

July 28, 1992
DE:hdm:92-510

Introduced by: Sullivan

Proposed No.: 92-510

ORDINANCE NO. **10504**

1
2 AN ORDINANCE relating to housing rehabilitation
3 programs; establishing the HOME housing repair
4 program and rental rehabilitation program; repealing
5 language pertaining to Section 312 rehabilitation
6 loan program and amending Ordinance No. 3269,
7 Sections 102, 103, 202, 203, 206, 213; Ordinance No.
8 6928, Sections 2, 3, 4, 5, 8; and K.C.C. 24.04.020,
9 030; 24.08.030, .040, .090, .150; 24.20.050; and
10 24.64.010, .020, .030, .040, .060; adding new sections
11 to K.C.C. 24.08, 24.12 and 24.64; and repealing
12 Ordinance 3269, Sections 104, 204, 219, 301-306 and
13 K.C.C. 24.04.040, 24.08.060, .240, 24.12.010-.060;
14 and repealing Ordinance 6928, Sections 6, 7, 9, 10;
15 K.C.C. 26.64.050, K.C.C. 24.64.070, and K.C.C.
16 24.64.080.

17 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

18 SECTION 1. Ordinance No. 3269, Section 104, as amended,
19 and K.C.C. 24.04.040; Ordinance No. 3269, Section 204, as
20 amended, and K.C.C. 24.08.060; Ordinance No. 3269, Section 219
21 and K.C.C. 24.08.240; Ordinance No. 3269, Sections 301 through
22 306, as amended, and K.C.C. 24.12.010 through 24.12.060; and
23 Ordinance No. 6928, Sections 9 through 10, as amended, and
24 K.C.C. 24.64.070 through 24.64.080 are hereby repealed.

25 SECTION 2. Ordinance No. 3269, Section 102 as amended,
26 and K.C.C. 24.04.020 are hereby amended to read as follows:

27 24.04.020 Findings. The King County council finds that:

28 A. The best interests and general welfare of King County
29 would be served by the providing of federally funded assistance
30 to homeowners, so that they will have an opportunity to
31 continue to live in their present dwellings;

32 B. It is also in the best interests and general welfare
33 of King County to upgrade the living environment of low-income
34 renters when guarantees can be obtained from landlords or
35 assistance provided to tenants to safeguard the tenants'
36 interests and justify the public investment;

37 C. Programs should be established which will further the
38 aforementioned policies, such programs to provide for the
39 maintenance and improvement of living environments in order to

1 provide safe and sanitary living conditions for the citizens of
2 King County;

3 D. Implementation of housing rehabilitation and repair
4 programs consistent with the foregoing statements would be
5 complementary to and consistent with the King County housing
6 policies adopted in Ordinance 2555;

7 E. King County and cooperating jurisdictions under
8 interlocal agreements have responsibility and authority to
9 carry out housing rehabilitation and repair programs within
10 areas delineated in the King County ((Housing Assistance Plan))
11 Comprehensive Housing Affordability Strategy (CHAS).

12 F. Various federally-funded programs, including the
13 Community Development Block Grant Program under the Housing and
14 Community Development Act of
15 1974 and the ((Section 312 Program under the Housing Act of
16 1964,)) HOME Investment Partnerships Act (HOME) under the
17 Cranston-Gonzalez National Affordable Housing Act of 1990,
18 provide a source of funds and an opportunity for King County to
19 implement ((such)) certain housing and rehabilitation repair
20 programs;

21 ((G. Title VI of the Civil Rights Act of 1964 prohibits
22 discrimination on the basis of race, color or national origin
23 under any program or activity receiving federal financial
24 assistance, and Executive Order 11063 prohibits discrimination
25 on the basis of race, color, creed or national origin in the
26 sale, lease or other disposition of residential property
27 (including land intended for residential use) or in the use or
28 occupancy thereof;))

29 G. No person shall be denied the opportunity to
30 participate in any King County housing repair and
31 rehabilitation program as a result of discrimination based on
32 race, color, religion, national origin, age, sex, marital
33 status, parental status, participation in the Section 8
34 program, sexual orientation, disability or the use of a trained

1 dog guide by a person with a disability. Antidiscrimination
 2 policies shall comply with the requirements of K.C.C. 12.20.

