

### KING COUNTY

1200 King County Courthouse 516 Third Avenue Seattle, WA 98104

### **Signature Report**

June 12, 2001

### **Motion 11218**

**Proposed No.** 2001-0299.2

Sponsors Sullivan and Nickels

1	A MOTION adopting the 2001 Amendments to the King
2	County Consortium's Housing and Community
3	Development Plan for 2000-2003.
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5	
6	WHEREAS, King County is a member of the King County Community
7	Development Block Grant and HOME Investment Partnerships Consortia, and
8	WHEREAS, King County as the official applicant is responsible to the federal
9	government for all activities undertaken in the King County Consortium with Community
10	Development Block Grant, HOME Investment Partnerships and other federal housing
11	and community development funds, and
12	WHEREAS, federal legislation requires King County to adopt a consolidated plan
13	every four years that: identifies housing and community development needs; identifies
14	resources and key partnerships; and establishes objectives to ensure decent housing and a
15	suitable living environment for low- and moderate-income residents of the county, and
16	WHEREAS, new information that was not available to the consortium when the
17	2000-2003 Consolidated Housing and Community Development Plan ("the Consolidated

18	Plan") was created necessitates the adoption of amendments to the Consolidated Plan at
19	this time in order for the consortium to promote important programmatic and policy
20	goals, and
21	WHEREAS, King County Consortium members and interested citizens have
22	participated in the development of the 2001 Amendments to the Consolidated Plan
23	through an inclusive review and comment process, facilitated by briefings and public
24	forums, and
25	WHEREAS, the consortium's joint recommendations committee endorsed the
26	2001 Amendments to the Consolidated Housing and Community Development Plan;
27	NOW, THEREFORE, BE IT MOVED by the Council of King County:
28	The 2001 Amendments to the Consolidated Plan, Attachment A to this motion,
29	are hereby adopted and incorporated into the King County Consortium's Consolidated

Housing and Community Development Plan for 2000-2003 to guide the policies and 30 31 programs of the consortium.

32

Motion 11218 was introduced on 6/4/01 and passed by the Metropolitan King County Council on 6/11/01, by the following vote:

> Yes: 12 - Mr. von Reichbauer, Ms. Miller, Ms. Fimia, Mr. Phillips, Mr. Pelz, Mr. McKenna, Ms. Sullivan, Mr. Nickels, Mr. Pullen, Mr. Gossett, Ms. Hague and Mr. Thomas

No: 0

Excused: 1 - Mr. Irons



Pete von Reichbauer, Chair

ATTEST:

Anne Noris, Clerk of the Council

Attachments

A. 2001 Amendments to the Consolidated Housing and Community Development Plan for 2000-2003 and the Analysis of Impediments to the Fair Housing Choice revised 6-5-01

# 11218



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Housing and Community Development
Community Services Division
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# 2001 Amendments to the Consolidated Housing and Community Development Plan for 2000-2003 and the Analysis of Impediments to Fair Housing Choice

KING COUNTY CONSORTIUM
KING COUNTY, WASHINGTON

JUNE 2001

### King County Executive

Ron Sims

### **King County Council**

Maggi Fimia, District 1
Cynthia Sullivan, District 2
Louise Miller, District 3
Larry Phillips, District 4
Dwight Pelz, District 5
Rob McKenna, District 6
Pete von Reichbauer, District 7
Greg Nickels, District 8
Kent Pullen, District 9
Larry Gossett, District 10
Jane Hague, District 11
David Irons, District 12
Christopher Vance, District 13

### In Partnership with the Cities of:

### City

Algona Beaux Arts Black Diamond Carnation Clyde Hill Duvall **Hunts Point** Kenmore Maple Valley Newcastle North Bend Pacific Sammamish. Skykomish Snoqualmie Woodinville

### **HOME-only Cities**

Yarrow Point

Auburn Bellevue

### Pass-through City

Bothell Burien Covington Des Moines Enumclaw Federal Way Issaquah Kent Kirkland Lake Forest Park Mercer Island Redmond Renton SeaTac Shoreline Tukwila

#### Joint Recommendations Committee

Honorable Ava Frisinger, Mayor, City of Issaquah

Honorable Howard Botts, Mayor, City of Black Diamond

Larry Faucher, Information Services Supervisor, King County Department of Environmental Services

Paul Murakami, Regional Health Officer, Seattle-King County Department of Public Health

The Honorable Pamela Linder, Councilmember, City of Tukwila

The Honorable Georgette Valle, Councilmember, City of Burien

Paul Krauss, Planning Director, City of Auburn

Terry Mark, Assistant Director, King County Department of Community and Human Services

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Maureen Kostyack, Coordinator, Housing Finance

**Program** 

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Reporting Program

Joshua Goldfinger, Coordinator, Community

**Development Program** 

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Copies of this plan are available for review at the following King County libraries:

- Bellevue Regional
- Black Diamond
- Bothell Regional
- Carnation
- Federal Way Regional
- Kent Regional
- Maple Valley
- North Bend
- Pacific
- Shoreline
- Skykomish
- Vashon
- White Center
- Downtown Seattle, Government

**Documents Section** 

You may also receive a copy or additional information about this publication by writing to, or calling:

Cheryl Markham, Housing Planner King County Housing and Community Development Program 821 Second Ave., Suite 500 Seattle, WA 98104-1519 (206) 205-1417



This report is available in alternative formats upon request. Please call (206) 296-7683. TTY/TDD Number (206) 296-5242.

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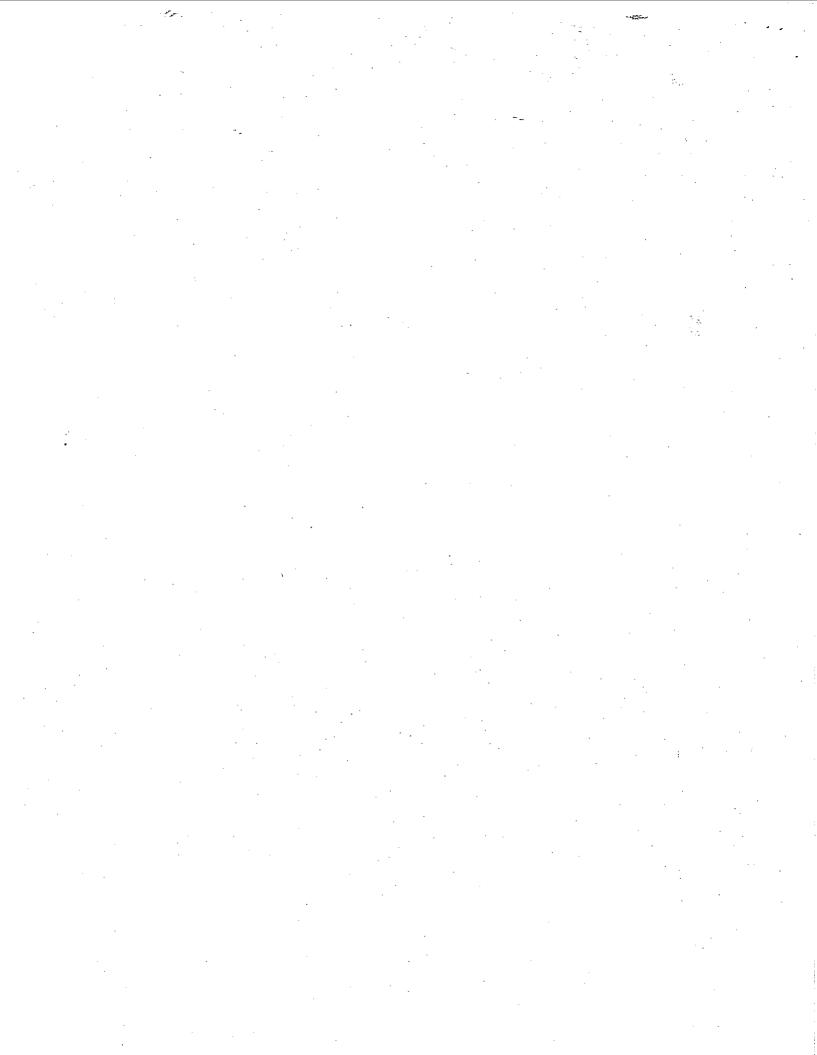
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I. HOPE VI Application Amendments

### 5. Needs of Households Between 51 and 80% of Median Income

The distribution of households with incomes in this range more closely mirrors the distribution by type in the general population. According to the 1990 census, about half are renters and half owners. Of the 57,672 households with incomes in this range, the largest share (12,077) are single (non-elderly) and groups of unrelated people.

While their needs are not as extensive as lower income households, about 43 percent—12,000 households—pay more than 30 percent of their income for housing costs. The severe cost burden is also less apparent—just under 3 percent of renter household in this income range pay more than half of their income for housing. The elderly are disproportionately represented among the severely cost-burdened.

Non-white households make up less than one-tenth of total households in the Consortium yet they comprise 16 percent of the households with incomes between 51 and 80 percent of median.

# 6. Housing Condition & Overcrowding

Estimates of housing condition presented in Section IV of this report, suggest that close to 6 percent of rental housing and 9 percent of owned units are in poor condition and require major repair. This affects about 24,000 households, over half of who have incomes at or below 80 percent of median.

Sections III and IV of this report also contain information about public housing in King County that has been identified as severely distressed by the King County Housing Authority, as well as strategies for the revitalization of such distressed housing.

In addition, many low-income households live in overcrowded conditions. Overcrowding is most closely linked to household type and income. Using a standard of 1 person per room, the following needs were identified:

- Among households with incomes at or below 50 percent of median, overcrowding was a significant issue for more than 1 in 10 large related households. Minority households were disproportionately represented in this group.
- Similarly for households with incomes between 51 and 80 percent of median, overcrowding was an issue for one-quarter of large related households. Six percent of smaller related families (2 to 4 members) also experienced overcrowded conditions.
- Even for households with incomes at 81 to 95 percent of median, overcrowding was an
  issue. One-quarter of large families in this income category experienced overcrowding.

adequate weather protection. Requiring replacement of materials and/or repair beyond ordinary maintenance.

Substandard Condition but Unsuitable for Rehabilitation.

Does not provide safe and adequate shelter. Having several critical deficiencies, particularly in structural components, to the extent that correction would require very substantial overhaul and rebuilding. Likelihood exists that rehabilitation would be unfeasible.

Severely Distressed Public Housing. The U.S. Department of Housing and Urban Development (HUD) has created a definition of severely distressed public housing for the purpose of identifying public housing projects from across the nation that would benefit from an infusion of funds and services to redevelop the housing, and provide better opportunities for its residents. According to HUD, a severely distressed project is one that:

- Requires major redesign, reconstruction or redevelopment, or partial or total demolition, to correct serious deficiencies in the original design (including inappropriately high population density), deferred maintenance, physical deterioration or obsolescence of major systems, and other deficiencies in the physical plant of the project (such as inadequately sized units);
- Is a significant contributing factor to the physical decline of and disinvestment by public and private entities in the surrounding neighborhood;
- Is occupied predominantly by families who are very lowincome families with children, are unemployed, and dependent on various forms of public assistance; or has high rates of vandalism and criminal activity (including drug related criminal activity) in comparison to other housing in the area;

The elements of the above definition of severely distressed public housing were developed out of studies with households living in densely populated public housing projects, who identified many of these elements as the reason why they would like to move out of their public housing. Research projects have been conducted since the 1970's on the topic of how new neighborhood environments, increased housing choices and socioeconomic integration can affect very low-income households from areas of concentrated poverty. Positive research results for households who moved to low-poverty areas and mixed-income housing projects led to federal legislation in 1992, which created the HOPE VI grant program. The program

provides a flexible source of financial support for investments in public housing developments and their residents.

The revitalization of severely distressed public housing in King County is an urgent need that should be addressed comprehensively by the public housing authority, the public housing residents, the surrounding community, the County and the Consortium. HOPE VI funding should be pursued for public housing that is identified as severely distressed in order to leverage investment for the revitalization of the distressed project and the surrounding community.

Home repair needs. Information on housing conditions in King County<sup>1</sup> suggests that 5.9 percent of the rental stock and 8.7 percent of the owner stock are inadequate and require major home repair. This affects about 24,000 households. Over half, or 12,803, are households at or below 80% of median income and of these, about three out of four are homeowners.

