



King County

Urban Consortium Joint Recommendations Committee

Meeting Materials for Thursday, September 28, 2017

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

| Item | Info |
|----------------|--|
| Agenda | September 2017 JRC Meeting Agenda |
| Attachment A | Draft May 2017 JRC Meeting Minutes for approval |
| Attachment B | Housing and Community Development needs public hearing. |
| Attachment C | Final Draft KC CDBG/HOME Consortia-Legislative priorities |
| Attachment D | HFP Homebuyer Program Updates |
| Attachment D.1 | HFP Affordable Housing Finance Guidelines 2017 Fall Update |
| Attachment E | 2018 CDBG Non-Housing Capitol Projects Background |
| Attachment E.1 | 2018 CDBG Non-Housing Capitol Project sheets and Funding Recommendations |
| Attachment F | March 2017 JRC Meeting Minutes |
| Attachment G | April 2017 JRC Teleconference |
| Attachment H | July 2017 JRC Teleconference |
| Attachment I | September ICA Meeting Summary |

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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
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Mark Ellerbrook
King County,
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DOT, TOD Program
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Leslie Miller
Kirkland
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Rob Beem
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Dan Stroh
Bellevue
Planning Director

Merina Hansen
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Housing & Human
Services. Manager

Laurie Olson
Lending Manager,
Seattle Office of
Housing

Agenda

JOINT RECOMMENDATIONS COMMITTEE (JRC) MEETING


Thursday, September 28, 2017

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>

- I. **Welcome and Introductions**
Chair, Mayor Ken Hearing
- II. **May 25, 2017 Meeting Minutes** 10 Min
Attachment A - Action
- III. **Housing and Community Development Needs – Public Hearing** 10 Min
Attachment B – Info Item All
Citizen Participation – opportunity to comment on development of proposed activities.
Jackie Moynahan, HCD Capital Programs Manager
- IV. **JRC State Legislative Priorities for 2016** 10 Min
Attachment C – Info Item All
Al DAlessandro, HCD, Housing Finance Program
- V. **Housing Finance Program Guidelines – revisited with Homeownership Policy Changes** 5 Min
Attachment D: Homeownership Policy Changes Memo– Action Item All
Attachment D.1: HFP Guidelines Homeownership Updates
Carryover from April Skype meeting
Quinnie Tan, HCD, Housing Finance Program
- VI. **CDBG 2018 Non-Housing Capital Fund Recommendations And Decisions** 30 Min
Attachment E – Action Item –  Consortium Representatives Only
Kathy Tremper, HCD, Community Development Program
- VII. **Information, Round Table** 55 Min
 - Attachment F – March 23, 2017 JRC Meeting Minutes
 - Attachment G – April 27, 2017 JRC Teleconference Meeting Summary
 - Attachment H – July 10, 2107 JRC Teleconference Meeting Summary
 - Attachment I - ICA Work Group Summary from September 19, 2017 meeting

ADJOURN

Next Meeting: October 26, 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, May 25, 2016

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)
De'Sean Quinn, Councilmember, City of Tukwila, JRC Vice-Chair (Sound Cities Association)
Leslie Miller, Human Services Coordinator, City of Kirkland Parks and Community Services
Rob Beem, Community Services Manager, City of Shoreline
Merina Hanson, Housing and Human Services Manager, City of Kent
Jeff Watson, Community Services Manager, City of Federal Way (Alternate)
John Starbard, Director, King County Department of Permitting and Environmental Review
Gary Prince, Transit Oriented Development Manager, King County Department of Transportation
Mark Ellerbrook, Regional Housing and Community Development Manager (DCHS)

Members Not Present:

Dan Grausz, Councilmember, City of Mercer Island (Sound Cities Association)
Pam Fernald, Councilmember, City of SeaTac (Sound Cities Association)
Dan Stroh, Planning Director, City of Bellevue
Laurie Olsen, Office of Housing Lending Manager, City of Seattle

King County Staff:

Kathy Tremper, Coordinator, Housing and Community Development (HCD), DCHS
Jackie Moynahan, Capital Programs Manager, HCD, DCHS
Al D'Alessandro, Project Manager, HCD, DCHS
Jade Weiss, Administrative Specialist, DCHS
Elaine Goddard, Administrative Staff Assistant, DCHS

Guests:

Evie Boyken, City of Tukwila
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
Erica Azcuta, City of Auburn

I. Welcome and Introductions

Mayor Ken Hearing, Committee Chair opened the meeting at 9:34 a.m. He welcomed guests and asked for introductions.

II. ARCH Competitive Process Affordable Housing for North/East Sub-region CDBG Attachment B., Information Item

Jackie Moynahan informed the group that since ARCH could not identify a competitive project for their 2017 funding they will be combining the 2017 dollars with their 2018 dollars for the upcoming funding round. A competitive process will be conducted this fall and recommendations will be brought to the JRC. CDBG funding must be spent within a set time frame, and Kathy Tremper believes ARCH will be able to meet this requirement. The Women's and Family Shelter in Kirkland was not ready last year, but they expect it to be a strong candidate for this funding round. It would be a good fit for CDBG funding.

III. Timely Expenditure: Prior Year CDBG and/or HOME Projects Attachment C and C.1., Information Item

Kathy Tremper gave a briefing on the status of CDBG funded Non-Housing Capital Projects. Everything is moving forward at this time. There have been some concerns with bids coming in over the project estimates. Construction is very competitive in the region, and costs need to be monitored to keep projects moving.

Projects in pre-construction are: Des Moines Pacific Park Renovation and North Bend Way ADA Improvements. Mayor Ken Hearing announced that the North Bend has just awarded a contract and their project will be underway very soon.

SeaTac Riverton Heights Park had some weather delays, but will be under construction soon.

The DAWN Shelter Rehab project should be completed by the end of next week, and barring any labor compliance issues they will be done.

Tukwila Minor Home Repair is underway and is in compliance with timely expenditures.

Funding for Joint Agreement projects: Kirkland and Redmond have their money tied into the 30 Bellevue project which is not yet under construction. The Shoreline Ronald Commons project is complete. Renton's Façade Improvement project is underway and Renton's 2017 funding will be dedicated to Senior Center ADA improvements.

Jackie Moynahan gave a briefing on the CDBG funded housing projects. The Redmond Providence Senior Housing project is complete and will be opening in June. The Parkview Services and KCHA projects are both complete.

Jackie also provided the status on HOME funded projects. Status did not include projects funded in 2017. Recently completed projects include Compass at Ronald Commons, Valley Cities-Phoenix Rising, and Redmond Providence Senior Housing, which is already fully occupied. Athene is expected to be complete in October, 2017. The following projects are not yet under contract, but are in the works: Renton Sunset Court, and Habitat for Humanity-Sammamish. Homesight Greenbridge is a homebuyer assistance program and will be identifying homebuyers once KCHA has built the project. Imagine 30 Bellevue has applied for tax credits and is working on selecting a contractor.

Councilmember De'Sean Quinn noted that it is a tough bidding climate and asked if there are any issues with funding projects all the way through due to cost increases. The current construction market is tight, and the County expects there may be funding gaps due to overall costs and tax credit pricing. County Staff will continue to monitor the situation and any issues will be brought up and addressed with the JRC.

Jackie Moynahan announced that pre-application meetings are in the works for fall applicants. Several projects are expected to apply.

IV. 2018 Program Planning: CDBG/HOME Budget Review
Attachment D. Information Item

Kathy Tremper announced that the County does not yet know the 2017 CDBG funding amounts. An estimate for 2018 will be based on the current entitlement. Recaptured funds will be included once they are known, and will be added via an amendment to the 2017 Action Plan.

No action is needed at this time. A question was raised whether the Consortium Cities' share is based on their population. Kathy responded that it is based on the low-mod population and that HUD has a formula that is used to determine entitlement. The formula has not changed drastically over the past several cycles and no big changes are expected at this time. However, due to population increases some cities may be eligible to become Joint Agreement Cities in the Consortium.

V. Review March 23, 2017 Meeting Minutes
Attachment A – Action Item, All

The meeting minutes were reviewed. Councilmember De'Sean Quinn and Leslie Miller requested some corrections. These will be incorporated into the minutes before they are published.

MOTION: Rob Beem made a motion to accept the March 23, 2017 meeting minutes as corrected. Councilmember De'Sean Quinn seconded the motion. The motion was approved unanimously.

VI. Roundtable discussion –

- **2018-2020 Interlocal Cooperation Agreement (ICA) Update:**

The JRC had a teleconference in April to review progress of the ICA Work Group. Additional meetings are planned and another JRC teleconference will be conducted in June and an updated can be provided. The first ICA Work Group meeting had consensus around several issues, but the group agreed to go back to their cities for additional feedback. The next meeting will focus on the administrative component. Rob Beem asked about when the changes will be presented to the City Councils. Kathy Tremper responded that the existing ICA is rolling forward as is, and changes that surface can be amended into the agreement for the remaining two years. Any ICA amendments will need to be ratified by the cities.

There was discussion concerning the Joint Agreement Cities, how they have met separately to talk about the ICAs. Their feedback will be brought to the ICA Work Group.

The next ICA update will be at the June meeting.

- **Housing Finance Program (HFP) Guidelines**

The HFP Guidelines are being updated. The HFP RFP is due out in July and the updated guidelines need to be available at that time. A redline version will be circulated, and the JRC can review for comment, but the changes being addressed are mandated by HUD. Most updates are related to HOME dollars. Other updates are related to Transit Oriented Development. A bullet-list summary of the changes along with the redlined guidelines will be provided to the JRC as soon as it is available.

- **Skype Meetings**

No official JRC meetings are scheduled until September, but information items may need to be shared. Skype works well, but needs to be set up in advance. The group agreed to use Skype for the June meeting. A date needs to be selected. The County will send out a Doodle Poll to get a date set up.

- **Legislative Agenda**

Al D'Alessandro gave an update on the Federal Legislative Agenda. It is still early in the Federal budget cycle. The President has presented his budget, but this is only a starting point and the Senate and House will make changes. In the President's budget, CDBG,

HOME and the Housing Trust Fund are eliminated. The President's budget is not realistic, but there is still a lot of worry that as a base it could be used to cut and/or eliminate these programs. Members are encouraged to send comments or questions to Al who will keep the group apprised of the situation.

The State budget has not yet passed. Although legislature is in its second special session nothing is moving, and there is not much optimism that it will move until the budget forecast comes out in June. There are many concerns about the final outcomes. However, the House has pulled a document recording fee bill to the floor for a vote. If moved it will go to the Senate. If this bill passes it could give the County some options. Other bills are in discussion, but do not have any movement at this time.

Mark Ellerbrook added that the statewide Housing and Essential Needs program (HEN) is in jeopardy. The program is slated to end June 30. This program provides the region with approximately \$9 million per year, and helps over 3,000 people with rental and other housing assistance. It will be very challenging for the County to fund this program out of its own pocket. The County is pushing the legislature to get some certainty in order to move forward. Currently, there is strong support in the House, but no discussion in the Senate. The County contracts with Catholic Community Services (CCS) to administer the program. If funding ends, the County may be able to fund rental assistance through July, but cannot pay staff salary. We are trying to find ways to keep staff on board, however, they will be let go if resources are not found. Concerns were raised regarding how many families will receive eviction notices without assistance. Mark will pull data together on how many households will be impacted and distribute this as soon as possible. It would also be helpful to determine which cities would be most affected. CCS should have this information. It is important that local governments are made aware of this issue as soon as possible in order to work on a mitigation plan. Al encouraged immediate communication with legislatures regarding this issue.

Meeting Adjourned at 11:28 a.m.

Next meeting September 28, 2017.

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

Housing and Community Development Needs Public Hearing

Issue: Federal regulations require that the public be provided an opportunity to comment on any community development or housing needs associated with the Consortium's Housing and Community Development Five-year Plan.

Background: These meetings are required to be held twice during the program year. A public hearing was held in March 2017 in association with the CAPER report. This is the second hearing of the year to seek comment and feedback regarding funded activities or any proposed changes to the Consortium's processes. There is no action required outside of responding to any comments that are expressed during the course of the public hearing. Said testimony is to be recorded in the annual CAPER.

JRC Options: Provide opportunity for comment on development of proposed activities or any other matters associated with the King County Housing and Community Development Plan.

Staff Recommendation: Provide a portion of the JRC Meeting to receive public comment on matters related to the King County Consortium Housing and Community Development Five Year Plan.

Staff Contact: Kathy Tremper, Community Development Block Grant Coordinator
E-mail: Kathy.tremper@kingcounty.gov Phone: (206) 263-9097

King County CDBG/HOME Consortia - Joint Recommendations Committee

2017 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), and Wyden (D-OR) introduced S.3237. 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.

Format for JRC Issues

Affordable homeownership program rule changes in the Housing Finance Program Guidelines

Issue: Amend the affordable homeownership program rules in the Housing Finance Program Guidelines to address two issues: 1) increasing the down payment assistance per-homebuyer loan limit from \$35,000 to \$45,000, and 2) establishing the HOME program maximum purchase price limit for the homeownership program as a reference, instead of a specific number, in the Guidelines document.

Background:

1) Increasing the down payment assistance per-homebuyer loan limit

Due to the current heated market for home sales, HFP's homeownership program partners have requested that King County increase the per-unit limit for funds used for down payment assistance, from \$35,000 to \$45,000. While the increase in the per-unit limit will negatively impact the total numbers served under homebuyer program (as there are no planned increases to the total dollars available for homeownership), the reality of the market is such that the current amount available for down payment assistance is insufficient to close the affordability gap for buyers. When blended with other funding sources, program partners are hopeful that usage of the down payment assistance program will increase.

2) Establishing the HOME program per-unit purchase price limit for home ownership program as a reference rather than a specific number.

The HOME program publishes a maximum purchase price limit for home ownership programs annually. Following the practice for rent and income limits that HUD updates periodically for the rental housing program, HFP is removing the specific number from the Guidelines, and instead will provide a reference to a document that King County publishes on its web site. Because the purchase price limits are established by the HOME program and the effective date is set by HUD, this practices allows the County to issue the most up-to-date limits and avoids any confusion caused by having inconsistent program limits in different publications.

For 2017, the HUD-published maximum purchase price limit is \$373,000. HOME program rules allow participating jurisdictions to determine 95 percent of the median area purchase price in lieu of using the HUD-established limit. Due to the current market, and especially for areas in the ARCH sphere of influence, the HUD-established limit renders the homebuyer assistance program critically under-used as so few homes are available for sale under \$373,000, where the median sale price was \$899,975 in June. Therefore, per the request of A Regional Coalition for Housing (ARCH) and the Washington State Housing Finance Commission (WSHFC), the County is petitioning to HUD to determine an area-specific maximum purchase price limit, based on a market analysis. On September 7, King County submitted a request to HUD to increase the maximum purchase price in

the areas served by ARCH to \$450,000, allowing more homes to become eligible for purchase using the HOME-funded homebuyer assistance program.

