

Introduced by MIKE LOWRY

ORDINANCE NO. 3269 **77-525**

AN ORDINANCE relating to housing: Implementing Comprehensive Plan policies on housing authorizing certain grants and loans related to housing, and establishing a cooperative housing program involving King County, the Housing Authority of the County of King, several suburban cities, and the Federal government.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

NEW SECTION. SECTION 1. The following chapter is hereby added to a new title of the King County Code:

CHAPTER 1. Declaration of Policy, Findings and General Provisions on Housing Rehabilitation and Repair.

SECTION 101. DECLARATION OF POLICY. It is hereby declared to be the policy of King County to provide for the repair and rehabilitation of privately-owned dwellings within King County by the use of funds obtained through Federal grant programs. This ordinance authorizes programs to implement Policy 1-8(B) of Ordinance 2555 which states as follows: "King County shall create and support measures which will provide incentives to maintain and rehabilitate older housing. This shall include. . . obtaining private or public monies and pursuing feasible proposals to encourage maintenance and restoration of housing units, particularly for homeowners whose income requires such assistance." Nothing in this ordinance shall authorize the use of public funds in violation of Article VIII, section 7 of the Washington Constitution, and the sole source of all funds expended hereunder shall be Federal-grant monies.

1 SECTION 102. FINDINGS. The King County Council
2 hereby finds that:

- 3 (a) The best interests and general welfare of King
4 County would be served by the providing of
5 federally-funded assistance to homeowners, so
6 that they will have an opportunity to continue
7 to live in their present dwellings;
- 8 (b) It is also in the best interests and general
9 welfare of King County to upgrade the living
10 environment of low-income renters when guarantees
11 can be obtained from landlords to safeguard the
12 tenants' interests and justify the public
13 investment;
- 14 (c) Programs should be established which will further
15 the aforementioned policies, such programs to
16 provide for the maintenance and improvement
17 of living environments in order to provide safe
18 and sanitary living conditions for the citizens
19 of King County;
- 20 (d) Implementation of housing rehabilitation and
21 repair programs consistent with the foregoing
22 statements would be complementary to and
23 consistent with the King County housing policies
24 adopted in Ordinance 2555;
- 25 (e) King County and cooperating jurisdictions
26 under interlocal agreements have responsibility
27 and authority to carry out housing rehabilitation
28 and repair programs within areas delineated in
29 the King County Housing Assistance Plan;
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1 (f) Various federally-funded programs, including
2 the Community Development Block Grant Program
3 under the Housing and Community Development Act
4 of 1974 and the Section 312 Program under the
5 Housing Act of 1964, provide a source of funds
6 and an opportunity for King County to implement
7 such housing and rehabilitation repair programs;

8 (g) Title VI of the Civil Rights Act of 1964 prohibits
9 discrimination on the basis of race, color or
10 national origin under any program or activity
11 receiving federal financial assistance, and
12 Executive Order 11063 prohibits discrimination
13 on the basis of race, color, creed or national
14 origin in the sale, lease or other disposition
15 of residential property (including land intended
16 for residential use) or in the use or occupancy
17 thereof;

18 (h) Under Section 312 of the Housing Act of 1964,
19 the Secretary of Housing and Urban Development
20 (HUD) is authorized, under the conditions and to
21 the extent provided therein, to make loans to owners
22 of property for the rehabilitation of their property
23 and to delegate authority to or use as agent any
24 local public agency or organization to the extent
25 he determines appropriate and desirable to carry
26 out the objectives of Section 312 in the designated
27 areas involved; and

28 (i) It is desirable and will significantly benefit
29 the objectives of all housing rehabilitation and
30 repair programs for the Director of the Department
31 of Planning and Community Development to have
32 direct approval authority with respect to Section
33 312 loans.

1 SECTION 103. HOUSING REHABILITATION AND REPAIR - GENERAL
2 PROVISIONS.

3 (a) CONTRACTING: The County Executive is authorized,
4 on behalf of the County, to contract with other
5 public agencies, including the Housing Authority,
6 for the purpose of operating and otherwise carrying
7 out aspects of the Housing Rehabilitation and
8 Repair Program, provided, that interlocal coopera-
9 tion agreements shall be presented to the County
10 Council for approval.

11 (b) GEOGRAPHIC LOCATION: The geographic locations
12 for carrying out the Housing Rehabilitation
13 and Repair Program shall be established annually
14 in the Housing Assistance Plan.