During 1998, King County Housing Repair program staff inspected over 400 single family residences throughout King County, exclusive of Seattle. Of those homes inspected, approximately 75% were over 20 years old and approximately 90% of those are in "substandard condition but suitable for rehabilitation", whereas about 1 to 3% of those homes inspected

<sup>1</sup> King County Consortium Housing Conditions Survey, King County, June 1982. (Figures adjusted by King County PCDD).

- 7. Develop resident programs.
- 8. Improve management and operations.

The KCHA continues to convert 5 percent of the units to full handicapped accessibility and to meet other necessary requirements when substantial alterations are made to public housing developments. KCHA does not anticipate any loss of units from the public housing inventory due to conversions or demolitions.

The KCHA has identified one public housing complex, Park Lake Homes I in White Center, as severely distressed. Park Lake I is the KCHA's oldest and largest public housing complex, consisting of 536 units that were built in 1942. Engineering reports reveal structural deficiencies in the foundations, seismic deficiencies, and electrical and plumbing hazards and inefficiencies that cause very high utility costs. These deficiencies would continue to inflate the cost of operating this housing over the years. In the long run, redeveloping the homes will be more cost effective than rehabilitating the units due to lead paint and asbestos removal and other costly procedures.

In addition, Park Lake I has the highest concentration of racial and ethnic minorities of any KCHA public housing complex (74%), has a very large concentration of families with children (69%), and is located in a census tract with the highest concentration of very low-income households (over 51%) in the County outside Seattle.

The KCHA is econsidering whether to apply for a HOPE VI Revitalization grant which could provide up to \$35 million and additional Section 8 vouchers for the redevelopment of Park Lake Homes into a mixed income community with a broader range of housing types, including public housing, market-rate rental and ownership housing. The KCHA has pledged to replace all low-income units lost, if the HOPE VI application is successful, on a one-to-one basis.

KCHA's plan for replacement of the low-income units is to project-base a number of units at properties they own in other parts of the County and at other apartment units, including the North and East areas of the County where there are job opportunities but where there is a shortage of low-income housing opportunities. Project-basing means that KCHA will subsidize units that are currently renting at or near market rents, as affordable Section 8 units. A low-income tenant generally pays no more than 30% of their income for a subsidized Section 8 unit.

Market rate units that are converted to low-income units in the replacement plan, will then be replaced in the market rate rental portion of the housing at the new development at Park Lake. The net effect will be no loss of units for both low-income and moderate-income renters. The intended effect is to

deconcentrate the public housing units from one area of the County and to spread low-income units out across the Consortium, thereby enhancing choice for low-income households. At the same time, the infusion of a quality mixed-income housing community into the White Center neighborhood is intended to spur economic opportunities in that neighborhood.

Displaced households from Park Lake will be given enhanced choices in housing, including moving into the newly subsidized units in other parts of King County which may have different employment and educational opportunities, moving into other KCHA public housing units in the County, using Section 8 vouchers to secure housing in the private market and moving into Park Lake after (and perhaps during) the redevelopment process.

The comprehensive planning process for the Park Lake redevelopment will take place over many years and will involve Park Lake residents, community service providers, and the larger White Center residential community. KCHA has involved the larger White Center community through some key local organizations: 1) the White Center Resident Leadership Council ("WCRLC"), a temporary group formed to develop a White Center Strategic Plan, and any successor organization of the WCRLC that develops out of the strategic planning process, in order to coordinate the Park Lake HOPE VI application with their work; and 2) the North Highline Unincorporated Area Council<sup>4</sup>, a community council recognized by King County, which is also represented on the WCRLC.

### 2. Tenant-Based Assistance

Tenant-based assistance is available through the Section 8 program. KCHA administers a substantial program of a maximum of 3,321 units, including 2,409 certificates and 912 vouchers, and a 15 unit Section 8 Moderate Rehabilitation project. In addition, at any given time there are 1,200 to 1,400 subsidy holders that have transferred to KCHA from other jurisdictions. Further, KCHA offers targeted programs—a total of 848 units—which direct subsidies to the following people, as of May 1999:

- 41 people who are mentally ill;
- 25 people who are terminally ill;
- 117 victims of domestic violence;
- 65 homeless families moving from transitional housing;
- 200 units for unification of families; and
- 400 units assisting younger people with disabilities.

<sup>&</sup>lt;sup>4</sup> Unincorporated Area Councils (UAC) are an element of the Citizen Participation Initiative to enhance opportunities for public involvement and to improve citizen access to the information and services provided by King County government. The NHUAC is one of six (6) UACs recognized by King County Council Motion. UACs provide the County with community input on behalf of citizens living within the geographic boundary of the UAC, and follow requirements established by the County, including a public and democratic process for voting and choosing its officers and board members.

The survey points to a number of needs which impact planning for these households. Given the high legal immigrant population in public housing, services softening their transition into self-sufficiency are appropriate. These include access to translation services, and ESL and citizenship classes, along with employment training and job referrals.

Recently KCHA Resident Services Department significantly increased its activities by partnering with ten new service providers to offer services on site to residents. Spending for resident services increased by over 80 percent between fiscal years 1998 and 1999.

In 2001, the Resident Services Department is involving residents of Park Lake Homes, residents of the larger White Center community and community organizations in a HOPE VI application planning dialogue. The dialogue will cover all aspects of the planning process, including but not limited to unit mix, housing design, density and open space, replacement housing options, relocation services, continued social service support and housing options in the new Park Lake community. If the HOPE VI application is funded, the community planning process will continue for several years.

#### **Resident Initiatives**

KCHA encourages the formation and involvement of resident councils in public housing developments to 1) serve as liaisons between tenants and management, and 2) to initiate opportunities for expanded on-site supportive service efforts.

Several social service agencies provide services within KCHA developments around the County and provide a wide array of services to tenant households, including families, the elderly, children and youth. KCHA has established partnerships with a wide variety of community-based organizations to better serve the needs of residents within public housing developments, supporting efforts of residents to achieve self-sufficiency and maximize their independence. Services provided through such partnerships include:

- The Park Lake Career Development Center, providing employmentrelated services including literacy classes, job skills training, job placement, and childcare support to residents of the White Center area,
- Expanded English-language and citizenship services for King County residents in all regions of the County.
- Expanded youth services programming, providing increased access to recreation and diversion activities for low-income youth throughout the county.
- Implementation of program to train residents to provide culturally appropriate in-home childcare.

### 4. KCHA Initiatives

KCHA is involved in a number of new and strengthened initiatives to provide housing opportunities to an array of households each year. These include:

- Acquisition and rehabilitation of distressed properties.
- Preservation of endangered affordable housing.
- Tax exempt bond financing for private and nonprofit developers.
- Partnerships with nonprofit organizations to finance, develop, or manage community facilities and housing for households with special needs.
- Community development activities, including repairs to owner-occupied homes, facade improvement programs; and weatherization of multifamily buildings, mobile homes, and single-family houses.
- HOPE VI application planning process:
  - Planning meetings, with the residents of Park Lake Homes, the broader White Center community, service providers, the County and the Consortium for a HOPE VI application to revitalize Park Lake Homes into a community with a broader range of housing types. KCHA is working with the White Center Resident Leadership Council ("WCRLC"), a group formed to develop a strategic plan for White Center, and any successor organization of the WCRLC that may develop out of the strategic plan, to coordinate the HOPE VI project with their work. The HOPE VI project is consistent with the WCRLC Housing Committee's vision for housing in White Center. KCHA is also involving other community organizations in the HOPE VI planning process, including the North Highline Unincorporated Area Council.
  - Planning meetings with the WCRLC, other community
     organizations, the County and the Consortium on coordinating the
     HOPE VI project planning with the development of additional
     non-housing service and resource needs of the community.
  - Working with the WCRLC, other community organizations, the County and the Consortium on initiatives to address additional housing needs identified by the community, such as improving privately-owned substandard housing in the region.

By June 30, 2000, the King County Housing Authority will have obligated expenditures of \$4.4 million for the rehabilitation and/or modernization of 605 senior and family units at 10 developments using 1998 CDBG funds. Additionally, during this time, improvements will be made to common areas and management offices. The scope of work includes sprinkler installation and fire alarm upgrades at two senior high-rise building, deck replacements, heating and electrical systems improvements, and interior remodels.

Several factors influence the direction of KCHA initiatives—welfare reform and reduction in federal funding for housing, passage of the Quality Housing

prevent the loss of 326 units of affordable "work force" housing. Over \$5 million in repair, renovations and upgrades are underway to address deferred maintenance and repair issues, including-\$2 million from SeaTac, King County and the state. These will be combined with over \$9 million in bond proceeds and nearly \$8 million in Low Income Housing Tax Credit equity to pay for acquisition and rehabilitation.

In 1998, 155 single family homes were repaired using CDBG funds provided by the county and suburban jurisdictions. The weatherization program also provided improvements for 424 units of privately owned rental housing.

In 2001 the KCHA will explore a HOPE VI initiative for Park Lake Homes I in White Center, an area that has been identified in this report as the one census tract in King County with significant concentrations of low-income families with children and minority households. Park Lake I is the KCHA's largest public housing complex, with a racial and ethnic minority concentration of seventy four percent (74%). The objectives of the HOPE VI, according to KCHA, include the following:

- Redevelop Park Lake as a mixed income community, including homeownership opportunities
- Reduce the over-concentration of very low-income families and
  minorities by offering subsidized affordable housing units within the
  redeveloped mixed income community, and in other parts of the County
  where there may be different educational and employment opportunities
- Eliminate the physical and social distinction between the Park Lake community and the surrounding neighborhood
- Partner with the School District, the County, the Consortium, community-based organizations, social service providers and the residents of White Center to develop new community resources and expand programs which will assist in the economic revitalization of the community

### Housing Finance Activities

KCHA continues to provide tax exempt financing for developers of affordable housing. Recent activity included a \$13 million issuance to finance the construction of a 296 unit complex (Auburn Court Apartments) for low income elderly and disabled households developed by a non-profit organization. Another \$2.4 million assisted the Mobile Home Stabilization Association purchase and preserve a mobile home park in Redmond. Finally, \$2.6 million was provided for purchase and upgrade of a 72-unit development in Des Moines.

5. Mixed
Populations
in Public
Housing

Federally subsidized high-rise buildings have traditionally housed lowincome elderly and disabled adult residents. Federal mandates for housing the homeless and federal prohibition against discrimination on the basis of

- Participates with King County to ensure maximum participation in the 2000 census in order to ensure accurate counts, especially in the communities of color in order to best respond to community planning and affordable housing needs;
- Collaborates with King County in Transit Oriented Development to create high density, affordable housing around major transit centers;
- Engages in dialogue around the administration and establishment of local priorities for Section 8 vouchers as a result of the Housing Reform Act; and
- Participates in the County's credit enhancement program to lower the cost of housing development;
- Collaborates with King County on a White Center Community Development Strategic Plan to revitalize the White Center community and Park Lake Homes. The KCHA planning process for the exploration of a HOPE VI grant application is a component of a broader community development planning effort led by the County and supported by the Annie E. Casey Foundation. Other planning partners include the Highline School District, the Puget Sound Educational Service District and a White Center Resident Leadership Council (WCRLC). The WCRLC is a temporary body that was formed in the Fall of 2000 for a one-year strategic planning period and is made up of residents of White Center, people who work in or own businesses in White Center and members of the North Highline Unincorporated Area Council. The goal of the WCRLC is to develop a strategic plan and then transform into a Community Development Corporation that can continue to carry out the goals articulated in the plan. The goals of the strategic plan include: the development of a new elementary school, the development of a multicultural community center, the development of quality housing of various types for households with a range of different socioeconomic levels, the rehabilitation of substandard housing in the community and other community-based economic development activities. The new school and community center may be included as part of the HOPE VI initiative to revitalize Park Lake Homes into a mixed-income housing community if that grant is pursued and obtained.

# C. Housing Owned and Managed by the Renton Housing Authority

### 1. Public Housing

The Renton Housing Authority manages 699 assisted units, including public housing, section 8 new construction, and section 8 certificates and vouchers. In addition to these subsidized units, the Renton Housing Authority manages 337 units of housing offered to seniors and those with disabilities at near market rates.

## **Section VI**

### Strategic Plan

### A. Revenue Outlook for 2000-2003

The Consortium does not foresee any major changes in the revenue stream at the federal level for the entitlement programs, other than the typical shifts that occur from year to year.

