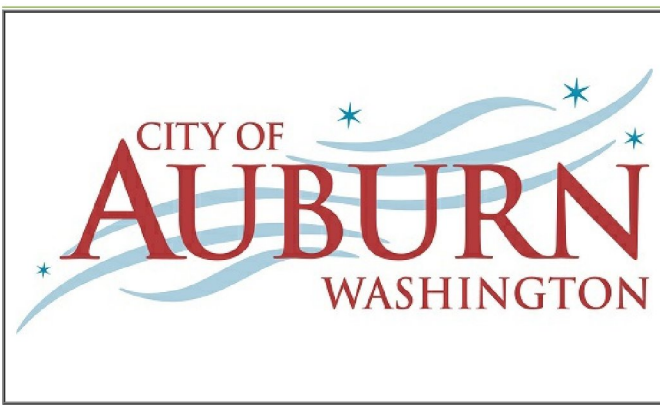


	City Council Study Session Community Wellness Special Focus Area February 27, 2023 - 5:30 PM City Hall Council Chambers AGENDA Watch the meeting LIVE! Watch the meeting video Meeting videos are not available until 72 hours after the meeting has concluded.
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I. CALL TO ORDER

II. PUBLIC PARTICIPATION

A. Public Participation

The Auburn City Council Study Session Meeting scheduled for Monday, February 27, 2023 at 5:30 p.m. will be held in person and virtually.

Virtual Participation Link:

To view the meeting virtually please click the below link, or call into the meeting at the phone number listed below. The link to the Virtual Meeting is:

<https://www.youtube.com/user/watchauburn/live/?nomobile=1>

To listen to the meeting by phone or Zoom, please call the below number or click the link:

Telephone: 253 215 8782

Toll Free: 877 853 5257

Zoom: <https://us06web.zoom.us/j/86436093809>

B. Roll Call

III. AGENDA MODIFICATIONS

IV. ANNOUNCEMENTS REPORTS AND PRESENTATIONS

V. COMMUNITY WELLNESS DISCUSSION ITEMS

A. Community Development Block Grant 2022 CAPER (Tate) (20 Minutes)

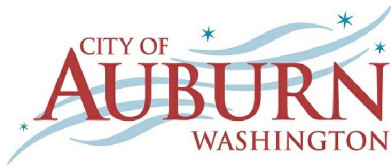
An overview of the 2022 City of Auburn CDBG Consolidated Annual Performance and Evaluation Report, including CDBG and CDBG-CV funds spent and progress made toward Annual Action Plan service goals

B. Resolution No. 5700 (Tate) (20 Minutes)

A Resolution authorizing agreements for the funding of Affordable Housing Projects, as recommended by the South King Housing and Homelessness Partners (SKHHP) Executive Board, utilizing funds contributed by the City to the SKHHP Housing Capital Fund

VI. ADJOURNMENT

Agendas and minutes are available to the public at the City Clerk's Office, on the City website (<http://www.auburnwa.gov>), and via e-mail. Complete agenda packets are available for review at the City Clerk's Office.



AGENDA BILL APPROVAL FORM

Agenda Subject:

Community Development Block Grant 2022 CAPER (Tate) (20 Minutes)

Date:

February 17, 2023

Department:

Community Development

Attachments:

[DRAFT 2022 CAPER Presentation](#)

[DRAFT 2022 CAPER](#)

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:

For discussion only.

Background for Motion:**Background Summary:**

The City of Auburn's use of Community Development Block Grant (CDBG) funds is guided by a 5-year Strategic Plan and Annual Action Plan. Every year, the City is required to submit a Consolidated Annual Performance and Evaluation Report (CAPER) to the Department of Housing and Urban Development (HUD) reporting on the progress the City has made in carrying out its Strategic Plan and Action Plan during the prior program year. Auburn's most recent CAPER reported on progress toward goals and objectives during the January 1, 2022 – December 31, 2022 program year. The 2022 CAPER incorporates reporting on both regular CDBG funds as well as CDBG-CV funds used to respond to the effects of Coronavirus in the community.

This presentation will describe the major components of the 2022 CAPER, and provide an overview of how funds were spent and what targets were achieved during the 2022 program year.

Reviewed by Council Committees:

Councilmember: Trout-Manuel

Staff:

Tate

Meeting Date: February 27, 2023

Item Number:

CITY COUNCIL STUDY SESSION

**COMMUNITY
DEVELOPMENT BLOCK
GRANT 2022 CAPER**

**JOY SCOTT
COMMUNITY SERVICES DIVISION
FEBRUARY 27, 2023**

Department of Community Development

Planning • Building • Development Engineering • Permit Center • Economic Development • Community Services • Code Enforcement

AUBURN
VALUES

S E R V I C E
ENVIRONMENT
E C O N O M Y
C H A R A C T E R
SUSTAINABILITY
W E L L N E S S
CELEBRATION

GENERAL FUND VS CDBG



■ General Fund Human Services dollars

- \$1,100,000
- Competitive funding for nonprofit agencies
- Guided by Human Services Funding Priorities set by Council
- Approved by City Council every other year during budget process

■ CDBG dollars

- \$598,383*
- Funds support city's Housing Repair program, public facility ADA improvements, public services (limited), and some economic development activities
- Guided by Consolidated Plan and Annual Action Plans
- Approved by City Council every year

■ CDBG-CV dollars

- \$913,002
- Funds to be used only to prevent, prepare for, or respond to Coronavirus.
- Authorized by Federal CARES Act
- Spending plan incorporated into 2019 AAP Amendments approved by Council.

COMMUNITY DEVELOPMENT BLOCK GRANT

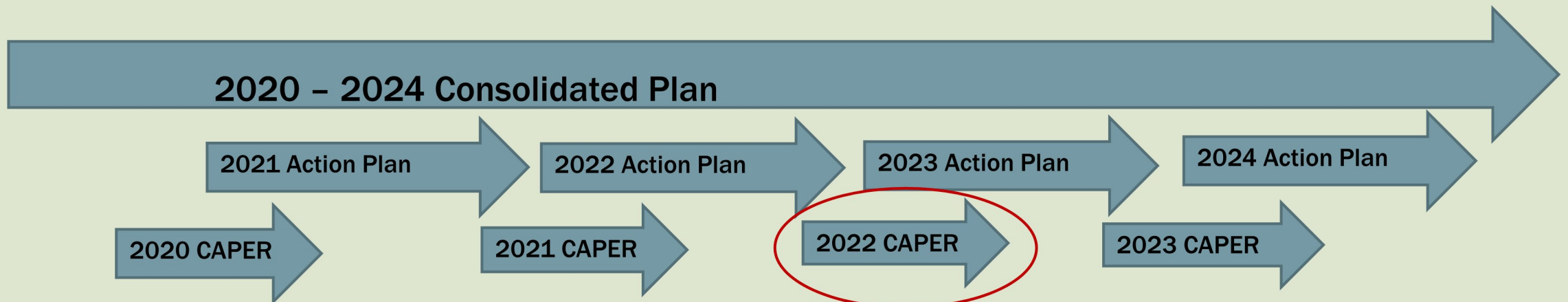
The CDBG Entitlement Program provides annual grants on a formula basis to entitled cities to develop viable urban communities.

Projects must:

- Align with HUD's National Objectives
- Be eligible under HUD's guidelines
- Benefit low and moderate income persons

WHAT IS THE CAPER?

The Consolidated Annual Performance and Evaluation Report provides an overview of the progress the jurisdiction has made in carrying out its strategic plan and its action plan during the prior program year. The CAPER is a requirement of the U.S. Department of Housing and Urban Development (HUD), through which Auburn receives an annual entitlement, or formula grant, from the Community Development Block Grant (CDBG) program.



CDBG ADMINISTRATIVE REQUIREMENTS

- Five Year Consolidated Plan
- Eligibility Reviews
- Annual Action Plans
- **Consolidated Annual Performance Evaluation Report (CAPER)**
- Annual Subrecipient Monitoring
- Financial Management
- Project Management
 - Environmental Reviews
 - Procurement Procedure
 - Lead Mitigation

- **Acquisition of Real Property**
- **Public Facility ADA improvements**
- **Site Preparation**
- **Public Services (up to 15% of annual allocation)**
- **Home Rehabilitation**
- **Economic Development Activities**
- **Job Creation for Low-Income Individuals**
- **Microenterprise Assistance**
- **Homeownership Assistance**
- **Planning and Capacity Building**
- **Program Admin Costs (up to 20% of annual allocation)**

**EXAMPLES
OF ELIGIBLE
ACTIVITIES
FOR CBDG
FUNDS**

- **Public Services (no cap)**

- **Food Access**
- **Childcare Assistance**
- **Eviction Prevention**
- **Health Services**
- **Career Navigation**

- **Job Creation for Low-Income Individuals**

- **Microenterprise Assistance**

- **Program Admin Costs (up to 20% of total allocation)**

Note: All services funded must be directly related to COVID-19.