15 (c) CONFIDENTIALITY: Financial information obtained
16 from applicants shall, to the extent permitted
17 by State law, be kept confidential and not
18 publicly disclosed.

19 (d) JOINT ASSISTANCE: Any combination of assistance
20 under the Section 312 Program and the Block
21 Grant Housing Repair Program may be authorized
22 by the Director for a single-family, owner-
23 occupied dwelling.

24 SECTION 104. ADVISORY COMMITTEE. The County Executive
25 shall appoint, subject to Council confirmation, a Housing
26 Rehabilitation Advisory Committee, which shall advise the
27 Executive and the Council on the progress, performance and future
28 directions of County Housing Rehabilitation and Repair Programs.
29 The advisory committee shall be composed of seven members, who
30 shall be selected to include members of the financial and con-
31 struction community and citizens representing communities wherein
32 Housing Rehabilitation and Repair Programs will be carried out.
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1 The Chairman of the Committee shall be the Director of the
2 Department of Planning and Community Development.

3 NEW SECTION. SECTION 2. The following chapter is
4 hereby added to a new title of the King County Code:

5 CHAPTER 2. Definitions.

6 For the purpose of this title, the following terms
7 have the meanings ascribed to them in this chapter:

8 SECTION 201. COMMUNITY DEVELOPMENT BLOCK GRANT means
9 the federally-funded program authorized by the Housing and
10 Community Development Act of 1974, Pub. L. 93-383, as amended.

11 SECTION 202. DEPARTMENT means the King County
12 Department of Planning and Community Development.

13 SECTION 203. DIRECTOR means the Director of the King
14 County Department of Planning and Community Development or
15 his official designee.

16 SECTION 204. FAMILY INCOME means "family income"
17 as defined in the annual Housing Assistance Plan.

18 SECTION 205. HOMEOWNER means one or more natural
19 persons who hold legal title to real property which is to be
20 repaired or rehabilitated, or the purchaser occupant of real
21 property under a land sale or similar contract of purchase.

22 SECTION 206. HOMEOWNER PROPERTY means real property
23 which is occupied by the homeowner for residential purposes and
24 which contains one dwelling unit.

25 SECTION 207. HOUSING ASSISTANCE PLAN means that plan
26 prescribed by the Housing and Community Development Act of
27 1974, P. L. 93-383, as amended, which plan is annually revised
28 and adopted by the County.

29 SECTION 208. HOUSING AUTHORITY means the Housing
30 Authority of the County of King, as authorized by State Law,
31 RCW chapter 35.82.

1 SECTION 209. HOUSING REHABILITATION AND REPAIR PROGRAM
2 means the overall effort of King County to provide assistance
3 for the rehabilitation and repair of privately-owned dwelling
4 units and includes each separate program authorized by this
5 Ordinance.

6 SECTION 210. HUD means the United States Department
7 of Housing and Urban Development.

8 SECTION 211. IMMEDIATE FAMILY MEMBER means a
9 husband, father, mother, brother, sister, son, daughter,
10 wife, father-in-law, mother-in-law, brother-in-law, sister-
11 in-law, son-in-law, or daughter-in-law of the person concerned.

12 SECTION 212. INCIPIENT VIOLATION means the state or
13 physical condition of a structural element which, at the time
14 of inspection, is found to be in such a deteriorated condition
15 that, if left uncorrected, will further deteriorate in the near
16 future into a violation of the King County Housing Code, as
17 revised.

18 SECTION 213. INVESTOR-OWNED PROPERTY means real
19 property used exclusively for residential purposes that is
20 either: (1) not occupied by the homeowner; or (2) contains
21 two or more dwelling units whether or not occupied by the
22 homeowners.

23 SECTION 214. LOW INCOME means 50% of the median
24 income level for the County. Specific median income levels
25 vary according to household size.

26 SECTION 215. MEDIAN INCOME means the median income
27 level for the County as defined in the annual Housing Assistance
28 Plan. Specific median income levels vary according to
29 household size.

30 SECTION 216. MODERATE INCOME means 80% of the
31 median income for the County.

1 SECTION 217. MODEST HOME IMPROVEMENTS means additions
2 to or enlargement of the living area to provide sufficient
3 space to reduce over-crowding problems.

