Income communities	King County Consortium	Community Development	CDBG	4 projects completed
3	Microenterprise	2015	2019	Low – to Moderate –Income communities	King County Consortium	Community Development	CDBG	140 persons assisted
3	Façade treatment/business building rehabilitation	2015	2019	Low – to Moderate Income communities	King County Consortium	Community Development	CDBG Suburban Cities Other leveraged funds	10 businesses assisted
3	Community revitalization and improvement	2015	2019	Low – to Moderate - -Income communities	King County Consortium	Community Development	CDBG Suburban Cities Other leveraged funds	XX improvements associated with revitalization goals

## MEMORANDUM

TO: City of Bellevue Council Members  
City of Clyde Hill Council Members  
Town of Hunts Point Council Members  
City of Issaquah Council Members  
City of Kenmore Council Members  
City of Kirkland Council Members  
City of Medina Council Members  
City of Mercer Island Council Members  
City of Newcastle Council Members  
City of Redmond Council Members  
City of Sammamish Council Members  
City of Woodinville Council Members  
Town of Yarrow Point Council Members

FROM: Lyman Howard, Chair, and ARCH Executive Board

DATE: December 12, 2014

RE: Fall 2014 Housing Trust Fund (HTF) Recommendation

The ARCH Executive Board has completed its review of the four applications for the Fall 2014 Housing Trust Fund round. The CAB recommends funding for three projects. Recommendations total \$1,400,800 as summarized in the attached table, Proposed Funding Sources. The actual amount will depend on final action by the City Councils.

Following is a summary of the applications, the CAB recommendation and rationale, and proposed contract conditions for the three proposals recommended for funding at this time. Also enclosed is a project summary table, a chart summarizing overall funding sources, an economic summary for each projects, and a summary of funded projects to date.

### **1. Congregations for the Homeless/King County Housing Authority EKC Men's Winter Shelter**

Funding Request:	\$700,000 (Secured Grant) 50 beds
CAB Recommendation:	\$700,000 (Secured Grant) See attached Funding Chart for distribution of City Funds

### Project Summary:

Congregations for the Homeless (CFH) with the support of King County Housing Authority (KCHA) is applying to ARCH for the acquisition of a property to be developed as a permanent winter shelter for men. For the past six years East King County cities have funded two winter shelters: one for unaccompanied men and one for women and families. CFH has operated the men's emergency winter shelter during that time, at non-permanent locations usually churches or civic buildings, which have sometimes been in single family neighborhoods. The emergency shelter is a low barrier shelter which means few requirements on the shelter guests other than they don't pose a danger to other guests. The emergency shelter started out being open only on severe winter nights, but moved to being open all nights from November through March. This application takes the project a next step to a permanent location better located for shelter guests, and also be able to house daytime services and drop in center. ARCH-member planning staff have already identified a number of locations generally in or near transit-served centers and near services which would be appropriate for siting the shelter. Initially the shelter and daytime services could operate on a similar schedule as the current facilities – night time shelter during winter months and daytime services weekdays throughout the year. To the extent there is additional private and/or public funding support, it could expand the period shelter and day services are available.

The proposed shelter is sized to house at least 50 men. It would include kitchen and dining facilities, gathering space, computer lab, staff and counseling offices, a hygiene center including washrooms, showers and laundry, staff laundry, bedding storage area and sleeping areas. Ultimately the goal is to create a second similar facility for women/families. The acquisition could include a building shell which could be renovated for the purpose of the shelter/day center, or it could mean new construction. The ARCH funding in conjunction with an interim Loan from King County would be used to acquire the property. After acquisition, a final budget will be prepared and other permanent funding will be sought including permanent funding from King County and State Housing Trust Fund and a capital campaign by CFH.

### Funding Rationale:

The CAB supported the intent of this application for the following reasons:

- Provides shelter during winter months for at least 50 men and part time daytime services year round which has been a demonstrated need over the past 5 years in East King County.
- Is consistent with Countywide Committee to End Homelessness priorities.
- Operator is respected, and has been successful for six years of operation in serving this population in a winter shelter.
- Would help address challenges of siting a temporary shelter on an annual basis.
- Permanent location would allow it to be better located close to transit and services and not impact single family neighborhoods.
- Permanent facility would provide opportunity to expand period shelter and day services are available with additional operating funds
- KCHA as interim owner will allow CFH to act to secure and hold potential site.

While it is not typical to recommend funding prior to a specific site is identified, it is recognized that there are special circumstances associated with this proposal. First, there is a temporary location for the shelter that is only available the next two winters and a new location needed by winter 2016. Second, acquiring properties in the areas being targeted can be competitive and require relatively quick action to

secure an option. In the recommended conditions, there are several special conditions intended to address these circumstances.

**Potential Conditions:**

Standard Conditions: Refer to list of standard conditions found at end of this memo

Special Conditions:

1. Prior to September 1, 2015, CFH shall provide to City or Administering Agency an update on the status of the project which will include: update on status of a site search, updates on the status of the capital campaign and applications for other public funding; updated capital and operating budgets (including reflecting federal funding requirements); and progress toward being able to meet all funding conditions within the 18 month period specified in Condition 2. If the City or Administering Agency evaluation indicates that funding conditions cannot be met within the 18 month funding condition period, (e.g. status of site search, progress on the capital campaign, application for other funding, updated budgets), then the ARCH Executive Board will be authorized to have the funding award expire and CFH will have to reapply to ARCH for funding.
2. In the event the first funding condition is met, the funding commitment shall be extended to eighteen (18) months from the date of Council approval and shall expire thereafter if all conditions are not satisfied. An extension may be requested to City or Administering Agency no later than sixty (60) days prior to the expiration date. City or Administering Agency will consider an extension only on the basis of documented, meaningful progress in bringing the project to readiness or completion.
3. CFH will provide a capital campaign strategy by March 2015 which includes key activities and campaign funding target milestones. Sustain operation over time through fundraising and other efforts.
4. With the approval of the ARCH Executive Board, up to \$50,000 of funds may be released for predevelopment expenses including Option money for securing a site, due diligence associated with securing the site and project management during the predevelopment phase. The remaining funds could be released upon all other public funding commitment.
5. Funds shall be used by CFH toward acquisition and related due diligence, construction, design and relocation costs. Final designation of use of funds, including any other project related purpose, must receive written authorization from ARCH staff.
6. Funds will be in the form of a secured grant with no repayment, so long as affordability and target population is maintained, and the service funds necessary to provide services to this population are available.
7. A covenant is recorded ensuring affordability for at least fifty (50) beds for fifty (50) years at 30% AMI maximum income.
8. Upon identification of any specific site being considered CFH shall notify ARCH and the City where the site is located for review and approval. In addition CFH shall furnish to ARCH, for

review by the Citizen Advisory Board, terms for the site acquisition and updated development and operating budgets.

9. By March 2015, an outreach plan will be submitted to ARCH staff for review and approval. The outreach plan will include provisions such as:
  - Provide written notification to neighbors upon identification of a suitable site to include description of the project, and information regarding CFH that will include the website and contact number
  - Send out invitations and provide an opportunity for neighbors to individually and/or as a group to meet with CFH in an Open House or other format regarding the project during the site feasibility stage.
  - Strategies for maintaining community communication after development of a specific site, including information about what to do in case something out of the ordinary occurs.
10. As part of the quarterly monitoring report, CFH shall explicitly include any activities related to the neighborhood outreach plan; and progress of the Capital Campaign including active solicitations, amounts pledged and secured against campaign targets and how funds are allocated to the different projects covered by the campaign.
11. Prior to release of funds, the Agency shall submit to ARCH staff for review and approval the winter shelter operating plan including how the facility will be managed and maintained, maintaining the safety and security of shelter guests as well as neighbors, and the financial operations of the shelter.
12. In the event that any operating support funding levels will be reduced, the Agency shall inform ARCH Staff about the impacts the proposed reduction will have on the budget and plan for services to clients, and what steps shall be taken to address the impacts. A new budget or services plan must be approved by ARCH.