**EXAMPLES
OF ELIGIBLE
ACTIVITIES
FOR CDBG-CV
FUNDS**

WHAT DID CDBG FUNDS SUPPORT IN 2022?

- The City's Minor Housing Repair Program
- Sidewalk ADA improvements on 9th St NE
- Housing Stability/Rental Assistance Program
- Fair Housing Services
- Planning and administration costs (City staff time)

- COVID reallocations for 2022:
 - Childcare Services
 - Job Training
 - Behavioral Health Services at Arcadia Shelter

WHAT DID CDBG-CV FUNDS SUPPORT IN 2022?

- Rental Assistance/Eviction Prevention Services
- Childcare Services
- Career Navigation Services

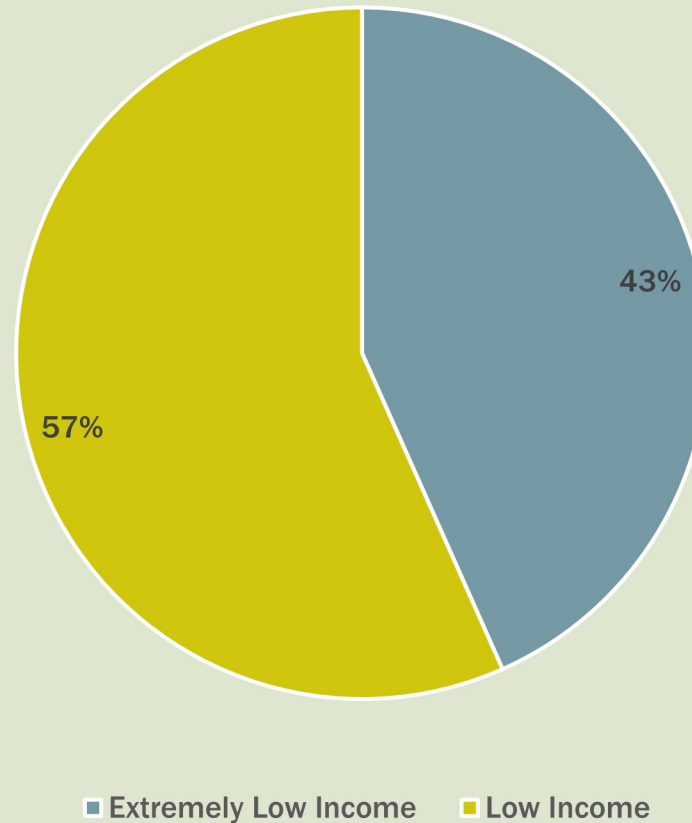
- Previously Expended CV Funds
 - COVID testing and treatment for low to moderate income Auburn residents
 - Rental Assistance/Eviction Prevention Services
 - Food Access for Seniors

KEY FACTS AND FIGURES:

PEOPLE SERVED

- **96 Residents across 62 Households supported through rehab of existing units (Housing Repair program)**
- **241 Residents received Fair Housing education and assistance to address housing issues**
- **72 Young adults experiencing homelessness provided with behavioral health services**
- **2 Auburn residents impacted by COVID provided with Job Training and Placement services**
- **121 Auburn residents received rent assistance preventing eviction**
- **720 Auburn residents benefitted from Sidewalk ADA improvements**

2022 RESIDENTS SERVED – INCOME LEVEL



INCOME GUIDELINES (2022 HUD PROGRAMS)

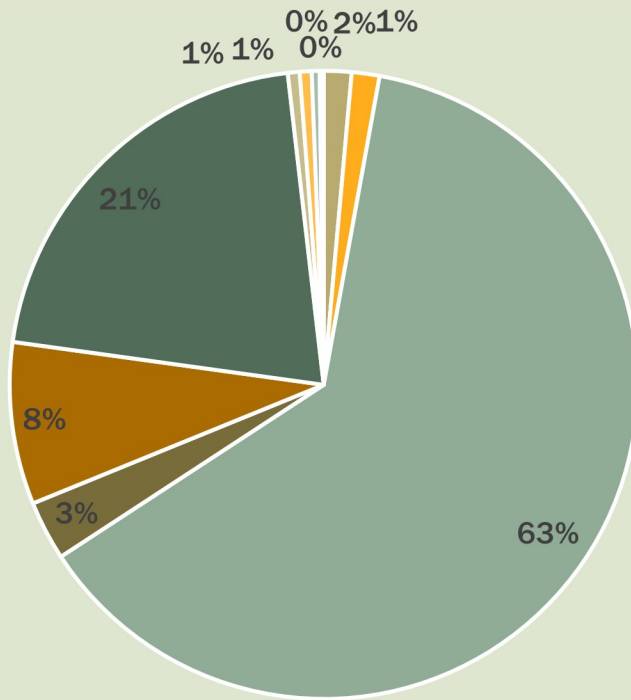
Extremely Low Income (0-30% AMI)

Number of People in HH	Maximum Annual Income
1 Person	\$27,200
2 People	\$31,050
3 People	\$34,950
4 People	\$38,800
5 People	\$41,950

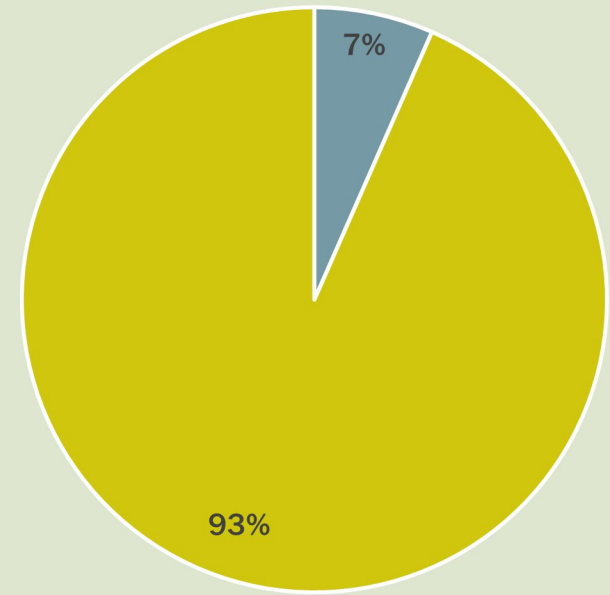
Low Income (31-50% AMI)

Number of People in HH	Maximum Annual Income
1 Person	\$45,300
2 People	\$51,800
3 People	\$58,250
4 People	\$64,700
5 People	\$69,900

2022 INDIVIDUALS SERVED – RACE AND ETHNICITY DATA (HUD CATEGORIES)



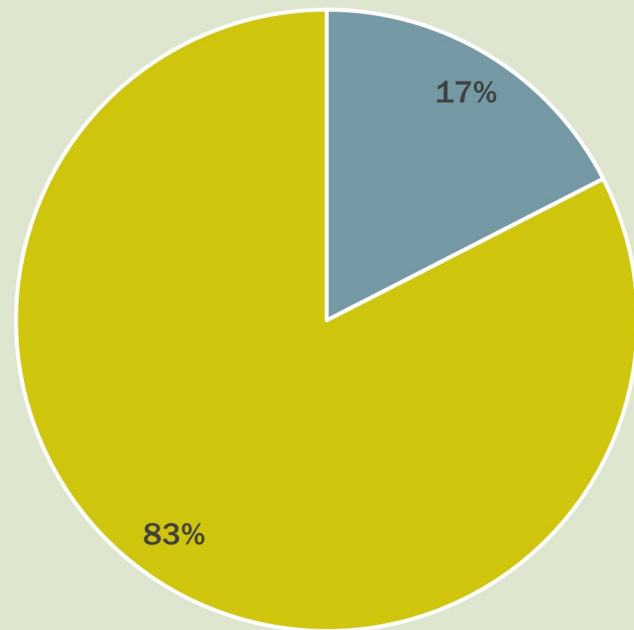
- American Indian/Alaskan Native
- Black/African American
- Other Multi-Racial
- American Indian and White
- Black and White
- Asian
- Native Hawaiian/Other Pacific Islander
- White
- Asian and White
- American Indian and Black