4 SECTION 218. REASONABLE MONTHLY CHARGE means the
5 amount set forth in a rent schedule for investor-owned
6 property, designed to prevent windfall profits, which is
7 agreed upon between the County and/or HUD and the property
8 owner at the time a loan agreement is signed and which is
9 based on changes to the existing rent schedule which will
10 reflect only those additional costs attributable to the loan.
11 A reasonable monthly charge during the period of the afore-
12 mentioned agreement may include increases necessary to compensate
13 the investor owner for any net increase occurring in taxes
14 (other than income taxes) and in operating and maintenance
15 expenses over which the investor owner has no effective
16 control, provided that these increases are not the result of
17 the subject repair or rehabilitation.

18 SECTION 219. SECTION 312 PROGRAM means the housing
19 rehabilitation loan program authorized by Section 312 of
20 the Housing Act of 1964, P.L. 88-560, as amended.

21 NEW SECTION. SECTION 3. The following chapter
22 is hereby added to a new title of the King County Code:

23 CHAPTER 3. Section 312 Housing Rehabilitation Loan
24 Program.

25 SECTION 301. AGREEMENT FOR PUBLIC BODY APPROVAL.

26 The County Executive is hereby authorized and directed
27 to execute on behalf of the County an Agreement for Public Body
28 Approval of Section 312 Rehabilitation Loan, and to act as the
29 authorized representative of the County in connection therewith.
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1 SECTION 302. AUTHORITY TO APPROVE LOANS.

2 The Director is hereby authorized to approve, on
3 behalf of the County, Section 312 loans under the provisions
4 of said agreement, and the Director is hereby directed to
5 approve such loans only in accordance with the announced policies
6 of HUD, and subject to the availability of funds as determined
7 by HUD.

8 SECTION 303. ELIGIBLE LOANS AND PRIORITY.

9 The Director shall give priority to loans for home-
10 owner property. Section 312 loans may be approved only in the
11 following cases:

12 (a) Homeowner property, provided that the priority
13 for such loans shall be as follows:

14 (1) Homeowner properties where the family
15 income does not exceed the moderate-
16 income level;

17 (2) Homeowner properties where the family
18 income does not exceed the median-income
19 level; and,

20 (3) Homeowner properties where the Director
21 makes a finding that a public purpose
22 pursuant to the Housing Assistance Plan
23 will be served by approving such loan.

24 (b) Investor-owned property of up to four (4)
25 units, provided that the homeowner agrees
26 in writing to make accommodations and
27 services of the property available to the
28 occupants at a reasonable monthly charge
29 for the duration of the loan period. Loans
30 for investor-owned property shall at no time
31 exceed 20% of the value of loans outstanding.

1 Prior to approving or recommending the approval
2 of loans for any investor-owned property, the
3 Director shall make a written finding that
4 granting the loan will have a benefit to low
5 and moderate income persons. Investor-owned
6 property occupied by an owner shall be given
7 priority over all other investor-owned properties.

- 8 (c) The Director may also request HUD to approve
9 loans or investor-owned property of five
10 (5) or more units where the homeowner
11 agrees to make accommodations and services
12 of the property available to the occupants
13 at a reasonable monthly charge for the
14 duration of the loan period.

15 SECTION 304. ELIGIBLE COSTS.

16 Eligible rehabilitation costs shall include the
17 following:

- 18 (a) Costs necessary to make the property conform
19 to the King County Housing Code, as revised;
20 (b) Costs necessary to correct incipient violations;
21 (c) Costs necessary to make modest home improvement;
22 and
23 (d) Costs necessary for documentation to secure loan
24 approval.

25 SECTION 305. SINGLE BANK ACCOUNT.

26 The County shall maintain a single bank account
27 as the depository for all Section 312 loans that are funded,
28 as well as for supplemental funds provided by the applicant
29 owner. This account shall be separate and distinct from all
30 other accounts maintained by the County and shall be for the
31 sole purpose of depositing Section 312 rehabilitation escrow
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1 account funds. The account shall be established and maintained
2 according to the procedures contained in HUD Rehabilitation
3 regulations.

4 SECTION 306. FEDERAL REGULATIONS.

5 The Section 312 Program shall be carried out in full
6 compliance with all applicable regulations of HUD effectuating
7 Title VI of the Civil Rights Act of 1964 and applicable Federal
8 Executive Orders.