JRC Options: The JRC may accept or reject increasing the per-unit down payment assistance limit from \$35,000 to \$45,000. By allowing the increase, the down payment assistance programs would be more effective in closing the affordability gap for first-time purchasers. If rejected, then the down payment assistance programs would continue to be under-used, as it would be ineffective in closing the affordability gap.

Because the maximum purchase price limit is established by HUD periodically, it is best practice to reference, rather than publish the number, in the Housing Finance Program Guidelines.

Staff Recommendation: Staff recommends increasing the per-unit down payment assistance limit to \$45,000, to increase the effectiveness of the program.

Staff Contact:

Quinnie Tan

Housing Finance Program Manager

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Housing and Community Development: Housing Finance Program

Housing Finance Program Guidelines

Fall 2017 Update

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Table of Contents

| | |
|---|-----------|
| Funds for Affordable Housing..... | 3 |
| Fund sources | 3 |
| Forms of financial assistance | 4 |
| Funding Process and Awards | 5 |
| Application process | 5 |
| Eligible applicants..... | 6 |
| Eligibility of primarily religious organizations | 6 |
| Eligible project categories | 6 |
| Eligible housing types and uses of funds | 7 |
| Eligible beneficiaries and affordability requirements | 7 |
| Consistency with local plans | 7 |
| Where HFP affordable housing capital funds may be used | 8 |
| Affordability | 9 |
| Developer fees | 9 |
| Funding award limits and matching requirements | 10 |
| Project selection process | 10 |
| Evaluation criteria | 11 |
| Market Demand Analysis | 12 |
| Application for ORS Funding | 13 |
| Funding awards | 13 |
| Contingent awards | 14 |
| Contract amendments | 14 |
| General Project Requirements | 15 |
| Contracting..... | 15 |
| Loan terms | 16 |
| TOD Bond Fund Application Fees and Interest-only Payments | 16 |
| Environmental review in rental housing projects | 16 |
| Housing Rehabilitation and Construction Standards | 17 |
| New Construction | 18 |
| Rehabilitation..... | 18 |
| Acquisition of Standard Housing Property Standards | 19 |
| Newly Constructed or Recently Rehabilitated Housing..... | 19 |
| All Other Existing Housing – Multi-family | 19 |
| Ongoing Property Standards during Affordability Period..... | 19 |
| Green building and the Evergreen Sustainable Development Standard | 19 |
| Housing for persons with special needs | 20 |
| Fair housing, access, and affirmative marketing..... | 21 |
| Contractor selection, construction contracting, and construction management | 22 |
| Management plan | 22 |
| Capital needs assessment | 23 |
| Community and neighbor relations | 24 |
| Employment and training opportunities..... | 24 |
| Close-outs and monitoring..... | 24 |
| Transfers, assumptions, and refinancing of HFP contract obligations | 26 |

HFP Affordable Housing Finance Guidelines 2017 Update

| | |
|---|-----------|
| Affordable Ownership Housing..... | 27 |
| General program guidelines..... | 27 |
| Reporting responsibilities for ownership projects..... | 28 |
| Environmental review in ownership projects | 29 |
| Portfolio Preservation Loans | 29 |
| General policies and types of loans | 29 |
| Application process..... | 30 |
| Priorities for portfolio preservation program | 30 |
| Relocation | 31 |
| Displacement policy | 31 |
| Relocation guidelines..... | 31 |
| Notice of project conversion..... | 32 |
| Relocation tenant selection and notification..... | 33 |
| Guidelines for using CDBG funds for relocation only..... | 33 |
| HOME Investment Partnerships Program (HOME) Policies and Requirements..... | 34 |
| Eligible HOME costs | 35 |
| Maximum and minimum HOME subsidies per unit..... | 36 |
| Construction management in HOME projects..... | 36 |
| Federal matching requirements..... | 37 |
| Program Income, Repaid Funds, and Recaptured Funds..... | 37 |
| Environmental review in rental housing projects..... | 37 |
| Rental housing requirements..... | 38 |
| Rental Project Underwriting and Layering Review | 38 |
| Duration of low-income benefit..... | 38 |
| Property standards for rental housing..... | 39 |
| Tenant incomes and rents in rental housing | 40 |
| Tenant protections required by HOME program..... | 41 |
| Affirmative marketing | 42 |
| Tenant income verification monitoring | 42 |
| Homeownership assistance | 44 |
| General requirements..... | 44 |
| Capital Improvements..... | 46 |
| Homes Purchased with HOME Assistance..... | 46 |
| Recapture provisions | 47 |
| Resale provisions..... | 48 |
| Homebuyer underwriting standards..... | 48 |
| Environmental review in ownership projects | 49 |
| Community Housing Development Organization (CHDO) Set-aside | 49 |
| Mixed income and mixed-use projects..... | 50 |
| Property standards..... | 50 |
| Annual Monitoring and Risk Analysis..... | 51 |
| HOME project physical inspections..... | 53 |

Affordable Ownership Housing

General program guidelines

The County provides financial assistance to sponsors who help income-qualified families purchase homes they will occupy as their principal residence. Homeownership programs will target households with incomes between 50 and 80 percent of the area median income (AMI). Programs targeting households with incomes below 50 percent AMI may be considered on a case-by-case basis. Ownership programs may be based on any of a number of models: limited equity cooperatives, community land trusts, self-help “sweat equity” programs, partnerships with for-profit organizations to develop houses for first-time homebuyers, or nonprofit acquisition of a mobile home park in danger of conversion to another use.

The public benefit basis for HFP’s commitment to funding low income ownership programs is based on their providing low income families with opportunities for entry into a challenging housing market, the potential to create asset-building opportunities for low income families, and their contribution to the stability of families and neighborhoods.

Funds may be used to provide down payment assistance, interest buy-downs to a first mortgage lender, or development subsidies to reduce the price of newly constructed homes. Public funds may also be used to reduce the cost of property for development, with the benefit passed on to buyers. Ownership programs must be based on either a resale or recapture model, and may not combine characteristics of both. In resale programs initial and resale prices must be affordable to a defined range of income-qualified home buyers, the public subsidy remains in the homes, and the program will include a resale formula that provides a fair return to the owner. In recapture programs, the public subsidy helps with the initial purchase and returns to the public funder upon resale. King County fund sources may not be used for program administration.

When County funds are used to help pay development costs for new construction and acquisition-rehabilitation ownership projects, those funds may be used for acquisition, infrastructure, rehabilitation, building construction, and “soft costs” such as design and engineering. Evidence of site control is required at the time of application for funds except in the case of projects that will acquire existing scattered-site single-family homes. Developers must specify the proposed income restrictions and affordability periods in their application and the maximum subsidy per unit may be no more than 50 percent of the total per-unit cost of the project. There are limitations on using HOME funds for some of categories of expenditure and other requirements may apply when federal funds are used in ownership projects.

County funds used as down payment assistance are limited to \$45,000 per unit, with the final amount determined by each household’s affordability gap. Development subsidies will be subject to the per-unit maximums established by federal regulations for the use of HOME funds in rental housing. Ownership programs will be subject to maximum ratios of housing costs to total monthly income, based on the sum of principal, interest, taxes and insurance (PITI), plus homeowner dues, which should not exceed 38 percent of an owner’s gross monthly income. Maximum home prices will be based on current HUD-published guidelines. Requests for County funds for new or existing revolving loan funds will be considered on a case-by-case basis. In general, preference will be given to ownership projects that create long-term affordability through resale provisions and community land trust structures.

The following entities are eligible to manage home ownership programs using funds awarded by the County: public housing authorities; nonprofit organizations; local governments; community

Commented [TQ1]: Our partners would like to see \$45K to respond to market reality

Deleted: 3

housing development organizations (CHDOs); and for-profit housing developers, subject to limitations.

Ownership program sponsors are required to determine income qualification for prospective homebuyers; partner with or provide affordable mortgage programs; provide homeownership education and counseling, and monitor long-term affordability requirements including recapture or resale restrictions. Program sponsors will also be required to track the recapture of County funds, and provide demographic data on homeowners as required by HUD, in programs using federal funds.

In down payment assistance programs based on recapture of the public investment, the affordability period will typically be as long as the term of the first mortgage, with the County loan being forgiven if the owner occupies the home throughout this entire period. In programs using federal funds, the period during which federal rules and reporting apply will be the minimum required by HUD. ~~Down payment assistance loans will be deferred payment loans, due upon sale or refinance. Typically, down payment assistance programs will be administered by a subrecipient that deploys County funds in a pass-through loan to the homebuyer. King County will secure its interest in recapture-type projects through a recorded deed of trust, a promissory note, and in applicable circumstances, a covenant restricting the use and resale of the property. A home ownership program may be structured so that funds subject to recapture are reduced according to a calculation that gives credit to the homeowner for the time that person has owned and occupied the unit. Each subrecipient will determine the way in which the recapture of funds will be reduced, if such a provision is included in the program design. The following is an example of such a step-down: divide the number of years the homebuyer occupied the home by the period of affordability and multiply the resulting factor by the total amount of direct subsidy originally provided to the homebuyer to reduce the total amount owed.~~

Deleted: The down payment assistance provided by the County will as a matter of policy be less than \$40,000 so this period will be ten years or less.

The affordability period for a project or program using resale provisions, typically a land trust model, is based upon the term of the ground lease. The period during which federal rules and reporting apply will be the minimum required by HUD. A subsidy of less than \$15,000 per unit will require five years of federal requirements; \$15,000 to \$40,000 – ten years; over \$40,000 – 15 years. If the home is sold or transferred during the affordability period, it must be to another income qualified household. If a home is sold or transferred during the period when HUD rules apply, a new such period will begin. King County will secure its interest in resale-type projects by recording a deed of trust, a promissory note, and a covenant restricting the use and resale of the property.

Reporting responsibilities for ownership projects

Each January throughout the affordability period all project owners must send the County an annual report in a format similar to that required by the Department of Commerce Housing Trust Fund staff at the same time it is due to the State. The report will include data for the reporting period of the previous calendar year. Owners will report on the number of home buyers assisted, the number of loans in default and how defaults are being resolved; the number of foreclosures; and a summary of all homes resold through either resale or recapture.

Agencies administering a revolving loan fund must provide annual reports on the balance of all funds available for homeownership activities, how much of the balance consists of HFP dollars, how much has been spent in the past year, and the number of home buyers assisted. Beginning in 2017, revolving loan funds that use HOME funds will be required to return to the County any program-related income, including interest payments or payoffs, which the County will receipt in

IDIS as Program Income, Recaptured, or Repaid funds (as defined by HOME program regulations.) Those funds will be collected throughout the year and re-allocated in the next year.

The annual report due by June 30 must also include the most recent annual audit, the annual budget for the owner organization for the current year, and a copy of the current certificate of insurance. A full list of submissions and report instructions can be found at this web address:

<http://www.commerce.wa.gov/Programs/housing/TrustFund/Pages/AnnualReporting.aspx>

All agencies managing County-funded homeownership programs are responsible for informing HFP immediately when homes are resold. Such agencies must provide evidence to HFP that the buyer is income qualified and that applicable resale or recapture provisions have been followed. HFP must also be provided copies of the new homebuyer's promissory note, executed HOME Use Agreement if applicable, and demographic data for the home buyer.

Agencies managing HFP-funded homeownership programs are responsible for ensuring that homeowners understand the obligation to occupy an HFP-assisted home as their principal residence for the required period of time, and the obligation to pay back HFP funds pursuant to a formula, if they do not. Agencies must inform the County as to the method they will employ to monitor their portfolio of current loans.

For construction or acquisition projects, HFP will conduct one or more physical inspections of the property and the agency must provide evidence that the housing meets the required housing quality standards.

Environmental review in ownership projects

Recipients of down payment assistance must document compliance with federal Environmental Review requirements by completing a determination of exemption and a determination of categorical exclusion. This includes documentation that the housing is not within a 100-year floodplain, and is not located within 2,500 feet of a civil airport or 15,000 feet of a military airfield. Additional detail and documentation requirements may be found in HFP's Environmental Review Documentation Guide, which will be updated as necessary to reflect current federal regulations and rules.

In programs providing down payment assistance where project activities will include acquisition, rehabilitation, or new construction, recipients must stop all choice-limiting activities upon applying for funds, including acquisition, demolition, rehabilitation, and any ground disturbance until the County completes an environmental review.

Portfolio Preservation Loans

General policies and types of loans

The Housing Finance Program will consider requests for loans to pay for repairs or replacements in projects already in the county's housing portfolio on a case-by-case basis. Small emergency loan requests may be made at any time, but will be subject to availability of funds. Review of such requests will include acquiring and analyzing information on available reserves, if any, as well as other resources that may be available to the requesting agency. "Emergency" is defined in this context as meaning that without immediate repairs, (1) the owner will not be able to maintain all units and common areas in a safe, decent, and sanitary condition; and (2) the financial sustainability of the project is likely to be compromised. A typical example of this kind

identify violations and establish a strict timeframe in which to correct them. A written agreement will be executed between HCD and the project owner that specifies terms, conditions, and actions that must be taken to address the violation. Remedies will be specified in the agreement, which may include repayment of overcharged rent to the tenants by the owner, if rents were inappropriately charged. Non-compliance with the written agreement for level three may include a declaration of default under the King County contract with the owner and pursuit of remedies associated with default as outlined in the contract. [92.252(h)]

Homeownership assistance

General requirements

HOME funds may be used to provide assistance to families who are income qualified to purchase homes and who will occupy the housing as their principal residence. Income qualification will mean households with incomes at or below 80 percent of the King County AMI, as defined annually by HUD. Assistance may take the form of (a) gap financing covering the difference between the amount payable by the homebuyer and the amount of permanent lender financing; (b) closing costs; (c) a direct mortgage loan to the homebuyer; (d) an interest buy-down to the first mortgage lender; or e) donated or discounted land or property for development. HOME funds cannot be used to pay mortgage loan origination fees or points.

Homeownership activities supported with HOME funds must ensure that prospective homebuyers are screened for income qualification and the probability of success as a homeowner. Programs must ensure long-term affordability through recapture or resale provisions, subject to a minimum affordability period of five to fifteen years as established by HUD through a written agreement enforced by a covenant, deed restriction, or both.

