**King County**

Urban Consortium Joint Recommendations Committee

*Meeting Materials for Thursday, January 22, 2015*

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Agenda

JOINT RECOMMENDATIONS COMMITTEE (JRC)
MEETING

Thursday, January 22, 2015
9:30 AM - 11:30 AM
South Renton Treatment Plant Admin Building
1200 Monster Road S.W., Renton, WA 98057
Directions and map
http://www.kingcounty.gov/environment/wtd/About/System/South.aspx

I. Welcome and Introductions

II. November 20, 2014 Meeting Minutes
5 Min
Attachment A – Action Item All

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

IV. Review JRC/Consortium Procedures, Meeting Location
20 Min
and 2015 JRC Work Plan,
Attachment B – Action Item All

V. Priorities for Community Development Block Grant (CDBG)
10 Min
2016 Capital Non-Housing Funding Round,
Attachment C – Action Item – CDBG Consortium City Representatives Only
Kathy Tremper, HCD Community Development Section Staff,

VI. HUD Choice Neighborhoods Initiative Implementation Grant
20 Min
Application sponsored by City of Renton, Renton Housing
Authority and King County Housing Authority
Attachment D - Action Item All:
Mark Ellerbrook, Regional Housing and Community Development Program Manager

VII. Review of Housing Repair Program Data and Impacts from
15 Min
Guidelines Amendments in Early 2013
Information Item –
Clark Fulmer, HRP Section Staff

VIII. Consolidated Housing and Community Development Plan
10 Min
Information Item – Update Stakeholder/Consortium meetings/products re
2015-2019 Consolidated Plan
Valerie Kendal, Affordable Housing Planner

IX. KING COUNTY RAHP ADMINISTRATIVE GUIDELINES
10 Min
Information Item –
Valerie Kendal, Affordable Housing Planner

JRC Members
Chair
Ken Hearing
Mayor North Bend
Vice Chair
Gerald (Jerry) Robison
Burien, Councilmember
Sound Cities Association
Paul Winterstein
Issaquah, Councilmember
Sound Cities Association
Pam Fernald
SeaTac, Councilmember
Sound Cities Association
Terry Mark
King County, DCHS Deputy Director
Gary Prince
King County, DOT, TOD Program Manager
John Starbard
King County, DPER Director
Dan Stroh
Bellevue, Planning Director
Rob Odle
Redmond, Director Dept. Planning & Community Dev.
Merina Hanson
Kent, Housing and Human Services Manager
Rob Beem
Shoreline, Community Services Division Manager
Steve Walker
Seattle, Director of Office of Housing

Kathy Tremper, HCD Community Development Section Staff,
Mark Ellerbrook, Regional Housing and Community Development Program Manager
Clark Fulmer, HRP Section Staff
Valerie Kendal, Affordable Housing Planner
X.  **HOUSING FINANCE PROGRAM NON-HOME GUIDELINES**  
Information Item – Review in Process (JRC Action Item in May)  
*John deChadenedes, HFP Section Staff*

XI. **Announcements, Other Items**

**ADJOURN**

_Next Meeting:  
Date TBD, 9:30 AM - 11:30 AM  
Location TBD: South Renton Treatment Plant, Renton WA_
JOINT RECOMMENDATIONS COMMITTEE MEETING
Thursday, November 20, 2014
9:30 a.m. – 11:30 a.m.
South Renton Treatment Center

Members Present:
Ken Hearing - Mayor, City of North Bend, JRC Chair (Sound Cities Association)
Gerald (Jerry) Robison - Councilmember, City of Burien, JRC Vice-Chair (Sound Cities Association)
Paul Winterstein - Councilmember, City of Issaquah (Sound Cities Association)
Pam Fernald - Councilmember, City of SeaTac (Sound Cities Association)
Rob Beem - Community Services Division Manager, City of Shoreline
Gary Prince - Transit Oriented Development Program Manager, King County Department of Transportation
Colleen Kelly - Assistant Director, City of Redmond
John Starbard - Director, King County Department of Permitting and Environmental Review
Tom Mack on behalf of Steve Walker – Director of Housing, City of Seattle
Dee Dee Catalano, on behalf of Jeffrey D. Watson - Community Services Manager, City of Federal Way

Members Not Present:
Rob Odle - Director, Planning and Community Development, City of Redmond
Michael Hursh - Director of Administration, City of Auburn
Terry Higashiyama - Community Services Administrator, City of Renton
Terry Mark – Deputy Director, King County Department of Community and Human Services

King County Staff:
Kathy Tremper - Coordinator, Housing and Community Development, HCD
John DeChadenedes – Project Manager, Housing Finance Program, HFP
Mark Ellerbrook, Regional Housing and Community Development Manager, HCD
David Mecklenburg – Project Manager, HCD
Al D’Alessandro – Project Manager, HFP
Clark Fulmer – Housing Repair Program Coordinator
Elaine Goddard – Administrative Staff Assistant, CSD

Guests:
Evie Boykan – Human Services Manager, Tukwila
Doreen Booth - Sound Cities Association
Klaas Nijhuis – Senior Housing Planner, City of Bellevue
Robin Amadon - Development Director, Low Income Housing Initiative
John Torrance - Sr. Housing Developer, Low Income Housing Initiative
Whitney Rearich - Developer, Low Income Housing Initiative
Leslie Miller - Human Services Coordinator, City of Kirkland
I. Welcome and Introductions

Ken Hearing opened the meeting at 9:38 am. He welcomed guests and asked everyone to introduce themselves.

II. Approval of JRC October 23, 2014 Meeting Minutes

Attachment A – Action Item All

MOTION: Paul Winterstein moved to approve the minutes as presented. Pam Fernald seconded the motion. Motion was approved unanimously.