Community Development Block Grant:

\$7,000,000/year

HOME Investment Partnership:

3,250,000/year

**Emergency Shelter Grant Program:** 

200,000/year

Total

\$10,450,000/year

#### Other funds:

- Local Housing Opportunity Fund. King County Housing Opportunity Fund has seen steady support—roughly \$3 million per year. This is, however, subject to annual appropriations by King County Council.
- McKinney Homeless Assistance Programs. In 1999, King County administered approximately \$3.6 million in McKinney Shelter Plus Care grant funds (rental assistance for homeless). King County also administers about \$565,000 in annual operating support for Supportive Housing Program grants (transitional units and supportive services). McKinney funds to Seattle-King County have been declining in recent years, and the trend is expected to continue.
- Washington State Housing Trust Fund. Sixty-five million dollars are available for 1999/2001 biennium; approximately 40% will go to Seattle/King County. The State also helps support operating costs for emergency shelters and transitional housing for homeless people.
- Washington State Housing Finance Commission. Steady support for tax credit and bond programs, subject to Congressional review.
- HUD HOPE VI Revitalization Grant. Subject to approval of KCHA
  application \$35 million and additional Section 8 vouchers available
  for revitalization of Park Lake I, a public housing complex in White
  Center, into mixed-income housing community.

- ("KCHA") on new initiatives. The King County Consortium supports the KCHA's goal of providing high quality housing and community services to the residents of Park Lake Homes in White Center, and households awaiting subsidized housing. The KCHA and the Consortium will explore opportunities to obtain a HOPE VI Revitalization Grant for Park Lake I and will collaborate in the planning process, provided that:
  - 1) KCHA will provide replacement housing for the public housing units that are redeveloped on a one-to-one basis, through replacement public housing and/or project-based vouchers at KCHA owned properties or other apartment units. Replacement units will be offered to relocated Park Lake tenants who choose that option, or secondarily, to households with incomes in the same range as, or lower than, households at Park Lake prior to the redevelopment:
  - 2) Park Lake residents will be given housing choices during relocation, and housing opportunities for low- and moderate-income households will be enhanced in White Center and throughout the Consortium;
  - 3) KCHA conducts comprehensive outreach to Park Lake

    Homes residents, as well as residents of the broader White

    Center Community, in order to ensure that they have the
    opportunity to participate in the planning of the redevelopment
    and relocation activities through specific meetings which are
    established for their participation. Such meetings should
    include but not be limited to the topics of unit mix, housing
    design, density and open space, replacement housing options,
    continued social service support for relocated residents and
    housing options in the new Park Lake community:
  - 4) Park Lake Homes residents will receive special HOPE VI Demolition Relocation Plan services, as specified in the HOPE VI application, including one-to-one housing counseling and selfsufficiency programs that will help the tenants sustain their new living arrangement:
  - 5) KCHA continues to inform the Consortium of the progress
     of the HOPE VI project, including any evaluative studies of the
     mixed-income housing community at Park Lake and the
     relocated tenants, and any studies of HOPE VI projects released
     by HUD.

The Park Lake HOPE VI initiative is consistent with and would further several of the Consortium's objectives to address housing needs, including: the promotion of an equitable and rational distribution of affordable housing throughout King County, the promotion of diverse neighborhoods, the revitalization of substandard housing and distressed communities and the promotion of fair housing choice for all residents of the Consortium.

Compliance with Lead Paint Regulations. The King County Consortium intends to comply with lead-based paint regulations and has submitted a Transition Implementation Plan to HUD, which was approved. The plan allows the Consortium to phase in the applicable HUD and EPA lead-based paint regulations as applied to permanent housing which receives federal assistance.

### Activities to Benefit Low- and moderate-income Home Owners

- Repair of existing housing units owned and occupied by low- and moderate-income homeowners. Continue use of CDBG and HOME funds to support the King County Housing Repair Program, which provides quality, timely repair of critical health and safety problems for low- and moderate-income homeowners.
- Acquisition of mobile home parks. Support acquisition of mobile home parks to protect low- and moderate-income mobile home owners who may otherwise be displaced due to redevelopment. CDBG, HOME, and HOF capital funds may be used for this purpose.
- Programs which promote home ownership. Use CDBG, HOME, and HOF capital and workforce housing funds for appropriate programs (e.g., land trusts, limited equity co-ops, sweat equity programs, etc.) which reduce the costs of home ownership for low- and moderate-income households. Related activities which the Consortium may support include homebuyer education, down payment assistance, and programs which provide reduced mortgages.
- Homeownership opportunities at Park Lake Homes in White Center. The Consortium supports the creation of homeownership opportunities for low to moderate income resident households of Park Lake and other low- to moderate-income households, through creative partnerships with first-time homebuyer programs, as a component of the proposed HOPE VI revitalization plan.

Two examples of homeownership programs include the South King county First Home program which provides purchase assistance to first-time homebuyers and the King County Open Door Program, a

- Where appropriate, support housing developers' applications to the HUD Section 202 and 811 programs to provide housing for seniors and people with disabilities.
- Actively promote mixed income housing developments which are socially and economically integrated. (Such approaches can generate cash flow from some units to support the subsidies needed for other units which are housing extremely low-income people.)
- Develop a Fair Housing Tool Kit as assistance to overcoming impediments to fair housing.
- Support KCHA's HOPE VI planning process for the redevelopment of units at Park Lake Homes which will meet the needs of the disabled population for handicap accessibility.
- The Consortium, KCHA, public officials and other housing partners
  will engage in a dialogue about visitability standards in housing
  development, and explore the feasibility of creating all or a portion of
  visitable units within new construction.

### **Obstacles to Meeting Needs**

Among the major obstacles in the development of special needs housing include the difficulty in securing operating funds, lack of service funds to support people in housing, and community opposition to siting special needs housing. Deep capital subsidies are needed—often 100 percent—because tenant incomes among this population are not high enough to support debt service. In addition, the Consortium faces very limited capacity among service agencies and special needs housing agencies to develop and manage housing.

### **Basis for Assigning Relative Priorities**

Because people with special needs are typically rely on fixed incomes, their need for housing assistance is extremely high. The average disability income places a single person household at about 17 percent of median income. Therefore, most of the special needs populations listed on the form below are assigned a high priority, and the Consortium intends to expand housing for these populations during the period covered by this Plan.

employment, especially focusing on those with significant obstacles such as language barriers, transportation, and child care issues. A pilot partnership with King County and the Housing Authority's White Center and Park Lake Homes programs are being implemented.

- The King County Consortium's Housing Stability Project provides emergency grants and loans to help families avoid evictions and mortgage defaults and provides counseling and case management to help families address underlying causes of financial difficulties.
- 4. The King County Housing Authority's HOPE VI initiative proposes the creation of a mixed income housing project in White Center, an area where subsidized housing and poverty are over-concentrated compared to the rest of the County. This initiative proposes to re-distribute critically needed low-income housing units to other parts of the County and to offer Park Lake residents other housing choices and economic opportunities. As a component of the HOPE VI planning process, the KCHA will explore the feasibility of providing job opportunities for residents of Park Lake during the construction, and partnering with programs such as King County Community Services Division's Youthbuild, to provide Park Lake/White Center youth with construction skills.
- 5. King County staff provides technical assistance to community organizations who are working to revitalize their communities and secure resources and services. King County continues to work with the North Highline Unincorporated Area Council\* ("NHUAC") on issues affecting White Center, such as the strategic planning process. Since the beginning of 2001, King County has also been working with the White Center Resident Leadership Council, a temporary body which was formed by King County for strategic planning purposes, comprised of residents of White Center and individuals who work in and around the area.

#### **King County Jobs Initiative**

King County's Office of Regional Policy and Planning is coordinating one major initiative which was begun in 1998 with the funding of a pilot project in the areas of SeaTac, Tukwila, White Center/Boulevard Park (North Highline) and Skyway (West Hill). This area was chosen due to its proximity to the manufacturing/wholesale distribution corridor paralleling Interstate 5, and because of existing health and human services and population characteristics. After review and evaluation of the program, future intent is to develop the King County Jobs Initiative through the balance of the County, outside the City of Seattle.

This initiative's intent is to serve low income families, with half of them being TANF recipients to obtain and keep jobs that pay at least \$8.00 per hour, ideally including health benefits. As a part of this strategy, social and community supports will be used to help people retain jobs. Implementation of this project is dependent upon partnerships with the State Department of Social and Health Services, Vocational Rehabilitation Services, Employment Security, King County Housing Authority, the Private Industry Council,

For more information about the project, please call the Community Information Line at (206) 461-3200.

### King County Down Payment Assistance Program – the "Open Door" Loan Program

King County uses its local dollars in partnership with the Washington State Housing Finance Commission, Fannie Mae and several local banks to provide downpayment assistance.

### **King County Housing Authority Resources**

The King County Housing Authority will seek a diversity of funds for project development to meet a range of low- and moderate-income (at or below 80% of median) housing needs. This is particularly important given the virtual absence of public housing funding and targeting of Section 8 rental assistance. While KCHA will continue to apply for this Section 8 assistance, the agency will also package local, state and McKinney funds for programs to meet the needs of people who are homeless and those who have special needs. KCHA also plans to retrofit two senior buildings to provide congregate living to frail elderly. This program, as well as others, will require capital funding in addition to services funding and partnerships with service providers. In 2001, the KCHA is planning for a HOPE VI grant application to revitalize Park Lake Homes in White Center, a housing complex which KCHA has designated as severely distressed public housing. The grant would provide up to \$35 million and additional Section 8 vouchers for the project redevelopment.

II. Housing Opportunity Fund Amendments

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### Appendix F

# King County Housing Opportunity Fund Guidelines

These are the HOF policies as adopted by the King County Council in 1990; they are subject to change. For more information about the HOF fund and application cycle, contact Maureen Kostyack, Coordinator, King County Housing Finance Program, at (206) 296-8669.

E-mail: Maureen.Kostyack@metrokc.gov.

### **Overview and Fund Priorities**

The Housing Opportunity Fund (HOF) was created in 1990 to enable local housing providers to better compete for and leverage federal, state, private, and other local funds to meet the urgent housing needs of the County's homeless, displaced, and special needs populations. In nine years, the HOF has committed approximately \$25.1 million to support the development of 84 projects, creating 2,597 units of low-income housing. The King County Council adopted the following priorities for use of the HOF These are the policies that have been adopted for use of the HOF:

- Preserve housing threatened by conversion or expiring low-income use restrictions; or provide permanent or transitional housing for those with special needs; or provide emergency, transitional, and permanent housing for homeless families and individuals.
- -Benefit residents of unincorporated King County.
- Link the provision of low-income housing with necessary human services, consistent with service system strategic plans.
- Produce the greatest number of units at a competitive per-unit cost for the longest benefit to eligible residents.
- If located within a city, include a financial contribution from that city to demonstrate support.

### **Local Matching Funds**

It is a goal of King County's local housing funds to leverage other public and private resources. All projects receiving HOF funds must receive a funding award from the city where the project is located before County funds will be released. Since most larger

suburban cities have CDBG application deadlines in late spring and early summer, applicants should plan early to apply to other local funds sources.

### **Eligible Beneficiaries**

Households with incomes at or below 50% of median who are:

- Low income families and seniors at risk of displacement and homelessness
- · Homeless families and individuals, including youth
- Special needs groups:
  - -victims of domestic violence
  - -frail elderly
  - -people with mental illness
  - -people with developmental disabilities
  - -people with HIV/AIDS
  - -people with alcohol/substance abuse problems

Other special needs groups may be served if the applicant can demonstrate that: (1) the population to be served requires ongoing care to live in the community, and (2) support services will be linked to housing.

### **Eligible Activities**

HOF funds can be used for the following housing project types and development activities:

- · emergency shelter
- transitional housing
- permanent rental housing
- new construction
- acquisition and rehabilitation
- site improvements
- relocation expenses

### **Funding Limits**

Limit is 50% of total development cost, up to the following maximum subsidy per unit. The per unit maximum may be waived by the Department Director, for example, when other fund sources are not sufficient or feasible.

Multifamily Housing \$45,000 37,500 for new construction \$40,000 33,000 for acquisition and rehabilitation Single Family/Duplexes

\$30,000 25,000 per bedroom for acquisition and rehabilitation of existing single family housing for shared living for single individuals or families.