Household income for purposes of income qualification will be calculated based on Internal Revenue Service 1040 definitions for all homeownership programs. HOME-assisted ownership programs will be administered by subrecipients, agencies administering projects using federal funds awarded by the County. These may be nonprofit or for-profit organizations, or public entities. Subrecipients will be required to take the following actions:

- Determine income qualification for prospective homebuyers.
- Provide homeownership education and counseling from a HUD-approved counseling agency. HUD published the Final Rule for Housing Counseling Certification on December 14, 2016, specifying that housing counseling required or provided in connection with all HUD programs must be provided by HUD-Certified Housing Counselors who work for organizations approved to participate in HUD's Housing Counseling Program.
- Partner with or provide affordable mortgage programs.
- Monitor long-term affordability requirements including recapture or resale restrictions.
- Assist in tracking the recapture of HOME funds.
- Provide demographic data on homeowners assisted with HOME funds as and when required by the County.
- Collect and provide survey information on homebuyers as and when required by the County.

HFP Affordable Housing Finance Guidelines 2017 Update

- Assist in monitoring compliance with the HOME regulations to ensure that the homeowners remain the principal occupants of their home during the HOME period of affordability.
- Report on resales if required by their contracts. [92.254, 92.504(2)]

Homes purchased using HOME funds may not exceed the maximum purchase prices established periodically by the HOME Program. The Housing Finance Program provides the most up-to-date maximum purchase price limits approved by HUD on its website:
<http://www.kingcounty.gov/depts/community-human-services/housing/services/housing-finance/reporting.aspx>

Deleted: The current limit for existing and newly constructed home is \$373,000, set on March 1, 2017.

The minimum periods of affordability for various levels of HOME investment or direct subsidy is given in the table below.

| Total HOME investment or subsidy per unit | HOME period of affordability |
|---|------------------------------|
| Under \$15,000 | 5 years |
| Between \$15,000 and \$40,000 | 10 years |
| Over \$40,000 | 15 years |

HOME-assisted homebuyer program activities will generally be targeted toward homebuyers with incomes between 50 percent and 80 percent AMI. A project may specify a narrower range of incomes at the time the project is included in the County's Annual Action Plan.

Education and counseling activities will only be funded as part of a homeownership program or project such as down payment assistance or new construction. Funding for homeownership education and counseling activities will not exceed \$25,000 per program or project, and the total funds available for these activities annually will not exceed five percent of the funds available in the annual HOME entitlement. All HOME-funded homebuyer projects or programs will be expected to provide homebuyer counseling, with pre-purchase counseling as a minimum requirement, to prepare home purchasers for the responsibilities of ownership and help the homebuyers avoid predatory lenders.

Homeownership programs may be defined as any or a combination of the following models:

- A limited equity cooperative or community land trust.
- A self-help or "sweat equity" model.
- A nonprofit organization partnering with for-profit organizations to develop a homebuyer program serving a neighborhood or community.
- A revolving loan fund that provides down payment assistance or a mortgage subsidy through a second or third mortgage loan.
- Nonprofit acquisition of a manufactured home park in danger of conversion to another use in order to maintain its long-term affordability.

Proceeds from repayments of loans to homebuyers will be used for other HOME-eligible activities or to assist other eligible homebuyers. The monitoring of the recapture of HOME

funds, subsequent sales, and long-term affordability will be specifically addressed in subrecipient contracts. [92.254; 92.504(2)]

Agencies managing homeownership programs funded by the County are responsible for informing HCD immediately of any homes that are resold. Such agencies must provide evidence to HCD that the applicable resale or recapture provision have been followed. HCD must also be provided copies of the new homebuyer's promissory note, executed HOME Use Agreement if applicable, and demographic data. [92.254(a)(5)]

Projects awarded HOME funds for new construction are subject to the following deadlines. (1) Project must be under contract within 17 months of the start of the year of the funds. (2) Projects must begin construction within 12 months of executing a contract with the County. (3) Project must be completed, sold and occupied by income-qualified homeowners within four years from the start of the year of the HOME funds regardless of what aspects of the project are paid for with HOME funds. As an example, a project awarded 2015 funds (start date January 1, 2015) must have all the houses in which HOME funds were used built, sold, and occupied by income-qualified buyers by December 31, 2018.

These constraints on the use of HOME funds in ownership projects make it unlikely that HOME funds will be awarded for acquisition or infrastructure work. The construction of homes may take several years, making it difficult to meet the deadline for sale and occupation of the homes. In general, therefore, HOME funds will be awarded to serve as the last portion of financing needed to complete a project prior to sale and occupancy. It can take time to find income-qualified households who are able to secure financing necessary to purchase a home, so recipients of HOME funds must allow ample time in the project schedule so as not to exceed the project duration permitted under HOME rules. [Clarification or minor change in HUD rule – 92.254]

Capital Improvements

Home ownership programs funded with HOME program funds and managed on a resale model may allow limited price adjustments for qualifying capital improvements and capital systems. Capital improvements must increase the gross built living space of the home or have a useful life of ten years or more, and must be built or installed subject to all required permits and approvals. Each HOME-assisted program will set dollar-value threshold limits for qualifying capital improvements subject to approval by the County, and must list items that will be allowed and how they will be valued for calculating fair return. Items such as the following may be considered for capital improvement credit: initial landscaping improvements on new construction with incomplete yards, roof, siding, HVAC, water heater, foundation, sewer and water service lines, electrical service or lines within the house, plumbing lines, windows and doors if they improve energy performance, decks, porches, sheds or garages. Each program must provide buyers with a list of qualifying capital improvements and capital systems, and must clearly state items that are excluded, such as exterior painting, fixtures, flooring and other finishes, interior carpentry or masonry, and any item not expressly on the qualifying list. Subrecipients must clearly state how qualifying capital improvements and capital systems will be valued upon resale. Straight-line depreciation based on current published data or a formula that allows a fixed annual percentage for appreciation is an example of how this might be done.

Homes Purchased with HOME Assistance

Each home purchased with the assistance of HOME funds must be a “qualifying home” that meets the following criteria.

- It is modest single-family housing, a one- to four-unit family residence, condominium unit, cooperative unit, combination of manufactured home and lot, or manufactured home lot.
- It is the homebuyer's principal residence throughout the HOME period of affordability.
- It meets or exceeds the Uniform Housing Code and the Section 8 Housing Quality Standards.

Newly constructed housing must be placed under a purchase and sale contract with an eligible homebuyer within nine months of the date of completion for construction or rehabilitation, or the housing must be rented to an eligible tenant.

For homeownership housing, the County's standards must require, upon project completion, each of the major systems to have a remaining useful life of at least five years or such longer period as specified by the County, or the major systems must be rehabilitated or replaced as part of the rehabilitation work. [92.254]

Recapture provisions

King County will require the use of recapture provisions in ownership programs that provide down payment assistance to buyers. The amount of down payment assistance using HOME funds must be at least \$5,000 and may not exceed \$35,000 per home.

HOME funds will be subject to recapture if the housing is not the principal residence of the household throughout the period of affordability. The amount subject to recapture is based on the amount of HOME assistance provided directly to the homeowner. Recaptured HOME funds will be used for other HOME-eligible activities or to assist subsequent homebuyers. Direct HOME assistance will also be subject to recapture during the period of affordability by the County under the following circumstances:

- The home is sold.
- The title is transferred.
- The home is re-financed and the principal is increased.
- The home is foreclosed upon.
- The homeowner is in default with the terms of the HOME loan.

A home ownership program may be structured so that HOME funds subject to recapture are reduced according to a calculation that gives credit to the homeowner for the time that person has owned and occupied the HOME-assisted unit. Each subrecipient will determine the way in which the recapture of HOME funds will be reduced, if such a provision is included in the program design. The following is an example of how a subrecipient might do this: divide the number of years the homebuyer occupied the home by the period of affordability and multiply the resulting figure by the total amount of direct HOME subsidy originally provided to the homebuyer.

The amount of HOME funds recaptured upon the sale of a home will be limited to "net proceeds" since it may happen that the proceeds of a sale are not sufficient to cover outstanding debt and the original HOME investment. Net proceeds are defined as the gross sales price of the home minus any senior debt and closing costs and details are specified in the Promissory Note or contract. Recaptured HOME funds will be used for other HOME-eligible activities or to assist

subsequent homebuyers, depending upon the design of the homeownership program.
[92.254(a)(5)(ii)]

Resale provisions

The County may also use resale provisions for HOME investments in the development and sale of ownership units. Resale may be appropriate when HOME funds are used to acquire land or to construct homes which will remain affordable to income qualified homebuyers over a longer term. The County and all subrecipients must ensure that any resale-based program meet the following requirements: it must serve income qualified homebuyers; the sales price for resale must provide the homeowner with a fair return upon his or her initial investment; and the initial and subsequent sales price must be determined in such a way as to be affordable to buyers within a specified range of incomes.

In all resale programs, initial and subsequent sales during the HOME period of affordability must be to households with incomes at or below 80 percent of the area median income (AMI). HOME-assisted units will be sold at initial and resale prices that are affordable to a range of income-eligible buyers with incomes between 50 and 80 percent AMI. The actual upper limit for the income range of qualified buyers will be determined by the design of each subrecipient's program.

The formula used to determine the maximum allowable resale price must be such that it provides the HOME-assisted homeowner a fair return on her or his investment. The formula must be based on a publically accessible index that is easily measured at the time of original purchase and at resale, such as changes in area median income within the County, the average change in real estate prices for the sub-region served by the subrecipient's program, or on a fixed annual percentage for escalation.

The basis to which the index is applied will include one or more of the following: the homeowner's original purchase price, initial investment, and loan principal payments, plus any approved capital improvements. In a declining housing market where home values are going down, the original homebuyer may not receive a positive return on his or her investment because the home may sell for the same or a lower price than when it was originally purchased. This possibility is consistent with the HOME Program requirement that the homeowner must receive a fair return on investment. Each subrecipient's proposed program will be reviewed and negotiated to ensure a formula that is based on an index or other factors that meets the guidelines of the HOME Program. [92.254(5)(i).]

Homebuyer underwriting standards

Subrecipients must adopt and apply prudent underwriting standards for homebuyer assistance loans funded with HOME funds. The general guidelines for these standards in programs funded by the County using HOME funds will be based on the following factors. Exceptions to these guidelines will be considered on a case-by-case basis, taking into account all factors together and any other relevant information.

- Evidence of ability to secure financing and other resources necessary to complete the purchase the home.
- Evidence of available financial resources sufficient to sustain homeownership.
Homebuyers may retain cash savings in the amount sufficient to pay six months' costs

of housing payments (principal, interest, taxes, and insurance), or \$10,000, whichever is greater

- Housing debt-to-income ratio (“front-end ratio”) must be at least 25 percent to ensure the homebuyer’s fair contribution but no higher than 35 percent (including principal, interest, taxes and insurance). With the inclusion of homeowner dues or lease fees, this percentage may go up to 38 percent.
- Total debt-to-income ratio (“back-end ratio”) no higher than 42 percent.
- A minimum credit score of 620, consistent with the guidelines currently used by the Washington State Housing Finance Commission. [92.254(f)]

Environmental review in ownership projects

Recipients of down payment assistance must document compliance with federal Environmental Review requirements by completing a Determination of Exemption and a Determination of Categorical Exclusion. This includes documentation that the housing is not within a 100-year floodplain, and is not located within 2,500 feet of a civil airport or 15,000 feet of a military airfield. Additional detail and documentation requirements may be found in HFP’s Environmental Review Documentation Guide, which will be updated as necessary to reflect current federal regulations and rules.

In a program providing down payment assistance where project activities will include acquisition, rehabilitation, or new construction, recipients must stop all choice-limiting activities including acquisition, demolition, rehabilitation or ground disturbance until the County completes an environmental review and, if necessary, receives permission from HUD to release funds. [92.352 and CPD Notice 01-11]

Community Housing Development Organization (CHDO) Set-aside

The federal regulations require that 15 percent of the HOME allocation be set aside to be awarded to qualifying community housing development organizations (CHDOs). A CHDO is defined as a private nonprofit organization that meets the following criteria.

- At least one-third of the members of its governing board are residents of low-income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations.
- It provides a formal process for low-income program beneficiaries to advise the organization in its decisions regarding the design, siting, development, and management of affordable housing[
- It has a history of serving the community within which its program will provide HOME-assisted housing.
- It has a demonstrated capacity for carrying out the proposed HOME-assisted activities.

The County must certify that an organization meets the definition of a community housing development organization before it can be awarded CHDO funds, and must document that the organization has the capacity to own, develop, or sponsor housing. A CHDO may take a number of roles in providing housing, as owner, developer, or sponsor.

Housing is owned by a CHDO if the property is held in fee simple for multifamily or single-family housing (or has a long-term ground lease) for rental to low-income families. If housing is

2018 Program Planning: CDBG Capital Projects

Issue: The JRC must approve specific capital projects for 2018 King County Community Development Block Grant (CDBG) Consortium funding (*note:* this does not include the Joint Agreement Cities CDBG projects of Burien, Kirkland, Redmond, Renton, and Shoreline, which are decided separately by their individual councils). The JRC will be making decisions on most but not all of the Consortium's 2018 CDBG capital dollars at this time¹.

Background:

HCD's Community Development Section conducted a request-for-proposal (RFP) process for this portion of the 2018 CDBG funds based on the goals outlined in the Consortium's 2015-2020 Consolidated Housing and Community Development Plan and more specific priorities and criteria adopted by the JRC.

Staff conducted a review of the proposals in June, July and August and prepared summaries for the inter-jurisdictional sub-regional advisory groups (cities' representatives). The applicants had an opportunity to present their proposals during a public forum held on July 14th. The South Sub-regional Advisory Group toured the south county project sites, subsequently met to review the project summaries and HCD staff's preliminary recommendations, discuss what they saw on the tour and heard at the public forum, and decide on their recommendations to the JRC. The North/East Sub-regional Advisory Group was never called together as one of the two proposals, City of Duvall, had some difficulties obtaining approval from HUD for its survey process. The approval was recently received and the City of Duvall will commence implementing the survey to demonstrate eligibility for the 2019 allocation process. The other project was highly rated by the HCD Staff and there were no major issues noted with the project.

CDBG Consortium Cities that participated on the South Sub-Region Advisory Groups are as follows:

- **South Sub-region cities:** Burien², Des Moines, SeaTac, and King County for the unincorporated area of the sub-region.

Brief summaries of each proposal follow.