III. JRC State Legislative Priorities for 2015

Attachment B. – Action Item All

Al D’Alessandro, Housing Finance Program Section Staff

A draft of the 2015 Legislative Priorities was presented at last month’s meeting. JRC members were asked to send Al their feedback in order to put together a final draft. Al took the suggestions and edited the priorities to incorporate the changes. This draft is more descriptive of how the legislative priorities impact the public, and removes a reference in Item 4 which would prohibit reporting evictions if people are found guilty. The JRC members reviewed the updated draft. Ken Hearing asked if there were additional questions or concerns. None were raised. Paul Winterstein commended those who worked on preparing and writing the list. He felt the added descriptions will make a stronger impact and better influence legislative actions.

MOTION: Paul Winterstein moved to adopt the list as presented. Jerry Robison seconded the motion. The motion was approved unanimously.

IV. Housing Finance Program 2015 Fund Allocation, Affordable Housing Capital Awards of 2014 Funding Round.

Attachment C. Action Item – All

John DeChadenedes, Housing Finance Program Section Staff

Last month John gave the board information on all of the applications received and asked for their feedback. Since then, County staff have considered the committee’s feedback, sorted the data, and matched applications to the available funding sources. John noted that based on fund recommendations a total of 302 new units of affordable housing will be created. The projects represented a broad range of needs, and it is regrettable that they could not all be funded. John walked through each project recommended for an award and asked for questions along the way. John shared information on how much low income tax credit specific projects would receive, and emphasized the importance of the credits to extend our ability to create housing units. Rob Beem asked a question regarding the use of private debt, which is not common in County funded projects, but does happen. Asked if debt includes tax credit equity, John explained that tax credit is considered separately from bank debt. Asked whether the recommended awards are all for rental units, the response was that yes, in this funding round all of the new units will be low income rental units.

Recommendations per funding source are as follows:
In summary:

- **King County Housing Authority**: Chaussee Portfolio - $665,251;
- **Compass Housing, Ronald Commons** - $2,850,000;
- **Providence/SRI, Redmond Senior** - $1,500,000;
- **LIHI, University Commons** - $693,032; and
- **Plymouth Housing Group**: Seventh and Cherry - $537,000;
• Parkview Services: One 3-bedroom single-family home for individuals with Developmental Disabilities in North/East King County - $164,000.

John recommended that the Habitat for Humanity Sammamish Cottage Demonstration project be singled out for a contingency award, dependent on the return or recapture of at least $100,000 in federal funds in the coming year. The project proposes to provide ten 3-bedroom single-family homes. There is not enough money to fund this project at this time, but the County wishes to indicate support for the project and expects to see it again in future rounds. Paul asked if the project could proceed if we don’t fund it. John is not sure. Klaas Nijhuis from ARCH commented that County support for the project could serve to bring in further support from other funders, donors and volunteers. The City of Sammamish wants to see the project move forward, having donated the land for it. Jerry Robison asked about the easement on this project. What purpose does it serve? The easement, required by the City of Sammamish, would connect a private road serving nearby homes to a larger development planned for construction in the near future and give residents better access to the community.

Dee Dee Catalano of Federal Way noted that there were not a lot of south county applications. John answered that the geographical make up of projects varies from year to year depending on where developers find available land. Non-profits will develop a project where they find a good opportunity. The County does not hear about a project until the pre-application period, which is after non-profits have already put a lot of time and effort toward it. Mark noted that last year there were more projects in south King County. Jerry commented that he is pleased that projects are on the eastside and north. He has seen a long term pattern of spending on low income housing in the south-end, resulting in more segregation. He likes putting resources into areas that spread affordable housing out to the north and east.

John addressed questions about the projects not funded. It is a complex process to determine recommendations. The projects were all good, but some did not work as well within the total picture of funding availability. Jerry commented that he is pleased with the work done and the explanation of the recommendations. Klaas Nijhuis of ARCH thanked County staff for their wisdom and work and passed out a letter supporting the County’s recommendations. All projects recommended are ready to proceed. Rob Beem asked what is the likelihood of funding a project without tax credits? Tax credits are not required, but they do affect a project’s score, and those receiving tax credits are more likely to receive funding. Mark added that funding decisions from other entities is not complete, but we have had many meetings to collaborate on decisions. Changes are possible, but if they are necessary they will be brought to this group for review. Rob asked whether this funding is dependent on the state Housing Trust Fund. The County would not recommend projects if funding was not available. There is no guarantee of future funding, but this money is already allocated.

Paul asked about the Shoreline project’s infrastructure. Rob assured that this is a good location. The transit and walk-ability scores are based on the number of bus routes and amenities within a short radius. This project is near many amenities, but perhaps outside of the set radius.

MOTION: Ken asked if the group would like to vote on individual projects or on the slate of recommendations. Rob Beem moved to vote on the list in total with members voting only on those projects they are eligible to vote on. The motion was seconded. A question was raised whether the group is voting for the contingency project as proposed as well. It was agreed to include the contingency project as recommend by staff. The motion was approved unanimously.
V. 2014 RFP for Rapid Re-housing, Emergency Shelter, Transitional Housing and Shelter Diversion
Attachment D
Mark Ellerbrook for Kate Speltz, Housing Homeless Section Staff

Last month the JRC approved shelter and other housing programs, but not diversion funding. Those were not discussed due to concerns of how food banks are funded under the umbrella of housing. Shelter diversion helps those facing homelessness to avoid losing their housing. Once in a shelter it is very difficult to get rehoused. It is much better to keep people in the housing they have. Food banks are intended to help people on the margins divert spending from food to maintaining shelter. Discussions have taken place to ramp down County spending on food banks to end in 2017, but there are concerns. County staff has met with planning departments from the North/East and South and have decided to proceed ramping down 20% in 2015 and 2016. However, additional work is needed to determine how to do this with the least impact.