- Hispanic/Latino
- Not Hispanic/Latino

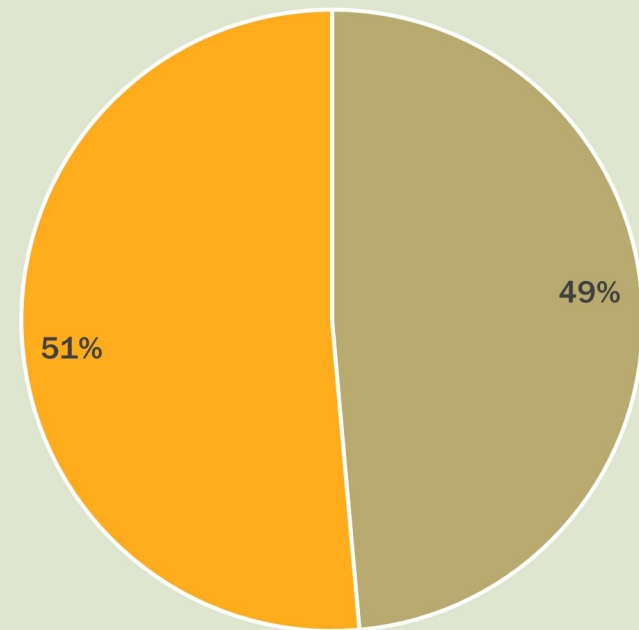
2022 INDIVIDUALS SERVED – DISABILITY AND LANGUAGE

Disability Status



■ Has a Disability ■ No Disability

Language



■ Limited English Speaking ■ Non Limited English Speaking

HOUSING REPAIR PROGRAM

KEY FACTS AND FIGURES: 2022 CLIENTS SERVED

- Number of Households helped: 62
- Number of Residents Served: 96
- Number of Children in Households Served: 20
- Extremely Low-Income Households: 28
- Low-Income Households: 34
- Age 60+ Households: 49
- Households with Disability: 33
- Female Head of Household: 45
- Average Age of Home: 45 Years (Built in 1977)

KEY FACTS AND FIGURES: MOST COMMON TYPES OF REPAIRS IN 2021

- Plumbing - 16
- Roof replacement or repair - 11
- Floor, wall, ceiling, mold damage - 9
- Doors - 8
- Furnace replacement or repair - 4
- Step, porch, ramp - 4
- Siding, skirting repairs - 3
- Gutter replacement or repairs - 2
- Electrical - 2

HOUSING REPAIR – BEFORE AND AFTER



HOUSING REPAIR – BEFORE AND AFTER



HOUSING REPAIR – BEFORE AND AFTER



HOUSING REPAIR – BEFORE AND AFTER





HOUSING REPAIR – BEFORE AND AFTER



2023 CALENDAR YEAR CDBG TIMELINE

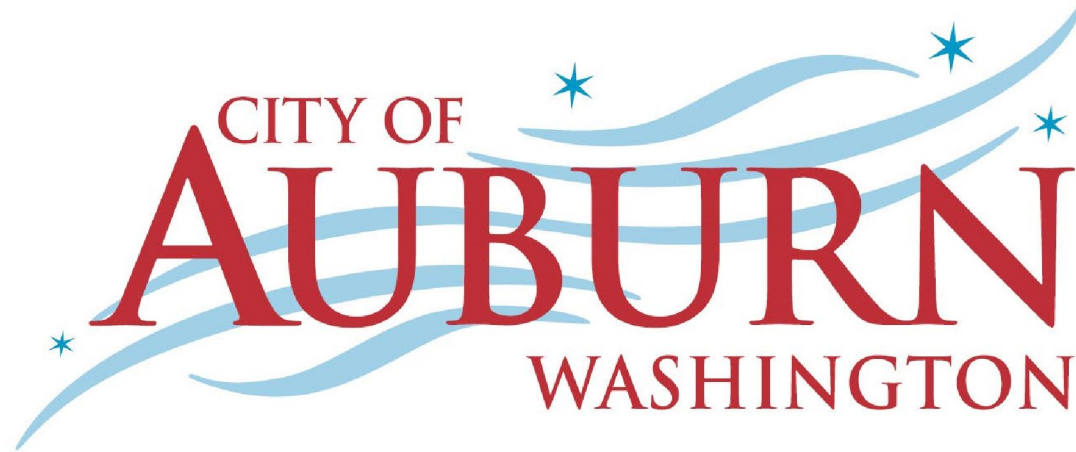


QUESTIONS?

Department of Community Development
Planning • Building • Development Engineering • Permit Center
Sustainability • Community Services • Code Enforcement

Page 28 of 68

Joy Scott
Community
Services Manager
253-876-1965
jfscott@auburnwa.gov



City of Auburn

2022 Consolidated Annual Performance and Evaluation Report

CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan. 91.520(a)

This report discusses program outcomes for the City of Auburn 2022 program year utilizing Community Development Block Grant (CDBG) Entitlement funds as well as CDBG Coronavirus (CDBG-CV) funds. With the addition of CDBG-CV funds during the 2022 program year, the city was able to make significant progress with increasing the supply of homeless prevention and public services. In addition, the city has continued to increase its emergency and affordable housing options. The data provided below discusses public services, supporting decent, affordable housing and homelessness prevention.

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee's program year goals.

Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
Affordable Housing	Affordable Housing Public Housing Homeless Non-Homeless Special Needs	CDBG: \$	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit	Households Assisted	5	0	0.00%			

Affordable Housing	Affordable Housing Public Housing Homeless Non-Homeless Special Needs	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	241		35	241	688.57%
Affordable Housing	Affordable Housing Public Housing Homeless Non-Homeless Special Needs	CDBG: \$	Homeowner Housing Rehabilitated	Household Housing Unit	325	165	50.77%	65	73	112.31%
Community and Economic Development	Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	1000	5555	555.50%	500	720	144.00%
Community and Economic Development	Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	200	2970	1,485.00%	0	2	

Ending Homelessness	Homeless	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	365	525	143.84%	63	132	209.52%
Ending Homelessness	Homeless	CDBG: \$	Homeless Person Overnight Shelter	Persons Assisted	0	0		0	0	
Ending Homelessness	Homeless	CDBG: \$	Overnight/Emergency Shelter/Transitional Housing Beds added	Beds	0	0		0	0	
Ending Homelessness	Homeless	CDBG: \$	Homelessness Prevention	Persons Assisted	0	328		0	60	
Planning and Administration		CDBG: \$	Other	Other	0	0				

Table 1 - Accomplishments – Program Year & Strategic Plan to Date

Assess how the jurisdiction's use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.

Consistent with the priorities and specific objectives outlined in the 2022 Annual Action Plan, the City allocated the largest share of its 2022 HUD funds to its homeowner housing rehabilitation program. As the city's largest ongoing homeless prevention program, the activity is consistent with the focus of the CDBG housing and homeless prevention programs. The program typically provides support to over 50 low income homeowners each year. The majority of program applicants are seniors, individuals with disabilities, or Veterans. For many residents, these repairs allow them to affordably stay in their homes and age in the community where they have established support systems.

As reported last year, Auburn's CDBG program underwent a substantial amendment process in Winter 2020 to reprogram \$205,000 to Coronavirus response. The public service activities identified through that process commenced on January 1, 2021, and were largely complete by mid-year 2022. They are reflected in part in this 2022 CAPER.

In addition to our CDBG-EN funds, this CAPER is also inclusive of a portion of the City's CDBG-CV funds to prevent, prepare for, and respond to

Coronavirus in the community. The first round of funds was allocated to COVID-19 medical testing and treatment services, emergency subsistence programs to prevent homelessness, and a small portion to administration and planning in 2020. The City received notice of its third round of CBDG-CV funding in late 2020, and approved allocations of those funds to programs beginning in January 2021. The City's CDBG-CV allocation was fully expended in 2022, thus completing our effort to rapidly expand CDBG-funded public services in response to the effect of Coronavirus on our community.

During the 2022 program year, the City awarded public service dollars as detailed in the 2022 Annual Action Plan. After two public RFP processes, the first in the winter followed by a second during the early summer, the City was able to award funds for Fair Housing Public Services. The City understands its important role in affirmatively furthering fair housing, and is committed to working towards the goals identified in Analysis of Impediments to Fair Housing Choice (AI) adopted in 2019. This funding specifically supported Fair Housing Goals 1 and 2; Invest in programs that provide education and enforcement of fair housing laws; and Engage underrepresented communities in ongoing efforts to understand barriers and increase access to opportunity. The City contracted with African Community Housing and Development (ACHD) to provide fair housing educational workshops and case management, with a specific focus on serving the African Diaspora community in Auburn. Through the final quarter of 2022, ACHD provided 241 individuals with fair housing education services. The City will continue to work towards our 10 Fair Housing Goals identified in the AI.

With the additional resources made available during the 2020 program year, the City far exceeded multiple Strategic Plan targets. This trend continued in 2022 as we saw the closeout of multiple CDBG-CV contracts.

CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted).

91.520(a)

	CDBG
White	114
Black or African American	310
Asian	7
American Indian or American Native	7
Native Hawaiian or Other Pacific Islander	15
Total	453
Hispanic	34
Not Hispanic	419

Table 2 – Table of assistance to racial and ethnic populations by source of funds

Narrative

This chart provides a partial racial and ethnic breakdown, based on HUD categories, of individuals served during the 2022 program year with CDBG and CDBG-CV funds. Services provided to Auburn residents include minor housing rehabilitation, emergency subsistence payments, behavioral health services, fair housing services, and employment training.

This chart is not correctly reflecting the full reporting range of race and ethnicity reported within IDIS. It does not include 49 individuals identified in multi-racial categories.

In addition to the data included above, the City also tracks data on disability status, age, and head of household for individuals served with CDBG funding. During the 2022 program year, 92 individuals served had a disability, and 167 individuals had a female head of household. Additionally, 242 individuals served with CDBG direct benefit activities were limited English speaking.