3 ~~((H. Under Section 312 of the Housing Act of 1964, the~~
 4 ~~Secretary of Housing and Urban Development (HUD) is authorized,~~
 5 ~~under the conditions and to the extent provided therein, to~~
 6 ~~make loans to owners of property for the rehabilitation of~~
 7 ~~their property and to delegate authority to or use as agent any~~
 8 ~~local public agency or organization to the extent he determines~~
 9 ~~appropriate and desirable to carry out the objectives of~~
 10 ~~Section 312 in the designated areas involved, and))~~

11 ((~~F~~) H. It is desirable and will significantly benefit
 12 the objectives of all housing rehabilitation and repair
 13 programs for the ~~((director of the department of planning and~~
 14 ~~community development))~~ director of the parks, planning and
 15 resources department, to have direct approval authority with
 16 respect to ~~((Section 312))~~ loans, grants, and other financial
 17 assistance provided under the King County housing
 18 rehabilitation and repair program.

19 SECTION 3. Ordinance No. 3269, Section 103, as amended,
 20 and K.C.C. 24.04.030 are hereby amended to read as follows:

21 Housing rehabilitation and repair. A. CONTRACTING. the
 22 county executive is authorized, on behalf of the county, to
 23 contract with other entities, including the housing authority,
 24 for the purpose of operating and otherwise carrying out aspects
 25 of the housing rehabilitation and repair program; provided
 26 that, interlocal cooperation agreements shall be presented to
 27 the county council for approval.

28 B. GEOGRAPHIC LOCATION. The geographic locations for
 29 carrying out the housing rehabilitation and repair program
 30 shall be established annually in the ~~((housing assistance~~
 31 ~~plan))~~ Comprehensive Housing Affordability Strategy (CHAS).

32 C. CONFIDENTIALITY. Financial information obtained from
 33 applicants shall, to the extent permitted by state law, be kept
 34 confidential and not publicly disclosed.

1 D. JOINT ASSISTANCE. Any combination of assistance under
 2 the ((~~Section 312 Program and the~~) Block Grant Housing Repair
 3 Program and other monies designated for housing rehabilitation,
 4 may be authorized by the director for a single-family,
 5 owner-occupied dwelling or investor-owned property.

6 SECTION 4. Ordinance No. 3269, Section 202, as amended,
 7 and K.C.C. 24.08.030 are hereby amended to read as follows:

8 Department. "Department" means the King County
 9 ((~~department of planning and community development~~)) parks,
 10 planning and resources department.

11 SECTION 5. Ordinance No. 3269, Section 203, and K.C.C.
 12 24.080.040 are hereby amended to read as follows:

13 Director. "Director" means the director of the King County
 14 ((~~department of planning and community development~~)) parks,
 15 planning and resources department or his or her official
 16 designee.

17 NEW SECTION. SECTION 6. There is hereby added to K.C.C.
 18 Chapter 24.08, a new section to read as follows:

19 Dwelling unit. "Dwelling unit" means a single-family
 20 owner-occupied property which includes the following: a one to
 21 four family dwelling, a manufactured home, a mobile home, or a
 22 cooperative unit.

23 NEW SECTION. SECTION 7. There is hereby added to K.C.C.
 24 24.08, a new section to read as follows:

25 HOME. "HOME" means the federal HOME Investment
 26 Partnerships Act (HOME) enacted as Title II of the
 27 Cranston-Gonzalez National Affordable Housing Act of 1990.

28 NEW SECTION. SECTION 8. There is hereby added to K.C.C.
 29 24.08, a new section to read as follows:

30 HOME Housing Repair Program. "HOME Housing Repair
 31 Program" means the King County housing repair program funded by
 32 the federal HOME Investment Partnerships Act.

33 NEW SECTION. SECTION 9. There is hereby added to K.C.C.
 34 24.08, a new section to read as follows:

1 HOME Rental Rehabilitation Program. "HOME Rental
2 Rehabilitation Program" means the King County rehabilitation
3 program for investor-owned properties, funded by the federal
4 HOME Investment Partnerships Act.