Concern has been expressed regarding direct funding to the Maple Valley Food Bank (it is proposed to receive funds through the Housing Stability Project managed by Solid Ground). The community has expressed concern over local control being shifted to a larger entity. This is not the intent. The County is trying to improve efficiency. Rob would like to see greater investment in local organizations in order to strengthen the community, rather than putting money into larger administrations. The current trend to develop larger systems erodes local capacity and control. When communities lose access to dollars does it hurt their ability to leverage more? We need more feedback from Maple Valley Food Bank to determine what affect funding cuts will have. Jerry expressed that in his work with organizations, moving away from local funding changes the attitude of the whole community. Mark is open to meet with local communities to try to make this work well for all areas of the region.

The King County Bar Association provides eviction services to help avoid eviction and maintain rental housing. It is hard to reenter the rental market if there is an eviction on record. Jerry expressed concern that help needs to come earlier. When someone is to the point of facing eviction it is often too little, too late. They usually need more than legal advice. The issue is how to reach further upstream. Mark agreed these are good points which need to be looked at. This is going to be discussed further.

Recommendations include a combination of current and prior year funds and are as follows:

<table>
<thead>
<tr>
<th>Agency / Program</th>
<th>Recommended Award</th>
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<tbody>
<tr>
<td>Hopelink Food Bank</td>
<td>59,311</td>
</tr>
<tr>
<td>Des Moines Food Bank</td>
<td>56,255</td>
</tr>
<tr>
<td>Wellspring Diversion</td>
<td>41,000</td>
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<tr>
<td>King County Bar</td>
<td>30,000</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>186,566</strong></td>
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- Food banks are funded at the same level for 2015 and 2016. This is a 20% reduction from the prior funding cycle.
- Diversion was included in the RFP at a total of $100,000 annually. Diversion will be funded at a $100,000 annually with $41,000 from CDBG and the balance ($59,000) coming from non-Consortium funds. Two projects are being funded.
- King County Bar eviction prevention activities are continued.
2013 and 2014 ESG Funds to Be Used in 2015 and 2016

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<tr>
<th>Agency/program</th>
<th>Recommended Award</th>
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<tr>
<td>Maple Valley Food Bank participation in HSP</td>
<td>20,000</td>
</tr>
<tr>
<td>Housing Stability Project (HSP)</td>
<td>39,427</td>
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<tr>
<td></td>
<td><strong>59,427</strong></td>
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ESG funds included in this recommendation are from prior years and were originally designated for rapid re-housing. The project originally slated for use of the 2013 funds was the Multi-Services Center Rapid Re-Housing for Singles, which discontinued operations and did not spend all of the funds allotted. The funds must be spent by September 2015.

The 2014 funds are suggested for use to support prevention services in 2016.

- Maple Valley Food Bank participation in HSP is supported with funds from both 2013 and 2014 to ensure fund availability for both 2015 and 2016.
- HSP will provide additional housing prevention in the consortium.

MOTION: Jerry Robison moved to adopt staff recommendations to amend action plans for 2013 and 2014 and adopt the 2015 CDBG funding recommendations. Paul Winterstein seconded.

Motion carried unanimously.

VI. Review of Housing Repair Program Data and Impacts from Guideline Amendments in Early 2013

Information, Presentation
Clark Fulmer, Housing Repair Section Staff

The Housing Repair Program offers a direct service to the community. It is quite gratifying to provide services to citizens and see the impact to individual families. Clark provided handouts and gave a PowerPoint presentation. He went over 2013 and 2014 statistics and gave a preview of where the program is going in 2015. Clark shared moving personal stories via a video imbedded within his PowerPoint Presentation of people the Housing Repair Program has helped. Some folks become accustomed to living in abnormal living conditions, and wait until circumstances are out of control. Sometimes deterioration reaches the point where medical issues are present.

Clark shared materials showing itemized lists of what funding has been committed, how many units were worked on, types of projects, and region. In 2013 they completed 143 projects, of which 127 helped seniors to stay in their homes. Based on current 2014 data they project they will help 120 households, and will be fully spent by January. Unfortunately, they are not able to access additional HUD funds until May or June. This will create a waiting period. Demand is up, but money is down. This is a new issue. Some program guideline changes have accelerated spending. Changes have included bumping up the asset limit which makes more households eligible, and increasing grant amounts. The program is looking at whether they need to make changes again to help alleviate funding shortages. Mark reiterated that clearly the program meets critical needs keeping people in their homes; however, hard decisions need to be made. The County used to get 25% of CDBG funds, now it is 20%. We have been expanding eligibility with less money. Do we want to keep these eligibility changes, or should we
tweak them to target more lower-income households? We are not looking for a decision now, but will further examine these questions in 2015.

Rob asked about the average cost per unit. How much is put in will help determine how to set up the program. Rob noted that only 5 applications were from Shoreline. Clark commented that there is an ebb and flow as to where projects turn up. Shoreline residents may need more visibility of the program to increase their knowledge of this valuable service.

Jerry noted that many households with underwater mortgages won’t qualify. Perhaps some families could keep their houses if they were able to do repairs. Mark expressed the need to balance helping those in need with safeguarding dollars to keep the program afloat and help the most people. A question was raised on how the program determined the age limit. There are guidelines regarding age. Consensus was made based on available data, but could be revisited.

VII. Announcements:

The next meeting is slated for January 22, 2015. The Agenda will be used to elect a Chair and Vice Chair and to establish the JRC work plan for 2015. Some of the policy questions raised will be identified as work task items as well as other annual matters that come before the committee.