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	public - federal	598,383	
General Fund	public - local	680,000	680,000
Other	public - federal	0	

Table 3 - Resources Made Available

Narrative

The City made significant progress in expending the remainder of our CDBG-CV allocation, exceeding the minimum expenditure timeline laid out by HUD for these funds.

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description

Table 4 – Identify the geographic distribution and location of investments

Narrative

While the City of Auburn did not undertake any Target Area improvements during the 2022 program year, there was one LMI area benefit activity that was completed in 2022. The 9th Street NE sidewalk project improved pedestrian accessibility and safety by installing new or improved pedestrian curb ramps at the following locations: 1) NW, SW and NE corners at the intersection of 9th St SE and K St SE; and 2) NE, SE, and NW corners at the intersection of 9th St SE and I St SE. This project benefitted approximately 720 low to moderate income Auburn residents in the vicinity of the project location.

Leveraging

Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

Proposals to use CDBG funds with other leveraged funds can improve the feasibility of programs and projects since available funds are often insufficient to fully support most Community Development or Economic Development projects and programs. CDBG is generally used in conjunction with other grant funds to our local providers. Providers are encouraged to obtain private support in addition to CDBG funds in proposed activities. The City of Auburn made \$680,000 of General Funds available for competitive human services grants in 2022 for a range of services, including homelessness prevention and interventions, childcare access, legal assistance, youth programming, food access, health services, and more. These funds were fully obligated in 2022. The City of Auburn does not have matching requirements for 2022 projects and activities.

CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

	One-Year Goal	Actual
Number of homeless households to be provided affordable housing units	0	0
Number of non-homeless households to be provided affordable housing units	0	0
Number of special-needs households to be provided affordable housing units	0	0
Total	0	0

Table 5 – Number of Households

	One-Year Goal	Actual
Number of households supported through rental assistance	0	0
Number of households supported through the production of new units	0	0
Number of households supported through the rehab of existing units	65	62
Number of households supported through the acquisition of existing units	0	0
Total	62	62

Table 6 – Number of Households Supported

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

The City's Annual Action Plan does not have any goals of providing housing, rental assistance, production of new units or acquisition of existing units. The City provided 62 households with minor housing repair services in 2022. The program is the City's largest homeless prevention program which helps low income residents maintain their housing rather than be forced into homelessness due to not being able to afford the high costs of home repair. Many program applicants are seniors, individuals with disabilities,

or Veterans living on a fixed income. In addition to helping residents remain housed in safer and more accessible housing, the program also helps applicants connect to other supportive programs in the area.

As identified in the City's 2021 CAPER, our Housing Repair Program became fully operational once again in 2021. We did not see a lapse in services in 2022 as a result, although we did continue to expend 2021 CDBG funds allocated for Housing Repair into the 2022 program year, when they were fully expended. The Housing Repair program reported individuals served with 2021 funds under IDIS activity 273 as well as 2022 funds under activity 278. When accomplishment data is combined and de-duplicated across both funding years, the program served 63 households during the 2022 program year.

Discuss how these outcomes will impact future annual action plans.

The Housing Repair program has been fully operational since the end of the second quarter, 2021. Future service targets are not expected to change based on 2020-2021 pandemic-related interruptions, although we will continue to expend prior year Housing Repair activity funds into the following year for at least the next year or two.

Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

Number of Households Served	CDBG Actual	HOME Actual
Extremely Low-income	183	0
Low-income	265	0
Moderate-income	0	0
Total	0	0

Table 7 – Number of Households Served

Narrative Information

The additional allocation of CDBG-CV funds received in 2020 has allowed the City to serve a much larger proportion of community members over the past two years than generally seen with just our EN funds. Types of services reflected in this calculation include emergency subsistence payments, behavioral health services, job training, and homeowner housing rehabilitation.

Consistent with the priorities and specific objectives outlined in the 2022 Annual Action Plan, the City allocated a significant portion of its CDBG-EN funds to its homeowner housing rehabilitation program. As the city's largest homeless prevention program, the activity is consistent with the focus of the CDBG housing and homeless prevention programs. Across both funding years, the program provided support to 62 low- and extremely low-income households in 2022. The majority of program applicants are seniors, individuals with disabilities, or Veterans. For many residents, these repairs allow them to affordably stay in their homes and age in the community where they have established support systems.

CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The City of Auburn does not receive ESG funds. The City is implementing several strategies on the local and regional level to address the issue of homelessness and funds several homeless prevention and intervention programs with its general funds.

Through its General Fund human services grants, the City funds PATH outreach to individuals experiencing homelessness in Auburn. Other programs funded to support this goal include homeless family diversion, sheltering programs that provide connections to Coordinated Entry for All and case management, and homeless youth outreach and drop in programs.

In addition, the City of Auburn co-facilitates a monthly group with the Seattle-King County Coalition on Homelessness called the South King County Forum on Homelessness. This group brings together providers that serve folks experiencing homeless to support networking and coordination, skill building, and regular information sharing.

In 2022, the King County Regional Homelessness Authority (KCRHA) conducted the region's Point In Time county using a methodology called Respondent Driven Sampling. This methodology incorporated a robust qualitative interview process. During the month of March, KCRHA utilized a site in Auburn to conduct these interviews, and is compiling the qualitative data to help inform the work of the Continuum of Care as well as that of local jurisdictions. We continue to partner with KCRHA in their strategic planning efforts for the region and locally.

Addressing the emergency shelter and transitional housing needs of homeless persons

The City of Auburn does not receive ESG funds for emergency shelter.

To address the emergency shelter and transitional housing needs of individuals experiencing homelessness, the City uses its general funds to support several transitional housing and emergency housing programs throughout the South King County region, including within the City of Auburn. Using general fund dollars, the City supports an internal homeless outreach program, motel voucher program for individuals and families fleeing domestic violence and in need of immediate shelter, a family shelter diversion program, two shelters in neighboring jurisdictions that serve Auburn residents, a Day Center and Overnight Shelter located within Auburn City limits for individuals experiencing homelessness, and drop in services for homeless youth. Additionally, the City owns two single family homes that it provides to local nonprofits to make available as transitional housing for formerly homeless families. Per our

regional Coordinated Entry process, the city directs families to the coordinated family shelter entry system in King County.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

The City of Auburn's homeless prevention programs include its housing repair program and its public service programs which are funded through CDBG, as well as emergency subsistence programs funded with CDBG-CV dollars for individuals impacted by COVID-19. One of the public service programs prioritized in 2022 for CDBG-EN funds was Solid Ground's Housing Stability Program, which supports this goal directly. The housing repair program is the City's largest continuing homeless prevention program which provides minor home repairs to low income residents in Auburn. The program makes it possible for low income residents to stay in their homes and avoid financial crisis from having to pay for costly home repairs that they normally would not be able to afford.

In addition to programs supported by CDBG funds, the City of Auburn also supports homeless prevention programs using general fund dollars. These include robust employment training and pre-apprenticeship programs, eviction prevention programs that provide financial support and other household assistance, domestic violence advocacy and supports, legal assistance programs, and those supporting increased food security and access.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

The City of Auburn does not receive ESG funds for programs to help homeless persons. The City of Auburn does invest a significant amount of its general funds to help individuals experiencing homelessness including adults, families, veterans and unaccompanied youth. Funded programs include: PATH, transitional housing, emergency shelters, family support programs, drop in centers, and behavioral health services.

CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

The City of Auburn does not currently own or operate any public housing. In Auburn, public housing is administered directly through the King County Housing Authority.

The City does advocate and support public housing in Auburn as well as helping residents understand the application process to gain access to it.

Actions taken to encourage public housing residents to become more involved in management and participate in homeownership

Since the City does not administer public housing funds, or have any oversight over public housing tenants, it has no actions directed specifically to public housing residents.

The City does support its residents to become more involved and participate in homeownership. The City gathers information on agencies that provide first time homeowner workshops and communicates information on programs providing such support to residents seeking a pathway to homeownership, including those living in public housing.

Actions taken to provide assistance to troubled PHAs

Since the City does not administer public housing funds it does not evaluate the status or condition of public housing authorities.

The City's code enforcement officers have a good relationship with our public housing facilities and try to connect the residents and management with resources in supportive services as well as services the City provides.

CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment. 91.220 (j); 91.320 (i)

In 2019, Washington State made grant funding available to cities who are working on assessing their affordable housing inventory and developing strategies to meet those needs. The City of Auburn applied and was successful in receiving a \$100,000 planning grant. The City is part of a unique collaboration with the cities of Burien, Federal Way, Kent, Renton, and Tukwila who pooled a portion of these grant funds in order to jointly fund a Sub-Regional Housing Needs Assessment. In 2020, that subregional assessment was completed, and in 2021, the City worked with partners to finalize a Housing Action Plan for Auburn that informs these needs in the immediate future and for the next Housing Element update of the Comprehensive Plan. In 2022, the City continued its planning efforts in this area, working with internal staff, external partners, and consultants, to inform the development of the City's Comprehensive Plan. City Planning staff participate regularly in a South King County Housing group to share data, best practices and build stronger regional data infrastructure. Within this partnership, the City and others have been working with Berk Consulting to develop a regional Affordable Housing Inventory Dashboard, which will provide key data that will inform future strategic planning and policy development efforts.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

The City continues to provide funds to address housing, infrastructure, homeless prevention, economic development and public facilities needs. In Auburn and the surrounding South King County area, these continue to be underserved needs so the City will explore ways to leverage additional resources towards addressing these.