5 SECTION 10. Ordinance No. 3269, Section 206, as amended,
6 and K.C.C. 24.08.080 are hereby amended to read as follows:

7 Homeowner Property. "Homeowner property" means real
8 property which is occupied by the homeowner for residential
9 purposes and which contains ((one dwelling unit)) one to four
10 dwelling units.

11 NEW SECTION. SECTION 11. There is hereby added to K.C.C.
12 24.08, a new section to read as follows:

13 Household Income. For the purposes of determining
14 eligibility to participate in county-sponsored housing repair
15 programs, "household income" includes income of any adult over
16 the age of 18 who contributes toward the operation/maintenance
17 of the household and all income derived from other sources
18 including employment, social security, pensions, rent, and
19 interest income from investments.

20 SECTION 12. Ordinance No. 3269, Section 213, as amended,
21 and K.C.C. 24.08.150 are hereby amended to read as follows:

22 Investor-owned property. (~~"Investor-owned property"~~
23 ~~means real property used primarily for residential purposes~~
24 ~~that is either: A. not occupied by the homeowner; or B.~~
25 ~~contains two or more dwelling units whether or not occupied by~~
26 ~~the homeowners.)) "Investor-owned property" means real
27 property containing one or more residential units on a single
28 site that is under common ownership, management, and financing.~~

29 NEW SECTION. SECTION 13. There is hereby added to K.C.C.
30 Chapter 24.12, a new section to read as follows:

31 Appropriation authorized. The county council may
32 appropriate federal HOME funds for the purpose of a housing
33 repair program for properties owned and occupied by low- and
34 moderate-income homeowners.

1 NEW SECTION. SECTION 14. There is hereby added to K.C.C.
2 Chapter 24.12, a new section to read as follows:

3 Eligible property owners. Financial assistance may be
4 provided to homeowners with incomes equal to or less than the
5 moderate-income level (80% of median), provided that priority
6 shall be given to those homeowners targeted by the HOME
7 Investment Partnerships Act. Homeowners must have an ownership
8 interest in the property and must occupy the property as a
9 principal residence. Eligible ownership interest includes:
10 fee simple title; 99 year leasehold interest in the property;
11 and ownership or membership in a cooperative.

12 NEW SECTION. SECTION 15. There is hereby added to K.C.C.
13 Chapter 24.12, a new section to read as follows:

14 Eligible properties. Eligible properties are any
15 single-family properties, occupied as a principal residence by
16 the owner, including the following: a one-to-four family
17 property; a condominium unit; a manufactured home; a mobile
18 home; or a cooperative unit.

19 Single-family, owner-occupied properties containing one to
20 three rental units may be subject to investor-owned properties
21 regulations, including provisions regarding tenant occupancy,
22 initial rent levels, and long term rent controls if state or
23 federal funds are used to assist rental units. If state or
24 federal funds are not used to rehabilitate rental units in an
25 owner-occupied two to four unit property, the rental housing
26 rules do not apply.

27 NEW SECTION. SECTION 16. There is hereby added to K.C.C.
28 Chapter 24.12, a new section to read as follows:

29 Investment dollar limits. The minimum level of HOME funds
30 used for rehabilitation is \$1,000 per unit. The maximum level
31 of HOME funds permitted per unit for single family
32 rehabilitation is the maximum set for all HOME-assisted
33 properties as provided by HUD for the area.

1 NEW SECTION. SECTION 17. There is hereby added to K.C.C.

2 Chapter 24.12, a new section to read as follows:

3 Eligible repair costs include but are not limited to:

4 A. Health and safety repairs, including handicapped
5 access;

6 B. Energy conservation repairs;

7 C. Building preservation repairs;

8 D. All other eligible repairs;

9 E. Demolition Costs - when part of a rehabilitation
10 project;

11 F. Site improvements and utility connections; and

12 G. Other reasonable and necessary costs, including:

13 1. Architectural, engineering or related professional
14 services;

15 2. Financing costs such as loan points, credit and
16 title costs; recording fees, building permits, legal fees,
17 appraisals, developer fees;

18 3. Relocation costs (permanent and temporary); and

19 4. Affirmative marketing and fair housing information
20 services.