Project Management
Maximum of 5% of HOF award

### **Project Locations**

Projects assisted with HOF funds must be consistent with the policies and location criteria in the King County Consortium's H&CD Plan. In addition, projects must comply with the King County Comprehensive Plan or applicable local comprehensive plans, and must meet all zoning and building code requirements of the local jurisdiction. Projects accessible to services, jobs, transportation, and amenities are encouraged.

HOF-funded projects must that benefit residents of unincorporated King County are encouraged. Projects located in suburban cities are eligible when the city contributes funding to the project. Projects located in suburban cities are eligible for funding if the project will serve residents of unincorporated King County and if the city contributes financially to the project. Projects located in the City of Seattle will be considered for HOF funding only if sponsors can demonstrate that the project: will serve a unique regional purpose; will serve residents of unincorporated King County; has secured regional funding; and will provide a housing resource that it is not feasible to provide elsewhere in the County.

### Challenge Grant Setaside

In some years, King County also has local funds available as a "Challenge Grant." It is a set-aside of HOF funds available only for projects which receive funding from a suburban city or cities prior to a given date as specified in the Request for Proposal. The Challenge Grant is intended to provide an incentive for suburban cities to fund housing by earmarking County matching funds for local priority projects. A wide range of housing types, serving residents up to 80 percent of median income, are eligible to apply.

Matching Funds: Projects eligible for these set-aside funds must have a commitment of capital funds by one or more suburban cities. It is not necessary for funds to be committed at the time of applications, however, funding must be awarded by a given date specified in the Request for Proposal. The minimum amount of city funding required for eligibility is the lower of:

- \$40,000, contributed by one or more cities, or
- \$1 per capita, based on the population of the funding city or cities.

King County will match city funding with a *minimum* grant of \$40,000, or dollar for dollar, whichever is greater. The maximum County award for these projects will follow the HOF limits described above.

Please note that these Challenge Grant guidelines are subject to change.

III. Relocation Benefit Amendments

\* \*\* \*\* 1 1 1 1 Before entering into a contract committing King County to provide funds for an activity that will directly result in demolition or conversion, King County will publish a notice in the regional or local newspaper and submit to HUD the following information in writing:

- A description of the proposed assisted activity;
- The location on a map and number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than as low-income dwelling units as a direct result of the assisted activities;
- A time schedule of the commencement and completion of the demolition or conversion;
- The location on a map and the number of dwelling unit by size (number of bedrooms) that will be provided as replacement dwelling units. If such data are not available at the time of the general submission, King County will identify the general location on an area map and the approximate number of dwelling units by size and provide information identifying the specific location and number of dwelling units by size as it is available.
- The source of funding and a time scheduled for the provision of the replacement dwelling units;
- The basis for concluding that each replacement dwelling unit will remain a low-income dwelling unit for at least 10 years from the date of initial occupancy;
- Information demonstrating that any proposed replacement of dwelling units with smaller dwelling units (e.g., a 2-bedroom unit with two 1bedroom units) is consistent with the housing needs of lower-income households in King County.

(\*PLEASE NOTE: The King County Housing Authority's HOPE VI project will be subject to the Federal Uniform Relocation Act and not the local relocation policies—the changes proposed in the local policy are not driven by the HOPE VI application and the related amendments in this plan.)

Local Relocation Policies ("Optional Policy")

Federal regulations permit King County Consortium CDBG funds to be used, in limited circumstance, to pay relocation benefits to households or businesses displaced by otherwise non-CDBG-assisted projects. Federal URA and Barney Frank Amendment requirements do not apply. The Consortium may only provide relocation assistance based upon a determination that the assistance is appropriate, and according to a written policy that describes the

assistance and provides for equal relocation assistance across each class of displacees (the local "Optional Policy").

The following policy will apply if a jurisdiction elects to provide CDBG funds for relocation assistance. The relocation assistance procedure and benefit under this policy will also be applied when local county housing funds (for example, Housing Opportunity Fund) are used in a project that involves displacement. The policy requires:

- The jurisdiction granting the funds must be provided a written determination that relocation assistance is appropriate given the jurisdiction's community development objectives as outlined in local program policies.
- The award of relocation payment must meet a national CDBG objective in that either (1) relocation payments are made directly to low/moderate-income people or (2) the subsequent use of the property benefits low- and moderate-income people.
- If federal funds are used to pay relocation costs, the project must be located within King County's CDBG or HOME Consortium areas.
- The project sponsor is responsible for screening tenants and must provide documentation to King County to show income eligibility (if income screening is necessary to meet the national objective).
- The project sponsor must provide the names and addresses of the households eligible to receive assistance.
- Relocation assistance is \$4,000 \$3,000 per household. Each
  household has the option of declining this assistance. If the household
  receives relocation payments from any government-sponsored entitlement program, CDBG benefits will be reduced by that amount.
  Nothing in this policy would preclude a project sponsor or a
  jurisdiction from providing additional relocation assistance using other
  sources of funds.
- King County will pay relocation benefit(s) directly to the displaced household(s) rather than to the project or project sponsor.

### Relocation Policy for Projects Receiving Tax Exempt Bond Financing or Low-Income Housing Tax Credits

The Washington State Housing Finance Commission (WSHFC) tax exempt bond financing program and the low income housing tax credit program require project sponsors to have a relocation plan approved by the local jurisdiction as part of the application process. The King County Consortium has developed the following relocation policy for use by all jurisdictions in order to provide consistency for these fund sources. The policy is designed to minimize the impact to all tenants currently residing in projects undergoing

Relocation Tenant. A relocation tenant is specifically defined as a tenant who has been requested to cease tenancy of the subject property by the Ownership of the property for the specific purpose of compliance with low income housing programs or the rehabilitation of their unit.

Tenants who voluntarily decide to move from the project because it is being converted to a low income housing project, or for any other personal reason, are deemed to do so as their own free will and choice, and therefore are not eligible for any relocation assistance. The Ownership may elect to provide assistance as a courtesy to the tenants, however, the Ownership is not obligated to provide such assistance.

Qualified Tenant: Tenants whose incomes are less than 60% of the Area Median Income are "Project Qualified" and will not be asked to relocate for purpose of program compliance. Qualified tenants should not be relocated unless necessary to accomplish rehabilitation of their unit. If rehabilitation of a unit requires relocation of a tenant, a separate relocation plan specifically addressing the temporary or long term need for accommodations must be submitted and approved by jurisdiction.

Relocation Tenant Selection. If the project will have less than 100% designated units, relocation tenants will be selected from a list of non-qualified tenants (those whose income exceeds 60% of median income). Non-qualified tenants will be selected on the following basis:

- Non-responding tenants. Tenants who do not respond to repeated request for income verifications, or are unwilling to participate in income verification procedures should be the first Relocation Tenants.
- Volunteers. Tenants who offer to relocate with assistance should be selected next.
- Income. Tenants with the highest incomes should next be asked to relocate.

Households with children, elderly or handicapped tenants should be avoided when selecting Relocation Tenants.

Notice to Relocate. All tenants selected for relocation will be given formal notification regarding the need to relocate with a minimum of ninety (90) days notice of the date they must relocate along with information about why they were selected and the relocation assistance available to them. Consideration of a longer notice period may be granted if the tenant demonstrates a special circumstance (for instance, health reasons) and that hardship could be alleviated by extending the notice period.

Relocation Assistance. - Moving cost assistance in the amount of \$4,000 cash will be paid to all Relocation Tenants. Relocation assistance will be

made available to tenants based upon their income levels.—All Relocation Tenants will be provided special consideration of all requests for early return of deposit or other special concerns which relate to their household.

- —Moving cost assistance in the amount of \$2,000 cash will be paid to all Relocation Tenants.
- Additional relocation assistance in the amount of \$1,000 will be paid
  to tenants with incomes between 60% and 80% of the Area Median
  Income. Eligible tenants will receive this additional amount upon
  completion of a move out report.

Tenants may receive moving cost assistance in either of the following ways:

- Prior to Actual Move Out: Prior to actual move out, the tenants may
  present actual invoices from moving, truck rental, or utility companies
  and a check will be issued directly to the vendor providing services.
   Balance of funds not paid to vendors will be paid directly to tenant
  upon vacating unit and completion of move out report.
- At move out: The tenant may elect to have entire amount paid directly to them upon vacating unit and completion of move out report.

Tenants who refuse to comply with request for income verification information will be deemed to earn 80% or more of the Area Median Income and will receive moving cost assistance. They will not qualify for additional relocation assistance.

**Progress Reports:** The Ownership will provide quarterly progress reports to the local jurisdiction which describe notification procedures, timeline and relocation activities.

IV. Community Development Block Grant Requirements and Policies Amendments

#### **CDBG Policies**

The following Consortium-wide policies augment federal CDBG Program regulations at 24 CFR Part 570, federal HOME Investment Partnerships Program regulations at 24 CFR Part 92 and requirements set forth in the three year interlocal cooperation agreements (ICAs) for the King County CDBG and HOME Consortia. The County and Consortium cities may use additional local criteria for allocating CDBG and HOME funds provided such local criteria do not conflict with federal regulations, the ICAs and the Consortium-wide policies.

### **Policy 1 – CDBG Public Improvement Projects**

CDBG-funded public improvement projects must be consistent with the adopted comprehensive plan and/or capital improvement program of the jurisdiction in which the project is located.

CDBG-funded public improvement projects involving reconstruction of existing public facilities in order to remove barriers to accessibility improvements for persons with disabilities must be consistent with the adopted comprehensive plan and/or capital improvement program AND the ADA/504 corrective action plan of the jurisdiction in which the project is located.

Water system projects located outside of the County's Urban Growth Area must address severe health and safety deficiencies, which are, defined as conditions which, at a minimum:

- have caused the Seattle-King County Department of Public Health to classify the system as at-risk for transmitting water-borne illness due to concerns regarding the safety of the water source pursuant to WAC 246-291-130 and King County Board of Health Regulations, Title 12; or
- 2) have been identified by the Washington State Department of Health as the cause of a public water system routinely or potentially failing to comply with the primary drinking water standards or action levels established or referenced in WAC 246-290.

# Policy 2 – Restriction on Change of Use for CDBG-Assisted Community Facility\* Projects; Security Interest Required

The purpose of Policy 2 is to ensure that CDBG-assisted community facilities are used for their intended public purpose. For the purposes of restriction on change of use, emergency shelters and transitional housing are considered to be housing, not community facilities, therefore this policy does not apply to them (See Policy 3 on Housing for shelters and transitional housing projects). The requirement for a promissory note and security interest set forth below does not apply to real property owned by King County and the cities participating in the CDBG Consortium.

# CDBG Funding Structured as Forgivable Loan for Acquisition, Improvement and/or Rehabilitation of Community Facilities

CDBG funding in an amount of \$10,001 or more in excess of \$25,000 which is used in whole or in part for acquisition, -improvement and/or rehabilitation of community facilities, pursuant to CDBG Program

Regulations at 24 CFR Part 570.201(c), both for hard and soft costs, shall be structured as a zero interest forgivable loan. The term of the loan will be based on the amount of CDBG funding awarded as follows:

- \$10,001 \$75,000 is 7 years from project completion;
- \$75,001 \$105,000 is 15 years from project completion;
- -\$105,001 \$150,000 is 20 years from project completion; and
- -\$150,001 or more is 25 years from project completion.

\$25,001 to \$99,999 is 5 years from project completion; \$100,000 to \$199,999 is 10 years from project completion; and \$200,000 or more is 15 years from project completion.

The loan shall be forgiven in its entirety at the end of the term provided the assisted facility is used appropriately throughout the term. Project completion is defined as the date on which King County approves the final request for reimbursement pursuant to the CDBG Agreement County's contract.

### **Security Interest Required**

When CDBG funds are loaned for community facility projects, King County will require the property owner to grant King County a security interest in the property for the term of the loan as follows:

- 1) When CDBG funds are provided to a nonprofit organization for acquisition, improvement and/or rehabilitation of real property owned by the nonprofit, the nonprofit will be required to execute a promissory note, deed of trust and community facility covenant in favor of King County.
- 2) When CDBG funds are provided to a local government (other than a local government participating in the CDBG Consortium) for acquisition, improvement and/or rehabilitation of real property owned by the local government, the local government will be required to execute a community facility covenant for the benefit of King County as well as a promissory note in favor of King County.
- 3) When CDBG funds are provided to a nonprofit organization for acquisition of a long-term lease, improvements to leased real property and/or rehabilitation of leased real property that is owned by another entity (other than a local government), both the nonprofit and the property owner will be required to execute a covenant and agreement regarding leased property for the benefit of King County and the property owner will also be required to execute a deed of trust for the benefit of King County.
- 4) When CDBG funds are provided to a nonprofit organization for acquisition of a long-term lease, improvements to real property owned by a local government and/or rehabilitation of real property owned by a local government (other than a local government participating in the CDBG Consortium), both the nonprofit and local government will be required to execute a covenant and agreement regarding leased property for the benefit of King County. (Local governments are defined as municipal corporations and special purpose districts.)