The City continues to support partnerships with and amongst our providers, faith community and schools. City staff attend regular provider networking meetings, and are responsible for facilitating the South King County Forum on Homelessness.

In 2022, the City continued convening a Rental Assistance Learning Circle, bringing together providers across the region who provide rental assistance services. This group not only supports increased collaboration and coordination, but was critical in ensuring that agencies receiving CDBG-CV funds avoided duplication of benefits.

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)

The City of Auburn includes language in its CDBG contracts that require agencies to comply with HUD Lead-Based Paint Regulations (24 CFR Part 35) issued pursuant to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. Sections 4831, et seq.) requiring prohibition of the use of lead-based paint whenever CDBG funds are used. In addition, the City notifies residents of potential lead-based paint

hazards when it awards a Housing Repair grant. A copy of the pamphlet – "Protect Your Family from Lead In Your Home" is provided to each Housing Repair client when the City conducts the initial inspection of their home.

The city takes additional measures when the age of the home indicates a possible presence of lead-based paint. Before housing repair work commences, the city contracts with a certified provider to undertake lead paint testing. When work is undertaken in homes with positively identified lead hazards, the city only contracts with RRP-certified contractors who will implement the necessary mitigation and safety strategies. Auburn's Housing Repair Program staff are also RRP-certified.

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)

In 2022, the City of Auburn awarded \$680,000 to human service agencies through its competitive grant funding process.

These human services funds were awarded to programs that support poverty reduction strategies for low income Auburn residents. Programs include transitional housing, employment training, legal aid and emergency financial support. Most of these programs partner with other valuable programs in Auburn that address the needs of poverty level families. The City supports human service programs across a spectrum of services. These programs help meet community needs with behavioral health services, domestic violence services and early childhood services, among others.

Actions taken to develop institutional structure. 91.220(k); 91.320(j)

The City of Auburn continues to participate actively in our region's Continuum of Care, and has remained involved in the ongoing regional efforts to develop stronger institutional structure county-wide to prevent and end homelessness through the King County Regional Homelessness Authority. The City also participates in the Affordable Housing Committee of the Growth Management Planning Council, which serves as a regional advisory body. The Committee functions as a point in coordinating and owning accountability for affordable housing efforts across King County.

In 2022, the City continued working in partnership with the municipalities of Burien, Covington, Des Moines, Federal Way, Kent, Maple Valley, Normandy Park, Renton, Tukwila, and King County under the South King Housing and Homelessness Partners (SKHHP). SKHHP jurisdictions are working together and sharing resources in order to effectively address affordable housing and homelessness. This collaborative model is based on similar approaches used in Snohomish County, East King County, and other areas of the country. The purpose of the coalition is to increase the available options for South King County residents to access affordable housing and to preserve the existing affordable housing stock.

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

The City of Auburn has heavily contributed to and intends to continue cultivating relationships between public and private housing and social service agencies. In addition the City will continue to participate in collaborations with the South King County Forum on Homelessness, the Seattle-King County Coalition on Homelessness, Seattle-King County Housing Development Consortium and the South King Housing and Homelessness Partners.

Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)

The City of Auburn continues to take actions to overcome identified impediments to fair housing based on King County's Analysis of Impediments to Fair Housing. The City included funding in the 2022 Annual Action Plan to support Fair Housing Public Service activities. In mid-2022, the City was able to award funds to a nonprofit agency to carry out these services for Auburn residents. This funding specifically supported Fair Housing Goals 1 and 2; Invest in programs that provide education and enforcement of fair housing laws; and Engage underrepresented communities in ongoing efforts to understand barriers and increase access to opportunity. The City contracted with African Community Housing and Development (ACHD) to provide fair housing educational workshops and case management, with a specific focus on serving the African Diaspora community in Auburn. Through the final quarter of 2022, ACHD provided 241 individuals with fair housing education services. The City will continue to work towards our 10 Fair Housing Goals identified in the AI. This includes working with regional partners to take local action and utilize local and regional data as guidance to support local policies and make recommendations to our city councils.

CR-40 - Monitoring 91.220 and 91.230

Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

Monitoring activities include onsite and desk monitoring through review of analysis and progress reports and invoice back up details, technical assistance calls and emails. In 2022, the City performed robust remote monitoring, and scheduled regular conversations with grantees to support greater ongoing communication and relationship building.

Subrecipients of City of Auburn CDBG funds are generally monitored annually. Notification and required materials for the monitoring are sent two weeks in advance of the monitoring date. A detailed monitoring tool is used to assess the program's progress, timeliness and adherence to HUD guidelines. After each annual monitoring a formal letter is sent to the subrecipient detailing the findings or concerns of their monitoring. Each subrecipient is given 30 days to respond to the letter.

The City monitors agency compliance with its CDBG contract by requiring the agency to submit quarterly reports that include data on the number of service units provided along with demographic information about their clients. Quarterly reports are cross referenced to the requirements in their contract to ensure the subrecipient is on track to complete contract goals.

Citizen Participation Plan 91.105(d); 91.115(d)

Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.

The City's Citizen Participation Plan, available on the City's website as well as in paper copy upon request, lays out the timelines and opportunities for public comment on all aspects of CDBG planning and reporting.

The City provides adequate notice at the opening of the 15 day comment period on the CAPER. The notice is provided by wide distribution utilizing the city's vehicles of communication, including posting in the City's paper of record, the Seattle Times. The draft CAPER is also made available on the City's website for electronic access and review. This CAPER was made available for public comment starting on February 15, 2023. Comments received will be incorporated into the final report as appropriate.

The City accepts public comments in any form convenient to the public, including written responses, facsimile and email. The City considers all comments and views received in writing or orally at in preparing the CAPER. In 2022, the City continued to use our online outreach tool to support greater online engagement with community members. The website, www.speakupauburn.org, provides an accessible format where community members can submit questions and comments directly. The City

created a page devoted to CDBG, which provides an overview of the funding, timeline, and city priorities. It also details the ways in which the City creates opportunities for public participation.

CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

The City has not experienced any significant changes in its program objectives. With the allocation of CDBG-CV dollars, the City did add significant resources and additional targets to its plans; however, these targets largely align with the previously identified Strategic Plan goals. In addition, the CV and reallocated 2020 EN funds have the added goal of preventing, preparing for, or responding to Coronavirus, in line with the funds' intended uses.

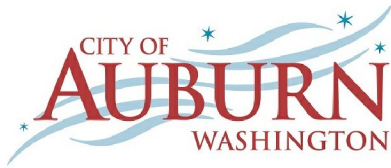
The City continues to improve processes and procedures to bring the program into alignment with its current objectives. The City will maintain focus on preserving affordable housing, addressing and preventing homelessness, and public services.

Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?

No

[BEDI grantees] Describe accomplishments and program outcomes during the last year.

Not applicable



AGENDA BILL APPROVAL FORM

Agenda Subject:

Resolution No. 5700 (Tate) (20 Minutes)

Date:

February 17, 2023

Department:

Community Development

Attachments:

[Resolution No. 5700](#)

[Resolution 5700 Exhibit A](#)

[Presentation on Resolution 5700](#)

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:

For discussion only.

Background for Motion:**Background Summary:**

SKHHP was created in 2019 through an Interlocal Agreement of several city governments and King County to address housing needs in South King County; it currently has 11 member jurisdictions. The Auburn City Council adopted Resolution 5408 which authorized the city's entry into this Interlocal Agreement.

In 2019, RCW 82.14.540 became law allowing jurisdictions to capture a portion of existing sales tax for the purpose of affordable housing. The sales tax is a recapture of a portion of taxes collected and does not raise the sales tax. On September 19, 2019 the Auburn City Council enacted Resolution 5454 and Ordinance 6732 for the purposes of capturing this sales tax. On August 17, 2020 the Auburn City Council enacted Resolution 5541 which authorized this recaptured sales tax to be pooled and transferred over to SKHHP in order to support the SKHHP housing capital fund. The ILAs established a capital fund, set parameters for the process for the selection of awards involving pooled funds, and determined the approval process. Pursuant to the ILAs, the SKHHP Executive Board is to provide recommendations to member councils for funding. Council approval is needed to authorize the allocation of funds. This is the first of what will be an annual process with SKHHP and participating member jurisdictions.

Pursuant to the ILA, the SKHHP Executive Board identified funding guidelines for the first round of funding in 2022 and established the SKHHP Advisory Board. The Advisory Board subsequently provided recommendations to the Executive Board on which projects to fund. After careful deliberation, the SKHHP Executive Board concurred with the recommendation of the SKHHP Advisory Board and recommends funding \$1,393,308 for two projects, as described in the December 2022 SKHHP Executive Board's Housing Capital Fund Recommendations Memo (Attachment 1).

