



King County

Urban Consortium Joint Recommendations Committee

Meeting Materials for Thursday, October 26, 2017

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

Item	Info
Agenda	October 2017 JRC Meeting Agenda
Attachment A	Draft September 2017 JRC Meeting Minutes for approval
Attachment B	JRC State Legislative Priorities
Attachment B.1	Proposed 2018 State Legislative Priorities
Attachment B.2	Proposed 2018 Federal Legislative Priorities
Attachment C	Affordable Housing RFP Applications for 2018 Info Item
Attachment D	Housing Repair Program 3Q area summary by amount
Attachment D.1	Housing Repair 3Q combined area summary

Please note: some of the documents within this packet may vary in paper dimensions and orientation. Please contact your IT staff for assistance with printing.

Available in Alternative Formats. WA Relay 711



King County

JRC Members

Ken Hearing
Mayor North Bend
Sound Cities
Association, Chair

De'Sean Quinn
Tukwila,
Councilmember
Sound Cities
Association,
Vice Chair

Dan Grausz
Mercer Island
Councilmember
Sound Cities
Association

Pam Fernald
SeaTac,
Councilmember
Sound Cities
Association

Mark Ellerbrook
King County,
Regional HCD
Program Manager

Gary Prince
King County,
DOT, TOD Program
Manager

John Starbard
King County, DPER
Director

Leslie Miller
Kirkland
Human Services
Coordinator

Rob Beem
Shoreline
Community Services
Manager

Dan Stroh
Bellevue
Planning Director

Merina Hanson
Kent,
Housing & Human
Services. Manager

Laurie Olson
Lending Manager,
Seattle Office of
Housing

Agenda

JOINT RECOMMENDATIONS COMMITTEE (JRC) MEETING

Thursday, October 26, 2017

9:30 AM - 11:30 AM

**South Renton Treatment Plant Admin Building
Cedar River Conference Room**

1200 Monster Road S.W., Renton, WA 98057

Directions and map

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

- I. Welcome and Introductions**
Chair, Mayor Ken Hearing
- II. September 28, 2017 Meeting Minutes** 5 Min
Attachment A - Action
- III. JRC State and Federal Legislative Priorities for 2017** 10 Min
Attachment B – Info Item All
Attachment B.1, B.2 – Action Item All
Al DAlessandro, HCD, Housing Finance Program
- IV. Housing Finance Program Review - Affordable Housing** 30 Min
Capital Applications Received for 2018 HOME & RAHP funds.
Attachment C – Info Item All
Quinnie Tan, HCD, Housing Finance Program
- V. Housing Repair Program – 3rd Qtr 2017 Update** 15 Min
Attachment D, D.1 – Info Item All
Clark Fulmer, HCD, Housing Repair Program
- VI. Information, Round Table** 48 Min

ADJOURN

Next Meeting: December 7, 2017 9:30 AM - 11:30 AM

Location: South Renton Treatment Plant, Renton WA <http://www.kingcounty.gov/depts/community-human-services/housing/consortium.aspx>

JOINT RECOMMENDATIONS COMMITTEE MEETING
Thursday, September 28, 2017
9:30 a.m. – 11:30 a.m.
Renton Treatment Center

Members Present:

Ken Hearing, Mayor, City of North Bend, JRC Chair (Sound Cities Association)
Pam Fernald, Councilmember, City of SeaTac (Sound Cities Association)
Dan Grausz, Councilmember, City of Mercer Island (Sound Cities Association)
Rob Beem, Community Services Manager, City of Shoreline
Leslie Miller, Human Services Administrator, City of Kirkland Parks and Community Services
Merina Hanson, Housing and Human Services Manager, City of Kent
Jeff Watson, Community Services Manager, City of Federal Way
Laurie Olson, Lending Manager Office of Housing, City of Seattle
Mark Ellerbrook, Regional Housing and Community Development Manager, King County
Department of Community and Human Services (DCHS)
Gary Prince, Transit Oriented Development Manager, King County Department of
Transportation

Members Not Present:

De'Sean Quinn, Councilmember, City of Tukwila, JRC Vice-Chair (Sound Cities Association)
Dan Stroh, Planning Director, City of Bellevue
John Starbard, Director, King County Department of Permitting and Environmental Review

King County Staff:

Kathy Tremper, Coordinator, Housing and Community Development (HCD), DCHS
Jackie Moynahan, Capital Programs Manager, HCD, DCHS
Quinnie Tan, Project/Program Manager, HCD, DCHS
Al D'Alessandro, Project/Program Manager, HCD, DCHS
Dave Mecklenburg, Project/Program Manager, HCD, DCHS
Elaine Goddard, Administrative Staff Assistant, DCHS

Guests:

Ellie Wilson-Jones, Sound Cities
Lori Fleming, City of Burien
Alaric Bien, City of Redmond
Colleen Brandt-Schluter, City of SeaTac
Dianne Utecht, City of Renton
Patrice Thorell, City of Des Moines

I. Welcome and Introductions

Mayor Ken Hearing, Committee Chair opened the meeting at 9:41 a.m. He welcomed guests and asked for introductions.

**II. Review May 25, 2017 Meeting Minutes
Attachment A – Action Item, All**

MOTION: Jeff Watson made a motion to accept the May 25, 2017 meeting minutes as presented. Councilmember Pam Fernald seconded the motion. The motion was approved unanimously.

**III. Housing and Community Development Needs – Public Hearing
Attachment B – Information Item**

Mayor Ken Hearing opened the floor to comments or concerns regarding Housing and Community Development. There was no testimony and the hearing was closed.