## **2. REDI (Regional Equitable Development Initiative) Fund**

Funding Request:                      \$500,000 (Deferred Loan)  
Unknown number of affordable units

CAB Recommendation:                \$500,000 (Deferred Loan)  
See attached Funding Chart for distribution of City Funds

### **Project Summary:**

This application is for \$500,000 in seed funding for capitalizing a \$25 million revolving loan fund for the purpose of acquiring sites within a four-county region. The goal is for the program to be operational in 2015. The proposed mission statement for the fund is: “to promote equitable transit communities throughout the central Puget Sound region through strategic property acquisition lending that supports the development and preservation of housing and community facilities that meet the needs of low-income households and are located within walking distance of high-capacity transit services and stations.” ARCH’s funding combined with several other public funders (King County, Seattle, State Department of Transportation) is intended to then leverage funds from foundations and lenders. The three funding tiers are:

- \$5 million in first tier seed money from public sources;

- \$7.5 million second tier from foundations and mission driven investors;
- \$12.5 million third tier from banks and community development financial institutions.

The revolving loan is expected to be in place for at least ten years and when stopped, funds would be returned to investors with private investors being paid first, and principal returned to public funders as remains. The basic program follows models used in other parts of the country including the Denver Transit Oriented Development Fund, and the Bay Area Transit Oriented Affordable Housing (TOAH) Fund.

The REDI Fund proposal emerges from the work of the Growing Transit Communities (GTC) Partnership, a consortium of public, private, and non-profit stakeholders led by the Puget Sound Regional Council (PSRC). A framework and draft business plan for this project was developed by Enterprise Community Partners and Impact Capital, both of which are Community Development Finance Institutions (CDFIs) that are active in the central Puget Sound region.

#### Funding Rationale:

The CAB supported the intent of this application for the following reasons:

Would allow acquisition in areas evolving as supported by transit ahead of escalating property values

- Would leverage significant funding from banks and mission-driven organizations. The relatively small public investment by ARCH would give East King County developers access to acquisition loans to the order of several million dollars.
- The REDI fund will fill the gap in the spectrum of financial products currently available to developers interested in equitable TOD by allowing mixed income projects, providing longer term loans for land banking purposes, and providing larger loans for larger sites and completed properties.
- Revolving loan means potential for funds being made available to several projects in succession, and a return to city if the program is ended.
- Loans would be secured by real estate which could be sold at future value should individual projects not move forward.

While the CAB supports the intent of the REDI fund, because it is in its formative stage, it is not as evolved as many other programs. In addition, the program is unique in that it will support a wide range of types of housing with different financing and affordability levels. While these circumstances provide challenges, it is still recommended to make a conditioned funding award at this time because of the important intent of the program, and it would also allow ARCH members to be involved with the development of the program and better insure that ARCH member interests are accounted for in the program. The conditions clarify program issues that at a minimum must be addressed prior to program implementation and also provide for the ARCH Executive Board final review.

#### Potential Conditions:

##### Special / Revised Conditions:

1. The funding commitment shall continue for nine (9) months from the date of Council approval and shall expire thereafter if all conditions are not satisfied. An extension may be requested to City staff no later than sixty (60) days prior to the expiration date. At that time, the applicant will provide a status report on progress to date, and expected schedule for start of construction and project completion. City staff will consider an extension only on the basis of documented, meaningful progress in bringing the project to readiness or completion. At a minimum, the applicant will demonstrate that all capital

funding has been secured or is likely to be secured within a reasonable period of time. City staff will grant up to a 12 month extension.

2. Funds shall be used by the Agency toward seed money for loan fund.

3. Completion of an Interlocal Agreement and Credit Agreement that is reviewed and approved through the ARCH Executive Board and that at a minimum address:

- Program and project criteria including:
  - Geographic balance for use of the fund, with goals for sub-regions including East King County.
  - Defined transit oriented neighborhood areas eligible for use of the fund with flexibility over time to account for changes in land use and transit service.
  - Criteria for eligible borrowers.
  - Overall affordability goals for housing created through fund. This should allow for different levels of affordability to encourage a range of types of developments and variety of financing approaches.
  - Criteria for establishing loan terms (e.g. amount, interest rate, duration) for individual projects.
  - Guidelines regarding eligible types of development, with the primary objective being the development of housing that includes affordable housing in stand-alone or mixed use development. Also provisions to help benefit other non-housing uses (e.g. community facilities; small businesses) as a secondary use in mixed use developments to encourage vibrant urban centers.
  - Minimum developer contributions and how REDI funds could be blended with other funding sources.
  - Review/underwriting criteria for evaluating individual sites, including establishing milestones to be able to evaluate appropriate progress on individual sites. Include some level of flexibility in these criteria to be responsive to different market conditions throughout the region.
  - Procedures for disposition or other use of properties that are not able to proceed as proposed.
  - Clear direction/policy regarding relocation.
- Governance issues including:
  - Committee structure (Oversight and/or Loan), membership, frequency of meetings and responsibilities. Address ARCH Representation in governance structure.
  - Process for identifying a fund manager and the roles and responsibilities of the fund manager.
  - Procedures/process the fund will use to review individual applications and develop funding recommendation.
  - The amounts and terms of funds from each investor, including minimum funding levels needed from each funding tier for program to become operational.
  - How losses are allocated.
  - Process for regular review and evaluation of REDI Fund activity and revisions to fund priorities and structure

4. Submit monitoring reports quarterly through completion of the project, and annually thereafter. Submit a final budget upon project completion.

5. Funds will be in the form of a deferred 0% interest loan with repayment upon closing the loan pool.

### **3. Parkview Homes XI**

Funding Request: \$200,800 (Secured Grant)  
3 Beds

CAB Recommendation: \$200,800 (Secured Grant)  
See attached Funding Chart for distribution of City Funds

#### **Project Summary:**

Parkview Services, a Shoreline-based non-profit organization which to date has done 158 beds in 53 properties in the region, with this project is proposing to develop two homes in King County. The ARCH application is to help fund one of those homes, a Supportive Living Services Home in Bothell or Kirkland. The other home will be in Federal Way. For the ARCH sphere home they plan to acquire and remodel a three-bedroom house that will serve three (3) low-income individuals with developmental disabilities. A specific home will be identified once all funding is committed. Improvements will include remodeling to meet both Evergreen sustainability and ADA (Americans with Disabilities Act) accessibility standards, and a monitored fire suppression system.

There currently is no site control. The house to be bought will be remodeled to include accessibility features necessary for the initial tenants and for future tenants. Parkview will be looking to acquire suitably laid out minimum 1,500 square foot rambler-style houses that can easily be modified for accessibility.