9 NEW SECTION. SECTION 4. The following chapter is
10 hereby added to a new title of the King County Code:

11 Chapter 4. Block Grant Housing Repair Program.

12 SECTION 401. GENERAL. The County Council may
13 appropriate Community development Block Grant funds for the
14 purpose of a Housing Repair Program for low and moderate income
15 homeowner properties. The Block Grant Housing Repair Program
16 may incorporate grant or loan assistance, as described below
17 in subsections (b) and (c).

18 SECTION 402. GRANT ASSISTANCE. Grant assistance may
19 be provided in the following two forms:

20 (a) For homeowners with incomes equal to
21 or less than the low income level, a
22 grant of 100% of the actual cost of
23 needed repairs may be provided, up to a
24 maximum of \$2,000 per dwelling, provided
25 the Director may for good cause authorize
26 an additional amount of up to 5% above the
27 \$2,000 maximum;

28 (b) For homeowners with incomes between the
29 low and moderate income levels, a grant
30 of from 99% to 10% of the actual cost of
31 needed repairs may be provided up to a
32 maximum of \$2,000 per dwelling. The
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1 percentage in each case shall be determined
2 on a sliding scale based on the particular
3 homeowner's income and family size, provided
4 the Director may for good cause authorize
5 an additional 5% above the sliding scale
6 maximum.

7 SECTION 403. LOAN ASSISTANCE. Additional assistance
8 in the form of interest-free secured loans may be provided to
9 homeowners under the rules applicable to grant assistance,
10 except that the maximum loan amount shall be \$1,000. The loan
11 shall be payable at the time of the homeowner's sale or transfer
12 of the property or on a schedule agreed upon between the owner
13 and the County if the owner desires earlier repayment. The loan
14 shall be secured by a mortgage to the County on the homeowner's
15 property. Payment on the obligation shall be to the Housing and
16 Community Development Fund and shall become available for future
17 appropriation under the community development program.

18 SECTION 404. PERFORMANCE OF WORK. Needed repairs to
19 dwellings repaired under the grant and loan assistance programs
20 authorized by this section may be performed either by the Housing
21 Authority, acting under an agreement with the County, or by the
22 homeowner, either personally or by contract. The homeowner's
23 material and hired labor costs shall be approved in advance by
24 the Housing Authority, acting under an agreement with the County,
25 provided that a homeowner shall not be reimbursed for his or her
26 own labor, that of immediate family members, or that of residents
27 of the dwelling.

28 SECTION 405. ELIGIBILITY AND PRIORITY.

- 29 (a) The following types of repairs shall not be
30 eligible for assistance under the Block Grant
31 Housing Repair Program:
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(1) Additions to dwellings and finishing work, except where needed to relieve overcrowding conditions.

(2) House-to-street sewer connections, except:
1) Where a sewage disposal problem exists, or 2) where the connection is part of a Community Development Block Grant subsidized sewer project. In either case, the special approval of the Director must be obtained before Block Grant Housing Repair funds can be committed or expended for these purposes.

(b) Repairs shall be approved according to the following order of priority:

- (1) health and safety repairs;
- (2) energy conservation repairs;
- (3) building preservation repairs; and
- (4) all other eligible repairs.

SECTION 406. ADMINISTRATION. The Block Grant Housing Repair Program shall be administered by the Department and/or the Housing Authority, pursuant to an agreement between the Housing Authority, and the County. The Director shall undertake periodic sampling of dwellings to insure that the dwellings warrant the Program's investment and that the completed repairs are satisfactory.

NEW SECTION. SECTION 5. The following chapter is hereby added to a new title of the King County Code:

Chapter 5. Miscellaneous.

SECTION 501. EFFECT OF FEDERAL LAW. The provisions of this Ordinance shall be interpreted in a manner consistent with Federal statutes and regulations, and any possible conflict

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between the provisions of this Ordinance and Federal law shall be resolved in favor of the latter.

SECTION 502. SEVERABILITY. Should any section, subsection, paragraph, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining provisions of this Ordinance.

SECTION 503. EFFECTIVE DATE. This Ordinance shall take effect on July 15, 1977.

INTRODUCED AND READ for the first time this 13th day of June, 1977.

PASSED this 27th day of June, 1977.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Mike Lowery
Chairman

ATTEST:

Dorothy M. Owen DEPUTY
Clerk of the Council

APPROVED this 5th day of July, 1977.

[Signature]
King County Executive