**IV. JRC Legislative Priorities for 2017
Attachment C – Information Item**

Al D’Alessandro presented the revised 2017 Federal Legislative Priorities. The updated version was presented for any additional input. Al commented that the most current issues are related to tax reform measures which could affect tax credits. The overall program seems safe, but lowering the corporate tax rate could negatively affect participation in capital development. Al also asked the group to review the State Legislative Priorities. He will send a follow-up email to request input. Most advocates are sticking to last year’s agenda for this supplemental budget. However, technically there is one new item which would allow King County more flexibility in revenue collection. The Legislative Agenda is not an action item this month. Al will finalize the priorities for the October meeting.

**V. Housing Finance Program (HFP) Guidelines – Homeownership Policy Changes
Attachment D and D1 – Action Item - All**

Quinnie Tan requested JRC approval to amend the HFP Guidelines regarding Affordable Homeownership Down Payment Assistance. King County and HFP Homeownership program partners are requesting an increase to the per-unit limit for down-payment assistance from \$35,000 to \$45,000. Program funding will not be increased. The current limit has proven insufficient to close the affordability gap, so although the possible number assisted would be lower, it is hoped the increased limit will provide better outcomes overall. The question was raised whether this would be enough of an increase to improve program outcomes. Quinnie answered that they are trying to reach

a balance between too much assistance to help too few, and being able to help enough. Mayor Ken Hearing requested that the County provide follow-up reporting to see if the increase is helping. Quinnie also announced that there would be an administrative change to the guidelines which would refer to the program's website to find the maximum per-unit purchase price, since it is updated every year and set by HUD.

MOTION: Rob Beem made a motion to amend the Guidelines to increase the limit of down payment assistance to \$45,000. Councilmember Pam Fernald seconded the motion. Jeff Watson clarified that the funding source is HOME funds. The motion was approved unanimously.

**VI. CDBG 2018 Non-Housing Capital Fund Recommendations
Attachment E – Action Item – Consortium Representatives Only**

Kathy Tremper reported that 35 pre-applications were received in April. After initial review, 15 moved forward and ten remain active for consideration. Funding is divided into North/East and South sub regions. Each sub region formed a committee to collect public comment, review and rank their applications. They worked with County staff to help determine feasibility and reconcile issues before making funding recommendations.

The North/East Sub Region is estimated to have \$232,580 in CDBG funding. The sub-region's 2017 priorities pre-designated 40% of their funds to ARCH for a housing set-aside, leaving \$139,148. Total project requests totaled \$623,032.

Recommendations (in ranked order):

- ARCH – 40% Housing Set Aside: \$ 93,032
- Skykomish, Old Cascade Highway Drainage Improvements: \$139,148

Recommended amount is contingent on the actual amount available. This amount is less than requested. The award would include conditions that all matching funds must be in place no later than 12/31/17.

- City of Duvall, 142nd Street Sidewalks: \$0

Although this is a strong project there are insufficient funds available at this time.

Discussion: Gary Prince was concerned that the award is less than the minimum requested. How will this impact the project? Kathy Tremper responded that Skykomish could fill the gap with city funds and that flood control funding could also help them meet their budget. The award is contingent on them getting all funding by December. If they cannot make the project whole CDBG funds will be relinquished for reallocation.

MOTION: Councilmember Pam Fernald made a motion to approve funding as recommended. Mark Ellerbrook seconded the motion. The motion was approved unanimously. Kathy Tremper made a point of clarity that conditions as noted in the recommendation will be set forth.

The South Sub Region is estimated to have \$501,100 in CDBG funding. There are no set-asides established by the sub-region. Total project requests totaled \$1,050,399.

Recommendations (in ranked order):

- Habitat for Humanity Minor Home Repair: \$ 90,000
Award with conditions that the Agency requires recipients of the program to execute a promissory note and Deed of Trust reflecting agreement to repay CDBG funds received upon any sale or transfer of the property.
- New Roots Micro-enterprise: \$ 60,000
This is an ongoing program that has been successfully performing the objectives set forth in previous applications. This is a multi-jurisdictional project with allowances for Renton Joint Agreement City clientele. Funding does not include City of Renton residents.
- City of Pacific, Milwaukee Blvd. Sidewalk Improvements: \$ 56,500
Award is less than the minimum requested and will address only the sidewalk on the east side of the street.
- City of Tukwila, Minor Home Repair: \$ 90,000
This award is for minor home repair in Tukwila, SeaTac, Des Moines, and Covington. This is an ongoing program that has successfully performed its objectives. This project is identified as a contingency project that would be decreased should there be a funding shortfall.
- City of Des Moines, Kiddie Park Playground Improvements: \$115,000
Award is less than the minimum requested. Priority is toward the movement of the play structure and other elements to improve visibility of the playground. This project is identified as a contingency project that would be increased up to the maximum request should there be additional funds made available.
- Highline College, StartZone Micro-enterprise: \$ 89,611
This is an ongoing program that has been successfully performing the objectives set forth in previous applications. The program may have a short-fall if the City of Federal Way does not provide the 2018 funds requested. If so, this award would be retracted for reallocation.