#### **Funding Rationale:**

The CAB supported the intent of this application for the following reasons:

- Serves neediest developmentally disabled residents by relying on referrals from the State DDD for new residents
- Provides housing for a population (Special Needs housing) that currently is below long term ARCH Trust Fund goals
- Property will have 24/7 non-resident care provider coverage
- Acquisitions to be done near transit and community amenities
- Developer has long track record with properties in King County and good reputation with funders and Department of Developmental Disabilities
- Is on the Department of Commerce Trust Fund LEAP (Legislative Evaluation and Accountability Program) list in the special needs set aside

#### **Potential Conditions:**

Standard Conditions: Refer to list of standard conditions found at end of this memo

#### **Special / Revised Conditions:**

1. The funding commitment shall continue for six (6) months from the date of Council approval and shall expire thereafter if all conditions are not satisfied. An extension may be requested to ARCH staff no later than sixty (60) days prior to the expiration date. At that time, the applicant will

provide a status report on progress to date, and expected schedule for start of construction and project completion. ARCH staff will consider an extension only on the basis of documented, meaningful progress in bringing the project to readiness or completion. At a minimum, the applicant will demonstrate that all capital funding has been secured or is likely to be secured within a reasonable period of time. ARCH staff will grant up to a 12 month extension. If necessary a second extension of up to 6 months may be requested by following the same procedures as the first extension.

2. Funds shall be used by the Agency toward acquisition and closing costs and developer fee. Funds may not be used for any other purpose unless ARCH staff has given written authorization for the alternate use.
3. Parkview shall not proceed with searching for a home until all funding commitments have been received. The Agency shall only purchase unoccupied homes or owner occupied homes in order to not trigger local and federal relocation regulations.
4. Prior to acquisition, the Agency shall submit an appraisal by a qualified appraiser. The appraisal shall be equal to or greater than the purchase price.
5. If CDBG is a funding source, site control cannot be entered into until the completion of the HUD required Environmental Assessment. The option agreement shall contain language that addresses federal funds' "choice-limiting" restrictions.
6. Funds will be in the form of a secured grant with no repayment, so long as affordability and target population is maintained, and the service/care providers have a contract with DDD for funds necessary to provide services to this population.
7. A covenant is recorded ensuring affordability for at least 50 years, with three beds for developmentally disabled individuals at or below 30% of area median income at move in.
8. Unless otherwise approved by ARCH staff the development budget for the ARCH sphere house shall include:
  - The development budget will include a minimum of \$3,000 of private sources provided by the applicant.
  - \$467,500 combined for acquisition and construction cost. In the event that total acquisition and rehab costs, including contingency, exceeds this amount, additional costs shall be covered by private sources from the applicant.
  - Developer fee shall not exceed \$55,000.
9. Replacement Reserves will be funded out of operations at \$1,500 for the first year with an annual increase of 3.5% per year for replacement reserves and \$500 for the first year with an annual increase of 3.5% per year for operating reserves.
10. Residents referred from DDD will not receive Section 8 assistance.

11. All cash flow after payment of operating expenses shall be placed into a project reserve account that can be used by the applicant for project related operating, maintenance or services expenses. Any other use of these reserves funds must be approved by ARCH staff.
12. In the event that any operating support funding levels will be reduced, the Agency shall inform ARCH Staff about the impacts the proposed reduction will have on the budget and plan for services to the DD clients, and what steps shall be taken to address the impacts. A new budget or services plan must be approved by ARCH. Parkview must find other sources to make up shortfall.
13. The Agency will notify ARCH when they enter into an option or purchase and sale agreement for any home, providing information on the location of the home and terms for acquiring the home. No home considered for acquisition will be within two blocks of another home owned by Agency unless otherwise approved by ARCH staff. The option and purchase and sales agreement shall contain language that addresses federal funds' "choice-limiting" restrictions.
14. Prior to closing on a home, an individualized outreach plan will be submitted to ARCH staff for review and approval. The outreach plan will include provisions such as:
  - At time of a mutually accepted purchase and sales agreement, provide written notification to neighbors to include Parkview's intention to purchase the house, description of the project, and information regarding Parkview, property manager and the service provider that will include their websites and contact names/numbers;
  - At time when the home is ready to open and after tenants move in, provide invitations to neighbors for an opportunity such as an open house to individually and/or as a group to meet with Parkview and the service provider regarding the project. Provide contact information for service provider, property manager and Parkview.
15. Once home is selected the Agency shall include ARCH Staff in the inspection of the property and development of the final scope of work for the rehab. The final scope of work for the basic construction budget shall include, at a minimum, all work necessary for licensing of the home and correction of substandard health and safety conditions. Prior to start of construction, the Agency shall submit the final scope of work for ARCH Staff approval, along with evidence that construction costs have been confirmed by a qualified contractor and are within the basic construction budget. All uses of construction contingency funds must be approved by ARCH staff prior to authorization to proceed with such work.
16. Prior to release of funds, the Agency shall submit to ARCH staff for review and approval drafts of all documents related to the provision of services to residents and management of the property, including the Memorandum of Understanding with the service provider, form of lease agreement with residents, and services agreement between DDD and the Service Provider. These documents shall at a minimum address: tenant selection procedures through DDD; management procedures to address tenant needs; services provided for or required of tenants; management and operation of the premises; community and neighbor relations procedures; a summary of ARCH's affordability requirements as well as annual monitoring procedure requirements. The plan shall also detail policies and procedures regarding resident turnover with the express purpose placing new residents in available beds and limiting vacancies.

Standard Conditions:

1. The Applicant shall provide revised development and operating budgets based upon actual funding commitments, which must be approved by city staff. If the Applicant is unable to adhere to the budgets, City or Administering Agency must be immediately notified and (a) new budget(s) shall be submitted by the Applicant for the City's approval. The City shall not unreasonably withhold its approval to (a) revised budget(s), so long as such new budget(s) does not materially adversely change the Project. This shall be a continuing obligation of the Applicant. Failure to adhere to the budgets, either original or as amended may result in withdrawal of the City's commitment of funds.
2. The Applicant shall submit evidence of funding commitments from all proposed public sources. In the event commitment of funds identified in the application cannot be secured in the time frame identified in the application, the Applicant shall immediately notify City or Administering Agency, and describe the actions it will undertake to secure alternative funding and the timing of those actions subject to City or Administering Agency's review and approval.
3. In the event federal funds are used, and to the extent applicable, federal guidelines must be met, including but not limited to: contractor solicitation, bidding and selection; wage rates; and Endangered Species Act (ESA) requirements. CDBG funds may not be used to repay (bridge) acquisition finance costs.
4. The Applicant shall maintain documentation of any necessary land use approvals and permits required by the city where the projects are located.
5. Submit monitoring reports quarterly through completion of the project, and annually thereafter. Submit a final budget upon project completion. If applicable, submit initial tenant information as required by City or Administering Agency.

## ARCH HOUSING TRUST FUND (HTF) APPLICATIONS 2014

Applicant	Funds Requested (Grant/Loan) / Recommendation	Housing Type/  # of units/ bdrms	Income Served	Project Location	Duration of benefit	Total cost per unit	HTF cost per affordable unit	Project completion
ARCH REDI Fund (TOD Land Banking)	\$500,000 Loan	Acquisition of Properties suitable for development as affordable housing  TBD	Will vary from 30% to market rate	4 County Area  Sites to be determined  Geographic distribution targets, including ARCH sphere	30 years or more presumed	Unknown	Unknown	
KCHA/ Congregations for the Homeless	\$700,000 Secured Grant	Acquisition/ Rehab or New Construction  50	50 beds @ 30%  Homeless	ARCH Sphere of Influence	50 Years	\$64,000/bed	\$14,000	Nov 2017
Parkview Services DD Home	\$200,800 Secured Grant	Acq/Rehab of Home for Developmentally Disabled  3	3 @ 30%	ARCH Sphere of Influence – Kirkland/Bothell Site to be determined	50 Years	\$184,836	\$66,933	Fall 2015