The SKHHP Executive Board is seeking authorization from the City of Auburn to utilize \$293,789.54 of SKHHP funds for the following recommended projects:

1. \$63,257.27 for 20 units of Habitat for Humanity of Seattle-King and Kittitas Counties – Burien

- A. City of Auburn funds represent 21% of SKHHP funds proposed for this project.
- B. City of Auburn funds represent 0.7% of the total development costs.

2. \$230,532.27 for 89 units of Mercy Housing Northwest – Burien Family Housing

- A. City of Auburn funds represent 21% of SKHHP funds proposed for this project.
- B. City of Auburn funds represent 0.5% of the total development costs.

As outlined in the December 2022 SKHHP Executive Board’s Housing Capital Fund Recommendations Memo (Attachment 1), sales tax credit receipts in the amount of \$305,338 have already been contributed to SKHHP’s Housing Capital Fund and with this Council authorization those funds may be allocated to the projects recommended by the SKHHP Executive Board. Detailed descriptions of the projects, funding requests, rationale, and recommended conditions of funding for projects by the SKHHP Executive Board are included in Attachment 1.

If not approved, SKHHP will not have City of Auburn funds to contribute to the regional efforts to advance affordable housing projects that meet urgent local needs and priorities.

Reviewed by Council Committees:

Councilmember: Trout-Manuel

Staff: Tate

Meeting Date: February 27, 2023

Item Number:

RESOLUTION NO. 5700

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, AUTHORIZING THE EXECUTION OF ALL DOCUMENTS NECESSARY TO ENTER INTO AGREEMENTS FOR THE FUNDING OF AFFORDABLE HOUSING PROJECTS, AS RECOMMENDED BY THE SOUTH KING HOUSING AND HOMELESSNESS PARTNERS (SKHHP) EXECUTIVE BOARD, UTILIZING FUNDS CONTRIBUTED BY THE CITY TO THE SKHHP HOUSING CAPITAL FUND

WHEREAS, on February 19, 2019 the City of Auburn enacted an interlocal agreement to form South King Housing and Homelessness Partners (SKHHP) to help coordinate the efforts of South King County cities to provide affordable housing; and

WHEREAS, on February 22, 2021 the City of Auburn enacted another interlocal agreement for the purposes of pooling sales tax receipts with SKHHP to administer funds through the SKHHP Housing Capital Fund; and

WHEREAS, the SKHHP Executive Board has recommended that the City of Auburn participate in the funding of certain affordable housing projects and programs hereinafter described; and

WHEREAS, the SKHHP Executive Board has developed a number of recommended conditions to ensure that the City's affordable housing funds are used for their intended purpose and that projects maintain their affordability over time; and

WHEREAS, pursuant to the SKHHP formation Interlocal Agreement each legislative body participating in funding a project or program through SKHHP's Housing Capital Fund must authorize the application of a specific amount of the City funds contributed to the SKHHP Housing Capital Fund to a specific project or program; and

WHEREAS, the City Council supports and authorizes the \$293,789.54 from funds contributed to the SKHHP Housing Capital Fund as designated below to finance the projects recommended by the SKHHP Executive Board.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, RESOLVES as follows:

Section 1. Pursuant to the Interlocal Agreement, the City Council authorizes the execution of all documents necessary to enter into agreements on behalf of the City to fund Habitat for Humanity of Seattle-King and Kittitas Counties Burien and Mercy Housing Northwest Burien Family housing, in a combined total of \$293,789.54.

Section 2. The agreements entered into pursuant to Section 1 of this resolution shall include terms and conditions to ensure that the City's funds are used for their intended purpose and that the projects maintain affordability over time. In determining what conditions should be included in the agreements, the duly-appointed administering agency of SKHHP shall be guided by the recommendations set forth in the SKHHP Executive Board's memorandum of December 16, 2022, a copy of which is attached as Exhibit A.

Section 3. This Resolution will take effect and be in full force on passage and signatures.

Section 4. The Mayor is authorized to implement such administrative procedures as may be necessary to carry out directions of the legislation.

Section 5. This Resolution will take effect and be in full force on passage and signatures.

Dated and Signed: _____

CITY OF AUBURN

NANCY BACKUS, MAYOR

ATTEST:

APPROVED AS TO FORM:

Shawn Campbell, MMC, City Clerk

Kendra Comeau, City Attorney



South King Housing and Homelessness Partners

Memorandum

TO: City of Auburn Council Members
City of Burien Council Members
City of Des Moines Council Members
City of Federal Way Council Members
City of Kent Council Members
City of Normandy Park Council Members
City of Renton Council Members
City of Tukwila Council Members

FROM: SKHHP Executive Board

DATE: December 16, 2022

RE: 2022 SKHHP Housing Capital Fund Recommendation

OVERVIEW

The 2022 SKHHP Housing Capital Fund was the first funding round made possible by the pooling of resources from SKHHP member jurisdictions. SKHHP received three applications representing requests for just under \$2.4 million in local funds to develop 135 units of affordable housing.

After careful deliberation, the SKHHP Executive Board concurred with the recommendations of the SKHHP Advisory Board, and is recommending funding \$1,393,308 for two projects.

These recommendations advance projects that meet urgent local priorities, including mixed income workforce housing, permanent supportive housing, and affordable homeownership. As rents and home sale prices continue to rise in our region, so does the need for affordable housing. Your investment in the SKHHP Housing Capital, leveraged with millions of dollars from other sources, will provide this much needed housing to hundreds of underserved members of our community.

The following is a description of the applications received, the Executive Board recommendation and rationale, and proposed contract conditions for the proposals recommended for funding at this time. Also enclosed is the proposed funding sources and an economic summary of the projects recommended for funding.

ATTACHMENTS:

1. Proposed funding sources
2. Project economic summaries

1. HABITAT FOR HUMANITY SEATTLE-KING AND KITTITAS COUNTIES

Funding request: \$300,000 (secured grant)

Advisory Board recommendation: \$300,000 (secured grant)

See attached proposed funding sources for distribution of City funds

PROJECT SUMMARY

Habitat for Humanity is requesting grant funds in the amount of \$300,000 for a homeownership project located in Burien. The proposed project is phase I of II of a new development that will result in 40 affordable condominiums. Phase I consists of the construction of 20 three bedroom townhomes, 1.5 bath houses for households earning up to 50% of area median income (AMI).

The project proposal is to provide permanent affordability through a land trust administered by Habitat and sold with an individual ground lease that allows Habitat the right of first option to purchase the home upon resale with a set 1.5% appreciation calculation in the lease agreement.

As part of Habitat's homeownership model, homebuyers are required to put in 250 hours of sweat equity. The project also requires a Condominium Owners Association (COA) comprised of residents. The COA will address property issues and guidelines established in the land lease. Through the COA, reserves are established for the repair and maintenance of the buildings and to address ongoing landscape and maintenance. The reserve fund will be managed by the COA and funded through a monthly fee that is part of the overall housing costs and included in the 33% housing to household income ratio provided to homebuyers.

FUNDING RATIONALE

The Executive Board supports the intent of this application for the following reasons:

- The project was approved for participation in the City of Burien affordable housing demonstration program.
- The project strongly aligns with SKHHP Housing Capital Fund priorities including: providing homeownership opportunities, collaboration with local community-based organizations, direct experience and connection to populations they are proposing to serve, and advancing racial equity.
- The project schedule indicates construction to begin in 2022 and certificate of occupancies issued in 2024.
- The site has convenient access to transit, shopping, and services.
- The project provides significant financial leverage of other sources.

PROPOSED CONDITIONS

Standard conditions (apply to all projects)

1. The Agency shall provide revised development and operating budgets based upon actual funding commitments, which must be approved by SKHHP staff. If the Agency is unable to adhere to the budgets, SKHHP staff must be immediately notified and new budget(s) shall be submitted by the Agency for SKHHP staff approval. SKHHP staff shall not unreasonably withhold its approval to revised budget(s), so long as such new budget(s) do not materially adversely change the Project. This shall be a continuing obligation of the Agency. Failure to adhere to the budgets, either original or as amended may result in withdrawal of SKHHP's commitment of funds.
2. The Agency shall submit evidence of funding commitments from all proposed public and private funding sources. In the event commitment of funds identified in the application cannot be secured in the time frame identified in the application, the Agency shall immediately notify SKHHP staff, and describe the actions it will undertake to secure alternative funding and the timing of those actions subject to SKHHP staff review and approval.
3. Funds shall be used by Agency toward specific project costs as included in funding agreement and consistent with RCW 82.14.540. Funds may not be used for any other purpose unless SKHHP staff has given written authorization for the alternate use. If after the completion of the project there are budget line items with unexpended balances, SKHHP and other public funders shall approve adjustments to the project capital sources, including potential reductions in public fund loan balances.
4. Agency shall evaluate and consider the maximization of sustainability features such as in efficient building envelope, heat pumps and propose a plan for the maximization of sustainability.
5. In the event federal funds are used, and to the extent applicable, federal guidelines must be met, including but not limited to: contractor solicitation, bidding and selection; wage rates; and federal laws and regulations.
6. The Agency shall maintain documentation of any necessary land use approvals, permits, and licenses required by the jurisdiction in which the project is located.
7. The Agency shall submit monitoring quarterly reports through completion of the project, and annually thereafter, and shall submit a final budget upon project completion. If applicable, Agency shall submit initial tenant information as required by SKHHP.
8. Agency shall maintain the project in good and habitable condition for the duration of period of affordability.