#### Restriction on Change of Use

The CDBG Agreement County's contract, promissory note and other documents used to grant King County a security interest in CDBG funded community facilities will require the property owner to

restrict the use of the property to those activities set forth in the CDBG Agreement County's contract for the duration of the loan term. These documents will require that agencies that default on these requirements and change the use of the facility without authorization from the Housing and Community Development Program prior to the end of the loan term reimburse the King County CDBG Consortium as follows:

In the event a community facility that was *rehabilitated* with CDBG funding is sold or the use changed before the end of the loan term, the property owner will be required to reimburse the King County CDBG Consortium for *the amount of CDBG funding*.

In the event a community facility that was acquired and/or improved with CDBG funding is sold or the use changed before the end of the loan term, the property owner will be required to reimburse the King County CDBG Consortium for the current fair market value of the property at that time less the proportionate share of that value attributable to expenditures of non-CDBG funds for acquisition and improvement to the property.

**Rehabilitation** of real property is defined as replacement of replacing existing materials, fixtures or building systems, reconfiguring existing space and/or installing fixtures that removing architectural barriers to improve accessibility to persons with disabilities with disabilities. Rehabilitation includes but is not limited to:

- replacing doors, windows, roofs, and heating systems; and
- installing ADA handrails, ramps and plumbing fixtures.

Improvement of real property is defined as alterations to land or buildings that add new space and/or building systems that did not previously exist. Improvements include but are not limited to:

- the construction of new buildings or additions to an existing buildings;
- the construction of a new parking lot, playground or landscape feature that did not previously exist; and
- the installation of a new elevator or heating system that did not previously exist.

### Community Facility Projects Awarded \$10,000 \$25,000 or Less in CDBG Funds

Agencies which are awarded CDBG funding of \$10,000 \$25,000 or less for acquisition, improvement and/or rehabilitation of community facilities will not be required to execute a promissory note, deed of trust or covenant. The CDBG Agreement County's contract will, however, require the agency to restrict the use of the property to those eligible activities set forth in the CDBG Agreement contract for a minimum of two years from project completion.

\* This policy does not apply to projects affecting facilities owned by King County or any of the Consortium cities.

### Policy 3 - Change of Use Restriction and Security Interest Required for Housing

CDBG, HOME, and McKinney funding which is used for acquisition, new construction and/or improvement of transitional and permanent housing units shall be secured by a promissory note and deed

of trust and subject to an affordable housing covenant, where appropriate. The owner of the publicly funded property must execute the loan, promissory note, and deed of trust and affordable housing covenant in favor of King County. If a funded property subject to this policy is sold or the use is changed before the end of the loan term, the CDBG and HOME funds shall be repaid to the King County CDBG and/or HOME Consortium with a proportionate share of any appreciation in the property.

For housing facilities, King County will require a term equivalent to the longest term required by all of the project lenders, but not less than 20 years for projects receiving CDBG, HOME, and McKinney funds. For projects receiving ESG funds, no security interest is required but projects which involve major rehabilitation are subject to a 10-year change of use restriction and projects which involve non-major rehabilitation are subject to a 3-year change of use restriction.

Housing facilities include transitional and permanent housing for low-income and special needs groups such as victims of domestic violence, persons with developmental disabilities, and the chronically mentally ill. To maintain long-term affordability, these housing facilities are subject to a minimum to 20-year restriction on change of use (except for ESG funded projects).

### Policy 4 - CDBG Public Facility ADA Barrier Removal Projects

CDBG-funded community facility projects involving accessibility improvements removal of architectural barriers for persons with disabilities must be consistent with the ADA/504 corrective action plan of the property owner or, in the case of a leased facility, each tenant agency whose clientele is intended to benefit from the project.

### Policy 5 - Affordable Rents for CDBG Public Facility Projects

CDBG-funded community facilities must provide space at low or no cost to agencies, organizations or service providers offering services to predominantly low- and moderate-income persons during the term of the change of use restriction set forth in Policy 2.

During the term of the change of use restriction, a CDBG-funded community facility may be rented to another organization which serves low- and moderate-income persons provided the rent charged is below market rate for such space and is based solely on actual operating costs (for example, the cost of utilities, consumable goods, janitorial services). During the term of the change of use restriction, a CDBG-funded facility may be used at times for ineligible activities, such as rentals for private parties or for activities having charges or fees, provided these guidelines are followed:

- Such uses may not be scheduled so as to displace or conflict with eligible uses;
- Such uses must be given a lower priority than eligible uses when scheduling use of the facility;
- Such uses may not comprise more than 30 percent of the facility's regular operating hours during
  any single quarter of the calendar year; and
- Fair market rents must be charged for use of the space

### Policy 6 - Affordable Rents for CDBG Housing Projects

### Methodology for Identifying Needs

Various methods were used to gather information on the community development needs of the King County Consortium including: 1) review and analysis of available King County data from needs assessments, plans and reports; 2) survey of Pass-through cities' community development needs; 3) survey of small cities' infrastructure needs; 4) survey of public and nonprofit agencies' community facility needs and 5) needs assessments for the King County Community Services Division Strategic Plan that were conducted in east urban and rural King County consisting of resident telephone surveys, key informant interviews and meetings with service providers. The Community Services Division will complete the needs assessments for the north and south urban area by 2000. The results of the needs assessments will be included in future amendments to the Consolidated Plan.

### Community Development Objective 1

# Public Infrastructure Improvements and Park Facilities

Improve flood/storm drain systems, water systems, sewer systems, sidewalks, and other public infrastructure in low- and moderate-income and/or blighted neighborhoods including improving access for persons with disabilities by removal of architectural barriers in existing infrastructure.

### **Need Analysis**

Most of the Consortium's low- and moderate-income or blighted neighborhoods are older and either lack public infrastructure and park facilities or have infrastructure and facilities which need rehabilitation or replacement. Local governments, which are responsible for funding and maintaining public infrastructure and park facilities, prioritize project funding in comprehensive plans and capital improvement programs required under State law. The Consortium's CDBG funds are used to augment local government funds and expedite implementation of projects in low- and moderate-income neighborhoods which would otherwise be delayed.

Needs typically include replacement of public infrastructure and park facilities which have deteriorated and modifications to reconstruction of sidewalks and park facilities in order to make them accessible remove barriers to persons with disabilities. In a few instances, local governments need to install infrastructure which did not previously exist.

#### **Activities**

The Consortium will use CDBG funds to support construction and rehabilitation of public infrastructure and park facilities which reflect high priority needs. Activities will include:

- construction or rehabilitation of flood/storm drain systems, water systems, sewer systems, streets, sidewalks and park facilities; and
- rehabilitation reconstruction of existing sidewalk and park facilities in order to remove barriers to improve access to persons with disabilities.

### **Obstacles to Meeting Needs**

The major obstacles to meeting public infrastructure and park facility needs are: identifying and accessing other sources of funds to implement projects; limited local government staff resources to develop and manage projects; limited funds available; and political complexities associated with addressing infrastructure deficiencies. The latter point should not be underestimated. When addressing infrastructure deficiencies (such as inadequate water and sewer systems) communities must make difficult political choices. Often communities must accept growth and its associated impacts when the constricting effect of infrastructure deficiencies are removed. Not everyone wants growth, thus projects are slowed or sometimes canceled when interest groups mobilize in response to projects that increase capacity for growth. In addition, the siting of park improvements (such as skateboard park facilities) can generate significant opposition from neighborhood groups, when the neighborhood environment would be changed as a result of the project.

### **Proposed Annual Accomplishments for 2000-2003**

- Provide subrecipient technical assistance and contract management to 10 public infrastructure and park facility projects and 5 projects to remove architectural barriers annually; and
- Complete 2 public infrastructure and park facility projects and 4 projects to remove architectural barriers annually.

The Consortium has identified the following needs as high priority based on key informant interviews with local governments and nonprofit health and human service agencies, previous applications, and comments at public hearings:

#### Senior Centers

Facilities which are used to provide social and recreational services for senior citizens including adult day health programs.

#### • Child Care Centers

Facilities which provide services to low- and moderate-income children such as Head Start and Early Childhood programs.

### Handicapped Centers

Facilities which are used to provide services for mentally ill children and adults; and youth and adults with disabilities.

### Neighborhood Centers

Facilities which are used to provide a variety of social services targeted primarily to low-income persons including: food banks; literacy programs; emergency financial assistance; and case management and counseling services.

#### Health Facilities

Facilities which are used to provide services targeted primarily to low-income persons including: prevention, assessment and treatment services for alcoholism and substance abuse; public health services such as Women, Infants and Children (WIC); and primary care and dental services.

### **Activities**

The Consortium will use CDBG funds to support acquisition, construction and rehabilitation of community facilities which reflect high priority needs. Activities will include:

- acquisition of property by nonprofit health and human service agencies which are either leasing facilities and/or require satellite facilities;
- construction or rehabilitation of both public and nonprofit facilities to expand service delivery capacity;
- rehabilitation of both public and nonprofit facilities to address deferred maintenance or health and safety issues; and
- rehabilitation of both public and private facilities in order to improve access to clients remove barriers to persons with disabilities.

### Public Review of H&CD Plan

Copies of the proposed H&CD Plan are available through the County office at no charge. Copies of the plan are available at the following King County libraries: Bellevue Regional, Black Diamond, Bothell Regional, Carnation, Federal Way Regional, Kent Regional, North Bend, Pacific, Skykomish, Vashon Island, and White Center; and the downtown Seattle Library - Government Documents Section. Copies of the plan are also available in formats accessible to persons with disabilities, if requested.

In the fall, the public is invited to comment on the H&CD Plan for a period of 30 days. All comments, either in writing or provided orally at public hearings or meetings, shall be, are considered in preparing the final plan-and will be used for any future amendments to the plan. A summary of comments that are made as well as any reasons why they were not accepted will be included in the H&CD Plan. They are is included as Appendix H to the H&CD Plan.

### Public Hearings and Comments on Proposed Use of CDBG Funds

A summary of the Consortium's proposed use of federal funds (the Annual Action Plan) is published in the legal section of the Seattle Times newspaper every year and selected local newspapers in mid-October., for public comment before submittal of the Consortium's application to HUD for the funds. Prior to that time,—Eeach Pass-through City holds public hearings in the fall on their proposed one year use of their CDBG funds projects before the projects are adopted by their respective City Councils. For the eastside cities, this includes funds that are set-aside for housing development through A Regional Coalition for Housing (ARCH), which who will later select specific housing development projects twice a year for the City Councils' approval. The County holds public hearings in November on the proposed use of CDBG, HOME, and ESG funds for for The -JRC holds a public meeting in the late summer on the proposed projects to be awarded with CDBG funds, which benefit residents of unincorporated King County and the small cities, and for on proposed capital projects, which that will benefit the Consortium. This includes funds that are set-aside for housing development through the King County's Housing Finance Program, which will later select specific housing development projects for JRC approval.

The King County Consortium publishes applicable environmental notices for all adopted projects prior to their implementation in the non-legal section of the Seattle Times newspaper. The affected public is invited to comment on the specific projects as they are published.

# Council Adoption of Proposed Use of Federal Housing and Community Development Funds

The Metropolitan King County Council allocates the Consortium's CDBG, HOME and ESG funds to broad categories in November as part of its annual budget process.

The Consortium also publishes environmental notices for applicable projects prior to their implementation in the non-legal section of the Seattle Times newspaper. The public is invited to comment on the specific projects as they are published.

# Separate Application for <u>Housing-HOME</u> and Emergency Shelter Funds

In December, tThe County conducts a separate application process called Housing Finance Program (HFP) to distribute federal and local funds for housing development projects. These funds include the County and Small Cities CDBG funds set\_aside for housing development, the Consortium's HOME funds, and the King County's Housing Opportunity Funds. The distribution of HFP funds are guided by the housing objectives identified in the H&CD Plan.