The current room was scheduled on a trial basis. The group was asked for feedback. One guest suggested that the room felt a little small for audience participation. The location is good though. Kathy suggested that she could try to get the room upstairs which is bigger and might be better for sound. A question was raised whether it is required to use a County facility? It is not, but the cost is a factor. The current room is booked for the January 22, 2015 -- meeting dates and locations will be discussed at that time.
Joint Recommendations Committee
2015 Meeting Calendar

January 22
- Action Item: Elect 2015 JRC Chair and Vice-Chair
- Action Item: Review JRC/Consortium Procedures, Meeting Location and 2015 JRC Work Plan
- Action Item: Priorities for Community Development Block Grant (CDBG) 2016 capital funding round (Recommendation to move allocation process up by at least a month to address issues with vacation schedules during evaluation process. See attached proposed timeline)
- Info/Action: HUD Choice Neighborhoods Initiative Implementation Grant Application sponsored by City of Renton, Renton Housing Authority and King County Housing Authority
- Info Item: Housing Repair Program - Analysis of Program since adoption of new policies in 2013
- Info Item: Consolidated Housing and Community Development Plan; Update Stakeholder/Consortium meetings/products re 2015-2019 Consolidated Plan
- Info Item: King County RAHP Administrative Guidelines
- Info Item: Housing Finance Program Non-HOME Guidelines (in process, JRC action in May)

February 26
- Action Item: King County RAHP Administrative Guidelines
- Info Item: Housing Repair Program Feedback - Proposed New Policies
- Info Item: Consolidated Housing and Community Development Plan (2015-2019); Update Stakeholder/Consortium meetings/products re Consolidated Plan
- Info Item: HCD Housing Finance Program Non-Home Guidelines Proposed Updates
- Info Item: ARCH Competitive Process Affordable Housing Award Recommendations for North/East Sub-region CDBG
- Info Item: Housing Finance Program’s proposed schedule for 2015 capital funding round for 2016 funds

March 26
- Action Item: Approve Consolidated Plan Updates for 2015-2019
- Action Item: Adopt HCD Housing Finance Program Non-Home Guidelines
- Action Item: Adopt ARCH Competitive Process Affordable Housing Award Recommendations for North/East Sub-region CDBG
- Info Item: Repair Program – Review New Policies
- Info Item: Draft Housing Finance Program Guidelines (issues, Q&A, stakeholder meeting planned)

April 23
- Action Item: Review prior year CDBG and/or HOME projects that are failing their timely expenditure requirement; review recommendations to extend or cancel projects
- Action Item: Adopt Housing Repair Program - New Policies
- Action Item: JRC review of final draft HFP guidelines update; review stakeholder input; final Q&A from JRC.
- Info Item: List of Housing Finance Program Pre-applications
May 28
- Info Item: 2016 Program Planning: CDBG/HOME budget review
- Action Item: Adopt updated Housing Finance Program Guidelines

June 25
- Public Input: Public Meeting Regarding Community Development Needs
- Info Item: Virtual tour of King County Consortium Community Development projects
- Info Item: Best Starts for Kids

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

July 23
- Info/Briefing Item: Ten Year Plan to End Homelessness and Initiatives;

September 24
- Info/Briefing Item: JRC Federal and State Legislative Agenda
- Action Item: 2016 Program Year Funds Planning - Decide on Community Development Block Grant Non-housing Capital Awards of 2015 Funding Round

October 22
- Action Item: JRC Federal and State Legislative Priorities for 2016
- Info/Briefing: Review and discussion of all affordable housing capital applications received in the 2015 funding round for 2016 funds.

November 19
- Action Item: –JRC votes to approve and adopt final Affordable Housing Capital Recommendations of 2015 Funding Round (2016 program year funds).

Meetings are held from 9:30 A.M. TO 12:30 P.M. at:
South Renton Treatment Plant Admin Building
1200 Monster Road S.W., Renton, WA 98057
Directions and map
http://www.kingcounty.gov/environment/wtd/About/System/South.aspx

Contact Information:

Kathy Tremper, Community Development Coordinator
Housing and Community Development
Kathy.tremper@kingcounty.gov
Office: 206-263-9097  cell: 206-399-6687

Mark Ellerbrook, Regional Housing and Community Development Program Manger
Mark.ellerbrook@kingcounty.gov
Office: 206-263-1117
2016 Program Planning
Adoption of Priorities for CDBG 2016 Capital Funds

**Issue:** Review, discuss and adopt recommended sub-regional funding priorities for the 2016 Community Development Block Grant (CDBG) Consortium capital funds.

**Background:** In January/February of each year CDBG Consortium cities review capital CDBG funding priorities for the two sub-regions and present their recommendations to the JRC for adoption. This process must occur prior to initiation of the allocation process for CDBG non-housing capital funds by Housing and Community Development Program (HCD) staff. On January 16, 2015, HCD staff facilitated a joint meeting of the North/East and South Sub-region city representatives to act on these priorities. The following priorities are being presented to the JRC Regular CDBG Consortium members for consideration and adoption.

1) North/East Sub-Region Priorities (listing order does not represent an order in priority):
   a) Housing Set-Aside – 40% of the capital funds available for north/east sub-region the housing set-aside is reserved for ARCH allocation in their RFP cycle.
   b) Public Improvements
   c) Community Facilities
   d) Economic Development

2) South Sub-Region Priorities (listing order does not represent an order in priority):
   a) Community Facilities
   b) Public Improvements
   c) Minor Home Repair
   d) Economic Development

**Action Requested:** Consideration of proposed funding priorities for vote by the regular CDBG Consortium JRC members.

**Staff Contact:** Kathy Tremper, Community Development Coordinator
E-mail: kathy.tremper@metrokc.gov  Phone: (206) 263-9097
### Proposed 2016 CDBG CAPITAL FUNDING TIMELINE