- City of Des Moines, Fieldhouse Playground Improvements: \$0
This is a worthwhile project, but based on ranking and lack of funds it is not recommended for funding. In addition, there is a question whether the service delivery area will meet HUD guidelines based on city-wide youth programs that utilize the park.
- City of Tukwila, Crestview Park: \$0
This is a worthwhile project, but based on ranking and lack of funds it is not recommended for funding.¹

Discussion: Councilmember Dan Grausz asked why it was recommended to partially fund the City of Pacific sidewalk and Des Moines Kiddie Park rather than fully funding one. Kathy responded that discussions were held with both applicants and they felt that partial funding would advance their projects to an acceptable level. Lori Fleming added that the South Sub Region Committee had done a lot of investigation into all of the projects and how to best meet the needs of the communities with the funds available.

Committee members expressed concern about the Highline College Micro-enterprise program’s ability to operate if the City of Federal Way does not come through with administrative funding. Jeff Watson felt confident that the City would approve the funding, but it was agreed to make the award contingent on securing the Federal Way funding.

MOTION: Gary Prince made a motion to approve staff recommendations with the condition that Federal Way provides administrative funding to the Highline College Micro-enterprise Project. Councilmember Pam Fernald seconded the motion. The Motion was approved unanimously.

Gary Prince requested more information on how rankings are determined in this process. The projects are all so different, he would like to see what the priorities are and more transparency on how the committees make their decisions. Kathy Tremper offered a training on how evaluation criteria is developed and applied. She will pull something together to help the Committee better understand the decision process in the future.

VII. Information Round Table

- Jackie Moynahan pointed out that Attachments F, G, and H are finalized meeting minutes from prior meetings. No action is required as these minutes were previously approved with some adjustments. Requested corrections were made. If any additional changes are needed please let Jackie know.

¹ See Funding Recommendation Summary Chart on last page.

- Jackie Moynahan pointed out that Attachment I is a meeting summary from the Interlocal Cooperation Agreement (ICA) Work Group conducted on September 19th. It was the fourth work group meeting. It includes report-outs from members, to determine whether there were any requested changes to the ICA for next year. No changes were put forth on the table at the meeting. It was confirmed by vote at the meeting that no changes were required. Jackie also contacted two city representatives who were unable to attend, and they concurred with the decision.
- Leslie Miller inquired about a draft letter being prepared to go to HUD. The ICA work group had conversations on federal regulations, and would like to make some suggestions to HUD to help address our efforts to streamline. Kathy Tremper wrote an initial draft, and received feedback. Staff are trying to determine the most impactful way to get ideas to HUD. The County has many interactions with HUD representatives, and feel it would be beneficial to have direct conversations on the challenges we face as a consortium. There was a general interest for the suggestions to be reviewed by JRC members.

No further business. The meeting was adjourned at 11:11 am.

Next meeting October 26, 2017.

The County will send final information packets out the Thursday before the meeting in order to give members time to review.

North/East 2017 CDBG Capital Applications for 2018 Funds Recommendations

Applicant		Request	Recommended			
Proposal Title	Performance Measures	Request	Minimum Request	Sub-Region Recommended Award	Ranking	JRC Award
North/East Sub-Region - Estimated Funds Available \$232,580						
ARCH Housing Set-Aside (40% of \$232,580)				\$ 93,032		\$ 93,032
Skykomish Old Cascade Hwy Drainage Improvements *, **, ***	198 L/M People	\$250,000	\$163,700	\$139,548	1	\$139,548
Duvall 142 nd Street Sidewalks	427 L/M People	\$280,000	\$200,000	\$0	2	\$ 0
Sub-Region Total				\$232,580		\$232,580
* If available funds are higher than projected this project will receive additional funding. ** If available funds are lower than projected, this project will be reduced.						

South Sub-region 2017 CDBG Capital Applications for 2018 Funds Recommendations

Applicant		Request	Recommended			
Proposal Title	Performance Measures	Request	Minimum Request	Sub-Region Recommended Award	Ranking	JRC Award
South Sub-Region - Estimated Funds Available \$501,100						
Habitat for Humanity Minor Home Repair ***	8 Households	\$99,999	\$80,000	\$ 90,000	1	\$ 90,000
New Roots Microenterprise	87 L/M Businesses	\$90,000	\$60,000	\$ 60,000	2	\$ 60,000
Pacific Milwaukee Blvd. Sidewalk	910 L/M People	\$166,500	\$56,500	\$ 56,500	3	\$ 56,500
Tukwila Minor Home Repair**	65 L/M Households	\$125,000	\$100,000	\$ 90,000	4	\$ 90,000
Des Moines Kiddie Park *, ***	1,790 L/M People	\$200,000	\$182,000	\$115,000	5	\$115,000
Highline StartZone Microenterprise	92 L/M Businesses	\$110,000	\$90,000	\$ 89,600	6	\$ 89,600
Des Moines Field House Playground	11,665 L/M People	\$178,900	\$166,000	\$ 0	7	\$ 0
Tukwila Crestview Park	1,974 L/M People	\$80,000	\$50,000	\$ 0	8	\$ 0
Sub-Region Total		\$1,245,399	\$961,500	\$501,100		\$501,100
* If available funds are higher than projected Des Moines Kiddie Park will receive additional funding up to the maximum request of \$200,000. Any remaining additional funds would be dedicated to King County Housing Repair Program. ** If available funds are lower than projected, Tukwila Minor Home Repair will be reduced.						

*** Additional conditions apply to the award.

JRC State Legislative Priorities for 2017

Issue: Local governments and advocacy agencies across the state are finalizing their State and Federal legislative priorities. The JRC has an opportunity to advise its members, the County Executive, County congressional delegation and local government advocacy organizations on JRC priority issues.