In February, Every two years, a separate application process is conducted for ESG funds and for County and Small Cities CDBG funds set-aside for emergency shelter projects. The distribution of ESG and CDBG funds is also guided by the policies and housing objectives identified in the H&CD Plan.

Selecting these specific projects is handled as a change or amendment to our proposed use of funds (see below, Public Comments on Changes to Proposed Use of Funds).

### fFits their King County

# **Public Comment on Any Substantial Changes to Proposed Use of Funds**

After the H&CD-Proposed Use of Funds or Annual Action Plan is submitted to HUD in mid-November, each Pass-through City and the County are responsible for providing citizens with reasonable notice in their local newspaper and an opportunity to comment whenever either a substantial change or other amendment to the Annual Action Plan is being proposed for each jurisdiction's adopted CDBG program or the Consortium's HOME and ESG programs.

### Substantial Change

A substantial change is an amendment to the Annual Action Plan that requires 30 days instead of 14 days of public comment. A substantial change is defined as changing the amount budgeted awarded for to a CDBG or HOME funded project by more than 10% of the annual entitlement (approximately \$700,000 or more for a CDBG project and \$350,000 or more for HOME) of the annual entitlement. All substantial changes are approved by the local jurisdiction that who awarded the funds and subject to public comment before the County submits the change(s) are will be submitted to HUD. Proposed sSubstantial changes that are approved by a jurisdiction must be will be published in the regional and/or local newspaper for at least 30 days before they are implemented and — Tthe public will be invited to

comment during the 30-day period. All public comments will be considered before implementation, and before the substantial change is submitted to HUD.

### Amendment

Any proposed Non substantial changes are An a amendment s is defined as which would changinge the amount budgeted for awarded to a project by 25%, plus or minus (unless the minus is merely the result of an underrun); or changinge the purpose, scope or intended beneficiaries; or canceling or adding a new project. All amendments to adopted projects must be approved by the local jurisdiction city or the Joint Recommendations Committee ("JRC"), and whichever body initially that who awarded the funds, and submitted for public comment, before they are submitted to HUD. Amendments that have been approved by the city or the JRC will be published in local newspapers for at least 14 days before they are implemented and the public will be invited to comment during the 14 day period. All public comments will be considered before implementation, and before the amendment is submitted to HUD. This applies to Pass through Cities and King County amending their annual action plans to allocate CDBG funds to specific housing development projects.

Amendments to the cities' CDBG projects, including housing development projects recommended by ARCH, can be adopted by the local jurisdictions through a consent agenda or regular Council meeting. [with 14 days public notice?] Similarly, amendments to the County and Small Cities CDBG fund including housing development projects recommended by the Housing Finance Program, can be adopted by the JRC at a regular meeting. The County will submit the changes to HUD as necessary.

The Pass through City Councils will allocate CDBG funds for ARCH recommended projects at public meetings. The Joint Recommendations Committee will allocate County and Small Cities CDBG funds to recommended housing development projects in the spring as part of the Housing Finance Program allocations. Proposed amendments will be published in local newspapers and the public is invited to comment for 14 days on proposed amendments before they are implemented.

### **Minor Changes**

Minor changes, which would change the amount awarded to a project by less than 25% or would change the eligible activity or location but would not change the purpose, scope or intended beneficiaries, do not require public notice or Council action. The subrecipient requesting the change will will need to inform the County in writing of the minor change before they are implemented.

All comments, either in writing or provided orally at public hearings or meetings, shall be considered in any substantial changes to the H&CD Plan. A summary of comments that are

made as well as any reasons why they were not accepted will be attached to the substantial amendment. The County will determine whether the changes need to be submitted to HUD.

### **Public Comment on Program Performance**

A summary of the Consortia<u>um</u> 's -prior year Consolidated Annual Performance and Evaluation Report (CAPER) performance is published in the legal section of the *Seattle Times* newspaper in mid-March. The CAPER provides information on the performance of activities funded with CDBG, HOME and ESG funds. Copies of the Report CAPER are available at the County HCD office and the following King County public libraries: Bellevue Regional, Black Diamond, Bothell Regional, Carnation, Federal Way Regional, Kent Regional, North Bend, Pacific, Skykomish, Vashon Island, and White Center; and the downtown Seattle Library - Government Documents Section. The public is-will be invited to a meeting to review and comment for 15 days on the reports at least 15 days before they are submitted to HUD.

### Policy 14 – Substantial Changes and Amendments to CDBG projects

Substantial changes are defined as changing the amount of funds awarded for a CDBG funded project by more than 10% of the respective annual entitlement (approximately \$7 million), plus or minus (unless the minus is merely the result of an underrun or cancellation). All substantial changes must be approved by the Consortium city which awarded the funds and by King County. Proposed substantial changes must be published in the regional and/or local newspaper and the public allowed to comment on proposed substantial changes at least 30 days before they are implemented.

Amendments are defined as changing the amount of funds awarded for a project by 25%, plus or minus (unless the minus is merely the result of an underrun); or change the purpose, scope or intended beneficiaries; or canceling or adding a new project. All proposed amendments must be approved by the JRC or local jurisdiction which awarded the funds. The public will be invited to comment for 14 days on proposed amendments before they are implemented.

A substantial change is an amendment (to the adopted Annual Action Plan that was submitted to and approved by HUD) that will require 30 days instead of 14 days for public comment. A substantial change is defined as changing the amount awarded to a CDBG or HOME funded project by more than 10% of the annual entitlement (approximately \$700,000 or more for a CDBG project and \$350,000 or more for HOME). All substantial changes must be approved by the jurisdiction that awarded the funds, and submitted for public comment before the County submits the changes to HUD. Substantial changes that are approved by the jurisdiction will be published in the regional and/or local newspaper for at least 30 days before they are implemented and the public will be invited to comment during those 30 days. All public comments will be considered before implementation, and before the substantial change is submitted to HUD.

An amendment is defined as changing the amount awarded to a project by 25%, plus or minus (unless the minus is merely the result of an underrun); or changing the purpose, scope or intended beneficiaries; or canceling or adding a new project. All amendments to adopted projects will need to be approved by the cityies or the Joint Recommendations Committee ("JRC"), whichever body initially awarded the funds, and submitted for public comment before they are submitted to HUD. Amendments that are approved by the city or the JRC will be published in local newspapers for at least 14 days before they are implemented and the public will be invited to comment during the 14-day period. All public comments will be considered before implementation, and before the amendment is submitted to HUD.

Amendments to the cities' CDBG projects, including housing development projects selected by ARCH, can be adopted by the cities through a consent agenda or regular Council meeting. The cities will need to submit the following to King County: evidence of Council action which includes the year of funds, amount of funds, and project description (by Council minutes or resolution); evidence of public notification, and copies of any public comments and the cities' response to any public comments.

Minor changes, which would change the amount awarded to a project by less than 25% or would change the eligible activity or location but would not change the purpose, scope or intended beneficiaries, do not require public notice or Council action. The subrecipient requesting the change will inform the County in writing of the minor change before they are implemented. The County will determine whether the change needs to be submitted to HUD.

This amendment process applies to both Pass through Cities and King County when they amend their annual action plans to allocate CDBG housing development setaside funds to specific housing development projects. The Pass through City Councils will allocate CDBG funds for ARCH recommended projects; evidence of Council action; including the year of funds, amount of funds, and project description, should be sent to King County along with evidence of public notification and copies of any public comment and the response to that comment. The Joint Recommendations Committee will allocate County and Small Cities CDBG funds to recommended housing development projects in the spring as part of the Housing Finance Program allocations.

# V. Affordable Housing Incentives Policy Clarifications

### Appendix J

### **Affordable Housing Incentives**

### A. Unincorporated King County

In addition to direct funding, King County uses a variety of programs to encourage the construction of new housing that is affordable to low-income households. This section provides policies governing eligibility for land use incentives programs for affordable housing adopted in the King County Zoning Code and mitigation fee ordinances.

The following programs are currently available and are covered by these policies:

Road fee exemptions. The roads Mitigation Payment System ("MPS") allows for a fee waiver for housing developed by public and nonprofit agencies, and a fee\_reduction for private for-profit developments that set aside certain units for low- and moderate-income buyers or renters. The housing Developers of housing projects that receive a week waiver or reduction of the road MPS fee for housing developed by public, non-profit or private for profit developments must ensure that the housing remains affordable for at least 15 years. The MPS program also waives feesallows fee waivers for low-income homebuyers who are individually builtding or siteding a homes on their own property that are sold or constructed at an affordable price for ownership by a low or moderate income household.

Density bonuses. The Zoning Code contains affordable housing density bonuses for rental housing, home ownership developments, senior assisted housing and mobile home parks that accept displaced homes. Developments providing affordable housing may increase the number of dwelling units on the site by 150 percent of the base density permitted by zoning for the inclusion of a mix of low-income units in the housing project, and up to 200150 percent of the base density permitted by zoning if 100 percent of the units are affordable.

School fee exemptions. Similar to the roads fee program, the ordinance establishing mitigation fees for schools allows fee waivers and reductions for affordable housing. Housing developed for low- and moderate-income buyers or renters must remain affordable for 15 years. Waivers are also allowed available for low-income homebuyers who are individually builtding or siteding a homes on their own property bought by a low or moderate income households at an affordable price, however, if the home is sold within 10 years to a non-eligible household, the fee must be paid to the school district.

For each of these programs, general eligibility criteria in the ordinance have been established in the ordinance; additional procedures are contained in administrative rules for each program. The following policies are intended to guide development of administrative rules and operations of the programs.

- Policy 1: The affordable housing density bonuses and fee exemptions may be used by developments also receiving financial subsidies, such as loans or grants from the State Housing Trust Fund, King County Consortium CDBG or HOME funds, King County Housing Opportunity Fund or low-interest mortgages through the Washington State Housing Finance Commission. For such projects the eligibility criteria established by the funding source or sources wouldshould take precedence. Any project that meets or exceedsed the policies below shouldwould be eligible for density bonuses and fee exemptions.
- Policy 2: Rental housing programs eligible for density bonuses or fee exemptions shall serve households with incomes at or below 50 percent of the Countywide median household income, adjusted for household size. Rents shall not exceed 30 percent of the monthly household income, based on the size of the household and housing unit size.
- Policy 3: Ownership programs eligible for density bonuses or fee exemptions shall serve households with incomes at or below 80 percent of the Countywide median household income, adjusted for household size. Total household assets shall be no greater than \$30,000, excluding personal property such as furniture and car; exemptions may be granted under extenuating circumstances. House value shall not exceed an amount, which is affordable to a household at 80 percent of median income, based on standard lending criteria, and prevailing interest rates. The house must be the purchasing household's primary residence.
- Policy 4: When long term affordability is required addressed by ordinance, the housing should shall remain affordable for at least 150 years, unless subject to a longer term per the applicable ordinance. To ensure required long term affordability, aA covenant, deed restriction or other contractual arrangement shall be recorded to establish ongoing affordability requirements and set monitoring procedures. Household incomes, house prices and rental rates shall be adjusted annually by King County to support long term affordability requirements. Home ownership programs Affordable ownership units created by incentives that require long term affordability shall require resale to income-eligible purchasers and/or recapture of subsidy to finance future housing programs.

# B. Other Examples of Consortium City Incentives for Affordable Housing (please contact individual cities for information)

- Density bonuses for senior housing
- Density bonuses for affordable housing in general developments
- Waiver for traffic impact fees for affordability

- Minimum lot size calculations that promotes maximum number of units
- Manufactured housing and accessory dwelling units are allowed throughout some cities

VI. Lead Paint Compliance Amendment

and relocation activities through specific meetings which are established for their participation. Such meetings should include but not be limited to the topics of unit mix, housing design, density and open space, replacement housing options, continued social service support for relocated residents and housing options in the new Park Lake community;

- 4) Park Lake Homes residents will receive special HOPE VI
   Demolition Relocation Plan services, as specified in the HOPE VI
   application, including one-to-one housing counseling and self sufficiency programs that will help the tenants sustain their new
   living arrangement;
- 5) KCHA continues to inform the Consortium of the progress
   of the HOPE VI project, including any evaluative studies of the
   mixed-income housing community at Park Lake and the
   relocated tenants, and any studies of HOPE VI projects released
   by HUD.

The Park Lake HOPE VI initiative is consistent with and would further several of the Consortium's objectives to address housing needs, including: the promotion of an equitable and rational distribution of affordable housing throughout King County, the promotion of diverse neighborhoods, the revitalization of substandard housing and distressed communities and the promotion of fair housing choice for all residents of the Consortium.