<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
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<tbody>
<tr>
<td><strong>February 6, 2015</strong></td>
<td>Pre-Applications Available on Web and upon request (<a href="http://www.kingcounty.gov/socialservices/Housing/ServicesAndPrograms/Programs/CommunityDevelopment.aspx">web link</a>)</td>
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<tr>
<td><strong>February/March 2015</strong></td>
<td>NOFA Capital Workshops and one on one consultation by HCD Staff &lt;br&gt; (<a href="http://www.kingcounty.gov/socialservices/Housing/ServicesAndPrograms/Programs/CommunityDevelopment.aspx">web link</a>)</td>
</tr>
<tr>
<td><strong>April 3, 2015</strong></td>
<td>Pre-Applications Due (Required to be eligible to submit an application)</td>
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<tr>
<td><strong>April 16, 2015</strong></td>
<td>Applications available on web.</td>
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<tr>
<td><strong>March/April 2015</strong></td>
<td>Limited Number of Technical Assistance Workshops for Capital applications. (<a href="http://www.kingcounty.gov/socialservices/Housing/ServicesAndPrograms/Programs/CommunityDevelopment.aspx">Announced as scheduled</a>)</td>
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<tr>
<td><strong>May 29, 2015</strong></td>
<td>Applications due to King County HCD c/o King County Procurement and Contract Services, 3rd Floor Chinook Building, 401 Fifth Ave. Seattle, WA.</td>
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<tr>
<td><strong>June 1 – June 5</strong></td>
<td>Technical Screening – only proposals determined to be eligible will move forward to the next level of evaluation.</td>
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<td><strong>July 10, 2015</strong></td>
<td>Public Forum – Applicant presentations to both Sub-Region Recommendation Work Groups – Location TBD</td>
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<tr>
<td><strong>July 13 – July 31</strong></td>
<td>Sub-Regions Recommendations Work Group(s) Meet Regarding Award Recommendations.</td>
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<td><strong>August 2015</strong></td>
<td>Recommendation Packet drafted for presentation to JRC.</td>
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<tr>
<td><strong>September 24, 2015</strong></td>
<td>JRC adopts/modify recommendations.</td>
</tr>
<tr>
<td><strong>November 2015</strong></td>
<td>Applicants are notified of awards.</td>
</tr>
<tr>
<td><strong>January 1, 2016</strong></td>
<td>New program year begins.</td>
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</tbody>
</table>

Awards are conditional until King County receives its Grant Agreement from HUD and until any concerns raised during the application review have been resolved to King County’s satisfaction.
City of Renton/Renton Housing Authority Choice Neighborhoods Initiative Application
King County Financial Support

**Issue:** The City of Renton and Renton Housing Authority are requesting $3 million in affordable housing funds from King County for future projects identified in their Choice Neighborhoods Initiative application to the Dept. of Housing and Urban Development (an up to $30 million HUD grant). Any funds awarded by the JRC will be identified in the application to maximize the application points for local leverage. The more total points an application receives the more competitive it will be.

**Background:** The City of Renton (City) and Renton Housing Authority (RHA) are currently working with a number of partners to prepare a U.S. Housing and Urban Development (HUD) Choice Neighborhoods Initiative (CNI) implementation grant for the Sunset Area. The CNI grant would provide up to $30 million to support the Sunset Area Community Revitalization effort.

HUD released the CNI Notice of Funding Availability (NOFA) on 11/6; applications are due 2/9/2015. Applicants will be competing for both FY2014 and FY2015 CNI funds. HUD plans to announce the CNI awards in September 2015. If successful, the grant period is five years long, from 2016 through 2020 and will provide the following funds for the sunset Area Transformation Plan:

- Housing – Up to $21 million for RHA’s affordable housing development in the Sunset Area;
- Neighborhoods – Up to $3.75 million for eligible targeted neighborhood improvements;
- People – Up to $3.75 million for “people” services; and
- Administration – Up to $1.5 million (5% of the grant) for administration, reporting, and accounting.

The CNI was designed to address struggling neighborhoods with distressed public housing through a comprehensive neighborhood transformation. CNI funds help communities transform neighborhoods by revitalizing severely distressed public housing and investing and leveraging investments in well-functioning services, high quality public schools and education programs, high quality early learning programs and services, crime prevention strategies, public transportation, and improved access to jobs.

The City and RHA have been working together for eight years on the plan to revitalize the distressed 100-unit Sunset Terrace public housing project and its surrounding community. Sunset Terrace is 55 years old and much of the neighborhood’s housing stock was built as war worker housing during WWII.

The 269-acre Sunset Area has significant community needs, including:

- 27 percent of Sunset Area households live in poverty;
- Average annual income $17,000 less than elsewhere in the City of Renton;
- 75 percent of students in the elementary school qualify for free or reduced lunch programs;
- Violent crime is 2.5 times higher than the City as a whole;
- 70 percent of housing is rated “substandard” (King County Assessor records);
- Homeownership is below 40 percent, as compared to 55 percent in the City as a whole; and
• Identified “high potential” for indoor environmental hazards such as mold, lead-based paint, and asbestos.

The City, RHA, and partners have completed a number of Sunset Area projects and have many more in progress.

<table>
<thead>
<tr>
<th>Recently Completed Projects</th>
<th>Projects in Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>• New Meadow Crest Early Learning Center                                                   • Sunset Terrace Regional Storm Water Facility</td>
<td></td>
</tr>
<tr>
<td>• New Meadow Crest Inclusive Playground                                                     • Harrington Avenue Green Connections</td>
<td></td>
</tr>
<tr>
<td>• New Glennwood Townhomes &amp; Kirkland Avenue Townhomes – 24 units of replacement housing for Sunset Terrace</td>
<td>• New Renton Highlands Library</td>
</tr>
<tr>
<td>• New Highlands to The Landing Pedestrian Connection                                         • Sunset Neighborhood Park design &amp; land acquisition</td>
<td></td>
</tr>
<tr>
<td>• Utility upgrades                                                                           • Design for Sunset Lane NE realignment, NE 10th Street extension &amp; NE Sunset Boulevard (SR 900) improvements</td>
<td></td>
</tr>
<tr>
<td>• Colpitts Development Company’s new market rate housing at Sunset Terrace</td>
<td></td>
</tr>
</tbody>
</table>

The King County Housing Authority (KCHA) has agreed to be the Lead Applicant and the Housing Lead and to administer the CNI grant if awarded. The City and RHA will be co-applicants. KCHA is collaboratively working with the City, RHA, and partners to help Renton create a successful CNI application. KCHA has administered two large HUD HOPE VI public housing redevelopment projects, Greenbridge and Seola Gardens, both in the White Center area of King County. This experience will significantly help Renton’s CNI application to score better.