Background: Last year the JRC approved State and Federal legislative priorities for 2017. Some progress was made on certain issues, while many are still under deliberation at the State level. At the Federal level, the stated budget priorities of the new administration leave little room for new initiatives and reinforce the hold the line strategy the JRC has maintained since budget cuts to HOME and Community Development Block Grant were enacted during the great recession. The attached updated State and Federal priorities largely mirror those proposed last year.

JRC Options: The JRC may take action on either or both proposed priorities. The action could be to approve, approve with amendments, or revisit the proposal at a later date. Approving as proposed or amended today will facilitate the greatest influence on other local governments, County and Federal elected officials, and advocacy organizations as these entities are in the process of finalizing their own priorities.

Staff Recommendation: Staff recommends approval of both the State and Federal legislative agendas. The Federal agenda has been presented to the JRC for discussion, and routed via email for further review. No suggestions for change to the document were made. The draft State agenda was distributed to the JRC at the September, 2017 meeting. Both documents largely mirror the approved agendas from last year. Approving both as proposed or amended today will facilitate the greatest influence on elected officials, local government and advocacy organizations.

Staff Contact:

Al D'Alessandro

Business Finance Officer III

E-mail: al.dalessandro@kingcounty.gov Phone: (206) 263- 9077

Joint Recommendations Committee 2018 State Legislative Priorities

1. Increase the Document Recording Fee and Remove the Sunset

Last session, HB 1570 passed the house but was not heard in the Senate. As a result another bill was passed to extend the sunset to 2023. HB 1570 is waiting to be introduced in next year's short session. The bill would make the fee permanent, and allow individual counties to raise it by up to \$50. Increasing the fee will add an estimated \$18 million for DCHS homeless housing each year while failing to eliminate the sunset would result in a cut to DCHS homeless housing programs by an estimated \$20 million per biennium.

2. Make the existing 0.1% sales tax local option for housing and behavioral health facilities councilmanic.

Last session Substitute House Bill 1797 was introduced to make the existing 0.1% sales tax local option for housing and behavioral health facilities councilmanic. HB 1797 is waiting to be introduced in next year's short session. We estimate SHB 1797 will locally generate \$68 million in each year to benefit our most vulnerable residents facing high barriers to housing stability. The strength of this funding is its flexibility which provides a rare blend of eligible uses to include behavioral health facilities, and both housing production and behavioral health or supportive services for tenants. This is key to keeping vulnerable residents healthy, safe, and housed.

3. Housing Trust Fund

Provide \$200 million for the Housing Trust Fund (HTF). The HTF is funded by the state's Capital Budget. Last session the legislature failed to pass a capital budget and therefore failed to fund the HTF. The HTF is a primary state source of equity for developing affordable housing across Washington State and an important source of leverage for housing programs in King County. When the HTF is increased, the result is additional permanent supportive homeless housing and affordable housing units built in King County.

4. Youth Consent

Re-allow minors over 13 to share their information in the Homeless Management Information System (HMIS) in order to secure a better understanding of the effectiveness of under 18 interventions on prevention of youth homelessness.

5. Source of Income Discrimination (SOID)

Rent increases alone, (a near doubling in the last five years) have already priced out families using housing subsidies. Eliminate discrimination against prospective renters solely due to their source of income. Currently, families receiving local housing vouchers, Housing Choice (Section 8) vouchers, seniors relying on social security income and Veterans using housing subsidies are all subject to denial of housing due solely on a landlord's choice not to rent to people receiving housing or income subsidies. The legislation would prevent landlords from denying tenancy based solely on the grounds of the tenant relying on a subsidy or "public subsidy" (e.g. Housing Choice voucher, SSI, etc.) to pay all or a portion of their rent. Landlords could still reject tenants who do not have enough

income/resources to meet the monthly rental payment and could still deny tenancy on legal grounds equally applied to all applicants.

6. Preserve the Housing and Essential Needs Program

In 2011 the Disability Lifeline (DL) Program was dissolved. The Housing and Essential Needs (HEN) Program was created to provide a portion of the housing and essential needs assistance previously provided to people receiving cash assistance through DL. Since then, the program has provided rental and utility assistance statewide to over 13,000 disabled adults with incomes below \$339 per month. HEN is an extremely important investment in stability for these households and an important part of King County's efforts to end homelessness. Support efforts to protect funding the HEN program at its current level.

Joint Recommendations Committee

2018 Federal Legislative Priorities

1. *Restore Community Development Block Grant (CDBG) to \$3.3 Billion*

The Consortium uses CDBG funds for housing stability/homeless prevention, emergency shelters and other emergency services, housing repair, affordable housing development, public improvements, nonprofit human services facilities, and economic development. CDBG is the Consortium's largest single source of federal formula funds, as well as its most flexible source of funds. CDBG funds leverage a number of other fund sources for projects that create jobs, revitalize the highest need communities and serve the most vulnerable residents. The President's 2018 Budget eliminates the CDBG program while the proposed House and Senate budgets fund CDBG at \$2.9 billion and \$3 billion respectively.

2. *Restore HOME Program to at Least \$1.2 Billion*

HOME funds provide a vital source of funding for homeless and affordable housing production in King County. For each HOME dollar invested an additional five dollars in other funds are leveraged. Each HOME project funded creates good jobs and generates income for businesses and tax revenues associated with housing development. The President's 2018 Budget eliminates the HOME program while the proposed House and Senate budgets fund HOME at \$850 million and \$950 million respectively.