**2014 HOUSING TRUST FUND: PROPOSED FUNDING SOURCES**  
**EXECUTIVE BOARD 12/11/14**

		PROJECT			
SOURCE		CFH / KCHA Winter Shelter	REDI Land Fund	Parkview DD Home	TOTAL
<b>Request</b>		\$ 700,000	\$ 500,000	\$ 200,800	\$ 1,400,800
<b>CAB Recommendation</b>		\$ 700,000	\$ 500,000	\$ 200,800	\$ 1,400,800
<b>Current Funding</b>					
Sub-Regional CDBG					\$ -
Bellevue					
	CDBG				\$ -
	General Fund	\$ 383,500	\$ 250,000	\$ 55,900	\$ 689,400
Issaquah					
	General Fund	\$ 20,000	\$ 36,500	\$ 5,291	\$ 61,791
Kirkland					
	General Fund	\$ 160,000	\$ 120,000	\$ -	\$ 280,000
	CDBG			\$ 80,152	\$ 80,152
Mercer Is.					
	General Fund	\$ 7,000	\$ 11,500	\$ 1,500	\$ 20,000
Redmond					
	General Fund	\$ 50,000	\$ 50,000	\$ -	\$ 100,000
	CDBG			\$ 47,232	\$ 47,232
Newcastle					
	General Fund	\$ 7,800		\$ 700	\$ 8,500
Kenmore					
	General Fund	\$ 20,000	\$ 25,000	\$ 4,285	\$ 49,285
Woodinville					
	General Fund	\$ 4,000	\$ 7,000	\$ 1,500	\$ 12,500
Sammamish					
	General Fund	\$ 18,000		\$ 1,600	\$ 19,600
Clyde Hill					
	General Fund	\$ 13,800		\$ 1,200	\$ 15,000
Medina					
	General Fund	\$ 11,300		\$ 1,040	\$ 12,340
Yarrow Point					
	General Fund	\$ 2,300		\$ 200	\$ 2,500
Hunts Point					
	General Fund	\$ 2,300		\$ 200	\$ 2,500
<b>TOTAL</b>		\$ 700,000	\$ 500,000	\$ 200,800	\$ 1,400,800
	CDBG	\$ -	\$ -	\$ 127,384	\$ 127,384
	General Fund	\$ 700,000	\$ 500,000	\$ 73,416	\$ 1,273,416

# ARCH HOUSING TRUST FUND, 2014

## Leveraging Funds - -

	ARCH REDI Fund		KCHA/Congregations EKC Perm Winter Shelter		Parkview Seviles ARCH Sphere Home		TOTAL
Prior ARCH Commitment							\$0
New ARCH Request	\$500,000		\$700,000		\$200,800		\$1,400,800
<b>ARCH TOTAL</b>	\$500,000	2%	\$700,000	22%	\$200,800	36%	\$1,400,800
King County							
Prior KC Commitment							\$0
HOF/HOME/CDBG			\$1,000,000		\$175,308		\$1,175,308
2060/2163							\$0
Veterans/Human Services							\$0
Other	\$1,000,000						\$1,000,000
<b>KC TOTAL</b>	\$1,000,000	4%	\$1,000,000	31%	\$175,308	32%	\$2,175,308
Prior WA Commitment							\$0
WA HAP							\$0
WA HTF	\$0	*	\$900,000		\$175,400		\$1,075,400
WA HFC (Equity Fund)							\$0
WSHFC Washington Works							\$0
<b>WA TOTAL</b>	\$-	0%	\$900,000	28%	\$175,400	32%	\$1,075,400
Federal/HUD							\$0
Section 811							\$0
McKinney							\$0
Other (Mobility Grant)	\$2,500,000						\$2,500,000
<b>FEDERAL TOTAL</b>	\$2,500,000	0%	\$-	0%	\$-	0%	\$2,500,000
<b>Tax Credits</b>		0%		0%		0%	\$0
<b>Prior Tax Credit Commitment</b>		0%		0%		0%	\$0
<b>Other Prior</b>							
<b>TCAP</b>		0%		0%		0%	\$0
<b>Bonds</b>		0%		0%		0%	\$0
<b>Bank Loans</b>	\$12,500,000	50%		0%		0%	\$12,500,000
<b>Deferred Developer Fee</b>		0%		0%		0%	\$0
<b>Private</b>	\$7,500,000	30%	\$600,000	19%	\$3,000	1%	\$8,103,000
<b>Other (City of Seattle)</b>	\$1,000,000	4%		0%		0%	\$1,000,000
<b>TOTAL COST</b>	\$25,000,000	90%	\$3,200,000	100%	\$554,508	100%	\$28,754,508

Total New

**ECONOMIC SUMMARY: EKC Men's Permanent Winter Shelter**

1. Applicant/Description: Congregations for the Homeless/KCHA / Development of shelter to serve a minimum of 50 homeless men, plus serve as day center

2. Project Location: ARCH Sphere of Influence

3. Financing Information:

<b>Funding Source</b>	<b>Funding Amount</b>	<b>Commitment</b>
ARCH	\$700,000	Applied for Fall 2014
King County	\$1,000,000	Applied for Interim Fall 2014 Applying for Permanent in Fall 2015
Commerce Trust Fund	\$900,000	Applying in Fall 2015
Capital Campaign	\$600,000	Committed
<b>TOTAL</b>	<b>\$3,200,000</b>	

4. Conceptual Development Budget:

<b>ITEM</b>	<b>TOTAL</b>	<b>PER BED</b>	<b>HTF</b>
Acquisition	\$1,337,000	\$26,740	\$680,000
Relocation	\$20,000	\$400	\$20,000
Construction	\$1,556,600	\$31,132	
Design	\$52,000	\$1,040	
Development Consultant	\$50,000	\$1,000	
Other consultants	\$14,000	\$280	
Permits/Fees/Hookups	\$83,200	\$1,664	
Finance costs	\$48,000	\$960	
Reserves	\$25,000	\$500	
Other development costs*	\$14,200	\$284	
<b>TOTAL</b>	<b>\$3,200,000</b>	<b>\$64,000</b>	<b>\$700,000</b>

\*Insurance, Bidding, Development Period Utilities and Accounting

5. Debt Service Coverage: Secured grant, no repayment if in compliance.

6. Security for City Funds:

- A recorded covenant to ensure affordability and use for targeted population for 50 years.
- A promissory note secured by a deed of trust. The promissory note will require repayment of the grant amount upon non-compliance with any of the funding conditions.

7. Rental Subsidy: None

**ECONOMIC SUMMARY:      PARKVIEW XI**

1. Applicant/Description:              Parkview Services / Acquisition and remodeling of home to serve 3 persons living with developmental disabilities

2. Project Location:                      Bothell/Kirkland area

3. Financing Information:

<b>Funding Source</b>	<b>Funding Amount</b>	<b>Commitment</b>
ARCH	\$200,800	Applied for Fall 2014
King County	\$175,308	Applied for Fall 2014
Commerce Trust Fund	\$175,400	Applied for Fall 2014
Owner Equity	\$3,000	Committed
<b>TOTAL</b>	<b>\$554,508</b>	

4. Development Budget:

<b>ITEM</b>	<b>TOTAL</b>	<b>PER BED</b>	<b>HTF</b>
Acquisition	\$412,000	\$137,333	\$180,800
Construction	\$57,500	\$19,167	
Design	\$16,000	\$5,333	
Consultants	\$2,950	\$983	
Developer fee	\$55,000	\$18,333	\$20,000
Finance costs	\$3,508	\$1,169	
Reserves	\$3,000	\$1,000	
Other development costs*	\$4,550	\$1,517	
<b>TOTAL</b>	<b>\$554,508</b>	<b>\$184,836</b>	<b>\$200,800</b>

\* Development Period Utilities, Insurance, Accounting

5. Debt Service Coverage: Secured grant, no repayment if in compliance.

6. Security for City Funds:

- A recorded covenant to ensure affordability and use for targeted population for 50 years.
- A promissory note secured by a deed of trust. The promissory note will require repayment of the grant amount upon non-compliance with any of the funding conditions.