The Sunset Area Transformation Plan includes four new RHA projects in the Sunset Area with a total of 229 new multi-family rental housing units, including 157 units affordable to households at or below 60% of median income and 72 mixed-income units affordable to households at or below 120% of median income, plus a rehabilitation of an existing RHA elderly assisted housing project. The total budget for the four new Sunset Area housing projects is $76,641,988.

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Project Type</th>
<th>Number of Units</th>
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<tbody>
<tr>
<td>Edmonds Apartments</td>
<td>New Construction</td>
<td>112 Units</td>
</tr>
<tr>
<td>Suncrest Homes</td>
<td>New Construction</td>
<td>20 Units</td>
</tr>
<tr>
<td>Sunset Townhomes</td>
<td>New Construction</td>
<td>20 Units</td>
</tr>
<tr>
<td>Sunset Terrace Apartments</td>
<td>New Construction</td>
<td>41 Units</td>
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<tr>
<td>Golden Pines Apartments</td>
<td>Renovation</td>
<td>53 Units</td>
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The City does plan to support RHA’s new Sunset Area housing projects with local funds. The Sunset Area Transformation Plan includes a pending commitment from the City for $1.9 million in waived fees for RHA’s four new replacement housing projects in the Sunset Area Transformation Plan. The City Council was scheduled to act on the fee waiver on January 12, but has delayed the vote until January 26th.

**Request of King County**

In order to help increase the competitiveness of Renton’s CNI application for the Sunset Area Transformation Plan, RHA/Renton is requesting a $3 million commitment of housing finance program funds, contingent upon Renton’s receipt of the CNI funds, to support RHA’s new housing projects in the Sunset Area Transformation Plan.

The $3 million will support construction of three of the four new Sunset Area housing projects, the Edmonds Apartments, Suncrest Homes, and Sunset Terrace Apartments as outlined above. For the CNI application,
Renton needs a commitment from King County to provide the funds during the five-year CNI grant period (2016-2020) contingent upon receipt of a CNI grant. The actual Sunset Area projects and use of King County funds can be determined in the future. If Renton secures a CNI grant, RHA would apply for the Housing Finance Program (HFP) funds using the standard annual HFP application process for the projects and amounts that make sense for King County for two or more grant awards totaling $3 million during the CNI grant period. Ideally, $1.5 million would be available for RHA housing starting construction in 2016 and $1.5 million available for RHA new housing starting construction in 2017.

RHA plans to apply to King County for HFP funds for these projects regardless of whether Renton receives a contingent commitment at this time. The difference is that the current request will allow Renton to be more competitive for the CNI grant application and decrease the need for more King County resources to help complete the projects without CNI funds in the future.

JRC Options:
• Option 1: Approve $3 million in housing funds, contingent upon the CNI grant application being successful and resulting in funding award, to support City of Renton/Renton Housing Authority Choice Neighborhoods Initiative Application. The consequences of this decision would be that $3 million in housing funds will be committed prior to project review and the amount of funding for other King County projects over the next five years will be reduced.

• Option 2: Approve $1.5 million in housing funds, contingent upon the CNI grant application being successful and resulting in funding award, to support City of Renton/Renton Housing Authority Choice Neighborhoods Initiative Application. This would be enough funding for approximately one project, which could be selected through the standard Housing Finance Program underwriting process over the next five years.

• Option 3: Do not approve any funds to support City of Renton/Renton Housing Authority Choice Neighborhoods Initiative Application. This option preserves all future affordable housing funding for projects that will be considered under the standard HFP process. This may result in Renton’s CNI application not receiving maximum leverage points if other leverage sources are not secured.

Staff Recommendation: Option 2: Provide $1.5 million in housing funds, contingent upon the CNI grant application being successful and resulting in funding award, to RHA for a project or projects selected over a five year period and reviewed under the standard HFP procedures. The award should be conditioned on the City of Renton approving the fee waiver requests outlined above, assuring that the City of Renton is invested in the project. It is reasonable to assume that the King County HFP will award $1.5 million in housing funds to the Sunset Terrace project over the next five years.

Staff Contact:
Mark Ellerbrook: E-mail: mark.ellerbrook @kingcounty.gov Phone: (206) 263-1117
Sunset Area Vicinity Map

Sunset Area Boundary
Complete Streets Concepts

Sunset Area Community Revitalization

OVERVIEW

Summary

The Sunset Area Community Revitalization Program will leverage public investment to catalyze private property development and create opportunities for market-rate and affordable housing, plus retail investment. Planned improvements will benefit the entire community:

- Complete Streets upgrades to NE Sunset Boulevard and other local streets (see back page)
- Improvements to stormwater drainage systems
- New and rehabilitated parks and recreation facilities
- New public library
- New early childhood learning center
- Better connections to support services for public housing residents
- Sustainable infrastructure
- Bike and walking paths
- Sunset Terrace public housing will redevelop to include new residential units with a mix of public, affordable, and market-rate homes
- Potential capacity for an additional 2,300 new dwelling units and 1.22 million square feet of services/retail space in the 269-acre neighborhood over the next 20 years

Partnerships

We have formed public and private partnerships to generate investment in facilities and infrastructure that will support a vibrant and highly livable community. Additional partnerships are planned.