3. *Increase McKinney-Vento Homeless Assistance Grants*

The McKinney-Vento Homeless Assistance programs were established more than twenty years ago to help provide shelter and services to homeless families and individuals. \$2.6 billion is needed for Homeless Housing Assistance grants. The President's 2018 Budget proposes funding at \$2.25 billion; a 6 percent cut over FY 2017 levels of \$2.38 billion. The proposed House and Senate budgets fund these programs at \$2.38 billion and \$2.456 billion respectively.

4. *Support Full Funding for Section 8 Vouchers*

Support full funding, with no reductions, for Section 8 Tenant-Based and Project-Based Housing Choice Vouchers, which are vital resources for of our region's All Home Strategic Plan. The President's 2018 Budget cuts Section 8 Project-Based Rental Assistance (PBRA) by \$65 million; Tenant-Based Rental Assistance (TBRA) by \$974 million; and Section 8 Housing Assistance Payment Renewals by \$771 million. The budget document also mentions that the Administration is working toward a "comprehensive package of rental assistance reforms" including "increased tenant rent contributions, the establishment of mandatory minimum rents, and the end of utility allowance reimbursements, among others." The House bill rejects the rent policy changes proposed by the Trump administration and provides \$20.487 billion for TBRA, which while increasing available funds still yields a 6% shortfall in renewal funding, which represents the loss of about 140,000 housing vouchers. The Senate provides \$21.365 billion which comes closer to meeting renewal demand. The House also provides \$11.082 billion to renew PBRA contracts for calendar year 2018, an increase of \$266 million. The Senate funds PBRA at \$11.5 billion again coming closer to meeting renewal demand.

5. *Support funding for VA Supportive Housing Vouchers (VASH)*

Tenant-Based and Project-Based VASH vouchers have been well-utilized in our community, as a complement to our Veterans and Human Services Levy affordable housing capital and services funds, and in private market housing. These subsidies are a vital source of homelessness prevention for extremely low-income veterans, and should be maintained or increased. The House bill seeks to

maintain current levels by providing up to \$577 million to renew existing VASH vouchers while the Senate budget proposes to both maintain and increase VASH by \$40 million.

6. Support a Permanent Credit Floor for the Low Income Housing Tax Credit (LIHTC) Program

The President's proposed corporate tax rate drop to 15 percent from 35 percent would likely make investment in LIHTC less appealing because investors use tax credits to lower their annual federal tax bill. When tax credits are less appealing the price investors pay for tax credits is reduced, and developers need to sell more credits to build housing. This results in an overall decrease in housing production that can only be corrected by increasing the amount of tax credits allocated to the program.

Support, S.3237, the Affordable Housing Credit Improvement Act of 2016 sponsored by Senators Cantwell (D-WA), Hatch (R-UT). The bill would increase the allocation of Low Income Housing Tax Credits (LIHTCs) by 50 percent and enact a permanent 4 percent credit rate floor for acquisition and bond-financed projects, allowing the program to create and preserve more affordable homes in the United States.

7. Support funding For the National Housing Trust Fund (NHTF)

The National Housing Trust Fund was established as a provision of the Housing and Economic Recovery Act of 2008, which was signed into law by President George W. Bush. The fund was created to help end homelessness by providing funding to build and operate affordable housing for people with extremely low incomes but was never capitalized by congress. Washington State received \$3.24 million in NHTF funds in 2016. This dedicated source of revenue on the mandatory side of the federal budget, and as such, is not subject to annual appropriations. However, President's Budget would eliminate the program. The House bill rejects the President's proposal to eliminate the national Housing Trust Fund.

8. Preserve Municipal Bond Tax Exemption Status

As tax reform and infrastructure discussions advance on Capitol Hill, proposals that would cap certain tax benefits, including the exemption for municipal bond interest, continue to be offered as a way to help address the federal debt and deficit.

Tax-exempt municipal bonds are the primary method used by states and local governments to finance public capital improvements and public infrastructure projects that are essential to creating jobs, sustaining economic growth and improving the quality of life for Americans in every corner of this country. The Washington State Housing Finance Commission's tax exempt bond program supports the production of affordable housing throughout the state.

Between 2003 and 2012, counties, states and other localities invested \$3.2 trillion in infrastructure through long-term tax-exempt municipal bonds, 2.5 times more than the federal investment. During that decade, \$514 billion of primary and secondary schools were built with financing from tax exempt bonds; nearly \$288 billion of financing went to general acute-care hospitals; nearly \$258 billion to water and sewer facilities; nearly \$178 billion to roads, highways and streets; nearly \$147 billion to public power projects; and \$105.6 billion to mass transit.



King County

Department of Housing and Human Services
 Housing and Community Development
 Housing Finance Program

2017 Housing Capital Funding Round

Overview Materials for the Joint Recommendations Committee

Process

May – June:	Pre-Application meetings (required)
July 20:	Request for Proposals published
September 14:	Applications due
September – October:	Review by Housing Finance Program (HFP) project managers
October 16 - 23:	Applicant clarification interviews
October 26:	Overview presentation to JRC
November 20:	Advisory Committee meeting
December 7:	Final recommendations presentation to JRC
December 11:	Final decisions by DCHS Director and award notifications