Special conditions

1. Funds will be in the form of a **secured grant with no repayment**, so long as affordability and target population are maintained.
2. A covenant is recorded ensuring affordability for at least 50 years, with size and affordability distribution per the following table. Limited changes to the matrix may be considered based on reasonable justification as approved by SKHHP staff.

Affordability	3 bedroom	Total
60%	20	20
Total	20	20

2. MERCY HOUSING NORTHWEST – BURIEN FAMILY HOUSING

Funding request: \$1,093,308

Executive Board recommendation: \$1,093,308 (forgivable loan)

See attached proposed funding sources for distribution of City funds

PROJECT SUMMARY

Mercy Housing Northwest is requesting funds in the amount of \$1,093,308 for an 89 unit multifamily mixed income affordable rental housing development in Burien. The project proposal is to provide a mix of 1- 2- and 3-bedroom apartments, for households with mixed incomes from 0-30%, 30-50%, and up to 60% of area median income, and set asides for households with a disability and homeless households.

The proposed project is a partnership with Mary's Place. Mary's Place and Mercy Housing Northwest entered into a memorandum of understanding indicating Mary's Place's intent to subdivide the property and donate an approximate 2 acre portion to Mercy Housing Northwest for the proposed multifamily development.

FUNDING RATIONALE

The Executive Board supports the intent of this application for the following reasons:

- The project aligns with Burien's Comprehensive Plan land use designation and has two routes for zoning approval – an applicant pursued site specific rezone or a City initiated area wide rezone as part of the Ambaum Corridor plan, both are currently underway.
- The project strongly aligns with SKHHP Housing Capital Fund priorities including: collaboration with local community-based organizations, direct experience and connection to populations they are proposing to serve, meeting the needs of those and available to those most disproportionately impacted by housing costs, advancing racial equity.
- The project has the opportunity to deliver mixed income housing on a significant scale in a location with access to transit and other amenities.
- The project is part of a partnership with Mary's Place which will create significant shelter and services.
- The project includes over half (54%) of the houses to be family-sized 2 and 3 bedroom units.
- The project serves special needs population through a set aside for households with a disability and formerly homeless households.
- The site has convenient access to transit, shopping, and services.

- The project is expected to provide significant financial leverage of other sources.

PROPOSED CONDITIONS

Standard conditions (apply to all projects)

1. The Agency shall provide revised development and operating budgets based upon actual funding commitments, which must be approved by SKHHP staff. If the Agency is unable to adhere to the budgets, SKHHP staff must be immediately notified and new budget(s) shall be submitted by the Agency for SKHHP staff approval. SKHHP staff shall not unreasonably withhold its approval to revised budget(s), so long as such new budget(s) do not materially adversely change the Project. This shall be a continuing obligation of the Agency. Failure to adhere to the budgets, either original or as amended may result in withdrawal of SKHHP's commitment of funds.
2. The Agency shall submit evidence of funding commitments from all proposed public and private funding sources. In the event commitment of funds identified in the application cannot be secured in the time frame identified in the application, the Agency shall immediately notify SKHHP, and describe the actions it will undertake to secure alternative funding and the timing of those actions subject to SKHHP staff review and approval.
3. Funds shall be used by Agency toward specific project costs as included in funding agreement and consistent with RCW 82.14.540. Funds may not be used for any other purpose unless SKHHP staff has given written authorization for the alternate use. If after the completion of the project there are budget line items with unexpended balances, SKHHP and other public funders shall approve adjustments to the project capital sources, including potential reductions in public fund loan balances.
4. Agency shall evaluate and consider the maximization of sustainability features such as in efficient building envelope, heat pumps and propose a plan for the maximization of sustainability.
5. In the event federal funds are used, and to the extent applicable, federal guidelines must be met, including but not limited to: contractor solicitation, bidding and selection; wage rates; and federal laws and regulations.
6. The Agency shall maintain documentation of any necessary land use approvals and permits required by the jurisdiction in which the project is located.
7. The Agency shall submit monitoring quarterly reports through completion of the project, and annually thereafter, and shall submit a final budget upon project completion. If applicable, Agency shall submit initial tenant information as required by SKHHP.

8. Agency shall maintain the project in good and habitable condition for the duration of period of affordability.

SPECIAL CONDITIONS

1. Funds will be in the form of a **deferred, contingent, forgivable loan**. Loan terms will account for various factors, including loan terms from other fund sources and available cash flow. Final loan terms shall be determined prior to release of funds and must be approved by SKHHP Staff.
2. A covenant is recorded ensuring affordability for at least 50 years, with size and affordability distribution per the following table. Limited changes to the matrix may be considered based on reasonable justification as approved by SKHHP staff. **If the project is unsuccessful in securing Housing Choice Vouchers, the project may shift an allocation of units set aside at 30% AMI to either 50% or 60% AMI.**

Affordability	Total
30%	35
30-50%	28
60%	26
Total	89

3. The net developer fee shall be established at the time of finalizing the Contract Budget. Net developer fee is defined as that portion of the developer fee paid out of capital funding sources and does not include the deferred portion which is paid out of cash flow from operations after being placed in service.
4. SKHHP staff shall review and approve the services budget and services plan for consistency with application.
5. Timeframe for funding commitment. The funding commitment continues for **thirty-six (36) months** from the date of Council approval and shall expire thereafter if all conditions are not satisfied. An extension may be requested to SKHHP staff no later than sixty (60) days prior to the expiration date. At that time, the Agency will provide a status report on progress to date and expected schedule for start of construction and project completion. The SKHHP Executive Board will consider a twelve-month extension only on the basis of documented, meaningful progress in bringing the project to readiness or completion. At a minimum, the Agency will demonstrate that all capital funding has been secured or is likely to be secured within a reasonable period of time.
6. The project will contain a 20% set aside for households with a disability, and 40% set aside for homeless households, unless otherwise approved by SKHHP staff.

3. ECOTHRIVE – BURIEN

Funding request: \$700,000 - \$1,000,000

Executive Board recommendation: \$0

PROJECT SUMMARY OVERVIEW

EcoThrive is requesting grant funds in the amount of \$700,000 - \$1,000,000 for a homeownership project located in Burien. The project proposal is to provide permanent affordability through a limited-equity cooperative formed by homeowners as well as a community land trust that holds the land in trust. The proposed project is the new construction of 26 houses ranging in size from 350 square feet to 650 square feet for households earning between 30 and 50% of area median income (AMI).

The property currently consists of a single family residential house that is uninhabitable. The property is currently zoned single family residential that allows for 6 dwelling units per acre. EcoThrive has submitted an application for the City of Burien's affordable housing demonstration program that would allow for a greater density of housing than is currently allowed on the property. Estimated approval for the affordable housing demonstration program is March of 2023.

FUNDING RATIONALE

The Executive Board supports the concept of the EcoThrive housing proposal but does not recommend funding at this time. The Executive Board would welcome an application in the next funding round. This would provide an opportunity for EcoThrive to address the issues identified below:

- Further develop the plan for operational support of the limited equity cooperative and other supportive services.
- Further develop and identify the plan for qualifying households for home loans.
- Sweat equity at 10 hours per month in perpetuity may be a significant challenge for some households.
- Obtain approval for City of Burien Affordable Housing Demonstration Program or pursuit of other land use changes that support the development proposal.
- Include development cost estimate that helps establish soundness of development budget.
- Further development of building design, parking, and conformance with zoning requirements.
- Further develop plan for engaging, connecting, and working with households proposing to serve.