Christina B. Reichert, Unit Manager Environment Review and Permit Management Unit U.S. Environmental Protection Agency

City of Renton
1035 S. Grady Way
Renton, WA 98057
425-430-8531

Renton
HealthPoint
Lumen Technical College
King County

King County Housing Authority
W CRA
Renton

Renton
HealthPoint
Lumen Technical College
King County

King County Housing Authority
W CRA
Renton

Renton
HealthPoint
Lumen Technical College
King County

King County Housing Authority
W CRA
Renton

Renton
HealthPoint
Lumen Technical College
King County

King County Housing Authority
W CRA
Renton

Renton
Sunset Area Community Revitalization Projects and Investment Opportunities

Sunset Area Community Revitalization Projects and Investment Opportunities

**Livelihood Principles**

Six "Livelihood Principles" as set forth by the Federal Partnership for Sustainable Communities.

- Provide more transportation choices
- Promote equitable, affordable housing
- Enhance economic competitiveness
- Support existing communities
- Coordinate and leverage state and local, and federal policies and investment
- Value communities and neighborhoods

**Projects/Elements**

<table>
<thead>
<tr>
<th>Sunset Area Community Revitalization</th>
<th>Livelihood Principles*</th>
<th>Investment Opportunity</th>
<th>Timing</th>
<th>Partners</th>
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<tr>
<td>MIRAGE OUTDOOR PROJECTS</td>
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<td>Sunset Terrace Development</td>
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<tr>
<td>Meadow Crest Early Learning Center</td>
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<td>Short and Mid Term</td>
<td>City of Renton</td>
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<tr>
<td>Meadow Crest Inclusive Playground</td>
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<td>Mid Term</td>
<td>Renton Housing Authority</td>
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<tr>
<td>Sunset Neighborhood Park</td>
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<td>Short Term</td>
<td>City of Renton</td>
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<tr>
<td>Sunset Terrace Regional Stormwater Facility</td>
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<td>Completed 2015</td>
<td>State of Washington &amp; City of Renton</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$75,000,000</strong></td>
<td><strong>$12,850,000</strong></td>
<td><strong>$11,727,000</strong></td>
<td><strong>$30,540,000</strong></td>
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</table>

**Sunset Area Funding Goal:** $280 Million

- Meadow Crest Early Learning Center
- Meadow Crest Inclusive Playground
- Sunset Neighborhood Park Master Plan
- Sunset Terrace Development

- **$66 M secured**

- Meadow Crest Early Learning Center
- Meadow Crest Inclusive Playground
- Sunset Neighborhood Park Master Plan
- Sunset Terrace Development

- **Highlands Community Center**
- North Highlands Community Center
- Kirkland Avenue Townhomes
- Sunset Boulevard
- Former Renton Library
- Givens Townhomes
- Sunset Court Apartments
- Edmonds Apartments
- Hillsides to the Landing Pedestrian Connection
- Sunset Park Apartments, West
- Sunset Area Resident Services Center
- Capilottis Residential Life "C" Mix-Use "B"
- Capilottis Mixed Use "B"

**Sunset Terrace Development, Building 2**

**Sunset Terrace Development, Building 3**

**Sunset Neighborhood Park**

**Stadium Drive Conveyance Improvements**

**Kirkland Avenue NE**

**Jefferson Avenue NE**

**Woodinville-Freeway**

**Kirkland Avenue & Jefferson**

**Kirkland Avenue NE**

**Glenwood Avenue NE**
<table>
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<tr>
<th>Cities</th>
<th>Contributed</th>
<th>% of City L/M HH</th>
<th>% of Housing Repair $ Committed CDBG &amp; HOME</th>
<th>% of Housing Repair $ Committed CDBG</th>
<th>% of Housing Repair $ Committed HOME</th>
<th>Deferred Payment Loans</th>
<th>Manufac. Home Grants</th>
<th>Lead Based Paint Grant</th>
<th>Emerg. Grant</th>
<th>Home Access Modifi.</th>
<th>Matching Funds DPL</th>
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<td>North East Lake Forest</td>
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<td>North East Redmond*</td>
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</tbody>
</table>

**North East CDBG and HOME**

- **33%**

- **CDBG Program Income** $394,265
- **HOME Program Income** $245,325

**Total CDBG Funds committed 2014** $501,886.00
**Total HOME funds committed 2014** $276,236.00

**Total Housing Repair funds spent** $778,122.00
**Total Low/Mod H'holds KC** 122459

**Housing Repair Program Closed Project Demographics**

- **Total Projects** 133
- **Income 30** 43
  - **Average age of seniors assisted** 71
  - **CDBG** $58,956
- **Income 50** 60
  - **Average age Housing Repair client** 64.5
  - **HOME** $83,724
- **Income 80** 30
  - **Average age under 55** 44
  - **$142,680**

**Updated** 1/16/2015
<table>
<thead>
<tr>
<th>Cities</th>
<th>% of City L/M HH Vs KC L/M HH</th>
<th>% of Housing Repair $ Committed CDBG &amp; HOME</th>
<th>Housing Repair $ Committed CDBG</th>
<th>Housing Repair $ Committed HOME</th>
<th>Deferred Payment Loans</th>
<th>Manufac. Home Grants</th>
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<th>Emerg. Grant</th>
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<th>Matching Funds DPL</th>
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<tbody>
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<td>0.28%</td>
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</table>

South CDBG LM of KC

- CDBG Program Income: $394,265.34
- HOME Program Income: $245,325.79
- South CDBG and HOME: 67%