7. Rental Subsidy: None

**FIGURE 1**  
**ARCH: EAST KING COUNTY TRUST FUND SUMMARY**  
LIST OF CONTRACTED PROJECTS FUNDED (1993 - Spring 2014)

Project	Location	Owner	Units/Bed s	Funding	Pct of Total Allocation	Distribution Target
<b>1. Family Housing</b>						
Andrews Heights Apartments	Bellevue	Imagine Housing	24	\$400,000		
Garden Grove Apartments	Bellevue	DASH	18	\$180,000		
Overlake Townhomes	Bellevue	Habitat of EKC	10	\$120,000		
Glendale Apartments	Bellevue	DASH	82	\$300,000		
Wildwood Apartments	Bellevue	DASH	36	\$270,000		
Somerset Gardents (Kona)	Bellevue	KC Housing Authority	198	\$700,000		
Pacific Inn	Bellevue *	Pacific Inn Assoc. *	118	\$600,000		
Eastwood Square	Bellevue	Park Villa LLC	48	\$600,000		
Chalet Apts	Bellevue	Imagine Housing	14	\$163,333		
Andrew's Glen	Bellevue	Imagine Housing	10 /11	\$387,500		
Bellevue Apartments	Bellevue ***	LIHI ***	45	\$800,000		
YWCA Family Apartments	K.C. (Bellevue Sphere)	YWCA	12	\$100,000		
Highland Gardens (Klahanie)	K.C. (Issaquah Sphere)	Imagine Housing	54	\$291,281		
Crestline Apartments	K.C. (Kirkland Sphere)	Shelter Resources	22	\$195,000		
Parkway Apartments	Redmond	KC Housing Authority	41	\$100,000		
Habitat - Patterson	Redmond **	Habitat of EKC **	24	\$446,629		
Avon Villa Mobile Home Park	Redmond **	MHCP **	93	\$525,000		
Terrace Hills	Redmond	Imagine Housing	18	\$442,000		
Village at Overlake Station	Redmond **	KC Housing Authority **	308	\$1,645,375		
Summerwood	Redmond	DASH	166	\$1,187,265		
Coal Creek Terrace	Newcastle **	Habitat of EKC **	12	\$240,837		
RoseCrest (Talus)	Issaquah **	Imagine Housing **	40	\$918,846		
Mine Hill	Issaquah	Imagine Housing	28	\$450,000		
Clark Street	Issaquah	Imagine Housing	30	\$355,000		
Lauren Heights (Iss Highlands)	Issaquah **	Imagine Housing/SRI **	45	\$657,343		
Habitat Issaquah Highlands	Issaquah **	Habitat of EKC **	10	\$318,914		
Issaquah Family Village I	Issaquah **	YWCA **	87	\$4,382,584		
Issaquah Family Village II	Issaquah **	YWCA **	47	\$2,760,000		
Greenbrier Family Apts	Woodinville **	DASH **	50	\$286,892		
Plum Court	Kirkland	DASH	61 /66	\$1,000,000		
Francis Village	Kirkland	Imagine Housing	15	\$375,000		
South Kirkland Park n Ride	Kirkland **	Imagine Housing **	46	\$901,395		
Copper Lantern	Kenmore **	LIHI **	33	\$452,321		
Habitat Sammamish	Sammamish ** ***	Habitat of KC ***	10	\$853,000		
Homeowner Downpayment Loan	Various	KC/WSHFC/ARCH	87 est	\$615,000		
<b>SUB-TOTAL</b>			<b>1,942</b>	<b>\$24,020,516</b>	<b>54.5% (56%)</b>	
<b>2. Senior Housing</b>						
Cambridge Court	Bellevue	Resurrection Housing	20	\$160,000		
Ashwood Court	Bellevue *	DASH/Shelter Resources *	50	\$1,070,000		
Evergreen Court (Assisted Living)	Bellevue	DASH/Shelter Resources	64 /84	\$2,480,000		
Bellevue Manor / Harris Manor	Bellevue / Redmond	KC Housing Authority	105	\$1,334,749		
Vasa Creek	K.C. (Bellevue Sphere)	Shelter Resources	50	\$190,000		
Riverside Landing	Bothell **	Shelter Resources	50	\$225,000		
Kirkland Plaza	Kirkland	Imagine Housing	24	\$610,000		
Totem Lake Phase 2	Kirkland ***	Imagine Housing ***	80	\$736,842		
Heron Landing	Kenmore	DASH/Shelter Resources	50	\$65,000		
Ellsworth House Apts	Mercer Island	Imagine Housing	59	\$900,000		
Providence Senior Housing	Redmond **	Providence **	74	\$2,239,000		
Greenbrier Sr Apts	Woodinville **	DASH/Shelter Resources **	50	\$196,192		
<b>SUB-TOTAL</b>			<b>676</b>	<b>\$10,206,783</b>	<b>23.2% (19%)</b>	

**FIGURE 1**  
**ARCH: EAST KING COUNTY TRUST FUND SUMMARY**  
LIST OF CONTRACTED PROJECTS FUNDED (1993 - Spring 2014)

Project	Location	Owner	Units/Bed s	Funding	Pct of Total Allocation	Distribution Target
<b>3. Homeless/Transitional Housing</b>						
Hopelink Place	Bellevue	**	Hopelink **	20	\$500,000	
Chalet	Bellevue		Imagine Housing	4	\$46,667	
Kensington Square	Bellevue		Housing at Crossroads	6	\$250,000	
Andrew's Glen	Bellevue		Imagine Housing	30	\$1,162,500	
Bellevue Apartments	Bellevue	***	LIHI ***	12	\$200,000	
Sophia Place	Bellevue		Sophia Way	20	\$250,000	
Dixie Price Transitional Housing	Redmond		Hopelink	4	\$71,750	
Avondale Park	Redmond		Hopelink (EHA)	18	\$280,000	
Avondale Park Redevelopment	Redmond	**	Hopelink (EHA) **	60	\$1,502,469	
Petter Court	Kirkland		KITH	4	\$100,000	
Francis Village	Kirkland		Imagine Housing	45	\$1,125,000	
South Kirkland Park n Ride	Kirkland	***	Imagine Housing ***	12	\$225,349	
Totem Lake Phase 2	Kirkland		Imagine Housing	15	\$138,158	
Rose Crest (Talus)	Issaquah	**	Imagine Housing **	10	\$229,712	
Lauren Heights (Iss Highlands)	Issaquah	**	SRI **	5	\$73,038	
Issaquah Family Village I	Issaquah	**	YWCA **	10	\$503,745	
<b>SUB-TOTAL</b>			<b>257</b>	<b>\$6,658,387</b>	15.1% (13%)	
<b>4. Special Needs Housing</b>						
My Friends Place	K.C.		EDVP	6 Beds	\$65,000	
Stillwater	Redmond		Eastside Mental Health	19 Beds	\$187,787	
Foster Care Home	Kirkland		Friends of Youth	4 Beds	\$35,000	
FOY New Ground	Kirkland		Friends of Youth	6 Units	\$250,000	
DD Group Home 7	Kirkland		Community Living	5 Beds	\$100,000	
Youth Haven	Kirkland		Friends of Youth	10 Beds	\$332,133	
FOY Transitional Housing	Kirkland	**	Friends of Youth **	10 Beds	\$252,624	
FOY Extended Foster Care	Kirkland	**	Friends of Youth **	10 Beds	\$112,624	
DD Group Home 4	Redmond		Community Living	5 Beds	\$111,261	
DD Group Homes 5 & 6	Redmond/KC (Bothell)		Community Living	10 Beds	\$250,000	
United Cerebral Palsy	Bellevue/Redmond		UCP	9 Beds	\$25,000	
DD Group Home	Bellevue		Residence East	5 Beds	\$40,000	
AIDS Housing	Bellevue/Kirkland		AIDS Housing of WA	10 Units	\$130,000	
Harrington House	Bellevue		AHA/CCS	8 Beds	\$290,209	
DD Group Home 3	Bellevue		Community Living	5 Beds	\$21,000	
Parkview DD Condos III	Bellevue		Parkview	4	\$200,000	
IERR DD Home	Issaquah		IERR	6 Beds	\$50,209	
FFC DD Homes	NE KC		FFC	8 Beds	\$300,000	
Oxford House	Bothell		Oxford/Compass Ctr.	8 Beds	\$80,000	
Parkview DD Homes VI	Bothell/Bellevue		Parkview	6 Beds	\$150,000	
FFC DD Home II	TBD		FFC	4 Beds	\$168,737	
<b>SUB-TOTAL</b>			<b>158 Beds/Units</b>	<b>\$3,151,584</b>	7.2% (12%)	
<b>TOTAL</b>			<b>3,033</b>	<b>\$44,037,270</b>	<b>100.0%</b>	
* Funded through Bellevue Downtown Program					10%	
** Also, includes in-kind contributions (e.g. land, fee waivers, infrastructure improvements)						
*** Amount of Fee Waiver still to be finalized						

