



King County
Department of Community and Human Services

King County Regional Affordable Housing Program
Administrative Guidelines

I. Introduction

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

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

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

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

II. Duration of the Guidelines

This update of the RAHP Guidelines shall take effect on January 22, 2014, and shall remain in effect until updated through the interjurisdictional Joint Recommendations Committee (JRC).

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

III. RAHP Consortium Structure and Regional Allocation Method

A. Approving Body – Joint Recommendations Committee

The Joint Recommendations Committee (JRC), as defined in the RAHP Agreement, shall be the body that reviews and updates the RAHP Guidelines beginning in 2010, and reviews and adopts annual RAHP funding allocations and related allocation policies. The JRC will be expanded,



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pursuant to the RAHP Agreement, to include representation from the City of Seattle on RAHP matters.

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

B. Appeal Process for JRC Decisions

Adoption of Guidelines

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

Annual Fund Allocations

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

C. Annual Fund Allocation Recommendations

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

The review process for RAHP allocations will proceed as follows:

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



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D. Sub-regional Allocation Targets

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

RAHP Sub-regions:

- City of Seattle Sub-region
- North/East Sub-region, which includes north and east urban and rural areas, including 40 percent of unincorporated King County¹
- South Sub-region, which includes south urban and rural areas, including 60 percent of unincorporated King County

E. Formula for Sub-regional Allocation Targets

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

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

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

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

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



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considering the current stock of housing affordable to households at or below 50% of AMI, in order to arrive at a percentage for the sub-region².

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

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

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

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

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

IV. Use of RAHP Funds in King County

A. RAHP Priorities

- Capital funds for the acquisition, rehabilitation and/or new construction of units of eligible housing types. New construction is not eligible if the low-income housing vacancy rate for all of King County exceeds 10 percent³.
- Operations & Maintenance ("O&M") fund program for existing homeless housing⁴. This program provides O&M funding for existing⁵ transitional housing, transition in place⁶

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

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

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

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

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



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

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

B. RAHP Eligibility

1. Eligible Housing Types

Capital Funds

Permanent rental housing units

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

Rapid re-housing projects⁷

Emergency shelter and licensed overnight youth shelter⁸

Ownership housing

O&M Funds

Existing transitional and transition in place housing units

Existing emergency shelters and licensed overnight youth shelters

Existing projects that are converting or have converted from transitional housing or shelter to permanent housing or rapid re-housing through the work plan of the Committee to End Homelessness in King County⁹

2. Eligible Populations Served by Housing Units

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

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

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

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



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

- Homeless households¹⁰, including youth and young adults;
- Households at risk of homelessness¹¹;
- Disabled households or households with a disabled member;
- Families and homeless families;
- Other special needs populations, including senior citizens.

3. Eligible Applicants

Non-profit organizations

Housing Authorities

Local governments

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

4. Eligible use of RAHP Funds by Category

Capital funds

Acquisition of land for eligible housing;

New construction of eligible housing;

Acquisition of building(s) for eligible housing;

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

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

Capitalization of O&M rent buy-down reserves for new eligible housing units to serve households below 50 percent of AMI that are primarily homeless¹², or at risk of homelessness¹³;

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

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

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

¹² See Note 6.

¹³ See Note 7.



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the tenants or to cover debt service¹⁴. This eligible use may not exceed 20 percent of the RAHP capital funds in any funding cycle.

O&M Funds

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

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

Rental Assistance

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

5. RAHP Administration

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

RAHP Capital Funds

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

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

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



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

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

RAHP Operating and Maintenance Funds

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

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