

February 27, 1996
mkm405

INTRODUCED BY

KENT PULLEN
LARRY PHILLIPS

PROPOSED NO.

96-299

MOTION NO.

9852

A MOTION approving program objectives and project selection guidelines for the Challenge Grant fund for development and preservation of low- and moderate-income housing in cooperation with the suburban cities.

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5 WHEREAS, there is a significant need for affordable housing to serve low- and
6 moderate-income households in King County, and

7 WHEREAS, the Growth Management Planning Council of King County appointed a
8 Housing Finance Task Force to recommend sources of funding for development and
9 preservation of affordable housing for low- and moderate-income households, and

10 WHEREAS, the Growth Management Planning Council of King County approved
11 the recommendations of the Housing Finance Task Force to create three new sources of
12 funding for housing, including a Shared Commitment by all jurisdictions to contribute
13 funding for the development and preservation of affordable housing, and

14 WHEREAS, the Growth Management Planning Council of King County will appoint
15 a Housing Finance Implementation Committee comprised of local government elected
16 officials and community representatives to guide the implementation of new funding
17 sources for housing, and

18 WHEREAS, the Council appropriated \$500,000 to the Housing Opportunity Fund
19 for a "Challenge Grant" fund to be matched by the suburban cities for implementation of
20 the Housing Finance Task Force recommendations, and

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WHEREAS, the attached program objectives and project selection guidelines will encourage partnerships by suburban cities and King County to fund affordable housing projects;

NOW, THEREFORE, BE IT MOVED by the Council of King County:

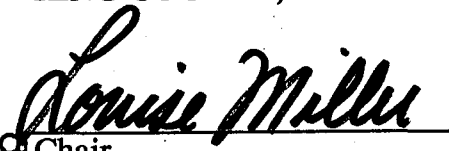
The attached program objectives and project selection guidelines for the Challenge Grant fund are hereby approved and adopted.

BE IT FURTHER MOVED,

By September 30, 1996, the Department of Community and Human Services shall report to the Housing Finance Implementation Committee regarding the status of project applications and funding allocations from the Challenge Grant fund, for the purpose of assisting with implementation of the Shared Commitment funding recommendation.

PASSED by a vote of 11 to 0 this 20th day of May, 1996.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON


VICE Chair

ATTEST:


Clerk of the Council

Attachments:

- A. Housing Opportunity Fund Challenge Grant - Proposed Guidelines

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HOUSING OPPORTUNITY FUND CHALLENGE GRANT

PROPOSED GUIDELINES

A. Objectives

Advance the "Shared Commitment" recommendation of the Housing Finance Task Force by creating an incentive for suburban cities to allocate funds, especially local general funds, for housing.

Respond to city housing priorities by providing matching funds for city-funded projects, consistent with adopted regional policies (Consolidated Housing and Community Development Plan and Countywide Planning Policies).

Promote interjurisdictional cooperation and joint funding of housing projects that serve several communities.

Fund projects in locations throughout King County outside Seattle.

Establish flexible guidelines that enable small cities to access the Challenge Grant fund, and encourage larger cities to increase their contributions to housing projects.

Allocate the majority of the funds to projects by the end of 1996, and all funds by the first quarter of 1997. Cities may commit 1997 funds, which would become available early in 1997.

B. Guidelines

Fund Availability: Funds will be available beginning July 1996. A portion of funds will be reserved until the end of the year to allow jurisdictions an opportunity to commit 1997 funds to a housing project. The Department will seek letters of intent from cities and project sponsors to identify potential Challenge Grant applicants who are seeking 1997 funding from cities.

Eligible Projects: Eligible projects include new construction and acquisition/rehabilitation projects that benefit low-income individuals and households. Projects must meet current eligibility guidelines for the Consortium's HOME program and/or King County's Housing Opportunity Fund. Projects will therefore be consistent with policies adopted in the Consolidated Housing and Community Development Plan and the Countywide Planning Policies. Only projects which have received a funding commitment from a suburban city will be considered.

Eligible Applicants: Cities, nonprofit and for-profit developers, and public housing authorities may apply for Challenge Grant funding.

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Project Locations: The goal of the program will be to fund three or more projects, distributed throughout the County outside Seattle.

Sources of City Matching Funds: Eligible projects must have funds committed by one or more cities. Projects in which a city has committed local general funds will have the highest priority. Projects which use CDBG funds from a pass-through city will have a lower priority for the Challenge Grant.

Amount of Matching Funds: Specific guidelines for city and County matching funds will be developed prior to availability of funds, to allow coordination with Shared Commitment recommendations (see below). A minimum funding amount will be established for city funding commitments, on a sliding scale based on the size of the jurisdiction (for example, a city would appropriate a minimum of \$1 per capita, or \$50,000, whichever is lower). King County will match city funds on a sliding scale (for example, the County would award \$50,000 per project, or, match the city dollar for dollar, whichever is greater).

C. Next Steps—Refinements to Guidelines to Establish Amount of Matching Funds

The Housing Finance Implementation Committee will be appointed by the Growth Management Planning Council (GMPC) this spring, and will take up recommendations for the Shared Commitment funding approach. An interjurisdictional staff team is now collecting information—including size of jurisdiction, current funding for housing, budget capacity, etc.—to help determine an equitable funding contribution by jurisdiction to meet the \$3 million target for new funding approved by the GMPC. The staff team and Implementation Committee will review this information and the funding recommendation with cities, the County and other interested groups.

County staff will coordinate completion of the guidelines regarding matching funds with the Shared Commitment process over the next few months, and will seek additional input from stakeholders, including cities and housing sponsors.

D. Background Information—Timing of Challenge Grant with City Budgets and Housing Funding Cycles

Coordination with ARCH/Eastside Cities Housing Funding Rounds: Eastside cities which are members of A Regional Coalition for Housing (ARCH) appropriate funds to a competitive housing fund administered by ARCH. ARCH has announced its spring 1996 funding round, and anticipates awards in June. The funding includes general funds and CDBG funds from Bellevue, Kirkland, and Redmond. ARCH-funded projects would be good candidates for the Challenge Grant funding. In addition, ARCH will conduct a second funding round this fall that includes cities' 1997 funds; these projects could be submitted for a Challenge Grant late in the year.

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Timing with South County and Rural Cities: These cities have not budgeted 1996 funds for housing, other than funds already allocated to specific projects. They will develop 1997 general fund budgets this summer and fall, and could appropriate 1997 funds to projects that would apply for the Challenge Grant late in the year. The larger, CDBG-pass-through cities will run 1997 CDBG funding rounds this spring through fall, which could also provide funding for projects that would apply for a Challenge Grant late in the year.

Links to 1996 King County Housing Finance Program (HFP) Awards: King County and the HOME Consortium will award Housing Opportunity Fund, HOME and CDBG (County and Small Cities) funds in May. Some of these projects will need additional funding, and some will require a city match. Although the goal of the Challenge Grant is to respond to city-initiated projects, a city may decide that a project which received a 1996 HFP award is its top priority. That city (or cities) could choose to award local funds to the project, which could then apply for a Challenge Grant later in 1996.

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2/27/96