***Do you want to own  
your own home in  
East King County?***

Having enough money  
to buy a home may  
seem like a big obstacle.

ARCH has partnered with  
the Washington State  
Housing Finance  
Commission & King County  
to offer a program to make  
owning a home, or  
condominium, easier  
for East King County  
homebuyers.



***ARCH East King County  
Downpayment Assistance to  
purchase in one of the eligible  
ARCH member cities***



***ARCH Member Cities***  
Beaux Arts Village • Bellevue • Bothell • Clyde Hill • Hunts Point  
Issaquah • Kenmore • Kirkland • Medina • Mercer Island  
Newcastle • Redmond • Sammamish • Woodinville • Yarrow Point



*Opening doors to a better life*



**King County**

***ARCH East  
King County  
Downpayment  
Assistance***



*Photo supplied by WSHFC*

***Downpayment  
Assistance Program  
for the Eastside cities  
of King County***

***Together, we make  
homeownership happen***

# ARCH

## East King County

### Downpayment Assistance Program

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#### Benefits to using the Washington State Housing Finance Commission's Programs

The Washington State Housing Finance Commission offers some flexible first mortgage loan benefits:

Minimum FICO score of 620

Financing for manufactured homes

Conventional loan product for up to 97%

This program can make homeownership possible for households who might not otherwise be able to put together the necessary financing.

ARCH East King County Downpayment Assistance can help fill the gap for downpayment & closing costs.

#### Downpayment and Closing Cost Assistance

- ▲ Up to **\$30,000** in assistance with **no monthly payments**
- ▲ 4% simple interest
- ▲ Loan balance due when borrower sells their home, or refinances, or pays off the first mortgage.

### How do I qualify?

#### Income

To be eligible for an ARCH East King County Downpayment Assistance 2nd Mortgage, your household income must not exceed these limits:

1-person \$44,750	2-person \$51,150
3-person \$57,550	4-person \$63,900

#### Eligible Homes

The maximum home purchase price cannot exceed \$288,000 (\$294,000 new construction). Program available for market priced homes or condominiums and ARCH program price restricted homes.

#### Principal Residence

You must live in the home you are purchasing. You do not need to be a first time homebuyer.

#### Property Occupancy

The property you intend to purchase must not be currently renter occupied, other than if you are the renter.

#### Minimum Contribution

You are required to contribute at least 2% of the purchase price in your own funds.

#### First Mortgage Requirement

The ARCH East King County Downpayment Assistance program **must** be used with the Washington State Housing Finance Commission's First Mortgage Program.

#### Homebuyer Education

All borrowers must attend a FREE Homebuyer Education Seminar and a FREE one-on-one pre-purchase homebuyer counseling session.

### How do I find out more?

Ask a Washington State Housing Finance Commission participating lender about getting approved for the ARCH East King County Downpayment Assistance program or call 800-767-4663 for more information.

**For a list of experienced participating lenders visit our web site at:**

[www.wshfc.org/buyers/premier](http://www.wshfc.org/buyers/premier)



**Find us on Facebook and Twitter!**

Washington State  
Housing Finance Commission  
@WSHFC\_HomeLoans

**Use the ARCH East King County downpayment assistance program to purchase a home in one of the ARCH member cities:**

Beaux Arts Village • Bellevue • Bothell • Clyde Hill • Hunts Point  
Issaquah • Kenmore • Kirkland • Medina • Mercer Island  
Newcastle • Redmond • Sammamish • Woodinville • Yarrow Point

## 2014 - 2015 CDBG Allocations (2013 - 2014 Funding Rounds)

	2014 CDBG	2015 CDBG	Total Awarded	Funding Round Allocated
<b>King County - NE King County</b>				
Providence Redmond Senior		\$189,302	\$189,302	Fall 2013
KCHA Senior Preservation	\$259,749		\$259,749	Spring 2014
<b>Total</b>	<b>\$259,749</b>	<b>\$189,302</b>		
<b>King County - Redmond</b>				
Providence Redmond Senior	\$20,757	\$62,979	\$83,736	Fall 2013
KCHA Senior Preservation	\$75,000		\$75,000	Spring 2014
Parkview DD Group Home		\$47,232	\$47,232	Fall 2015
<b>Total</b>	<b>\$95,757</b>	<b>\$110,211</b>		
<b>King County - Kirkland</b>				
Parkview DD Group Home		\$80,152	\$80,152	Fall 2015
<b>Total</b>		<b>\$80,152</b>		
<b>Bellevue</b>	<b>2012 CDBG</b>	<b>2013 CDBG</b>	<b>2014 CDBG</b>	<b>Total</b>
KCHA Senior Preservation	\$44,498	\$44,498	\$68,906	\$157,902