Housing Repair Program Closed Project Demographics

<table>
<thead>
<tr>
<th>Indiv. HH</th>
<th>Seniors over 55 assisted</th>
<th>Family HH</th>
<th>Clients under 55</th>
<th>Total Projects</th>
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<tbody>
<tr>
<td>59</td>
<td>104</td>
<td>74</td>
<td>29</td>
<td>133</td>
</tr>
</tbody>
</table>

- Total Units: 111
- 2014 remainder
- Total CDBG Funds spent 2014: $501,886.00
- Total HOME funds spent 2014: $276,236.00
- Total Housing Repair funds spent: $778,122.00

Average age of seniors assisted: 71
Average age Housing Repair client: 64.5
Average age under 55: 44

Update: 1/16/15
King County Regional Affordable Housing Program
Administrative Guidelines

I. Introduction

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

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

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

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

II. Duration of the Guidelines

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

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

III. RAHP Consortium Structure and Regional Allocation Method

A. Approving Body – Joint Recommendations Committee

The Joint Recommendations Committee (JRC), as defined in the RAHP Agreement, shall be the body that reviews and updates the RAHP Guidelines beginning in 2010, and reviews and adopts annual RAHP funding allocations and related allocation policies. The JRC will be expanded, pursuant to the RAHP Agreement, to include representation from the City of Seattle on RAHP matters.
Allocations and related policies adopted by the JRC must be consistent with these RAHP Guidelines, the Consolidated Plans of the King County Consortium and the City of Seattle, other local housing plans, as applicable, and the Ten Year Plan to End Homelessness in King County.

B. Appeal Process for JRC Decisions

**Adoption of Guidelines**

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

**Annual Fund Allocations**

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

C. Annual Fund Allocation Recommendations

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

The review process for RAHP allocations will proceed as follows:

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

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

RAHP Sub-regions:

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

E. Formula for Sub-regional Allocation Targets

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

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

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

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

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1 Percent of unincorporated King County attributed to the North/East and South Sub-regions is based on 2010 census data.
considering the current stock of housing affordable to households at or below 50% of AMI, in order to arrive at a percentage for the sub-region\(^2\).

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

- City of Seattle: 37.935.8 percent
- South Sub-region: 32.731.9 percent
- N/E Sub-region: 29.432.3 percent

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

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

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

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

**A. RAHP Priorities**

- **Capital funds** for the acquisition, rehabilitation and/or new construction of units of eligible housing types. New construction is not eligible if the low-income housing vacancy rate for all of King County exceeds 10 percent\(^3\).

- **Operations & Maintenance (“O&M”) fund program for existing homeless housing**\(^4\). This program provides O&M funding for existing\(^5\) transitional housing, transition in place\(^6\)

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

\(^3\) 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.
units, existing shelters and licensed overnight youth shelters and/or existing projects that are converting, or have converted, from transitional housing or shelter to permanent housing or rapid re-housing through the work plan of the Committee to End Homelessness in King County. The housing units must be “eligible” for the Washington State Housing Trust Fund, and must show that they require RAHP O&M funds in order to cover ongoing building operating expenses.

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

B. RAHP Eligibility

1. Eligible Housing Types

Capital Funds

Permanent rental housing units
Transition in place and transitional housing units; units that are not time-limited are encouraged
Rapid re-housing projects
Emergency shelter and licensed overnight youth shelter
Ownership housing

O&M Funds

Existing transitional and transition in place housing units
Existing emergency shelters and licensed overnight youth shelters
Existing projects that are converting or have converted from transitional housing or shelter to permanent housing or rapid re-housing through the work plan of the Committee to End Homelessness in King County

2. Eligible Populations Served by Housing Units

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

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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.
In addition to serving low and very low-income households, RAHP funds are encouraged for special population housing needs, such as:
- Homeless households\textsuperscript{10}, including youth and young adults;
- Households at risk of homelessness\textsuperscript{11};
- Disabled households or households with a disabled member;
- Families and homeless families;
- Other special needs populations, including senior citizens.

3. Eligible Applicants

Non-profit organizations
Housing Authorities
Local governments

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

4. Eligible use of RAHP Funds by Category

Capital funds

Acquisition of land for eligible housing;
New construction of eligible housing;
Acquisition of building(s) for eligible housing;
Rehabilitation of units of eligible housing or to create new units of eligible housing;
Capitalization of a replacement reserve in connection with a capital investment for new or existing eligible housing units;
Capitalization of O&M rent buy-down reserves for new eligible housing units to serve households below 50 percent of AMI that are primarily homeless\textsuperscript{12}, or at risk of homelessness\textsuperscript{13}; 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

\textsuperscript{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.

\textsuperscript{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.

\textsuperscript{12} See Note 6.

\textsuperscript{13} See Note 7.
the tenants or to cover debt service\textsuperscript{14}. 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

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

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

**RAHP Operating and Maintenance Funds**

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

The priority for RAHP O&M funds is existing homeless housing projects that have been unsuccessful in receiving State 2060 O&M funds or other sources of O&M funds.
Regional Affordable Housing Program (RAHP) Interlocal Agreement
Summary sheet of the RAHP Guidelines update
January 2015

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

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

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

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

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

5. Eligible Housing Types, footnote 7 – Explains the context of use of capital funds for rapid re-housing, meaning permanent rental housing projects that take referrals of new tenants from agencies serving households with rapid re-housing assistance.

6. Eligible Housing Types, footnote 9 – RAHP funds are allowed for operating support to projects engaged in CEH conversion work. Similar to footnote 4 above, this will be reviewed in the 2016 RAHP Guidelines planning meeting.

7. Eligible Use of RAHP Funds by Category, O & M Funds – RAHP O & M Funds are eligible for existing projects that are converting or have converted from transitional housing or shelter to permanent housing or rapid re-housing through the work plan of CEH.

8. Eligible Use of RAHP Funds by Category - Rental Assistance is an eligible use of RAHP funds.