Evaluation Criteria

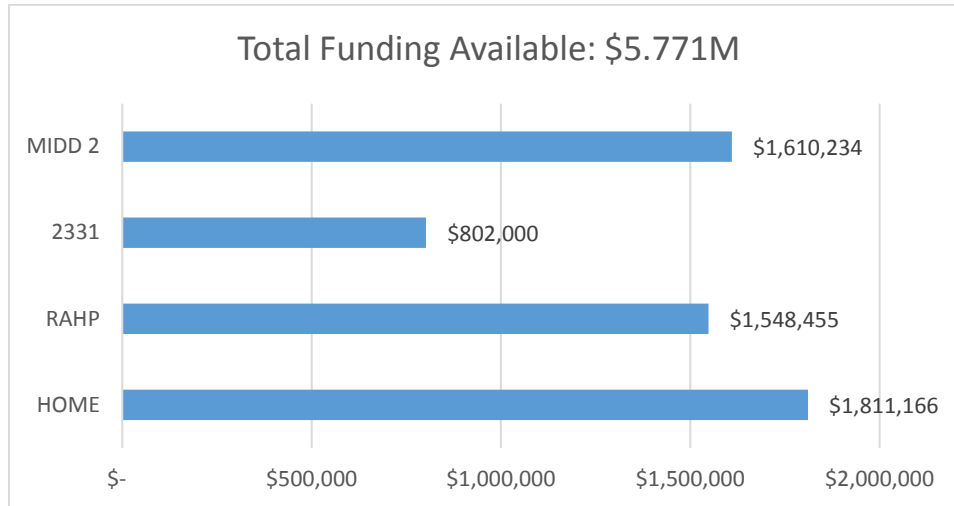
HFP project managers conduct a multi-layered review of the project applications, evaluating the project and the sponsor with the following criteria:

- How well the proposed housing model meets the County's priorities established in the RFP
- Financial feasibility
- Leverage of other public and private sources
- Organizational capacity: financial and experience/pipeline
- Readiness

Additional considerations include the appropriate geographic distribution of available funding and other funding support.

Projects serving people who are homeless located outside of Seattle applying for Operating, Rental Support, and Supportive Services (ORS) funding are evaluated at the same time as the capital funding application. When funding decisions are made, projects receiving a capital funding award will receive a conditional ORS award, which will then be confirmed when the project is nearing construction completion and lease-up.

Available Funds for Homeless and Extremely Low Income Housing



RAHP and HOME funds fall under JRC oversight. RAHP has geographic distribution requirements to the Northeast, South, and Seattle.

Compared to the level of funding availability from last year, several key differences are notable. Last year's Veterans and Human Services Levy funds were the final dollars available from the 2012-2017 Levy; because decisions in the current year's funding round are made for next year's projected resources, the proposed Veterans, Seniors and Human Services Levy funds could not be included in this RFP. Also, 2018 HOME funds are projected to be reduced from prior years' estimates, due to the changes in the federal budget. For comparison, in 2016, \$9.1M in homeless/ELI/affordable housing funds and another \$5M in mental health related projects were announced, for a total of over \$14M.

The published priorities in the current RFP are as follows:

In 2017, King County is prioritizing funds for capital projects that expand the continuum of homeless housing. Homeless housing projects should reflect a Housing First system orientation with a focus on moving homeless people into housing as quickly as possible. Homeless housing projects will be required to use the Coordinated Entry for All (CEA) system, which includes reduced barriers to entry for tenants.

Projects seeking Mental Illness Drug Dependency (MIDD) sales tax funding must be capital projects that expand the supply of affordable housing for individuals/households with chronic mental illness and substance abuse issues being discharged from treatment programs/facilities, hospitals, or other institutional settings, or are being served by a Program for Assertive Community Treatment (PACT) team. Sponsors applying for this funding must either be a State Licensed/Certified Community Mental Health Provider or must partner with a State-licensed mental health provider.

If funds remain unallocated after meeting the homeless priority identified above, King County reserves the right to fund other project types, such as family-sized affordable housing and homeownership projects.

Eligible Applications Received this Funding Round

Sponsors submitted 10 applications for projects that are eligible for the homeless/extremely low-income/affordable housing funds, totaling over \$15.3M in requests to King County. The table on the following page contains the project-level details, including affordability levels of the regulated units, as well as the request to King County.

Included in this year's round are the following project types/housing models:

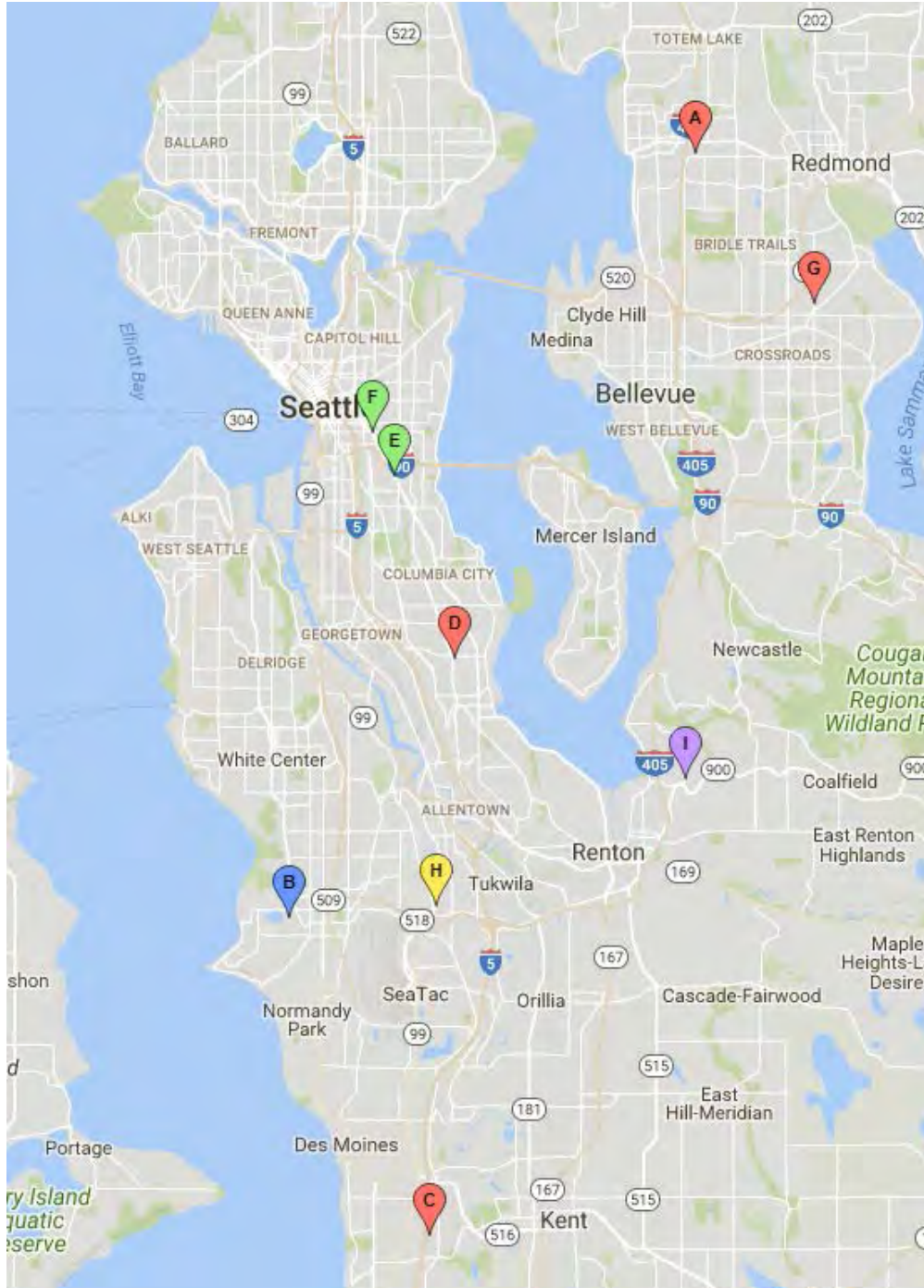
Shelter for Single Women and Families:	1 (Kirkland Shelter)
Permanent Housing Serving PACT Clients:	1 (Lake Apartments)
Group homes for Single Men:	1 (Men's Housing East King County)
Housing with Support Services:	2 (Othello Park Apartments, Esterra Park 9%*)
Permanent Supportive Housing:	3 (Kent Supportive Housing, 22 nd Ave, 501 Rainier)
Family-Sized Affordable Housing:	1 (Tukwila Apartments – 9%*)
Permanently Affordable Homeownership:	1 (Renton Sunset)

*The Esterra Park 9% and Tukwila Apartments 9% are both part of a larger project, where one-half of the project is applying for the County's affordable/ELI/homeless capital and is paired with 9% Low Income Housing Tax Credits (LIHTC), and the other half of the project is applying for King County's Transit Oriented Development funds and is paired 4% LIHTC. While the TOD funds are not subject to JRC review, the 4% and 9% portions of both the Esterra Park and Tukwila Apartments projects are related and underwritten and evaluated concurrently.

The 10 projects are geographically distributed as follows:

Northeast:	3 (Kirkland Shelter, Men's Housing EKC, Esterra Park)
South:	4 (Lake Apartments, Kent Supportive Housing, Tukwila Apartments, and Renton Sunset)
Seattle:	3 (Othello Park Apartments, 22 nd Avenue, 501 Rainier)

Map of Projects



- | | | | |
|---|--|-----------------|------------|
| A | Kirkland Shelter | CCS | Homeless |
| B | Lake Apartments | NAVOS | MIDD |
| C | Kent Supportive Housing | CHS | Homeless |
| D | Othello | LIHI | Homeless |
| E | 22nd Ave Supportive Housing | DESC | PSH |
| F | 501 Rainier Supportive Housing | PHG | PSH |
| G | Esterra Park - 9% | Imagine Housing | Homeless |
| H | Tukwila Apartments - 9% | Bellwether | Affordable |
| I | Renton Sunset | HCLT | Homeowner |
| | Men's Housing EKC not mapped as project addresses are not yet determined | | |

2017 Project-level Details

				Affordability Level								
Project Name (Applicant)	Type	City	Reg. Units/ Total Units	Affordability Level					Non Reg.	Total Units	KC ask	Residential Total Dev Cost
				30%	40%	50%	60%	80%				
Kirkland Shelter (Catholic Community Services)	Shelter	Kirkland	98 (beds)	98						98	2,000,000	8,837,824
Lake Apartments (Navos)	MIDD	Burien	11	11					1	12	954,409	1,975,186
Men's Housing EKC (Congregations for the Homeless)	Homeless	East KC	18 (BRs)	18						18	400,000	3,142,000
Kent Supportive Housing (Catholic Housing Services)	Homeless	Kent	80	40		40				80	4,785,255	23,980,231
Othello Park Apartments (Low Income Housing Institute)	Homeless	Seattle	74	40	17		17		1	75	2,000,000	24,928,643
22nd Ave Supportive Housing (Downtown Emergency Svs Center)	Homeless	Seattle	90	90						90	1,000,000	30,767,569
501 Rainier Supportive Housing (Plymouth Housing Group)	Homeless	Seattle	82	82					2	84	1,000,000	28,080,696
Esterra Park - 9%* (Imagine Housing/Red Vines)	Part of 4-9	Redmond	46	23	12		11		6	52	1,500,000	17,262,534
Tukwila Apartments - 9%* (Bellwether)	Part of 4-9	Tukwila	112	40		58	14			112	1,226,232	18,343,638
Renton Sunset (Homestead CLT)	Homeownership	Renton	12				8	4		12	500,000	5,066,602
623				442	29	98	50	4	10	633	15,365,896	162,384,923