• Compliance with Lead Paint Regulations. The King County Consortium intends to comply with lead-based paint regulations and has submitted a Transition Implementation Plan to HUD, which was approved. The plan allows the Consortium to phase in the applicable HUD and EPA lead-based paint regulations as applied to permanent housing which receives federal assistance.

#### Activities to Benefit Low- and moderate-income Home Owners

- Repair of existing housing units owned and occupied by low- and moderate-income homeowners. Continue use of CDBG and HOME funds to support the King County Housing Repair Program, which provides quality, timely repair of critical health and safety problems for low- and moderate-income homeowners.
- Acquisition of mobile home parks. Support acquisition of mobile
  home parks to protect low- and moderate-income mobile home owners
  who may otherwise be displaced due to redevelopment. CDBG,
  HOME, and HOF capital funds may be used for this purpose.

# VII. Analysis of Impediments To Fair Housing Choice Amendments

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### Impediments to Fair Housing Choice

### Review of Subsidized Rental Housing for Fair Housing Impediments

HUD suggests that the AI include a review of:

- Tenant selection procedures for public housing and Section 8 certificate / voucher programs,
- Racial characteristics of tenants in public housing and Section 8 programs, and
- The location of subsidized rental housing.

The purpose of this review is to determine if racial or ethnic concentrations of tenants exist in housing projects, or if Section 8 recipients are concentrated in geographic areas. And, if so, are policies or practices of the housing authority or local government limiting housing choice for assisted housing tenants?

This section of the AI discusses: (1) the racial characteristics of public housing tenants and Section 8 certificate / voucher holders, (2) the location of subsidized housing, (3) the tenant selection procedures for housing authority-owned units and the Section 8 program, (4) the distribution of minorities in housing authority projects, and (5) the location patterns of Section 8 certificate / voucher holders.

Analysis of this information shows:

- housing choice for low-income people in the Consortium who rely on publicly subsidized housing is limited to locations of existing subsidized housing and to areas where rents are low enough to allow for use of Section 8 certificates or vouchers,
- housing choice is limited by the lack of affordable rental housing, particularly in the North and East parts of the County,
- areas with high percentages of Section 8 recipients are also areas where minorities represent a relatively high proportion of the population,
- the housing authorities select tenants in objective ways which do not limit choice,
- housing choice for the low-income households will only improve with an increase in the amount of affordable rental housing.

Racial Characteristics of Public Housing Tenants and Section 8 Recipients

There are 4,012 public housing units in the Consortium. The KCHA owns the majority, approximately 3,665 units. The RHA owns 307 units and the Muckleshoot Housing Authority owns 40 units. The racial characteristics of public housing residents in the Consortium are:

67% white

# Chapter — Housing, Employment, and Transportation Characteristics

### **Impediments to Fair Housing Choice**

- 24% Asian
- 6% African American
- 2% Hispanic
- 2% Native American

The KCHA and the RHA also administer Section 8 certificate / voucher programs. In total, there are 3,463 units in the Consortium which are leased through the Section 8 program. The racial characteristics of Section 8 certificate / voucher holders are:

- 59% white
- 32% African American
- 5% Asian
- 2% Hispanic
- 2% Native American

Minorities are represented to a much larger degree in the resident population of subsidized housing than they are in the population in general. This correlates to the demographic information in Chapter 3 which showed higher proportions of minority households with low incomes.

### Location of Subsidized Housing

The majority of subsidized units are located in incorporated jurisdictions. About two thirds of units subsidized through the Section 8 certificate / voucher program are located in cities. Seventy-four percent (74%) of privately-owned, federally subsidized units and 60% of projects funded through Consortium housing programs are also located in incorporated areas.

There are two areas where 18% (twice the percentage of the Consortium as a whole) or more of the rental housing is subsidized. Both areas are located in unincorporated King County. They are the White Center area, where approximately 26% of all rental housing is subsidized, and the area which includes East Kent and the unincorporated area east of Kent and Auburn where subsidized units are 18% of the rental housing.

In both areas, the higher percentages of subsidized rental housing are due primarily to the location of large public housing projects like Park Lake Homes <u>I & II</u> (733 units) and the Springwood Apartments (342 units).

Tenant Selection Procedures for Public Housing and the Section 8 Program

Both the KCHA and the RHA maintain waiting lists for public housing and the Section 8 program. Both put applicants on the lists in order of their date of application and whether or not they meet federal preference criteria. Applicants who meet federal preference criteria are higher on the list than those who do not. The waiting list is also organized by the size of unit (number of bedrooms) needed.

# Chapte. - Housing, Employment, and Transportation Characteristics

### Impediments to Fair Housing Choice

The KCHA provides choice to public housing applicants by operating five regional application offices and essentially maintaining five public housing waiting lists. Households can make application for public housing based on the area of the County in which they would like to live. Application offices are located in north, east, southwest, and south regions of King County.

Once a unit or Section 8 certificate / voucher becomes available, the household at the top of the waiting list is notified. Public housing applicants can either take the unit or go to the bottom of the waiting list. (The RHA allows the applicant two opportunities to take an available unit before going to the bottom of the list.)

Once Section 8 applicants are assigned certificates or vouchers, they are required to attend an orientation session to learn about the program requirements and how the certificate / voucher is used. They also receive information on fair housing laws and get a listing of rental complexes which welcome Section 8 recipients and which may have units for rent.

In the case of both the KCHA and RHA, Section 8 recipients are free to choose any housing which meets the requirements of the Section 8 program. Rental units must pass a Housing Quality Standards (HQS) inspection and rent for an amount less than the HUD-established Fair Market Rent (FMR). FMRs are set by area and size of unit (number of bedrooms).

Housing authority staff will assist a Section 8 recipient to explain the program to a potential landlord. If Section 8 recipients feel they are being refused housing because of discrimination, the housing authority can provide them with a HUD complaint form and assist them in filing the complaint.

Another element of choice provided Section 8 recipients is the "Portability" of the certificate / voucher. The certificate or voucher is portable to any location in the county where there is a Section 8 program. The majority of Section 8 recipients choose to live in King County. However, 351 King County certificates / vouchers are in the use outside King County, and 1,079 certificates / vouchers holders from other areas have located in the County.

### Distribution of Minorities in Housing Authority Projects

In 13 of 54 projects owned by KCHA, there is a higher percentage of minorities than in the population as a whole. In 6 projects, minorities represent 50% or more of the resident population. In three of five RHA-owned projects there are more minorities than in the overall population. One project has more than 50% minority residents.

There is, however, nothing in the tenant selection process for these projects that provides an impediment to housing choice. In fact, KCHA's operation of five regional application offices and maintenance of five waiting lists provides applicants with an opportunity to

# Chapte - Housing, Employment, and Transportation Characterisitics

Impediments to Fair Housing Choice

choose the area of the County in which they would like to live. The RHA allows tenants two opportunities to accept a unit once they reach the top of the waiting list.

Housing choice is limited by the number of KCHA-owned units in certain areas. The majority of units are located in south King County. A household wanting to live in south King County may be on the waiting list for six months to a year, compared with 18 months to two years in the north and east parts of the County. Such differences in waiting time due to the inequitable distribution of the KCHA-owned housing stock throughout King County may have a disparate impact on classes protected under the Fair Housing Act. Disabled households, families with children, and racial and ethnic minority households, who have lower incomes in a larger percentage than white households (See Table, p.2-9), may have a more urgent need to get into a subsidized unit as soon as possible. Thus, while these households may have a choice of the region where they select a subsidized housing unit, inequitably distributed housing stock significantly affects the waiting periods for each region and impedes housing choice.

Severely Distressed Public Housing Is An Impediment To Fair Housing Choice

Fair housing choice is further impeded where a very large number of the units in a region with the shortest waiting period are severely distressed.

HUD defines severely distressed public housing as a public housing project that:

1) requires major redesign, reconstruction or redevelopment, or partial or total demolition, to correct serious deficiencies in the original design (including inappropriately high population density), deferred maintenance, physical deterioration or obsolescence of major systems, and other deficiencies in the physical plant of the project;

2) is a significant contributing factor to the physical decline of and disinvestment by public and private entities in the surrounding neighborhood; and 3) is occupied predominantly by families who are very low income families with children, are unemployed, and dependent on various forms of public assistance; or has high rates of vandalism and criminal activity (including drug-related activity) in comparison to other housing in the area. 

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The KCHA has preliminarily determined that Park Lake Homes, Site I in White Center is a severely distressed public housing project. Park Lake Homes I is a 536 unit complex and is the largest public housing complex in the KCHA housing stock. Although it has been managed well by KCHA, it was originally built as temporary housing for defense workers in 1942. Preliminary reports reveal structural deficiencies in the foundations, seismic deficiencies, and electrical and plumbing hazards and inefficiencies that cause very high utility costs. Park Lake Homes, Site II has less population density, at 198 units, and was built in 1964.

<sup>&</sup>lt;sup>1</sup> Definition excerpted from the HOPE VI Revitalization and Demolition NOFA 2000, p.13.

# Chapte - Housing, Employment, and Transportation Characterisitics

Impediments to Fair Housing Choice

In addition, Park Lake Homes I has the highest concentration of racial and ethnic minorities and families out of all of the KCHA's large housing complexes (80+ units). Seventy four (74%) percent of the residents are non-white and sixty nine (69%) percent of the residents are families with children. Over 51% of the residents in the Park Lake I census track are below the poverty level. To the extent that the convergence of the above-noted concentrations has occurred for reasons other than the choice of the residents, the Park Lake complex, as currently configured, is a barrier to fair housing choice.

Severely distressed public housing creates physical and social distinctions between the public housing residents and the surrounding community, which is unhealthy for the public housing resident households. Such stigmatization is a barrier to fair housing.

The KCHA is proposing to revitalize Park Lake I through a HOPE VI application in 2001. The revitalization would provide the opportunity to provide a broader range of housing types and housing choices to the Park Lake resident households and to households who are waiting to get into public housing. As part of the HOPE VI initiative, the KCHA plans to provide critically needed low-income units in other parts of the County, in order to work towards a more equitable distribution of KCHA-owned units throughout the King County Consortium.

### Location Patterns of Section 8 Certificate/Voucher Holders

In the Consortium, 3% of all rental units are rented to holders of Section 8 certificates or vouchers. Units are rented through the Section 8 program in nearly every census tract in the Consortium. However, 74% of Section 8 recipients found housing in South King County, compared with 19% who live in North and East urbanized areas of the Consortium. Six percent (6%) live in rural areas.

Section 8 certificate and voucher holders tend to choose housing located near KCHAowned housing and in areas where minorities are a relatively higher percentage of the population.

However, the areas of the Consortium with higher percentages of Section 8 recipients are also located in areas where rents are relatively more affordable. For example, rents in the area from White Center south to the airport range between \$491 and \$580. Average rents in North and East King County range from \$616 up to \$888.

KCHA staff who administer the Section 8 program identify rent as the biggest factor in housing choice for certificate / voucher holders. The ability to continue using Section 8 assistance in a unit is also an issue. HUD limits the annual rent increases under the program to 1.1% while rents in the market are escalating at 3% to 4% every six months.

# Chapte – Housing, Employment, and Transportation Characterisitics

Impediments to Fair Housing Choice

The overall lack of affordable housing, which is clearly documented in the "Housing Assistance Needs" section of this chapter, is also the major limiter of housing choice for those receiving rent subsidies. Housing choice for low-income households will only improve with an increase in the amount of affordable rental housing equitably distributed throughout the Consortium.

# VIII. APPENDIX – Summary of Public Process and Comments on the 2001 Amendments

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# Summary of Public Comments on the 2001 Amendments to the Consolidated Plan

The draft 2001 Amendments to the Consolidated Housing and Community Development Plan for 2000-2003 were available for public comment beginning on February 20, 2001. The amendments were announced via newspaper advertisements, a mass mailing to about 1,000 community stakeholders, the King County web site and public forums.

The North Highline Unincorporated Area Council ("NHUAC") was briefed on the HOPE VI initiative and the proposed amendments specific to the HOPE VI project on February 15, 2001. The NHUAC voted to co-sponsor a community meeting with the King County Housing Authority ("KCHA") and King County HCD in White Center. In addition, the White Center Resident Leadership Council ("WCRLC"), a community council formed to develop a strategic plan for White Center, was briefed on the HOPE VI initiative and the amendments on March 7, 2001, and March 28, 2001. The Council voted to co-sponsor an additional community meeting on the proposed HOPE VI initiative.