## Outline of 2014 Update to HCD Housing Finance Guidelines

Outline of HCD Program Housing Finance Guidelines Update	Change?	Reason for change	Type of Change: No change (NC), Minor, Major or Add
<b>Funds for affordable housing</b>			
Funding sources	Yes	Adds information on Credit Enhancement Program	Minor update
Forms of financial assistance	No		NC
Use of funds	Yes	Specify use of HIPDD funds	NC
<b>Funding process and awards</b>			
Application process	<b>New</b>	New section outlining basic policies and protocols for funding applications	Add
Eligible applicants	No		NC
Eligibility of primarily religious organizations	No		NC
Eligible project categories	No		NC
Eligible housing types and uses of funds	No		NC
Eligible beneficiaries and affordability	No		NC
Consistency with Local Plans	Yes	Additional plans noted	Minor
Where HCD affordable housing capital funds may be used	No		NC
Affordability	No		NC
Developer fees	<b>New</b>	New section aligning HCD policy on developer fees with other public funders	Add
Funding award limits and matching requirements	Yes	Updated to reflect most current HOME Program maximum subsidy limits	Minor update
Project selection process	Yes	Made consistent with RFP concerning appeals	Minor update
Evaluation criteria	Yes	Update for consistency with RFP re: evaluation criteria	Minor update
Funding awards	No		NC
Contingent awards	No		NC
Amendments	No		NC
<b>General project requirements</b>			
Contracting	<b>New</b>	New section outlining basic HCD contracting policies	Add
Loan terms	Yes	Specifies one percent interest as the norm, allows 0-3 percent	Minor update
Environmental review in rental projects	<b>New</b>		Add
Green building and ESDS	Yes	Application of ESDS standards will reflect greater emphasis on Element 1.1, the development plan and the integrative process	Minor update
Housing for persons with special needs	Yes	Clarifies preference that housing ownership entity and service entity be distinct entities.	Minor update
Fair Housing, Access and Affirmative Marketing	Yes	New section still in progress	Add - Still in Progress
Contractor Selection, Construction Contracting & Construction Management	Yes	Adds language reflecting requirement that agencies awarded funds must provide cost estimates and other documentation.	Update
Management plan	No		NC
Capital needs assessments	<b>New</b>	Sets forth contractual requirements for CNAs on all projects and expresses recommendation for early preparation of CNA.	Add
Community and neighbor relations	No		NC
Employment and Training Opportunities	<b>Yes</b>	Updated for threshold construction cost re: Section 3 requirements	Minor regulatory update
Close-outs and monitoring	<b>New</b>	Sets forth requirements for contract close-out process, and reporting.	Add
Transfers, assumptions, and refinancing	No		NC
<b>Ownership housing</b>			Add Section
Program requirements	<b>New</b>		
Ownership Development Project Loans			

## Outline of 2014 Update to HCD Housing Finance Guidelines

Outline of HCD Program Housing Finance Guidelines Update	Change?	Reason for change	Type of Change: No change (NC), Minor, Major or Add
Down Payment Assistance Loans for Existing Housing Ineligible Activities Reporting Responsibilities for Ownership Projects Environmental Review in Ownership Projects	↓		
<b>Portfolio Preservation Loan Program</b>			<b>Major - Revised Section</b>
Types of Loans	<b>Revised/New</b>		
Application Process for Small Emergency Loans	↓		
Application Process for Large Emergency Loans			
Priorities			
Loan terms for rehabilitation loans			
Eligible housing types and activities			
Rents	↓		↓
<b>Relocation</b>			
Displacement policy	No		NC
Relocation guidelines	↓		Minor
Notice of project conversion		Relocation guidelines unchanged except minor edits for formatting/clarity and update of relocation assistance limits for inflation.	NC
Relocation tenant selection and notification			NC
Approval of relocation plan			NC
Guidelines for using CDBG funds for relocation only	↓		NC
<b>HOME Program guidelines</b>			
Overall program purpose	Yes		<b>Major update</b>
Eligible HOME Costs	↓		
Maximum and Minimum HOME Subsidies Per Unit			
Federal Matching Requirements			
Recapture and Reallocation of HOME Funds			
<b>Rental Housing</b>			
Rental project underwriting and layering review		These sections were updated in response to 2013 HOME final rule changes. Main changes in clarification of CHDO qualifications, structure of ownership programs, protocol for cost allocation, need to develop property standards, and implement risk assessment procedures related to inspection scheduling.	
Duration of Low-Income Benefit			
Property standards for rental housing			
Tenant incomes and rents in rental housing			
Tenant protections required by HOME Program			
Affirmative marketing			↓
Tenant income verification monitoring	<b>New</b>	New section regarding process changes to address audit finding	<b>New Section</b>
<b>Homeownership assistance</b>	Yes		<b>Major update</b>
General requirements	↓		
Capital improvements			
Homes purchased with HOME assistance			
Recapture provisions			
Resale provisions			
Homebuyer underwriting standards			
Community Housing Development Organizations (CHDO)		These sections were updated in response to 2013 HOME final rule changes. Main changes in clarification of CHDO qualifications, structure of ownership programs, protocol for cost allocation, need to develop property standards, and implement risk assessment procedures related to inspection scheduling.	
Mixed income and mixed-use projects			
Property standards			
Annual monitoring and risk analysis			
HOME project physical inspections	↓		↓

**DRAFT**  
**SOLICITING FEEDBACK ON HOMEOWNERSHIP PROGRAMS/ACTIVITIES**

**NONPROFIT PARTNERS**

1. How should scarce public resources be prioritized to meet the range of needs in the county, from housing for chronically homeless people to homeownership opportunities for low income home buyers? Why do you think so?
2. What should be the main policy goals King County pursues in it homeownership programs? For example, possible goals might include long-term affordability, creating wealth-building opportunities for low income households, stabilizing neighborhoods, or geographical distribution of public funds.
3. Which program models do you consider the most effective at meeting important policy goals? Why are they more effective than other models, in your opinion?
4. Is affordable homeownership a high priority where you live and work? Do you think each local jurisdiction should commit resources as part of any homeownership program helping people in their area?
5. Do you think there should be a limit on total public subsidy per unit? The cost of home ownership is rising and there have been proposals that would require over \$100,000 in public subsidy per unit to make homes affordable to low income buyers. If you think there should be a limit, what do you think it should be? Should the limit be different in different parts of the county?
6. Do you think a buyer should always make cash contribution (down payment) in a homeownership deal even if there is public subsidy present? If you do think so, why? If not, why do you think it should not be required?
7. How do you think success should be evaluated in a homeownership program?
8. What income levels should be targeted for homeownership?
9. If you were asked to compare or contrast the two models for ownership programs listed below, how would you describe the benefits or challenges of each one:
  - Downpayment assistance programs
  - Community land trust programs
10. Are there other models or methods you know of that could support and promote affordable homeownership in King County?

**COMMUNITY PARTNERS**

11. Is homeownership a community priority defined in your comprehensive plan?
12. If so, what actions has your community taken to promote and support ownership opportunities?

13. What specific models are promoted locally?
14. Are local resources available to support homeownership on an ongoing basis?
15. How would you prioritize increasing affordability for homebuyers? Are there local models that support increased ownership opportunities? If so, please describe.

DRAFT

## **DRAFT Schedule for 2015 funding round**

### **Pre-application, planning, and RFP phase**

May 1 – June 30 Pre-application meetings

July 15 Combined NOFA issued

July 17 Housing Finance Program RFP released

### **Project review and selection phase**

Sept 7th Applications due

Sept 10 - Oct 9 Application review

Oct 15 Draft briefing papers sent to JRC

Oct 22 JRC first briefing on funding applications

Nov 19 JRC final briefing and funding recommendations

Dec 1 Award letters issued



## Improve Data Collection

**Support changes to the Homeless Management Information System “opt in” consent process by replacing it with an “opt out” system that continues to rigorously protect data confidentiality**

**SB 5898/HB 2135 *Modifying Washington homeless client management information system requirements and policies***

### Why is change needed?

- **Washington is the only state with research level informed consent privacy standards** that require homeless individuals to “opt in” to the Homeless Management Information System (HMIS) system by signing a form. **All other states have an “opt out” policy.**
- Our “opt in” system has led to Washington, and particularly King County, to have a **lower HMIS compliance rate** than most states, **resulting in a loss of federal funding for homelessness programs**
- In addition, in 2014, the Washington Office of the Attorney General ruled that unaccompanied youth under age 18 cannot consent to having their information entered into HMIS. Family conflict is the leading cause of youth homelessness—making it extremely unlikely that an unaccompanied youth who is homeless will seek or obtain parental permission to be included in HMIS. **Not allowing under 18 youth to consent to having their information in HMIS will also further reduce overall HMIS participation rates.**

### Safety & data confidentiality is crucial

- Current legislation does not adequately provide guidance to protect the confidentiality and ensure data security of individuals experiencing homelessness, and needs strengthening.
- The bill ensures individuals are informed about the privacy and extent of the disclosure of their own personal information to enable them to make informed decisions about their safety, privacy, and confidentiality.
- Ensuring that data is secure is key to increasing trust and confidence in HMIS, which will further increase client consent rates.
- Youth age 13 and older can and should be able to offer their own consent regarding their personal information and service usage – similar to laws in place allowing youth to consent to mental health treatment.