Area Summary of HRP Activity - Amt

2017

Location	Funded				Total for Year	Spent				Total for Year
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	
ALGONA										
AUBURN										
BLACK DIAMOND		\$8,569			\$8,569	\$8,231	\$8,569	\$6,171		\$22,970
BOTHELL	\$5,994				\$5,994	\$3,016	\$5,994			\$9,010
BURIEN	\$17,761				\$17,761	\$66,997	\$7,743	\$22,076		\$96,816
CARNATION		\$8,976			\$8,976			\$8,976		\$8,976
COVINGTON	\$24,337				\$24,337	\$24,337				\$24,337
DES MOINES	\$10,500				\$10,500	\$59,616	\$3,517			\$63,133
DUVALL										
ENUMCLAW	\$7,298	\$2,521			\$9,819	\$2,590	\$8,703	\$783		\$12,077
ISSAQUAH										
KENMORE	\$6,318				\$6,318	\$6,756	\$3,350			\$10,106
KENT										
KIRKLAND		\$9,345			\$9,345	\$3,138	\$948	\$8,985		\$13,072
LK FOREST PARK										
MAPLE VALLEY										
NEWCASTLE										
NORTH BEND		\$2,113			\$2,113	\$7,050	\$2,113			\$9,163
REDMOND	\$11,312	\$4,398			\$15,710	\$29,400	\$9,379	\$10,016		\$48,795
RENTON		\$51,222	\$357		\$51,580	\$29,073	\$27,374	\$26,566		\$83,014
SAMMAMISH	\$2,855	\$435			\$3,289	\$2,855	\$435			\$3,289
SEATAC	\$1,596	\$22,294			\$23,890	\$2,329	\$16,956	\$5,675		\$24,960
SHORELINE		\$40,472			\$40,472	\$29,433		\$22,225		\$51,658

<i>Location</i>	<i>Funded</i>				<i>Total for Year</i>	<i>Spent</i>				<i>Total for Year</i>
	<i>1st Qtr</i>	<i>2nd Qtr</i>	<i>3rd Qtr</i>	<i>4th Qtr</i>		<i>1st Qtr</i>	<i>2nd Qtr</i>	<i>3rd Qtr</i>	<i>4th Qtr</i>	
SNOQUALMIE	\$1,750				\$1,750	\$1,750				\$1,750
TUKWILA		\$21,173	\$5,423		\$26,596	\$18,058	\$19,876	\$6,721		\$44,655
UNINCORPORATED	\$85,392	\$87,225	\$12,827		\$185,444	\$102,575	\$87,247	\$73,138		\$262,960
<i>Consortium Total</i>	<i>\$175,113</i>	<i>\$258,742</i>	<i>\$18,608</i>		<i>\$452,463</i>	<i>\$397,205</i>	<i>\$202,203</i>	<i>\$191,332</i>		<i>\$790,740</i>

Area Summary of HRP Activity

2017

Location	New Apps					Pending Apps					Approved Apps					Completed Apps					Cancelled Apps				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
ALGONA	1				1																1				1
AUBURN			1		1																				
BLACK DIAMOND	1	1			2	1				1		1		1	1	1	1			3					
BOTHELL		3	1		4		3	1		4	1				1	1	1			2		1			1
BURIEN	6		5		11						1				1	2	2	1		5	1	1	1		3
CARNATION		1			1							1					1			1					
COVINGTON	3	1	2		6	1				1	1				1	1				1					
DES MOINES	4	2	4		10			2		2	1				1	2	1			3	2	1			3
DUVALL			1		1			1		1															
ENUMCLAW	3	5	3		11	1	2	1		4	2	1			3	2	2	1		5	2	1	1		4
ISSAQUAH		1			1																				
KENMORE			1		1						1				1	1	1			2			1		1
KENT	2	2	1		5	1		2		3													1		1
KIRKLAND	2	3	4		9	1		1		2		1				1	1			2			2		2
LK FOREST PARK		1	1		2		1			1												1			1
MAPLE VALLEY	1				1	1				1															
NEWCASTLE																						1			1
NORTH BEND	2	2	2		6			1		1		1				1				1		1	1		2
REDMOND		3	1		4		1	1		2	2				2	3	2	2		7			1		1
RENTON	12	8	13		33	3	3	8		14		5			5	7	2	2		11	4	1	3		8
SAMMAMISH		2	1		3			1		1	1	1			2	1	1			2					
SEATAC	9	1	4		14	1		2		3	1	1			2	1	1			2	1	2			3
SHORELINE	3	1	6		10			2		2		1			1	3				3					

Location	New Apps					Pending Apps					Approved Apps					Completed Apps					Cancelled Apps				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD
SNOQUALMIE	2		1		3						1				1	1				1					
TUKWILA	2	2	3		7							1	1	2	2			1		3	1	2	1		4
UNINCORPORATED	20	13	18		51	6	2	3		11	7	6	1	14	10	6	4		20	4	5	3			12
Consortium Total	73	52	73		198	16	12	26		54	19	20	2	41	38	22	14		74	16	17	15			48