ATTACHMENT 1: Proposed Funding Sources

Jurisdiction	Total contributed to SKHHP Housing Capital Fund	Habitat for Humanity - Burien	Mercy Housing Northwest - Burien Family Housing	Unallocated
Auburn	\$305,338	\$63,257.27	\$230,532.27	\$11,548.46
Burien	\$146,350	\$30,319.52	\$110,495.25	\$5,535.23
Des Moines	\$51,777	\$10,726.71	\$39,091.99	\$1,958.30
Federal Way	\$243,141	\$50,371.84	\$183,573.11	\$9,196.05
Kent	\$330,312	\$68,431.17	\$249,387.81	\$12,493.02
Normandy Park	\$2,863	\$593.13	\$2,161.58	\$108.28
Renton	\$337,320	\$69,883.02	\$254,678.90	\$12,758.08
Tukwila	\$30,976	\$6,417.34	\$23,387.09	\$1,171.57
Total	\$1,448,077	\$300,000	\$1,093,308	\$54,769

ATTACHMENT 2: Project Economic Summaries

Applicant: Habitat for Humanity Seattle-King and Kittitas Counties

Project Name: Burien

Location: 515 & 511 S. 136th Street, Burien, WA 98168

Project Description: New development of 20 homeownership condominium units

Financing Sources:

Funding source	Proposed Amount	Status
SKHHP	\$300,000	Applied
Housing Trust Fund	\$1,125,000	Committed
King County HOME	\$1,547,282	Committed
Fund for Humanity (developer)	\$4,860,994	
CHIP	\$568,500	Committed
TOTAL	\$8,401,776	

Development Budget:

Proposed use	Amount	Per Unit
Land acquisition	\$1,020,000	\$51,000
Soft costs	\$414,250	\$20,713
Development costs	\$6,734,026	\$336,701
Other development costs	\$233,500	\$11,675
TOTAL	\$8,401,776	\$420,089

Applicant: Mercy Housing Northwest

Project Name: Burien Family Housing

Location: 12845 Ambaum Blvd SW, Burien, WA 98146

Project Description: New development of 89 unit mixed-income rental housing

Financing Sources:

Funding source	Proposed Amount	Status
SKHHP	\$1,093,308	Applied
Land donation	\$1,750,000	Committed
Bank loan	\$10,390,926	
4% LIHTC equity	\$16,523,298	To apply in 2024
Deferred developer fee	\$2,018,987	
State Housing Trust Fund	\$5,000,000	To apply 2023
Amazon grant	\$5,000,000	Applied
King County	\$4,900,000	Applied
Mercy loan fund (developer)	\$750,000	
TOTAL	\$47,426,519	

Development Budget

Proposed use	Amount	Per Unit
Land acquisition (donation)	\$1,750,000	\$19,663
Soft costs	\$5,974,879	\$67,134
Construction costs	\$36,540,135	\$410,563
Other development costs	\$3,161,000	\$35,517
TOTAL	\$47,426,519	\$532,882



South King Housing and Homelessness Partners (SKHHP) Housing Capital Fund Recommendations

CLAIRE GOODWIN

SKHHP EXECUTIVE MANAGER

Establishing SKHHP and the Housing Capital Fund

- 2019: SKHHP was formed via an Interlocal Agreement.
- Eleven member jurisdictions include:
 - Auburn
 - Burien
 - Covington
 - Des Moines
 - Federal Way
 - Kent
 - Maple Valley
 - Normandy Park
 - Renton
 - Tukwila
 - King County
- 2019: SHB 1406 (RCW 82.14.540) became law allowing jurisdictions to enact a local sales tax for the purpose of affordable housing; sales tax is a recapture of a portion of existing sales tax and does not raise the sales tax
- 2021: City Council authorized the Interlocal Agreement for the Purpose of Pooling Sales Tax Receipts with SKHHP
 - Allows for pooling of collected sales tax with SKHHP
 - Use of City funding requires approval of City Council

2022 SKHHP Housing Capital Fund

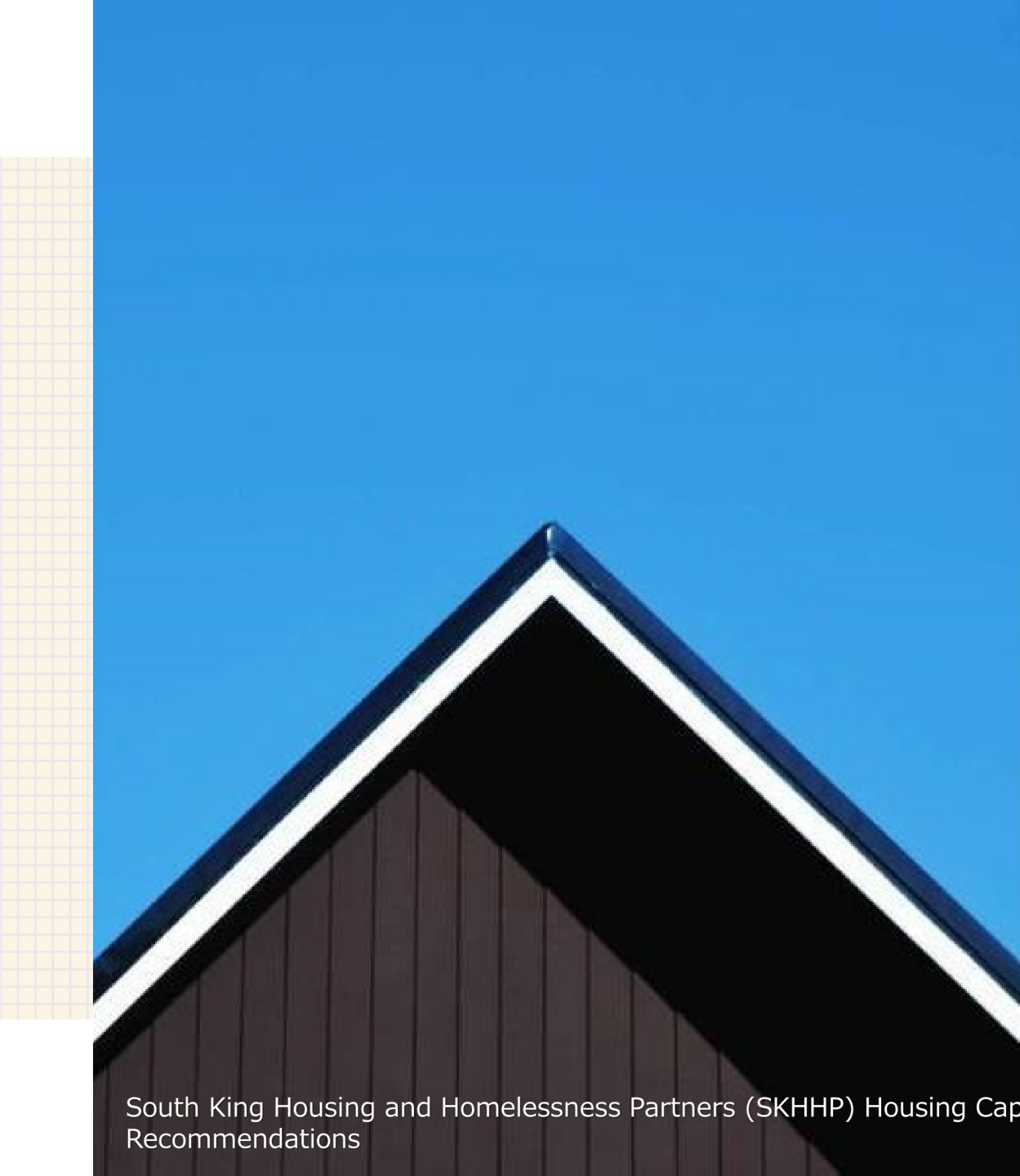
- The first SKHHP Capital Fund application opened in 2022.
- Three applications were received, all for projects in Burien.
- The SKHHP Advisory Board reviewed and made recommendations to the SKHHP Executive Board to fund two of the three projects.
- The SKHHP Executive Board agreed with the recommendations and is seeking each jurisdiction's approval.

Projects and Recommended Funding

1. Habitat for Humanity Seattle-King and Kittitas Counties: Burien
 - Homeownership project, Phase 1 construction of 20 three-bedroom townhouses
 - <50% of Area Median Income (AMI)
 - \$300,000
2. Mercy Housing Northwest: Burien Family Housing
 - 89-unit multifamily affordable rental housing development
 - Mixed income: 0-30%, 30-50%, and up to 60% of AMI
 - Includes 20% set aside for households with a disability and 40% set aside for households experiencing homelessness
 - \$1,093,308
3. ecoTHRIVE: Burien
 - Homeownership project with 26 houses
 - 30-50% of AMI
 - \$0

Proposed Funding Sources

Jurisdiction	Total contributed to SKHHP Housing Capital Fund	Habitat for Humanity - Burien	Mercy Housing Northwest - Burien Family Housing	Unallocated
Auburn	\$305,338	\$63,257.27	\$230,532.27	\$11,548.46
Burien	\$146,350	\$30,319.52	\$110,495.25	\$5,535.23
Des Moines	\$51,777	\$10,726.71	\$39,091.99	\$1,958.30
Federal Way	\$243,141	\$50,371.84	\$183,573.11	\$9,196.05
Kent	\$330,312	\$68,431.17	\$249,387.81	\$12,493.02
Normandy Park	\$2,863	\$593.13	\$2,161.58	\$108.28
Renton	\$337,320	\$69,883.02	\$254,678.90	\$12,758.08
Tukwila	\$30,976	\$6,417.34	\$23,387.09	\$1,171.57
Total	\$1,448,077	\$300,000	\$1,093,308	\$54,769



Thank you

CLAIRE GOODWIN

SKHHP EXECUTIVE MANAGER

CVGOODWIN@SKHHP.ORG