Please note that these recommendations will be incorporated into the 2018 Draft Action Plan and made available for 30 day public comment starting on December 15th, as required by HUD.

JRC Action Needed: Approve or modify the 2018 CDBG Capital project recommendations.

Staff Contact: Kathy Tremper, Community Development Coordinator

E-mail: kathy.tremper@kingcounty.gov Phone: (206) 263-9097

¹ The North/East Sub-region set aside a portion of the north/east sub-region's capital dollars for housing projects allocated through A Regional Coalition for Housing's (ARCH) process. The JRC will consider housing projects at a later date once the ARCH has concluded their review.

² On August 21st, the Burien's City Council approved the City to become a Joint Agreement City starting in the 2018 program year. This decision was made after the South Sub-Region Cities meeting.

**King County
CDBG Consortium
2017 CDBG Capital Applications for 2018 Funds**

September 28, 2017

2018 CDBG Capital Proposal Summary Sheets

King County Regular CDBG Consortium

2018 CDBG Non-housing Capital Allocation Recommendations For North/East and South Sub-regions

Table of Contents

**North/East List of Proposals Received
N/E Proposal Briefing Papers**

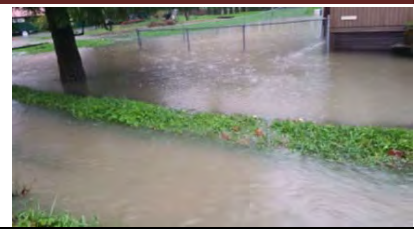
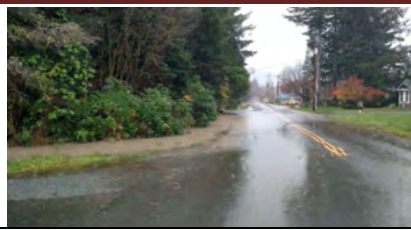
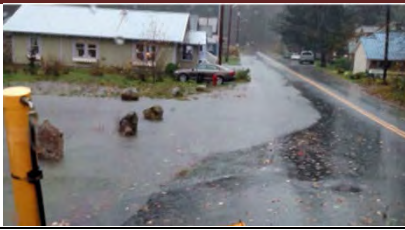
**Page 3
Pages 4-7**

**South List of Proposals Received
South Proposal Briefing Papers**

**Pages 8
Pages 9-24**

2018 CDBG Capial Proposal Summary Sheets

| North/East Sub-Region Projects | | | | | Estimated 2018 Funds Available: \$232,580 \$139,548 remain for allocaton after ARCH 40% reduction) |
|--------------------------------|---|-----------------------|---------------------------------|-------------------|--|
| Assigned Number Sub-Region | Project Title | Category | Minimum Request | Full Fund Request | Proposed Use of CDBG Funds/Reference Page |
| North/East | ARCH 40% Housing Set-aside | Housing | | \$93,032 | 40% N/E Funds set aside as priority funding for housing project(s) to be distributed through ARCH RFP Process in Fall 2017 |
| North/East | Duvall 142 nd Street Sidewalks | Public Infrastructure | \$200,000 | \$280,000 | CDBG funds will be used to remove architectural barriers by constructing approximately 1,820 linear feet of five foot sidewalk along the north side of NE 142nd Place NE. Storm, minor asphalt paving, bike lane and landscape are included. |
| North/East | Skykomish Old Cascade Highway Drainage Improvements | Public Infrastructure | \$163,700 | \$250,000 | CDBG funds will be used to mitigate flooding of roadways, yards and buildings along the Old Cascades Highway in Skykomish associated with overloading of the stormwater system during annual high water events. |
| | | | Total Request North/East | \$623,032 | |


Town of Skykomish, WA
Request: \$250,000 / Min: \$200,000
Old Cascade Hwy Drainage Improvements
Category: Infrastructure

Project Summary: Flooding from stormwater runoff regularly impacts a large area of the Town of Skykomish south of the South Fork Skykomish River. All stormwater collected within the Town is discharged to the SF Skykomish River, some of it via Maloney Creek. Storm frequency and intensity have been increasing, underscored by the November and December 2015 storm events. The Town has documented four separate events during the 2015 storm season when stormwater over-topped existing conveyance ditches and flooded roads, open space, residences and businesses. The project addresses the stormwater system conveying runoff from an un-named tributary draining the southeast portion of town.

Need: Flooding along the Old Cascades Highway, which occurs during wet early winter storms and spring snow melt runoff. The proposed stormwater conveyance pipeline and outfall to Maloney Creek will help to reduce the extent of flooding on the Old Cascade Highway and the number of road closures required to protect public safety. The project should also reduce the extent and severity of flooding of homes, property and other buildings along the Old Cascades Highway and side streets between South 4th Street and South First.

Benefit/Accessibility: Redirecting flows from the under-sized Old Cascades Highway drainage ditches directly to the creek via the proposed 24-inch pipe will reduce the number of road closures associated with flooding and allow residents of the project area (and emergency response teams) to access their homes and properties during storm events. The proposed stormwater pipe and outfall will be designed to convey the 100-year flood, so the project should significantly reduce nuisance flooding and property damage along the Old Cascades Highway and side streets associated with increasingly frequent high flow events.

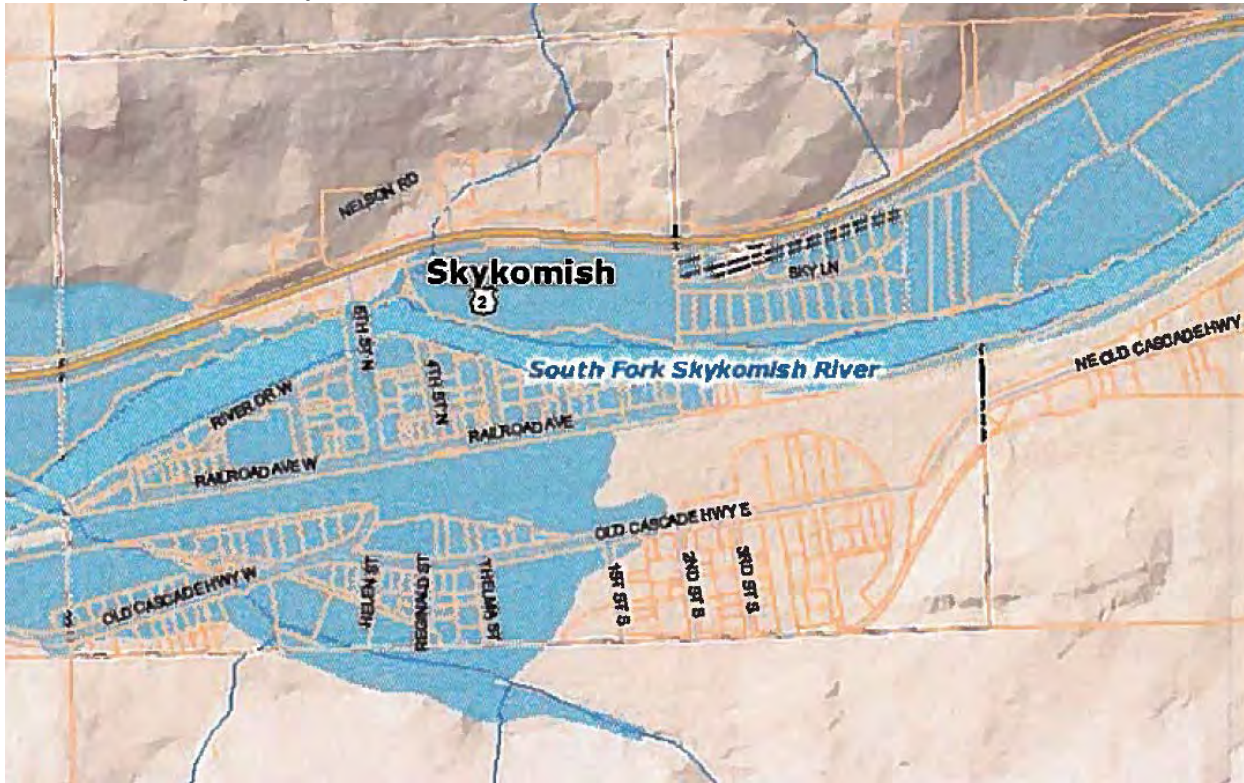
Readiness/Timeliness:

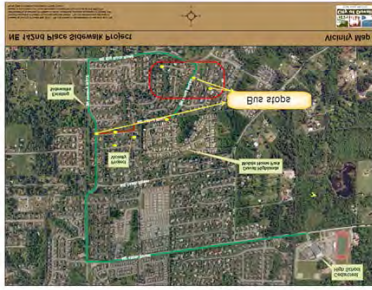
- 1) **Scope:** CDBG funds would be used to install approximately 1,275 feet of 24-inch CPEP 24-inch stormwater pipe between the south end of South Fourth Street west toward the south end of South First Street and southwest to the right bank of Maloney Creek, which is approximately 300 feet south of the USDA Forest Service parking lot on South First Street in Skykomish, Washington. The new stormwater conveyance pipe will be installed primarily in unused Skykomish ROW with approximately 350 feet crossing property owned and managed by the US Forest Service in unincorporated King County.
- 2) **Budget:** Skykomish has been awarded a Flood Reduction grant for this project in the full amount requested: \$147,070. These grant funds would cover design, permitting and construction management costs, along with the Town's portion of the construction costs.

| Sources | | Uses | |
|------------------------|-----------|---------------------------------------|-----------|
| 2018 CDBG Funds | \$250,000 | Prof Services (Eng. & Design), Permit | \$150,000 |
| Other Prior CDBG Funds | \$ 0 | Construction (2018 CDBG – \$70,000) | \$240,000 |
| Other Funds Identified | \$150,000 | Environmental Cost (2018 CDBG) | \$ 10,000 |
| Total: | \$400,000 | Total: | \$400,000 |

Service Delivery - Public Health and/or Safety Need: Redirecting flows from the under-sized Old Cascades Highway drainage ditches directly to the creek via the proposed 24-inch pipe will reduce the number of road closures associated with flooding and allow residents of the project area (and emergency response teams) to access their homes and properties during storm events. The proposed stormwater pipe and outfall will be designed to convey the 100-year flood, so the project should significantly reduce nuisance flooding and property damage along the Old Cascades Highway and side streets associated with increasingly frequent high flow events.

Service Delivery Area Map:





City of Duvall, WA

Request: \$280,000 / Min: \$200,000

Duvall 142nd Street Sidewalks

Category: Infrastructure Improvements

Project Summary: The project creates a safe pedestrian network with connectivity to develop safe routes to schools as well as a safe pedestrian walkway to downtown services. It will install approximately 880 linear feet of concrete curb, gutter, parking and sidewalk along the north side of the road. Other improvements include storm water, asphalt paving and landscaping. It will also incorporate curbs extensions (bulb-outs) for traffic calming, Low Impact Development (LID) techniques for managing storm water, and improve line of sight for an existing bus shelter. By incorporating these design features, parking will be defined and pedestrian safety will be improved.

Need: The construction and installation of pedestrian facilities along NE 142nd Place will provide the necessary ADA improvements and allow the connectivity for school routes, local access to the business district, and employment opportunities. With the establishment of this route, users will be connected to an existing asphalt pathway along 278th Avenue and ultimately to the City's entire network.

Benefit/Accessibility: Families from approximately 170 households would directly benefit from the completion of this missing link. The project creates a safe pedestrian route along the roadway and encourages multimodal options for the residents of Duvall. There are approximately 470 residents of the mobile home park. The project will serve senior citizens, disabled persons as well as children under 5.

Readiness/Timeliness:

- 1) **Scope:** The project will install approximately 880 linear feet of concrete curb, gutter, parking and sidewalk along the north side of the road. Other improvements include storm water, asphalt paving and landscaping. Families from approximately 170 households (151 from the Duvall Highlands Mobile Home Park and 20 from single family residential) would directly benefit from the completion of this missing link.

This project will incorporate curbs extensions (bulb-outs) for traffic calming, Low Impact Development (LID) techniques for managing storm water, and improve line of sight for an existing bus shelter. By incorporating these design features, parking will be defined and pedestrian safety will be improved.

- 2) **Budget:** All funds that are provided as a match from the City of Duvall are identified in the Street Capital Improvement budget and committed indefinitely. Engineer and Project Management time by City Staff is also a committed resource and is not included in the budgeted items.

| Sources | | Uses | |
|------------------------|-----------|---|-----------|
| 2018 CDBG Funds | \$280,000 | Prof Services (A&E), Project Management | \$ 45,000 |
| Other Prior CDBG Funds | \$ 0 | Construction (2018 CDBG – \$276,000) | \$415,460 |
| Other Funds Identified | \$184,460 | Environmental Cost (2018 CDBG) | \$ 4,000 |
| Total: | \$464,460 | Total: | \$464,460 |

Yes this project can be funded at a reduced level with a minimum request in the amount of \$200,000.00.

2018 CDBG Capital Proposal Evaluations

South Sub-Region Projects

Estimated 2018 Funds Available: \$501,111

| Project Title | Category | Min Request | Fund Request | Proposed Use of CDBG Funds |
|---|-----------------------|-------------|--------------|---|
| Des Moines Field House Playground | Parks | \$166,000 | \$178,900 | CDBG funds would be used to remove/replace outdated play equipment/safety surfacing & improve ADA access. Also to repair the skate park, install play field drainage, replace fencing & install bleachers. \$90K from other sources will fund design & field improvements. |
| Des Moines Kiddie Park Playground Improvements | Park | \$182,000 | \$200,000 | CDBG funds will be used for the Kiddie/City Park located on 3.2 acres. The Park's 30 year old play equipment will be removed due to damage and relocated to a safer upland location and nature trails and pedestrian bridges located over a creek will be rehabilitated for ADA and user safety. |
| Habitat for Humanity Minor Home Repair – White Center | Minor Home Repair | \$80,000 | \$99,999 | CDBG funds for the White Center CDA and Habitat SKC to provide minor home repair and preservation work in White Center. Consortium CDBG funds will be used to conduct these minor home repairs. |
| Highline College StartZone Microenterprise | Economic Development | \$92,000 | \$ 110,000 | CDBG funding will provide economic development and training to disadvantaged, low to moderate residents in the South King County sub-region with bilingual business training in Money, Marketing and Management, one-to-one advising, and group participation. |
| New Roots Microenterprise | Economic Development | \$60,000 | \$ 90,000 | CDBG funds would be used for the continuation of the CDBG funded program, New Roots, used for business training, and general preparation of low income entrepreneurs to receive business loans. Anticipated that classes would be held in Skyway and Burien and would assist clients from Burien, SeaTac, Tukwila, White Center and Renton. |
| Pacific Milwaukee Boulevard Sidewalk | Public Infrastructure | \$56,500 | \$166,500 | CDBG funds for a pedestrian corridor from several residential areas to the Civic Center Campus and Central Business District in the City of Pacific. |
| Tukwila Crestview Park Improvements | Parks | \$50,000 | \$80,000 | Project includes replacement of an old playground at Crestview Park and new surfacing. |
| Tukwila Minor Home Repair Program | Minor Home Repair | \$100,000 | \$125,000 | CDBG funds will be used to rehabilitate and provide health and safety oriented work for L/M income homeowner occupied housing to preserve affordable housing units. The funds pay for repair and rehab in electrical, plumbing and other trades in Des Moines, Covington, SeaTac and Tukwila. |

Total Request South

\$786,500

\$1,050,399



Habitat for Humanity
Requested \$99,999 / \$80,000

White Center Minor Home Repair Program
Category: Minor Home Repair

Project Summary: The White Center Community Development Association (WCCDA) and Habitat SKC seek to provide minor home repair and preservation work in White Center. Consortium CDBG funds will be used to conduct these minor home repairs. Habitat SKC determines eligibility to the program based on the requirements identified in its Repair Program Underwriting Guidelines

Need: Safe, affordable homes launch families into a cycle of progress, better health, and long-term security. However, in the White Center area, many homeowners with a low to moderate income are unable to afford the repair and maintenance of their homes, which can lead to health and safety issues and even foreclosure.