The first public forum on the 2001 Amendments to the Consolidated Plan by HCD was held at the Mercer Island Community Center on March 2, 2001. A second meeting, co-sponsored by the NHUAC, focused specifically on the HOPE VI amendments, was in held in White Center on March 6, 2001. The third public forum, co-sponsored by the WCRLC, the NHUAC and ACORN, and also focused specifically on the HOPE VI amendments, was held in White Center on April 24, 2001. The third forum was a panel discussion and attracted over 100 participants from the community. On May 3, 2001, the NHUAC voted on the HOPE VI portion of the 2001 Amendments to the Consolidated Plan. The NHUAC approved the amendments with some suggestions for very minor alterations in the language.

The Consortium is very grateful to the stakeholders, community organizations and members of the general public who attended the public meetings and have given their input. The suggestions of the NHUAC and the comments and questions from citizens at the public forums were utilized in drafting the final version of the 2001 Amendments to the Consolidated Plan.

### **Overall Comments on the Amendments**

Organizations who made overall comments were in favor of the amendments and commended the County staff on their commitment to meaningful public process.

### I. HOPE VI Application Amendments

Comments on the HOPE VI amendments to the plan were made primarily at public meetings and forums in the White Center neighborhood where the HOPE VI project will be located. King County staff attended additional Park Lake Homes resident and community meetings on the HOPE VI application sponsored by the King County Housing Authority (KCHA).

King County staff has found that the KCHA is doing a very thorough job of reaching out to the Park Lake residents and the surrounding community to include them in the planning process. The residents had many questions about the project which were answered by KCHA. KCHA recorded all the questions and answers, had them translated into several different languages and circulated to all the tenants of Park Lake in case they were not able to attend a resident meeting. The overwhelming sentiment of the Park Lake residents has been in favor of the HOPE VI revitalization project.

### Questions/comments from the public forums held by County staff

A comment was made at a public meeting that the Consolidated Plan was not specific enough about what was meant by the KCHA's pledge of one-to-one replacement of the low-income housing units. KCHA's plan for one-to-one replacement was clarified in the final draft.

One participant was interested in being involved in the service provider forums sponsored by KCHA in conjunction with the HOPE VI process, and was given that information.

A White Center community resident commented that she was happy to see that the public housing would be more integrated into the neighborhood, as she always felt that the public housing was stigmatized by its physical distinction from the rest of the neighborhood.

A senior citizen who is a Park Lake resident expressed great enthusiasm for the project, stating that she wished they had done it even sooner.

Another senior citizen expressed her desire that the KCHA not place all the seniors in high rise buildings. KCHA responded that they have heard this message loud and clear and are not planning any senior high rises.

One participant expressed some concern about the relocation of the tenants at Park Lake, but was satisfied by KCHA's explanation about their relocation plans. KCHA plans to minimize disruption as much as possible for the residents and provide housing options for each resident household.

A comment was made requesting that the KCHA keep a portion of the ownership housing affordable to the community and to perhaps consider a land trust model for keeping it affordable in perpetuity. KCHA reiterated their commitment to explore all possible options to offer some affordable ownership housing, and stated that they plan to give a first option to some of the Park Lake tenants who may be eligible to be homeowners. KCHA also stated that they cannot give definitive answers yet as to the exact mix of housing types and prices until they are much further along in the planning process.

A question was asked about what kind of data or studies the County evaluated before deciding to support the HOPE VI application. The studies that the County evaluated were supplied to the individual and made available at the White Center community public meeting on April 24, 2001.

A comment was mailed in commending the KCHA for its voluntary commitment to one-to-one replacement of low-income units, and commending the Consortium for conditional approval of the project provided there is replacement of such units.

# **Questions/comments at the White Center Resident Leadership Council Meeting on the HOPE VI**

The community had some questions about the HOPE VI project. The group was very receptive to the project and the community services component, which will create the opportunity for better resources for both the Park Lake residents and the White Center community.

A comment was made regarding the fact that 40% of the current Park Lake residents are either senior and/or disabled and will be of priority status to stay at Park Lake, however, the new mix of housing will be 1/3 public housing, 1/3 market rate rental and 1/3 homeownership housing. The concern was that the new project could not house all the low-income senior and/or disabled who could choose to stay at Park Lake. The KCHA responded that while the mix will be 1/3 for each type of housing, the overall number of housing units will increase since the space is currently underutilized. In addition, relocated tenants will be eligible to use a Section 8 voucher for the new market rate rental units.

One participant asked about the involvement of the Park Lake residents in the process, as she had heard of some tenant exclusion from the process at Holly Park. She was happy to hear about all the measures that the KCHA has taken to involve the residents and keep them involved. KCHA also announced a number of upcoming planning and design meetings to which the larger White Center community was invited to attend.

There was a question about other properties that KCHA owns where residents can move – KCHA gave out the names of other properties they own in the area.

There were several questions about some of the details of relocation, including return of security deposits, which were answered by KCHA.

# Questions/comments from the White Center Public Meeting on HOPE VI on 4/24/01 at Evergreen High School

The format of this meeting was a moderated panel discussion, followed by a question and answer period. The panelists included: Stephen Norman, Executive Director, King County Housing Authority (KCHA); Brian Sullivan, Mithun Architects (KCHA architecture firm hired for the HOPE VI project); Linda Peterson, Manager, King County Housing and Community Development (HCD) Program; Cheryl Markham, Housing Planner, King County HCD; Rachel Kleit, Assistant Professor, UW, Evans School of Public Affairs; Terry Stewart, Park Lake Community Council; Louis Ward and Floyd Gossett, Rainier Vista Leadership Team; Selamawit Gebresus, Highpoint; Al Hadid, Salishan Alliance for Community Service

1) Comments/questions about the need to redevelop Park Lake Homes

The Park Lake Residents' Community Council representative spoke enthusiastically in favor of the HOPE VI redevelopment initiative. Seattle Housing Authority tenants also spoke in favor of the various HOPE VI projects in Seattle and suggested some avenues for tenant representation during the redevelopment process and opportunities for the larger community and public housing tenants to work together.

One tenant commented that he thought the homes looked good the way they are now. This is expected since the housing authority has taken good care of Park Lake; KCHA responded that the engineering reports are about serious structural, electrical and plumbing problems, as well as lead paint and asbestos issues that are not apparent on the surface.

One person was concerned about whether KCHA was redeveloping the newer Park Lake housing (Park Lake 2), which is in much better condition; KCHA is not proposing to redevelop Park Lake 2.

2) Comments/questions about physical aspects of the new mixed-income HOPE VI project

There was a concern raised about whether there would be a physical distinction between the new housing for low-income tenants v. higher income tenants – another person raised the issue that distinctions have occurred at New Holly in the later phases; KCHA and their architect both discussed the fact that they are planning to make sure there are no physical distinctions between the types of housing and that the housing is all well-integrated.

A tenant raised the concern about ground units for seniors; KCHA is firmly committed to providing ground units for seniors.

There were a few concerns raised about the issue of density; one question was specific to whether there is a correlation between crime and density since the new mixed-income housing community will be somewhat denser in order to effectively use the entire space at Park Lake I; the KCHA architect pointed out that density and crime are not correlated and that safety can be designed. According to UW Professor, Rachel Kleit, the HOPE VI models that have been studied thus far have shown decreases in crime, and tenant satisfaction with safety in their community.

One person raised the issue of the selling of KCHA property through the homeownership portion of the project and is concerned that the housing authority stock remain available to future generations; KCHA responded that they are considering a number of different options for the homeownership, including a land trust model where the land is not sold and the selling price of the homes must remain affordable – there are critics of this model, however, who point out that lower-income, first-time homebuyers should be able to build equity in their homes just like everyone else. KCHA also pointed out that they are buying properties in other parts of King County to balance the partial loss of property at Park Lake (homeownership will 1/3 of the project).

There were some comments and questions about the affordability of the ownership housing — KCHA is planning to present a model showing the percentage of homewnership housing that can targeted to first-time homebuyers as soon as possible, considering costs.

There was some debate about whether current tenants have a "right of first refusal" to homes sold by a housing authority – that issue needs to be clarified.

### 3) Impacts on the tenants of Park Lake and the White Center neighborhood

There was a comment of concern about Park Lake residents who take vouchers being disenfranchised from needed services – KCHA has pledged to help all relocated tenants find services. In addition, the HOPE VI application requires special relocation services such as one-to-one housing counseling and self-sufficiency programs that will help residents transition into their new living environment.

There were several questions about the issue of infrastructure and whether increased density at the Park Lake site can be supported in White Center. The issue of leveraging the rest of the money for the project was also raised – KCHA recognizes that the infrastructure costs/leveraging issues are the most challenging ones facing them and are looking for the political will to focus some resources on White Center.

# North Highline Unincorporated Area Council ("NHUAC")Feedback on the HOPE VI Amendments

On May 3, 2001, the NHUAC voted on the HOPE VI Amendments to the *Consolidated Plan*. The NHUAC voted to approve the amendments with some suggestions for minor edits in the language. Where feasible, the NHUAC suggestions were incorporated into the final version of the amendments.

### II. Housing Opportunity Fund Amendments

All comments were in favor of these amendments.

### III. Relocation Benefit Amendments

We received one comment that the change appeared to be somewhat abrupt, but the commentator was not opposed to the amendment.

All other comments were in favor of these amendments.

### IV. CDBG Requirements and Policies Amendments

A comment was made regarding a need for further clarification of the public process required when a jurisdiction or the Joint Recommendations Committee makes changes in the use of CDBG funds. The public process amendments were further clarified based on those discussions.

A comment was made about the draft language excluding shelters and transitional housing from Policy #2 and that language was further clarified based upon those comments.

Several comments were received concerning the amendment of Policy #2, the loan term for CDBG-assisted community facility projects. One comment was in favor of the reduction of the loan term from the maximum of 25 years to 15 years, but requested that we reduce the term even further to the federal minimum of 5 years for all loan amounts. The non-profit agency commented that the funds remain as a long-term liability on their books. Several Consortium cities and another non-profit agency disagreed, however, with lowering the term to the minimum of 5 years for all loans, regardless of the amount. Five years is not much time for a community facility to be required to remain available to the community given the investment of public dollars at the higher loan levels. The cities are very concerned about the possible consequence that a non-profit could sell off a facility at the end of 5 years and turn a profit from a significant investment of public dollars. Accordingly, the Housing and Community Development staff recommended that the loan term not be reduced to 5 years for all loan amounts.

### V. Affordable Housing Incentives Policy Clarifications

A question was asked concerning whether we were making a change in policy, rather than a clarification concerning density bonuses in unincorporated King County. The amendment to this section was only a clarification of the King County Code, not a change in policy, and the language of the section was revised to provide a more accurate clarification of the King County Code concerning density bonuses.

### **Analysis of Public Comments**

In general, the comments about the proposed amendments were favorable. The community of White Center had an opportunity to learn more about the proposed HOPE VI initiative and of their ability to participate further in the more specific planning that will continue if the project is funded. Park Lake residents and members of the community received responses to their queries and generally were satisfied with the answers that the King County Housing Authority (KCHA) was able to provide at this point in the application process. The Park Lake residents overall are very enthusiastic about the initiative and the opportunities it could offer to the public housing residents and the White Center community.

Some of the concerns of the community that could not be answered definitively at this point in the HOPE VI pre-application stage, such as the exact configuration of the balance of open space and housing density, infrastructure capacity issues and costs, and the number of affordable homes that will be available in the ownership housing category are all issues that will be open to ongoing community input and participation. KCHA is seeking White Center community and Park Lake resident input at meetings on various aspects of the planning process prior to the decision to submit an application this June 2001. If the project is funded, KCHA will be notified in September or October 2001, after which an extended planning process will take place for several years.

The Consortium can only provide support for the HOPE VI initiative at Park Lake in concept at the pre-application stage. The Consortium is confident that the KCHA is committed to a community building process, and will be responsive to Park Lake residents and the larger White Center community. The Consortium is also confident that the KCHA will follow through on their commitments to provide replacement units of low-income housing, and both housing choices and comprehensive relocation services to their tenants who are relocated.

No comments were received on the issue of Lead Paint Compliance or the Analysis of Impediments To Fair Housing Choice.

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