### Data driven decision making

- HMIS data collection allows nonprofits and local government to determine who needs help, evaluate what programs are effective and target our investments accordingly.
- With low consent rates, we must use incomplete data to drive policy, planning and accountability efforts such as performance-based contracts to improve services to and outcomes for all households experiencing homelessness, including youth under 18.

**Without robust data on the needs of people experiencing homelessness, decision-making about programming, and our ability to make homelessness rare, brief, and one-time in Washington state, is weakened.**

*Proposed legislation is supported by domestic violence and homeless providers.*

COMMITTEE TO  
END HOMELESSNESS  
KING COUNTYHOUSING  
DEVELOPMENT  
COUNCIL

HOUSING ALLIANCE

BUILDING  
CHANGES

WA Coalition for Homeless Youth Advocacy

CHURCH COUNCIL  
GREATER SEATTLE

## SUPPORT WORKING FAMILIES BY AUTHORIZING KING COUNTY BONDING TO FUND WORKFORCE HOUSING

SB 5208 (Miloscia) & HB 1223 (Springer)

### LOCAL OPTION = STATE & LOCAL BENEFITS

- This bill will clarify King County's authority to bond against a portion of county lodging tax revenue to build affordable workforce homes near transit NOW.
- This bill is **revenue neutral**—no cost to the state.
- This bill provides a **local option**, to use local funds to fill a local need.
- The King County Council supports this legislation and will be responsible for exercising this option.
- Legislation has no impact on City Lodging Taxes

### LOSING TIME = LOSING MONEY. THE COST OF WAITING IS \$64 MILLION

- \$35 Million: projected **inflation cost of land prices** over five years.
- \$29 Million: projected **increased construction costs** over five years.
- Land near transit that can connect our workforce to job centers is disappearing quickly. This **land will no longer be available at any price.**

### EARLIER ACCESS = MAXIMUM RETURN

- Homes created with these funds will generate more than **1,000 new jobs** NOW.
- Will generate over **\$7 Million in local and state sales tax revenue.**
- \$45 Million anticipated bonds will **leverage \$180 Million in private investment** NOW.

### HOUSING KIDS = MAXIMIZING EDUCATIONAL BENEFITS

- As the state devotes billions into our education system, ensuring stable, affordable housing will maximize student outcomes, resulting in:
  - **Better educational outcomes for children.** A recent study shows that quality affordable housing has a positive impact on cognitive achievement scores in reading and math.
  - **Lower classroom turnover.** Kids forced to relocate due to housing instability affects the entire class' ability to learn.
  - **Better performing students = Better performing schools.**

GIVE THE COUNTY THE AUTHORITY TO SUPPORT WORKFORCE HOUSING NOW



For more information, contact: Kelly Rider, Policy Director, Housing Development Consortium Seattle-King County  
(26) 682-9541 | [kelly@housingconsortium.org](mailto:kelly@housingconsortium.org) | [www.housingconsortium.org](http://www.housingconsortium.org)

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**From:** Mark Santos-Johnson <Msantosjohnson@Rentonwa.gov>  
**Sent:** Tuesday, February 10, 2015 4:37 PM  
**To:** kcexec@kingcounty.gov; Kim Herman; Diego Benites (Dbenites@bostoncapital.com); Chuck Weinstock (chuck.weinstock@chase.com); Stacie Altmann (stacie.altmann@rbccm.com); 'Lisa Vatske' (lisa.vatske@wshfc.org); David Clifton (david.clifton@wshfc.org); Bob Peterson (bob.peterson@wshfc.org); Whitney Goetter (Whitney.Goetter@wshfc.org); Quinn, Adrienne; Ellerbrook, Mark; Markham, Cheryl; deChadenedes, John; Tremper, Kathy; DeRobbio, Wendy; Kendall, Valerie; Bleeker, Eileen; 'Walker, Steve' (Steve.Walker@seattle.gov); Andrew Lofton; Arthur Sullivan; Doreen Booth; Debra Stephenson (debra.l.stephenson@wshfc.org); Nick Demerice (nick.demerice@commerce.wa.gov); Elizabeth Green-Taylor (elizabeth.green-taylor@commerce.wa.gov); M.A. Leonard (mleonard@enterprisecommunity.org); Pam Tietz (ptietz@spokanehousing.org)  
**Cc:** Stephen Norman; Mark Gropper; Dan Watson (danw@kcha.org); Tim Walter; Daniel Landes; Philippa Nye; Deborah Gooden (sunsetchoiceneighborhood@gmail.com); Cliff Long; Elizabeth Higgins  
**Subject:** RE: HUD Choice Neighborhoods Initiative Implementation Grant Application Submitted! THANK YOU HOUSING LEVERAGE PROVIDERS AND SUPPORTERS!!!  
**Attachments:** Sunset Area Transformation Plan - Executive Summary 2-4-2015.docx

We are pleased to inform you that last Wednesday evening we submitted our HUD Choice Neighborhoods Initiative (CNI) implementation grant application for the Sunset Area Transformation Plan on [www.Grants.gov](http://www.Grants.gov)! Thank you for your help and support!!!

As many of you know, this was a complex and challenging grant application to prepare. However, with the tremendous support and teamwork of many people from and on behalf of the City of Renton, the King County Housing Authority, the Renton Housing Authority, the Renton School District, Neighborhood House, other community partners, housing funders, investors, and lenders, we have created a compelling and responsive Sunset Area Transformation Plan and successfully completed HUD's CNI application.

Here is the list of principal partners for the CNI application for the Sunset Area Transformation Plan:

- Lead Applicant – King County Housing Authority
- Co-Applicants – City of Renton and Renton Housing Authority
- Housing Implementation Entity – King County Housing Authority
- Neighborhood Implementation Entity – City of Renton
- People Implementation Entity – Neighborhood House
- Principal Education Entity – Renton School District

In addition, the following nine entities agreed to be Anchor Institutions and provide People leverage for the CNI application:

- UW Medicine/Valley Medical Center
- King County Library System
- HealthPoint
- The Renton Salvation Army
- HomeSight
- Renton Technical College
- The Road Map Project
- Renton Chamber of Commerce
- The Boeing Company

The final CNI application included 105 pages for nine narrative sections and more than 320 pages for 66 attachments! I have attached a copy of the CNI executive summary for your reference. We also plan to prepare a Sunset Area Transformation Plan CNI brochure which we will share with you in the near future.

Our CNI grant application requests a total of \$30 million for a five-year project with funds for housing development, neighborhood improvements, and people educational and supportive services. With your collective help and support, we have also managed to secure commitments for more than \$196 million in leverage, the majority of which is contingent upon receipt of a CNI grant. The total leverage is \$6.56 for each CNI dollar! Here is a summary of the CNI leverage for your reference.

Housing	\$	67,126,419
Critical Community Improvements	\$	14,253,795
Neighborhood	\$	63,524,977
People	\$	51,976,644
Total Leverage	\$	196,881,835

Thanks to ALL of you, we have a strong and competitive CNI application. We are hopeful that our application will be successful so that we can move forward together with the Sunset Area Transformation Plan. HUD plans to announce the CNI grant awards in September.

If you have any questions, please let me know. Thanks again for your collective efforts to help make this happen!

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Community & Economic Development Department  
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