Benefit/Accessibility: Habitat SKC's repair program in White Center will address key concerns that impact both individuals and their community by addressing accessibility and safety issues. The repair work in White Center will bring about similar results as seen in Westway Neighborhood in Federal Way. The project will preserve housing for low to moderate income for eight homeowners. Recipients must reside in the White Center area and must have a household income at or below 80% of the area median income as determined by HUD. The Agency accommodates homeowners' mobility issues and meets them at their homes if necessary; they evaluate projects based on need, which includes a formal Urgency of Repair Evaluation and in the outreach process, go door to door, in order to reach all residents so as to not leave out anyone. Beneficiaries: 8 households

Readiness/Timeliness: -

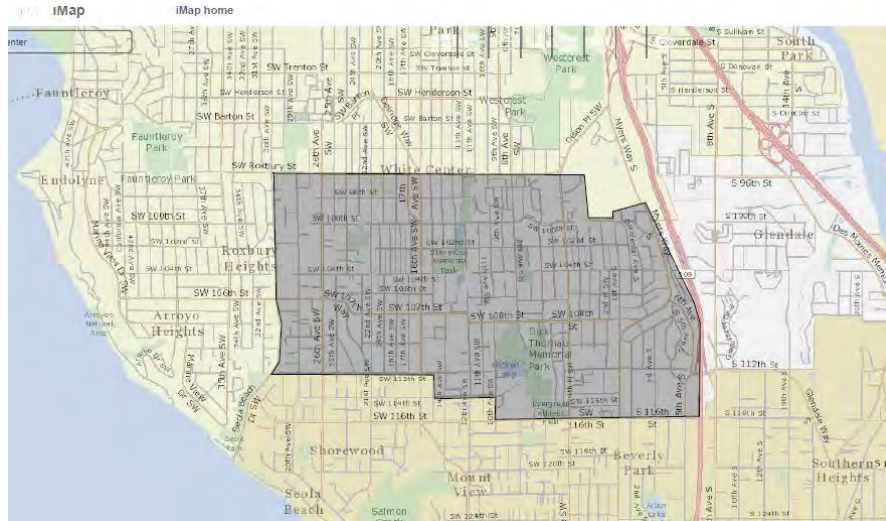
- 1) **Scope:** CDBG funding proposed would be used for tasks such as painting, repairing porches, or replacing damaged roofs on eight homes.
- 2) **Budget:** CDBG funding would primarily cover direct repair costs (\$81,424.00) for both the purchase of materials and subcontractor labor when needed, as well as direct project management costs (\$14,575.00) for project planning and on-site management. Habitat has secured various funding to support its Repair Program, which operates year-round in several focus areas in King County, including White Center. Match funding: private donations, corporate sponsorships, and community and city partnerships. Funding sources with no restrictions, known as Habitat's "Fund for Humanity" may be used to contribute to admin salaried overhead (\$3,000); and will also cover reimbursements to the WCCDA for their efforts in outreach at a rate of \$250 per completed project (\$2,000).

| Sources | | Uses | |
|-----------------------|-----------|---|-----------|
| 2018 CDBG Funds | \$99,999 | Capital Outlay (CDBG) | \$ 81,424 |
| Other Funds - In-kind | \$ 5,800 | Project Management (CDBG - \$14,575) Agency (\$800) | \$ 15,375 |
| | | Environmental Cost (CDBG) | \$ 4,000 |
| | | O&M(CDBG \$3,000); (WCCDA \$2,000) | \$ 5,000 |
| Total: | \$105,799 | Total: | \$105,799 |

2018 CDBG Capital Proposal Evaluations

If Habitat receives reduced CDBG funding (\$80,000) up to six homeowners could be served, and in the event that Habitat may not receive CDBG funding, Habitat would either lack the capacity to serve homeowners in this low-service area, or would need to pull valuable resources from other areas, consequently leaving many homeowners in need to their own devices. The Agency would offer home repairs to six homeowner families, as opposed to eight projects if funded at the full requested amount.

Service Delivery Area Map:





New Roots Fund
Requested \$90,000 / \$60,000

"New Roots" Micro-enterprise Program
Category: Micro-enterprise

Project Summary: CDBG funds will help low-income entrepreneurs start businesses or strengthen their enterprises after creating traditional business plans that reduce the risk of failure. This is done through the classroom instruction and tutoring and helps reduce the risk of failure for themselves and potential lenders. The Diocese of Olympia Refugee Resettlement Office will also assist students with transportation to class, such as bus passes or gas cards. The Diocese of Olympia has non-federal, private funds available for graduates of business training who need small loans.

Need/Consolidated Plan Objective and Strategies: "A Report from the King County Immigrant and Refugee Task Force" July 7, 2016 describes a meeting which was well attended by residents from Burien (27), SeaTac (22) Tukwila (35), Renton (39) and White Center (17). Residents recommended that King County support small businesses with capacity building through training and loans.

Entrepreneurs in these cities who are starting off poor, and were often born in other countries, will struggle with understanding the basics of bookkeeping, licensing, insurance, E-commerce marketing, finance or other business matters in the US. The proposed training project will reduce their risk of failure in business for low-income persons.

Benefit/Accessibility: Transportation: The classroom site, at the Burien Community Center, 14700 6th Avenue SW, is accessible to public transportation and contains adequate parking.

Waiting Lists: New Roots Fund has an ongoing waiting list or pipeline of clients living in the proposed service area that numbers from 10 to 15 at any one time.

Reaching Isolated Communities within the service area will be reached by the following methods: canvassing referrals through agencies working in the area such as Refugee Women's Alliance and International Rescue Committee; Contacts at community gathering places and contact lists (500 potential contacts).

Beneficiaries: 87 people.

Readiness/Timeliness:

- 1) **Scope:** Classroom instruction and individual counseling to develop business plans and referral for loans. During each quarter of the year all participants will receive an intake/assessment and business development training. Fifty who complete will have a business plan. During the first two quarters 12 unduplicated persons each quarter will complete classroom training and individual instruction. In the last two quarters 13 unduplicated will complete each quarter. In the project year 50 will complete. 12 businesses will be opened or strengthened during the year. 16 FTE jobs will be retained.
- 2) **Budget:** \$2,216 other donated the project by the New Roots Fund will be used support participants with transportation assistance to attend class or individual training sessions as well as workshop materials. New Roots: \$2,216 is committed.

2018 CDBG Capital Proposal Evaluations

| Sources | | Uses | |
|------------------------|----------|---|----------|
| 2018 CDBG Funds | \$90,000 | Environmental | \$ 250 |
| Other Funds Identified | \$ 2,216 | Personnel Services (CDBG) | \$58,682 |
| | | Consultant or Purchased Services: (CDBG \$15,108; Agency – \$252) | \$15,360 |
| | | O&M (CDBG \$15,960; Agency \$1,964) | \$17,924 |
| Total: | \$92,216 | Total: | \$92,216 |

If funding is reduced, the Agency would reduce the number of clients. The minimum number would be 50 clients enrolled in training for \$50,000. Businesses created would be reduced from 16 to 9. \$50,000 is minimum permitted by CDBG.

Reduced funding will stall the hope of having business classes presented several times each month and inhibit the ability to reach isolated communities such as the Congolese refugees.

Service Delivery Area Map:





City of Pacific, WA

Request: \$166,500 / Min: \$56,500

Milwaukee Boulevard South Sidewalk Improvements

Category: Public Infrastructure

Project Summary: Construction of two blocks of sidewalks to address the lack of a complete pedestrian corridor from residential properties in the southwesterly portion of the City to the Central Business District and Civic Center Campus. The prime corridor for the area is a narrow two lane paved road with high volumes of commuter traffic at the am and pm peak and is a safety hazard for pedestrians as well as drivers.

Public Health and/or Safety Need: The Milwaukee Boulevard corridor road surface is in disrepair and does not have contiguous sidewalks from Ellingson Road to 5th Avenue South. Phase I of the project will construct 1,200 feet of sidewalks between 3rd Avenue SW and 5th Avenue SW. The lack of sidewalks on this corridor is a safety risk to the public as the street is heavily congested in the am and pm peak commuter hours.

Benefit/Accessibility: The project as it is proposed will provide the facilities for pedestrians to safely move about the City. Currently pedestrians walk in the street. These funds will be used to construct the pedestrian facilities. The project will replace or reconstruct approximately 15 driveway approaches to meet current standards for accessibility. Beneficiaries: 910 people.

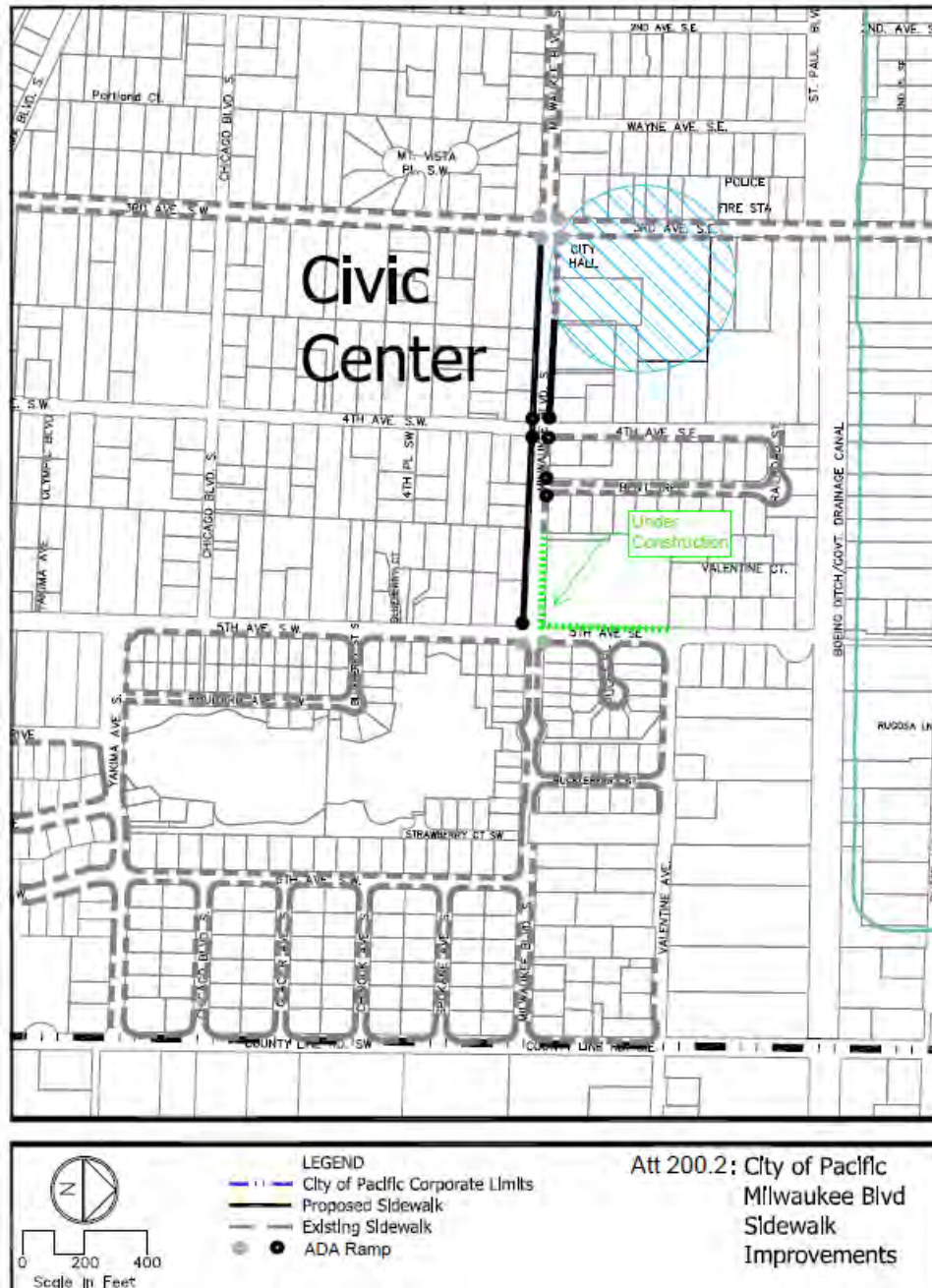
Readiness/Timeliness:

- 1) **Scope:** Complete a pedestrian corridor from several residential areas to the Civic Center Campus and Central Business District in the City of Pacific. The project will use porous sidewalk. This will permit infiltration of water into the ground. The requested funds will be used to complete one phase of the project which will construct 1,200 feet of sidewalks between 3rd Avenue SW and 5th Avenue SW on the west side and construct 325 LF of new sidewalk along a missing "gap" on the east side of the Milwaukee Blvd from 3rd Avenue SE to 4th Avenue SE. In addition, the project will replace or construct 7 access ramps to meet current requirements; and replace or reconstruct approximately 11 driveway approaches to meet current standards for accessibility.
- 2) **Budget:** The project cost estimate was developed by reviewing the construction design drawings to determine component quantities. Unit costs for project quantities were taken from recent construction projects in the City.

| Sources | | Uses | |
|------------------------|-----------|---------------------------------------|-----------|
| 2018 CDBG Funds | \$166,475 | Prof Services (A&E) | \$ 10,000 |
| Other Prior CDBG Funds | \$ 0 | Construction 2018 CDBG (\$161,475) | \$262,475 |
| Other Funds Identified | \$111,350 | Environmental & Permit (CDBG \$5,000) | \$ 5,350 |
| Total: | \$277,825 | Total: | \$277,825 |

If project is funded at a reduced level and only partial funding is available, sidewalks could be eliminated from one side of the street. Construction of sidewalk on the easterly side of the road only would cost \$63,810. There are no time commitments on the funds listed in the table above.

