

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Approval of the Regional Affordable Housing Interlocal Cooperation Agreement with King County
DEPARTMENT:	Community Services Division
PRESENTED BY:	Rob Beem, Division Manager

PROBLEM/ISSUE STATEMENT:

Beginning 2002, SHB 2060 allows the county auditor to add a \$10.00 surcharge for each eligible document recorded to create the Regional Affordable Housing Program (RAHP). The revenues generated must be dedicated to increasing the supply of housing available to low income residents at or below 50% of median income.

This new Interlocal Agreement provides for the operation of the RAHP through 2011 and replaces an Interlocal which expired the end of 2007. Adoption of this Interlocal allows Shoreline to continue its participation on the RAHP Advisory Committee and to be able to participate in any decisions or actions regarding the distribution or administration of RAHP funds.

ALTERNATIVES ANALYZED:

- The preferred alternative is to enter into the 2060 RAHP Interlocal Cooperation Agreement because it provides an efficient, cost effective method for allocating and administering a modest county-wide fund.
- The 2nd alternative is to not enter into the 2060 RAHP Interlocal Cooperation Agreement. This is not preferred as it would exclude the city from participating in decisions about the policies and allocations of these housing development funds.

FINANCIAL IMPACT:

There is no direct financial impact for the City of Shoreline if the preferred alternative is adopted.

RECOMMENDATION

Staff recommends that Council approve a motion to enter into the 2060 Low-Income Housing Fund Interlocal Cooperation Agreement and to adopt the Administrative Guidelines

Approved By: City Manager  City Attorney _____

INTRODUCTION

Substitute House Bill 2060 (SHB 2060) created a document recording fee of \$10.00 on certain documents the proceeds of which are dedicated for low-income housing. Administration of the fund is shared between local governments and the State. The local portion of funds, approximately \$3.0 Million per year in King County, has been administered by King County pursuant to an Interlocal agreement which expired at the end of 2007. This agreement continues the operation of the RAHP and establishes priorities and administrative guidelines through the end of 2011.

BACKGROUND

The City of Shoreline has participated in the RAHP since its inception in 2003. During this time the City has been a part of the review and decision making on project funding for housing developed using RAHP funds. Typically this involves city staff reviewing applications and the city's representative to the Joint Recommendations Committee participating in final action to award funding.

There are no major changes in the new Interlocal Agreement. Updates to the Administrative Guidelines make the program more responsive to the *Ten-Year Plan to End Homelessness*, and increase the flexibility of the program to address a variety of affordable housing needs. Examples include making transition-in-place housing units eligible for funding and allow a portion of capital funds to buy down rent for utilities serving low income households that are homeless or at risk of homelessness.

Major points in the Interlocal Agreement include the following.

- The Joint Recommendations Committee (JRC) is responsible for approving allocation of funds. The JRC is the inter-jurisdictional policy and decision making body for King County and the suburban cities on a wide range of housing and community development issues. It was created through the interlocal cooperation agreements that formed the King County Community Development Block Grant (CDBG) Consortium and the King County HOME Investment Partnerships (HOME) Consortium. The majority of JRC members are elected officials.
- The King County Housing and Community Development Program will administer and distribute the local portion of the SHB 2060 revenue through its Housing Finance Program, which also manages HOME funds and the Housing Opportunity Fund.

- The RAHP continues to have sub-regional targets to reach of the three sub- regions.

Subregion	Percent of Funds	Approximate Annual Amount
City of Seattle	37.9	\$1.22M
North/East	32.7	\$1.05M
South	29.44%	\$0.95M

- RAHP funds will continue to be used to meet regional housing priorities for households at or below 50% of the area median income (\$40,700 for a family of

four). Priorities for the use of RAHP funds in King County are established in the RAHP Administrative Guidelines

RECOMMENDATION

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