21 NEW SECTION. SECTION 18. There is hereby added to K.C.C.

22 Chapter 24.12, a new section to read as follows:

23 Eligible forms of financial assistance. Funds may be
24 invested as: interest-bearing loans, noninterest-bearing
25 loans, interest subsidies, deferred payment loans, grants, and
26 other forms as approved by HUD.

27 NEW SECTION. SECTION 19. There is hereby added to K.C.C.

28 Chapter 24.12, a new section to read as follows:

29 Credit program implementation. The county executive is
30 authorized as part of the HOME Housing Repair Program to enter
31 into an agreement with one or more private financial
32 institutions for the purpose of obtaining or making available
33 for homeowner application private capital to be loaned to
34 homeowners for housing rehabilitation purposes. Repayment of

1 the lenders shall be the sole responsibility of the individual
2 homeowners through standard mortgage loan agreements.

3 SECTION 20. Ordinance No. 3269 (part), as amended, and
4 K.C.C. 24.20.050 are hereby amended to read as follows:

5 Eligibility and priority for assistance. A. Assistance
6 in the form of low-interest secured loans up to a maximum
7 amount of (~~fifteen thousand dollars~~) \$27,000 may be provided
8 to homeowners with incomes equal to or less than the
9 moderate-income level. Loans may consist of a combination of
10 funds from a line of credit from private financial institutions
11 and community development block grant funds or other federal
12 funds.

13 B. Eligibility and priority of specific types of repairs
14 shall be as stated in K.C.C. Section 24.16.050.

15 NEW SECTION. SECTION 21. There is hereby added to K.C.C.
16 Chapter 24.64, a new section to read as follows:

17 Appropriation authorized. The county council may
18 appropriate HOME funds for the purpose of a rental
19 rehabilitation program for investor-owned properties.

20 SECTION 22. Ordinance No. 6928, Section 2 as amended, and
21 K.C.C. 24.64.010 are hereby amended to read as follows:

22 Funds used. Only federal (~~rental rehabilitation~~
23 ~~program~~) HOME funds, (~~(or)~~) federal community development
24 block grant funds or other state or federal funds shall be used
25 for the government funded portion of (~~rental~~) investor-owned
26 rehabilitation projects as set forth in this chapter.

27 SECTION 23. Ordinance No. 6928, Section 3 as amended, and
28 K.C.C. 24.64.020 are hereby amended to read as follows:

29 Loans to owners. The King County executive is authorized,
30 as part of the HOME rental rehabilitation program, to enter
31 into a participation agreement with one or more private
32 financial institutions for the purpose of securing commitments
33 of private capital to be loaned to owners of investor-owned
34 (~~property~~) properties for housing rehabilitation purposes.

1 Repayment of the lender shall be the sole responsibility of the
2 individual owners through standard mortgage loan agreements.

3 SECTION 24. Ordinance No. 6928, Section 4 as amended, and
4 K.C.C. 24.64.030 are hereby amended to read as follows:

5 Repairs to properties. Needed repairs to investor-owned
6 properties performed under the program (~~((authorized by this~~
7 ~~chapter))~~) shall be performed by the owner either personally or
8 by contract. The owner's materials and hired labor costs shall
9 be approved in advance by King County. (~~((Provided that))~~) An
10 owner shall not be reimbursed for his or her own labor or that
11 of immediate family members or that of residents of the
12 investor-owned property unless such residents are licensed
13 contractors and meet (~~((county))~~) state requirements for
14 qualified contractors.

15 SECTION 25. Ordinance No. 6928, Section 5 as amended, and
16 K.C.C. 24.64.040 are hereby amended to read as follows:

17 Eligibility requirements.

18 A. Investor-owned properties must house or be expected to
19 house predominantly low-income tenants, as defined by federal
20 HOME regulations, to be eligible for (~~((rental))~~) county
21 rehabilitation (~~((program))~~) assistance. Program assistance, up
22 to (~~((an average of \$5,000))~~) fourteen thousand nine hundred
23 ninety-nine dollars per unit, in the form of no-interest or
24 low-interest secured loans for no more than one-half the cost
25 of rehabilitation may be provided to owners of investor-owned
26 properties (~~((located in eligible rental rehabilitation program~~
27 ~~neighborhoods as defined at 24 CFR Part 511.10(d))~~).