Service Delivery Area Map:





City of Tukwila, WA

Tukwila/SeaTac/Des Moines/Covington Minor Home Repair Program - 2018

Request: \$125,000/ Min: \$100,000

Category: Minor Home Repair

Project Summary: CDBG funds will be used to rehabilitate and provide health and safety repairs for low to moderate income homeowner occupied housing to preserve affordable housing units in the cities of Covington, Des Moines, SeaTac and Tukwila. The funds pay for repair and rehab in the electrical, plumbing and other housing repair or maintenance needs.

Need: Rehab and maintenance issues such as plumbing, electrical, and HVAC are often deferred by homeowners due to the limited incomes they have. Clients are primarily elderly homeowners that are on very fixed incomes, or adults on disability income. The majority of the homeowners served are under 50% of median income. Estimate that the program is serving 10% of the need, and some homeowners cannot qualify for King County Housing Repair due to the loan to value ratio, and the limited funds that are available. For some homeowners, this program is the only repair program that they may qualify for.

Benefit/Accessibility: Homeowners are served on a first come first served basis with health and safety issues prioritized. Isolated individuals are identified through the collaboration that takes place across city departments. This includes referrals made by code enforcement, fire and police, recreation staff, concerned neighbors and local faith based organizations. Waiting lists are rare, although the demands of the contractors can sometime cause some minor delays in service. Each city develops their own methods of identifying clients and marketing the program. Several staff from the respective cities are involved in day to day human services information and referral, so this program becomes another opportunity to meet the housing stability needs of the population. Beneficiaries: 65 households.

Readiness/Timeliness: -

- 1) **Scope:** Number of service hours and number of clients demonstrates both a short term outcome of improved housing stock, and greater ability of the homeowner to live safely and independently. Environmental Review is a site specific review and accomplished through the coordination with City Staff. Anticipated dates of award are fully dependent on the timing of the award of the CDBG funding. No other funds are committed. No other expiration dates for in-kind contributions.
- 2) **Budget:** The funds allow the participating cities to offer this program as a grant program to primarily very low and low income homeowners needing help in maintaining infrastructure of their home. The Cities have a proven track record with the existing CDBG funded program. Administration of the program is offered as in-kind match by the cities.

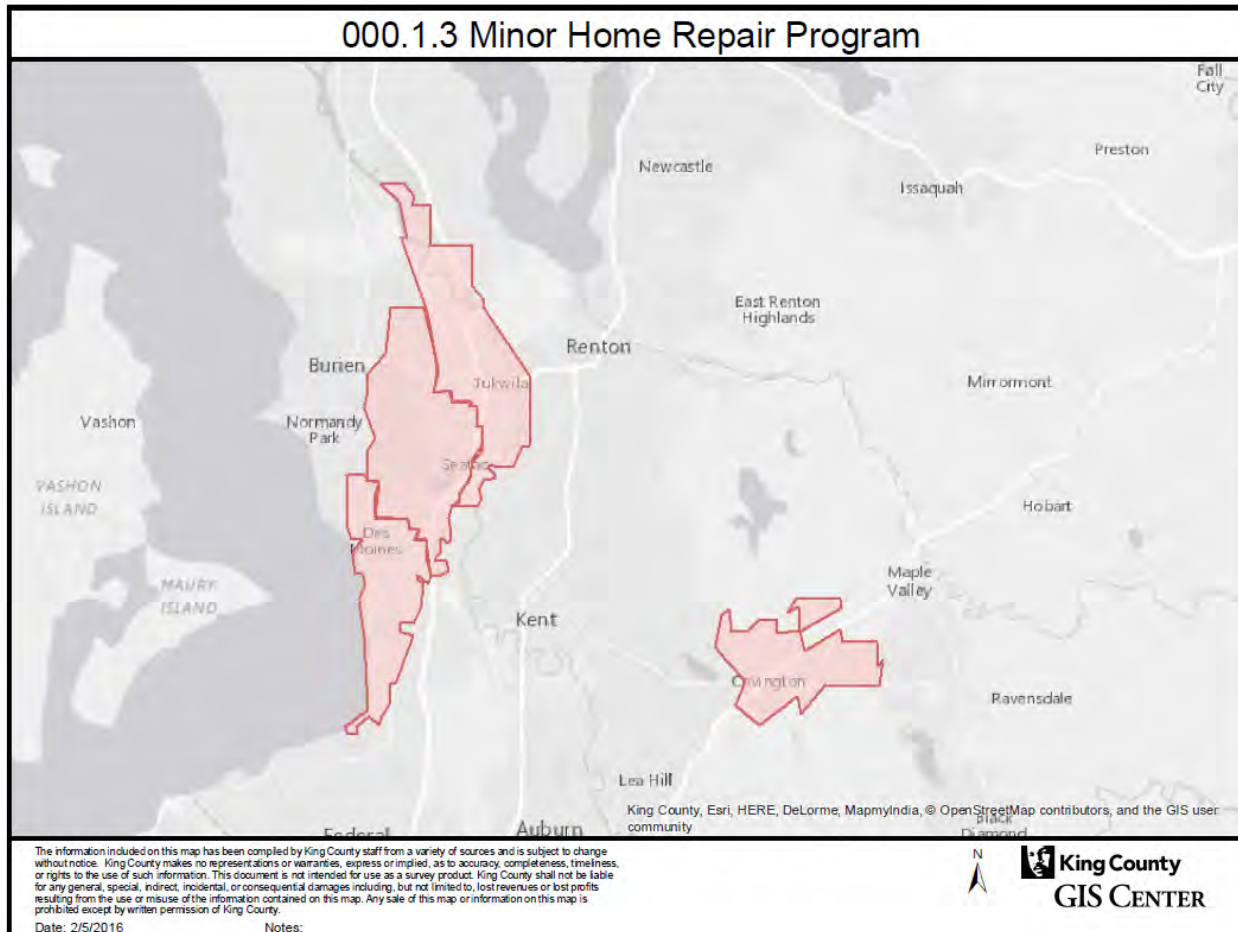
This program depends on the in-kind funds of the staffing from the respective cities that are involved in administering the program. With the exception of the City of Des Moines, all staff contribute their time to screen clients, hire and pay contractors and administer the full program. No other federal funds or municipal funds are used for this purpose

2018 CDBG Capital Proposal Evaluations

| Sources | | Uses | |
|----------------------|-----------|---|-----------|
| 2018 CDBG Funds | \$125,000 | Capital Outlay (CDBG) | \$117,500 |
| Other Funds - InKind | \$25,000 | Project Management (CDBG - \$3,500) City (\$20,000) | \$ 28,500 |
| | | Environmental Cost (CDBG) | \$ 4,000 |
| Total: | \$150,000 | Total: | \$150,000 |

If funding is reduced then fewer households would be served and potentially narrow the scope of acceptable jobs.

Service Delivery Area Map:



Public Health and/or Safety Need: Safe and healthy housing is seen as increasingly important regarding longevity of residents. The health costs of mold, excessive moisture, unsafe stairs, wobbly railings, presence of pests, unclean furnaces can contribute to long term negative health outcomes in addition to degradation of the housing infrastructure. Recognizing this need, code enforcement departments have expanded rental licensing program to include healthy housing standards.



City of Des Moines, WA

Des Moines Kiddie Park Playground Improvements - 2017

Request: \$200,000/ Min: \$182,000

Category: Parks

Project Summary: Kiddie/City Park is on 3.2 acres. The Park's 30 year old play equipment will be removed due to damage and relocated to a safer upland location and nature trails and pedestrian bridges located over a creek will be rehabilitated for ADA and user safety.

City/Kiddie park is the first park acquired by the City of Des Moines in 1970. A portion of the park is in a natural state, includes a creek and has had minimal improvements. The park serves multi-family residents along Kent Des Moines Road and a single family neighborhood. City/Kiddie Park is one of seven neighborhood parks that are in critical need of rehabilitation.

Public Health and/or Safety Need: The current play structure is 30 years old, becoming a safety concern, is located in a swale at the bottom of a hill that does not provide visibility and is not ADA accessible. The City plans to install a new play structure on a level area that is visible to the neighborhood and meets current safety and ADA requirements.

Benefit/Accessibility: New play area safety surfacing and ADA improvements will insure that all people have access to the new play structure and will address improved public health and safety by reducing the number of play area injuries. Beneficiaries: 1,790 people.

From a safety standpoint, the current play structure is located at the bottom of a slope and not visible to the residential area. The new structure would be relocated at the top of the hill in a level area thereby visible to the surrounding residents.

Readiness/Timeliness:

- 1) **Scope:** The City has funded \$27,000 for the Kiddie Park New Play Structure design. The total construction is cost is \$200,577. The City is also working in partnership with the Des Moines Legacy Foundation to raise funds for this park and to make similar play area renovations at six additional aging neighborhood parks throughout the City.
- 2) **Budget:** A Request for Qualifications will be advertised for the project design and bid documents which will be paid by the City. That is the extent of the funding available by the City at this time.

| Sources | | Uses | |
|------------------------|-----------|----------------------------------|-----------|
| 2018 CDBG Funds | \$200,577 | Prof Services (A&E) City funded | \$ 27,000 |
| | | Project Management Agency (CDBG) | \$ 9,052 |
| Other Prior CDBG Funds | \$ 0 | Construction 2018 CDBG | \$187,505 |
| Other Funds Identified | \$ 27,000 | Environmental Cost | \$ 4,000 |
| Total: | \$227,557 | Total: | \$227,557 |

Funding request could be reduced to \$181,214 by having in-house City crews remove the existing equipment and reducing the number of play elements to be installed in the play area space.

Service Delivery Area Map:





Highline College, Des Moines WA

Request: \$110,000/ Min: \$92,000

Highline College StartZone Microenterprise - 2018

Category: Microenterprise

Project Summary: This microenterprise development project proposes continuation and expansion of services to low- and moderate-income individuals starting or growing a business in the South Sub-Region Cities. Funding will provide economic development and training to disadvantaged, low to moderate residents in the south King County sub-region with bilingual business training in Money, Marketing and Management, one-to-one advising, and group participation.

Need/Consolidated Plan Objective and Strategies: The need for economic development initiatives is great in South King County. Compared to King County as a whole, the sub-region is lower income. Data from 2007–2011 shows the percentage of people below the poverty level range from 13-24% for the largest communities in this area compared to 10.5% for King County as a whole. The 2010 Census Race and Ethnicity statistics define a higher minority population (42-63% versus 35%), lower bachelor's degree attainment (18-26% versus 45.7%) and a less favorable population to business ratio (7.4 – 14.1:1 versus 9.8:1). Unemployment is slightly higher in Southwest King County than in any other part of the county.

Benefit/Accessibility: The program will serve low to moderate income people who reside in or who are starting or growing a micro business in South King County sub-region cities including Algona, Black Diamond, Burien, Covington, Des Moines, Enumclaw, Maple Valley, Pacific, SeaTac, Tukwila, and South King County Subregion Unincorporated King County. Beneficiaries: 92 people.

1. Transportation: StartZone is located near the Kent-Des Moines Road exit from I-5 on Pacific Highway South, the campus is centrally located within the service area, is on several major bus lines and is easily accessible by car with plenty of visitor parking.
2. Immediacy of services: StartZone reviews and acts on pending applications actively. Response back to applicant is within days of receipt of application. Intake orientations are held monthly or at time upon customized presentation.
3. Reaching isolated individuals: StartZone business specialists currently work flexible hours primarily in the field to provide consultations at times and places convenient to our clients. They are equipped with laptops and can access our web-based member database and, through a secure VPN, the StartZone server at any location providing wireless access to the internet.

Readiness/Timeliness:

- 1) **Scope:** The project proposes continuation and expansion of services to low- and moderate-income individuals starting or growing a business in the South Sub-Region cities. ER is exempt activity. Completion date is noted as April 2019. Performance measures will be summarized in quarterly reports and a year-end report and will include the following measures:
 - 92 unduplicated South Sub-region, income-eligible, immigrants, refugees and people with disabilities.
 - 4 new businesses launched.
 - 5 jobs created/ 4 retained

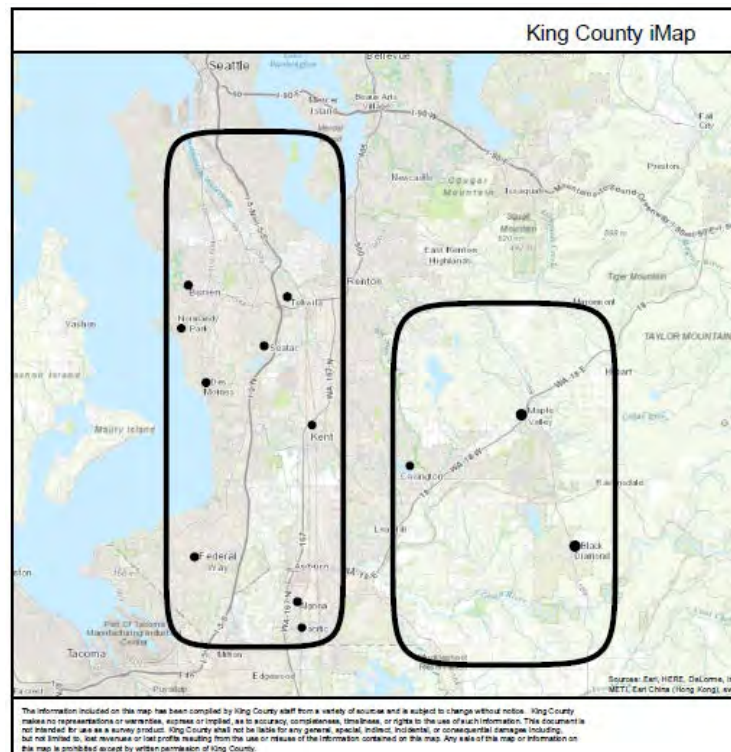
2018 CDBG Capital Proposal Evaluations

- 2) **Budget:** About 30 percent of StartZone's funding comes from City of Federal Way. StartZone will pursue Federal Way Community Development Block Grant (CDBG)-Community Economic Revitalization Funding (CERF) for Program Year 2018. Grant will cover personnel with project developments, workshops and technical assistance to low and moderate income individuals with starting or growing a business in the City of Federal Way. StartZone provides no cost workshops and one-to-one technical assistance focused on feasibility assessments, business planning, loan packaging, networking, mentoring, referral services and peer support.

Anticipated award announcement for Federal Way will be sometime in April of 2018 as well as those identified from Highline College. Committed funds from Highline College have no expiration date. No "Other" sources of funds reported.

| Sources | | Uses | |
|----------------------------|-----------|---|-----------|
| 2018 CDBG Funds | \$110,000 | Personnel Services – (CDBG - \$104,260) | \$201,961 |
| Other CDBG Funds (Fed Way) | \$62,000 | Office or Operating Supplies, Travel (CDBG \$5,490) | \$ 7,789 |
| Highline College | \$38,000 | Environmental Review Record | \$ 250 |
| Total: | \$210,000 | Total: | \$210,000 |

If funding is at a reduced level, fewer number of clients receiving one –to-one technical support would be reduced. If funding is reduced enough, the Agency would look at eliminating the Reality Check series and/or Drill Down workshops delivered in Spanish that are being delivered off site within the Community.



2018 CDBG Capital Proposal Evaluations



City of Des Moines, WA

Request: \$178,900/ Min: \$166,000

Des Moines Field House Playground Improvements - 2017

Category: Parks

Project Summary: Funds needed to remove/replace outdated play equipment/safety surfacing & improve ADA access. Also to repair the skate park, install play field drainage, replace fencing & install bleachers. \$90K from other sources will fund design & field improvements.

Field House Park built in 1938 also known as King County Park #1, is a 5 acre Historic WPA era property located in the central Des Moines neighborhood. This community park includes a baseball field with wooden grandstand, a smaller practice field and the outfields are used for youth soccer. Also on site is play equipment, tennis courts and a skate park. A log building/recreation center is a primary feature of the park with an indoor gym, a full basement and programmable spaces. The building houses the City's recreation offices.

Public Health and/or Safety Need: New play area safety surfacing and ADA improvements will insure that all people have access to the new play structure will also address improved public health and safety by reducing the number of play area injuries.

Benefit/Accessibility: Field House Park is in a neighborhood where 52% of the population in the in census tract 289.01 is deemed low/mod income. Beneficiaries: 11,665 people.

Readiness/Timeliness:

- 1) **Scope:** project will include play area design, advertising, bidding, and permitting, demolition and removal of the existing play structures, the purchase of a new play structures and playground surfacing, freight/shipping, installation, an environmental review, improvement of the sites ADA accessibility, sales tax, testing, inspection, and a small contingency. The new play structure will be placed on the existing foot print of the current play area which is 5,126 square feet. There is no acquisition or any land use approval needed.
- 2) **Budget:** A Request for Qualifications will be advertised for the project design and bid documents which will be paid by the City. That is the extent of the funding available by the City at this time.

| Sources | | Uses | |
|------------------------|-----------|----------------------------------|-----------|
| 2018 CDBG Funds | \$178,900 | Prof Services (A&E) City funded | \$ 15,000 |
| | | Project Management Agency (CDBG) | \$ 8,049 |
| Other Prior CDBG Funds | \$ 0 | Construction 2018 CDBG | \$166,851 |
| Other Funds Identified | \$ 15,000 | Environmental Cost | \$ 4,000 |
| Total: | \$193,900 | Total: | \$193,900 |

If project is funded at a reduced level, the City would replace the synthetic turf flooring around the play area with wood chips.

Service Delivery Area Map:





City of Tukwila, WA
Request: \$80,000/ Min: \$50,000

Tukwila Crestview Park Playground Improvements - 2017
Category: Parks

Project Summary: Project includes replacement of an old playground at Crestview Park and new surfacing.

Public Health and/or Safety Need: Beginning with the 2017, Capital Improvement Program for Parks, the City has included Park Improvements throughout the City. These park improvements include play equipment replacement, shelters, security cameras, and neighborhood play areas. Based on the City's evaluation of the playground structure Crestview Park was identified as a candidate for the CDBG grant program. There are no public health or safety needs to be addressed. Although the existing play structure is in good condition, it is aging.

Benefit/Accessibility: This project is generally listed in the CIP under Park Improvements. Internal review of our play structures identifies the site as one of the top 3 to replace (out of 13 total sites). Beneficiaries: 1,974 people.

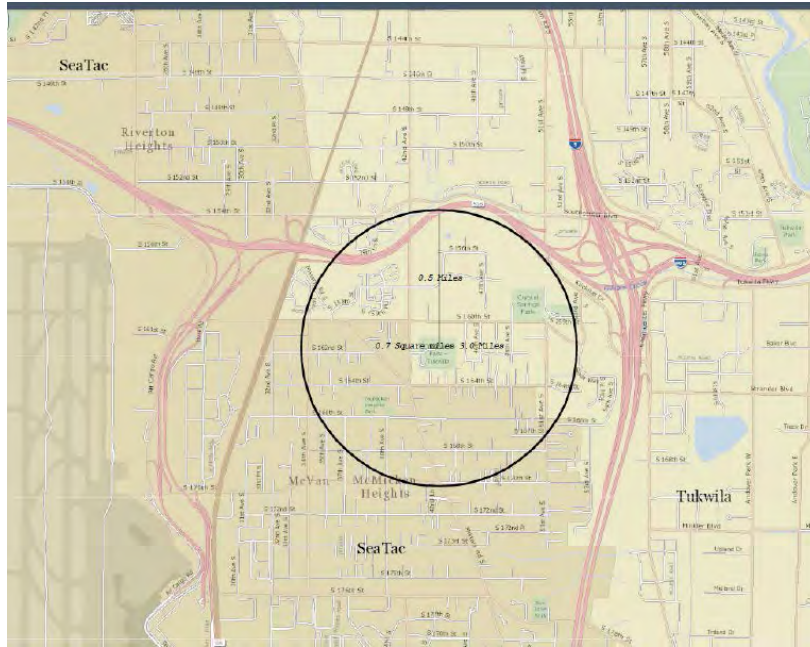
Readiness/Timeliness:

- 1) **Scope:** Project includes clearing, and grubbing of area adjacent to play structure to add an improved flat play area for ball play of approximately 750 SF; removal and installation of play structure equipment which is approximately 30x30 (900 SF). This is a replacement project within an existing park, therefore there are no acquisition costs, permits, or land use approval requirements.
- 2) **Budget:** The City intends to use in-kind services provided by the City for the majority of the prep work. If additional funding is required, it will use existing REET money from its CIP fund.

| Sources | | Uses | |
|------------------------|----------|---|----------|
| 2018 CDBG Funds | \$80,000 | Prof Services (A&E), Project Management | \$17,895 |
| Other Prior CDBG Funds | \$ 0 | Construction 2017 CDBG | \$76,000 |
| Other Funds Identified | \$17,895 | Environmental Cost | \$ 4,000 |
| Total: | \$97,895 | Total: | \$97,895 |

If project is funded at a reduced level the changes that would be made to the project may include using a portion of the City's CIP money to cover the difference and/or reduced scope of the actual equipment that would be installed.

Service Delivery Area Map:



JOINT RECOMMENDATIONS COMMITTEE MEETING

Thursday, March 23, 2017

9:30 a.m. – 11:00 a.m.

South Renton Treatment Facility Admin Building

Members Present:

De'Sean Quinn, Councilmember, City of Tukwila, JRC Vice-Chair (Sound Cities Association)
Dan Grausz, Councilmember, City of Mercer Island (Sound Cities Association)
Leslie Miller, Human Services Administrator, City of Kirkland Parks and Community Services
Jeff Watson, Community Services Manager, City of Federal Way (Alternate)
Merina Hanson, Human Service Manager, City of Kent
John Starbard, Director, King County Department of Permitting and Environmental Review
Pam Fernald, Councilmember, City of SeaTac (Sound Cities Association)
Rob Beem, Community Service Manager, City of Shoreline
Josephine Wong, Deputy Director King County Department of Community and Human Services (DCHS)

Members Not Present:

Ken Hearing, Mayor, City of North Bend, JRC Chair (Sound Cities Association)
Gary Prince, Transit Oriented Development Manager, King County Department of Transportation
Laurie Olson, Office of Housing Lending Manager, City of Seattle

King County Staff:

Kathy Tremper, Coordinator, Housing and Community Development (HCD), DCHS
Mark Ellerbrook, Regional Housing and Community Development Program Manager
Valerie Kendall, HDC, Affordable Housing Planner
Jackie Moynahan, Capital Programs Manager, HCD, DCHS
Al D'Alessandro, Project Manager, HCD, DCHS
David Mecklenburg, Project Manager, HCD, DCHS
Martha Gonzalez, Administrative Specialist, DCHS

Guests:

Alaric Bien, City of Redmond
Erica Azcueta, City of Auburn
Colleen Brandt-Schluter, City of SeaTac
Dianne Utecht, City of Renton
Evie Boykan, City of Tukwila
Ellie Wilson Jones, Sound Cities Association

I. Welcome and Introductions

De'Sean Quinn Vice- Chair opened the meeting at 9:35 a.m. He welcomed guest and asked for introductions.

II. Review February 23, 2017 Meeting Minutes Attachment A – Action Item, All

MOTION: Rob Beem, Shoreline Community Service Manager, made a motion to accept the February 23, 2017 meeting minutes. Dan Grausz, Mercer Island Councilmember seconded the motion. The motion was approved unanimously.

Leslie Miller asked that future meeting minutes reflect (Alternate) title when alternates appear for absent regular members. That non-active JRC HOME or Joint Agreement City members should not be listed under members absent.

III. Consolidated Annual Evaluation and Performance Report

Valerie Kendall reviewed the 2016 King County Consortium Consolidated Annual Performance Evaluation Report (CAPER) due to HUD by March 31st. The report details expenditures of the three federal entitlement programs. She noted it reviews program accomplishments related to the three major goals of the Consolidated Plan: 1) provide affordable housing, 2) ending homelessness, and 3) community & economic development. Valerie informed the group that the detailed materials are posted online. She encouraged members to contact her with questions prior to March 30.

Jeff Watson asked if the numbers were unduplicated and how the numbers are calculated. Valerie noted HUD's data IDIS system reports provide the numbers (PR03 and PR23). Jeff noted the numbers seemed high. De'Sean asked if Valerie could provide the projected and actuals numbers to analyze how well the programs are working. The complete report will be shared at the next JRC meeting.

IV. Opportunity to solicit input regarding Community Development and Housing Needs: Public Hearing

Kathy Tremper explained that the County is required to hold two public meetings/hearings during a program year to solicit input regarding the community development and housing needs in the Consortium. This is the first of the two, with a second one to be scheduled at the September 2017 JRC meeting. De'Sean Quinn opened the hearing and asked for comments. No testimony were received and the public meeting was closed.

V. Housing Repair Program

A recommendation was presented to increase the Housing Repair set-aside from 20% to 25% and outlining how equity of distribution would be tracked for assurance of benefit by all based on a concern raised after the last JRC meeting by some cities. Jackie Moynahan shared an example proposal for equity presenting a three year structure in which the County would work closely with cities for a broader outreach. The example presented had fictional numbers for the purpose of theory. Discussion ensued regarding the change in the proposal as presented at the last JRC meeting. Some committee members wanted further discussion in a caucus because the

proposal had not been shared prior to the JRC meeting. Mark Ellerbrook communicated that it was reasonable to split up the 5% increase vs. the fair distribution on separate levels. Rob Beem inquired about timeline for implementation. The change would not take place until January 2018. Jackie explained that the County and cities have already allocated their 2017 funds to programs. Rob was uncomfortable with separating distribution and equity. He was open to further discussion with the ICA workgroup. Some committee members felt it was time to resolve the increase issue and wanted to proceed with the vote. Josephine Wong pointed out that the proposal showed accountability and transparency, she encouraged the committee members to take the vote. De'Sean request the meeting take a recess so SCA Members appointed to the JRC can discuss the new proposal. He felt this was a new proposal and asked for a recess of the meeting to allow for further discussion amongst committee members before moving forward on the matter.

The meeting resumed at 10:16 am. Further discussion ensued amongst the committee. Leslie Miller wanted more clarity regarding equitable distribution. Dan believes there is a need for logistic guidelines in place for the housing repair funds over the three year proposal. Rob wanted a firm proposal with specific guidelines, responsible for management details. Jackie asked if there was a way to separate the 20% to 25% increase for budgetary purposes and then adding caveats that any proposals from ICA workgroup that are approved will be implemented alongside with the increase. The ICA workgroup has already been scheduled to discuss the issue of equity and bring their summary to the April JRC meeting.

MOTION: Dan moved to increase the housing repair program from 20%-25% beginning 2018 and for a request for the ICA workgroup to address whether any changes should be made for shared equity. Pam Fernald seconded the motion. Leslie Miller and Rob Beem opposed the motion. The motion passed 7 to 2.

VI. Info Items

Jackie Moynahan gave brief information regarding the housing finance program, at this time specific dates have not been set. The calendar will be similar to last year. The RFP's will be released at the end of July with applications received by September and decisions made by mid-December. More information will be presented at future JRC meetings. The committee did not have any questions.

VII. Round Table Discussion/ Other Items

Kathy Temper asked to revisit the unfinished business of the JRC calendar for 2017. Leslie Miller recommended a correction for the housing quarterly update to be presented at the July meeting, instead of the June meeting. Kathy will adjust the calendar to reflect the request. The committee did not have any further recommendations/changes. The calendar will stand noting the one change.

Al gave a briefing on federal and state budget items. He informed the committee that House Bill 1570 is still the best, the bill was declared necessary to implement the budget. In the

Senate, SB 5864 addressed the document recording fee by extending the sunset by three years. Under the substitute bill, cities would be mandated to inventory all encampments by 2018 and would be required to house everyone in state sanctioned encampments by 2019. If jurisdictions failed they would lose funds by 2019, but the bill did not specify if counties would be penalized for the failure of cities. The bill had a great deal of opposition. Bill 5254, would extend the recording fee by 10 years but contains unacceptable changes regarding growth management.

The president's budget blueprint would eliminate the community development block grant program and HOME program. Al noted that updates can be found on the National Low Income Housing Coalition (NLIHC) website. For information purposes Al passed out the draft federal legislative agenda to be reviewed at next meeting.