28 B. (~~((Rental))~~) Rehabilitation (~~((program funds))~~) funds for
29 investor-owned properties shall be used only to make essential
30 repairs and to provide other eligible costs (~~((of design and~~
31 ~~financing))~~) as defined in the federal regulations ((at 24 CFR
32 Part 511.10(g)) of the HOME Investment Partnerships Act
33 (HOME). Repairs shall be provided (~~((only to projects having~~
34 ~~one or more substandard conditions which are those housing~~

1 ~~conditions that do not meet the applicable state or county~~
 2 ~~housing codes or do not))~~ to meet the Section 8 Housing Quality
 3 Standards for Existing Housing. Repairs shall be approved
 4 according to the following order of priority:

- 5 1. Major structural/mechanical system repairs
- 6 including handicapped access;
- 7 2. Energy conservation repairs;
- 8 3. Building preservation repairs;
- 9 4. All other eligible repairs.

10 SECTION 26. Ordinance No. 6928, Section 8 as amended, and
 11 K.C.C. 24.64.060 are hereby amended to read as follows:

12 Temporary or permanent displacement. King County shall
 13 give highest priority for ~~((rental))~~ rehabilitation ~~((program))~~
 14 assistance to ~~((rehabilitation of))~~ investor-owned
 15 ~~((properties))~~ projects which will not result in either
 16 temporary or permanent displacement of tenants. In cases where
 17 either temporary or permanent displacement of tenants will
 18 result from the rehabilitation, tenant rental or relocation
 19 assistance consistent with applicable federal regulations as
 20 currently revised shall be provided.

21 ~~((A. When temporary displacement of a tenant will result~~
 22 ~~from rehabilitation of investor owner property in the rental~~
 23 ~~rehabilitation program, the owner shall provide the following:~~

- 24 1. ~~moving costs to and from a temporary rental unit;~~
- 25 2. ~~all reasonable steps to protect personal property~~
 26 ~~during the tenant's absence.~~

27 ~~In addition, for moderate income and low income tenants, the~~
 28 ~~owner shall provide compensation for increased monthly housing~~
 29 ~~costs to the extent the tenant would be entitled to rental~~
 30 ~~assistance through then existing HUD rental assistance~~
 31 ~~programs. King County shall provide assistance to the tenant~~
 32 ~~in locating a temporary rental unit.~~

33 ~~B. When permanent displacement will result from the~~
 34 ~~rehabilitation of investor owned property in the rental~~

1 ~~rehabilitation program, the owner shall provide cash benefits~~
2 ~~of the following:~~

- 3 ~~1. moving expenses;~~
- 4 ~~2. a displacement benefit;~~
- 5 ~~3. rental assistance.~~

6 ~~The director shall develop rules and procedures addressing the~~
7 ~~dollar amounts payable under this chapter. King County shall~~
8 ~~provide assistance to the tenant in locating a permanent~~
9 ~~replacement dwelling unit.~~

10 ~~C. In the provision of tenant assistance King County~~
11 ~~shall:~~

- 12 ~~1. not discriminate in providing information,~~
13 ~~counseling, referrals, or other relocation services to persons~~
14 ~~displaced by rental rehabilitation activities;~~
- 15 ~~2. use practices and methods of administration that~~
16 ~~will not result in the displacement of persons because of their~~
17 ~~particular race, color, religion, sex, age, handicap, or~~
18 ~~national origin;~~

1 ~~3. provide information and counseling to familiarize~~
2 ~~tenants in projects to be rehabilitated with housing~~
3 ~~opportunities in the full range of available housing, their~~
4 ~~rights under the Federal Fair Housing Law, and methods for~~
5 ~~finding suitable replacement housing-))~~

6 INTRODUCED AND READ for the first time this 13th
7 day of July, 1992.

8 PASSED this 17th day of August, 1992

9 KING COUNTY COUNCIL
10 KING COUNTY, WASHINGTON

Cynthia Sullivan

11 VICE Chair
12

13 ATTEST:

14 *Gerald G. Peterson*
15 Clerk of the Council

16 APPROVED this 28th day of August, 1992.

17 *Jim Dill*
18 King County Executive