Kathy provided a list of the ICA workgroup members and gave a brief update of the first ICA workgroup meeting. The initial ICA meeting covered the ICA requirements of the Consortium. Kathy presented highlights of 'discussion topics' that were agreed upon: 1) administrative streamlining and 2) equity of fund distribution. The RAHP Agreement and Fair Housing in housing will be a sub-element of the workgroup.

Meeting Adjourn 10:56 a.m.

Next Meeting April 27, 2017 9:30-11:30

JOINT RECOMMENDATIONS COMMITTEE MEETING
Thursday, April 27, 2017
9:30 a.m. – 11:00 a.m.
Teleconference

Members Present:

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

Members Not Present:

John Starbard, Director, King County Department of Permitting and Environmental Review
Dan Stroh, Planning Director, City of Bellevue

King County Staff:

Kathy Tremper, Coordinator, Housing and Community Development (HCD), DCHS
Jackie Moynahan, Capital Programs Manager, HCD, DCHS
Clark Fulmer, Housing Repair Program Coordinator, HCD, DCHS
Valerie Kendall, Project/Program Manager III, HCD, DCHS
Elaine Goddard, Administrative Staff Assistant, DCHS

Guests:

Colleen Brandt-Schluter, City of SeaTac
Ellie Wilson Jones, Sound Cities

I. Welcome and Introductions

Mayor Ken Hearing, Committee Chair opened the meeting at 9:35 a.m. He welcomed guests and did a roll-call of attendees.

II. Review March 23, 2017 Meeting Minutes
Attachment A – Action Item, All

It was agreed to defer approving the March 23, 2017, JRC Meeting minutes until the May 25, 2017, JRC Meeting.

III. 2018 – 2020 Interlocal Cooperation Agreement Update
Attachment B – Information Item, All

Kathy Tremper reported on the discussion and agreements made at the Interlocal Cooperation Agreement Work Group meeting that occurred on April 20, 2017. The group discussed the topic of equity vs equality and agreed on a common understanding when discussing the need for equity in the context of the agreement. The work group also looked at the current fund distribution and after discussion determined that it did not need any significant changes, except for a change to the Housing Repair allocation being raised from 20% to 25%. The group also discussed the geographic equity of the Housing Repair Program's delivery. It was agreed that better standardized data needs to be developed to determine whether equity is being attained. The group also agreed that better marketing needs to be conducted in areas where the services are not being utilized. Standardized data will be reviewed over the three year agreement to determine whether any other changes are needed. The group will also be reviewing administrative costs at a future date.

The Work Group agreed to do outreach to their respective cities they represent regarding this concept and to determine what information should be gathered on a regular basis that would demonstrate whether funding is meeting the needs of the consortium. The work group will gather again in June to continue this discussion.

IV. Round Table Discussion

- **Housing Repair Program – First Quarter 2017 Update**
Attachment C and D – Information Item, All

There were no questions related to the report submitted. Clark Fulmer gave a brief report of the Housing Repair Program's outlook for the year. There is a lot of interest and activity. Based on current applications the 2016 CDBG and HOME funding is expected to run out before the 2017 entitlement is received. The 2017 funding may not be available until August or September.

- **2018 CDBG Capital RFP – Pre Applications**
Attachment E, Information Item, All

Kathy Tremper reported that 16 projects have been submitted for pre-applications. Two are from the North/East Sub-region and 14 are from the South Sub-region. Once again, the North/East Region has allocated a set-aside to ARCH for housing. The award process is expected to be very competitive. Kathy is scheduling technical assistance workshops for all Pre-Applicants to go over their projects and explain the federal criteria that will help them address compliance issues in their applications.

- **ARCH Competitive Process for Affordable Housing for N/E Sub region CDBG**
Information Item, All

Kathy Tremper reported that ARCH was unable to find an appropriate project for their 2017 funding, and will be combining their 2017 and 2018 allocations to fund projects this year. Kathy has reminded them that they must allocate 2017 CDBG funds by May 2018.

- **Announcement**

Mark Ellerbrook will be replacing Josephine Wong as King County, Department of Community and Human Services Representative to the JRC. Jackie Moynahan will be the new King County Staff Lead to the JRC.

Meeting Adjourned at 10:15 a.m.

JOINT RECOMMENDATIONS COMMITTEE MEETING

Monday, July 10, 2017

9:30 a.m. – 11:00 a.m.

Teleconference

Members Present:

Ken Hearing, Mayor, City of North Bend, JRC Chair (Sound Cities Association)
 De'Sean Quinn, Councilmember, City of Tukwila, JRC Vice-Chair (Sound Cities Association)
 Dan Grausz, Councilmember, City of Mercer Island (Sound Cities Association)
 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 (*HOME City Alternate*)
 Gary Prince, Transit Oriented Development Manager, King County Department of Transportation
 Laurie Olson, Office of Housing Lending Manager, City of Seattle

Members Not Present:

Rob Beem, Community Services Manager, City of Shoreline
 Mark Ellerbrook, Regional Housing and Community Development Manager, King County Community and Human Services (DCHS)
 Pam Fernald, Councilmember, City of SeaTac (Sound Cities Association)
 John Starbard, Director, King County Department of Permitting and Environmental Review
 Dan Stroh, Planning Director, City of Bellevue

King County Staff:

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

Guests:

Evie Boyken, City of Tukwila
 Alaric Bien, City of Redmond
 Colleen Brandt-Schluter, City of SeaTac
 Ellie Wilson Jones, Sound Cities Association
 Klaas Nijhuis, ARCH

I. Welcome and Introductions

Councilmember De'Sean Quinn opened the meeting at 9:35 a.m. and Kathy Tremper conducted a roll-call of attendees.

II. Review May 25, 2017 Meeting Minutes

Approval of the May 25th meeting minutes was deferred. Minutes will be sent out for approval at the September 28th meeting.

**III. Housing Finance Program Updated Guidelines
Information Item – All
Attachment A, A.1, A.2**

Jackie Moynahan and Quinnie Tan reviewed changes to the HFP Updated Guidelines. Jackie prefaced the review by stating that a majority of changes are related to Federal HOME funding changes and/or clarification of existing rules. Quinnie explained that the driving force for the HOME program changes came from HUD's new rules that clarify how to implement the 2013 rule and interim rule on grant-based accounting. During a recent monitoring the County was advised to be more explicit on how the 2013 rule was being implemented. Additional updates clarified the Housing Finance Program, eligible uses for HOME, and procedural changes to the rent and utility process. There is a new procedure related to receipting HOME program income. Funds received, such as loan payoff or interest, will be receipted and accumulated for one year and allocated to project in the following year.

No action or JRC approval is necessary for these changes. Jeff Watson asked if the JRC would have any opportunity for input to the guidelines. Jackie responded that the RFP commences next week and the bulk of changes are new requirements made under the HOME rule and mandated by HUD. Jackie added that other items in the red-line are related to the Veterans and Human Services Levy (VHSL) and Transportation Oriented Development (TOD) funding. These items will need additional work with passage of the VHSL Renewal and the JRC will have an opportunity to provide input. Dan Grausz asked if there was any way to provide less onerous guidelines for applicants who wish to apply for non-federal funds. Jackie replied that the guidelines cover all possible fund sources, however, the federal regulations don't apply unless a project received federal funding. Al D'Alessandro added that the County's combined application process was put together in consultation with input received from developers across the state. The purpose of the combined application is to make it easier for developers to apply for funding to various funders with a single application. Developers have said they see this as less onerous. All issues do not need to be addressed in the application stage. Applications are for any/all funding sources. Once an award is decided then the federal regulations are considered when determining which funds are used for which projects.

Dan Grausz asked whether the JRC role is being changed in the new guidelines. Jackie Moynahan responded that any changes are clarifications and that no substantive changes are being made to the JRC's role. Dan had a follow-up question regarding the JRC's role in making funding decisions. Historically, County staff present information on all applications and the JRC is asked for their input. Staff takes the JRC's input into consideration when making award recommendations. JRC approval is required for certain funding sources. The JRC is usually satisfied with County recommendations, but occasionally does request changes. After further discussion, it was agreed that staff will continue to look into ways to make the guidelines more clear regarding the role of the JRC.

Quinnie Tan reported that stakeholders that operate the homeowner down-payment assistance programs have recommended some changes that will be coming to the JRC for approval in September. Subrecipients have requested the County increase its portion of down payment assistance from \$35,000 to \$45,000 in order to address market demand. Jeff Watson asked where the funding would be coming from and whether it would be taking away from other needs. Jackie Moynahan replied that this comes from HOME dollars. Down payment assistance is recycled program income which operates on a revolving loan fund structure. The current market requires higher down payments and current

assistance levels have not been sufficient. The new structure would provide fewer loans, but they would be deployed more effectively. Klaas Nijhuis agreed that although the impact will mean fewer total loans the success rate is expected to be higher. The JRC will address this issue further at the next meeting.

IV. Information Items

- Kathy Tremper reported on the 2018-2020 Interlocal Cooperation Agreement (ICA) Group Meeting. They discussed what could be done to reduce administrative costs in order to free up additional money for capital. Currently, the administrative cap for CDBG funding is 20 percent. They are looking at regulations that are administratively burdensome and plan to submit a letter to HUD with that feedback. The program needs to remain flexible. They are also looking at historical data to see how the program worked in the past, and how to potentially reduce administrative costs.

A doodle poll will be conducted to set up the next meeting. Additional administrative analysis will be conducted and brought back to the meeting. Members were asked to reach out to cities to get additional input on all the topics discussed.

- Al D'Alessandro gave a legislative update: The State operating budget passed with no major changes. The Housing and Essential Needs program was preserved. Although no requested changes were made to the Document Recording fee the program sunset was extended for four years. The State Consolidated Homeless Grant distributed to counties was protected. The income discrimination bill was not successful. The Medicaid Transformation waiver was threatened but has been preserved. Some general funds were allocated to address youth homelessness. The State capital budget is still in the works. Issues of water rights is delaying some decisions. The Housing Trust fund is set at \$100 million under the proposed capital budget. The Federal budget has not had any significant changes from the previous draft. Al asked that JRC members email him their comments. He is working with state and national advocacy groups which are organizing to preserve HUD programs.
- Kathy Tremper announced that a Public Forum will be conducted next Friday, July 14th from 9:30 – 12:00. Applicants will be presenting proposals.

The Next JRC meeting will be September 28, 2017 at the South Renton Treatment Plant.

The meeting was adjourned at 10:37 a.m.



King County

ICA Work

Group Members

Bethany
Wolbrecht-Dunn
City of Shoreline

Dianne Utecht
City of Renton

Dee Dee
Catalano
City of Bellevue

Jeff Watson
City of Federal Way

Dan Grausz
*City of Mercer
Island*

Colleen Brandt-
Schluter
City of SeaTac

Shaun Tozer
City of Duvall

Chris Pasinetti
City of Enumclaw

Alan Painter
*Unincorporated King
County*

Meeting Notes

Interlocal Cooperation Agreement (ICA)

Work Group Meeting

Tuesday, September 19, 2017

11:30 AM - 1:30 PM

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

Meeting attendees: Bethany Wolbrecht-Dunn, Dianne Utecht, Jeff Watson, Dan Grausz, and Colleen Brandt-Schluter
King County staff present: Alan Painter (Unincorporated King County) Jackie Moynahan (Capital Projects Manager), Kathy Tremper (CDBG Program Manager), and Valerie Kendall (Planner)

Welcome and quick recap

Valerie and Jackie welcomed the attendees. The group reviewed and accepted the agenda as presented.

Report out on community input (workgroup members):

Each member present reported out on their community input for the region of the County they represent. The prompts for the conversations were the following three topics.

- ICA (change or remain the same)
- Carryforward on equity check in
- Feedback on administrative streamlining

Jeff Watson, South HOME Only City Rep-

- Group is not recommending changes to the ICA
- On the equity piece, Jeff and Colleen met with Jackie to discuss data and mapping investments, would like to see informational mapping accompanied by brief narratives for investments in the future when available.
- OK with the Draft HUD letter, except for #4
- On the admin piece, Federal Way became an entitlement City in order to control the funds, not sure they'd step back from that.

Colleen Brandt-Schluter, South Large City Rep-

- Group is not recommending changes to the ICA
- 25% HRP with no conditions
- No changes to planning and admin costs
- New city staff people are at Tukwila and Covington, and they may like additional information at the ongoing planner's meetings.

- Colleen asked the King County team to check in with the CDBG coordinators, specifically Burien regarding the draft letter to HUD.

Bethany Wolbrecht-Dunn, N/E Joint Agreement Cities Rep-

- Group recommended no changes to the ICA
- Bethany recommended continuing positive outreach and communication between the cities and the County.
- Bethany requested detail on the administrative budget for the Joint Agreement Cities and how those funds are spent.

Dan Grausz, N/E Large City Rep-

- Dan had only received a response from the City of Sammamish who reported they did not recommend changes to ICA.
- Dan mentioned the Vets Seniors Human Services Levy may result in potential changes in the funding process.

Dianne Utecht, South Joint Agreement City Rep -

- Group not recommending changes to the ICA
- Dianne echoed Colleen's comments and agreed on all points.

Administrative streamlining follow up

Cost analysis: Jackie distributed a cost analysis for the CDBG, ESG and HOME Program administrative costs. This covered a comparison of averages for the last three years of federal grant amounts and corresponding administrative costs; the number of staff with time charged to federal grants and the associated number of FTEs. A further layer of analysis was added to illustrate the additional costs of full program implementation above the apportioned administrative expense.

This prompted a robust discussion about administrative costs, with a focus on Joint Agreement Cities, and the split for administrative funds between King County and Joint Agreement Cities. Questions were asked about ways to reduce administrative costs and a discussion ensued about the merits of small awards/projects and administrative burden.

Draft letter to HUD: The committee reviewed the rough draft of a letter addressing issues and suggested adding introductory language about seeking efficiencies, itemizing specific issues, and the benefits of proposed solutions. It was suggested to add more context regarding the issues cities face in dealing with funding delays and how crucial it is to remedy those delays. It was also suggested that the request to increase the Davis Bacon Threshold amount above the historical \$2,000 amount be routed through a national organization such as the National Association of County Community and Economic Development.

Action item: Vote on ICA recommendation –

Jeff Watson made a motion to keep the Regular CDBG, Joint Agreement CDBG, and the HOME Program Interlocal Cooperative Agreements with no changes. Dianne Utecht seconded the motion and all voted in favor with the exception of Dan Grausz who abstained, for a discussion with the Joint Recommendations Committee at the meeting on Thursday September 21.

The meeting concluded at 1:00.