



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

Ordinance 18872

Proposed No. 2018-0484.2

Sponsors Upthegrove and Kohl-Welles

1 AN ORDINANCE amending the department of community
2 and human services division structure; and amending
3 Ordinance 11955, Section 6, as amended, and K.C.C.
4 2.16.130, Ordinance 12808, Section 3, as amended, and
5 K.C.C. 24.28.020 and Ordinance 18591, Section 6, and
6 K.C.C. 24.28.050.

7 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

8 SECTION 1. Ordinance 11955, Section 6, as amended, and K.C.C. 2.16.130 are
9 each hereby amended to read as follows:

10 A. The department of community and human services is responsible to manage
11 and be fiscally accountable for the ~~((community))~~ children and youth services division,
12 the behavioral health and recovery division, ~~and~~ the developmental disabilities and early
13 childhood supports division, the adult services division and the housing, homelessness
14 and community development division.

15 B. The duties of the ~~((community))~~ children and youth services division shall
16 include the following:

17 1. Working in partnership with communities and other funders to develop,
18 support and provide human services ~~((which))~~ that emphasize prevention, early
19 intervention, and community education, and ~~((which))~~ that strengthen ~~((individuals))~~

20 children, youth and young adults, families and communities in King County;

21 2. Managing programs ~~((which increase family self-sufficiency))~~ that promote
22 healthy childhood development, enhance youth resiliency, reduce ~~((community violence~~
23 ~~and))~~ justice system involvement, strengthen families and communities and ensure all
24 children and youth have the opportunity to achieve their full potentials. The division
25 shall also ~~((manage programs which address housing and community development needs,~~
26 ~~and help implement improvements identified in subarea and neighborhood plans for low~~
27 ~~and moderate income communities and population. Such programs are to include, but~~
28 ~~not be limited to, providing employment and training for youth and adults and providing~~
29 ~~assistance to indigent veterans and their families as authorized by chapters 41.02 and~~
30 ~~73.08 RCW. This division shall administer the county's federal housing and community~~
31 ~~development funds and other housing and community development programs;~~

32 3. ~~Developing housing and community development policies and programs to~~
33 ~~implement the growth management policies throughout King County to provide~~
34 ~~affordable housing to low and moderate income residents; and~~

35 4. ~~Duties regarding the women's advisory board specified in K.C.C. 2.30.040))~~
36 provide staff to support the King County children and youth advisory board.

37 C. The duties of the behavioral health and recovery division shall, subject to
38 available resources and to its exercise of discretionary prioritization, include the
39 following:

40 1. Managing and operating a comprehensive continuum of behavioral health
41 services including prevention, mental health, substance use disorder and co-occurring
42 disorder treatment services for children, youth and adults who meet eligibility criteria;

43 2. Managing and operating a twenty-four-hour crisis response system, including
44 civil commitment as a last resort;

45 3. Selecting appropriate agencies for the provision of ~~((mental))~~ behavioral
46 health services and developing, implementing and monitoring the provision and
47 outcomes of contracted services;

48 4. Being responsible for resource management of a comprehensive ~~((mental))~~
49 behavioral health system including provision of staff support to appropriate advisory
50 boards, and serving as liaison to federal, state, and other governments and relevant
51 organizations in carrying out planning and allocation processes;

52 5. Facilitating the continuing availability of appropriate treatment services for
53 eligible individuals with a diagnosis of a mental illness, substance use or co-occurring
54 disorder ~~((disorder))~~; and

55 6. Developing and maintaining a continuum of appropriate treatment services
56 for eligible individuals.

57 D. The duties of the developmental disabilities and early childhood supports
58 division shall include the following:

59 1. Managing and operating a system of services for infant mental health, early
60 childhood development screening and a system of services for persons with
61 developmental disabilities in accordance with relevant state statutes and county policies
62 and to provide staff support to the King County board for developmental disabilities; and

63 2. Negotiating, implementing and monitoring contracts with community
64 agencies for the provision of developmental disabilities and early childhood support
65 services.

66 E. The duties of the adult services division shall include the following:

67 1. Working in partnership with communities to develop, support and provide
68 human services and programs that emphasize health and safety, self-sufficiency and
69 healthy aging. The programs are to include, but not be limited to, providing employment
70 and training for adults to achieve self-sufficiency, providing supports to survivors of
71 abuse and trauma, and providing health, socialization and wellness services to promote
72 healthy aging in place;

73 2. Providing assistance to indigent veterans and their families as authorized by
74 chapter 73.08 RCW; and

75 3. Providing staff support for the women's advisory board as specified in K.C.C.
76 2.30.040 and for the veterans, seniors and human services levy advisory board and its
77 committees consistent with state and county requirements.

78 F. The duties of the housing, homelessness and community development division
79 shall include the following:

80 1. Managing programs that address housing, homelessness and community
81 development needs, and helping implement improvements identified in subarea and
82 neighborhood plans for low and moderate income communities;

83 2. Administering the county's federal housing, homelessness and community
84 development funds and other housing, homelessness and community development
85 programs; and

86 3. Developing housing, homelessness and community development policies and
87 programs to implement the growth management policies throughout King County to
88 provide affordable housing to low and moderate income residents.

89 SECTION 2. Ordinance 12808, Section 3, as amended, and K.C.C. 24.28.020 are
90 each hereby amended to read as follows:

91 A. The project-based credit enhancement program will add to the stock of
92 workforce housing aiding the poor and infirm of King County. The program is intended
93 to create an incentive to develop new types of housing, increased affordability for
94 residents, and realization of multiple growth management goals. Extension of credit
95 enhancements to housing developers to secure favorable financing terms for housing
96 projects should result in tangible benefits to the direct beneficiaries, who are poor and
97 infirm residents of the proposed housing, and other public benefits, as appropriate.

98 Project-based credit enhancements may be utilized for one or more of the following:

99 1. Enabling the development of needed housing that would not otherwise have
100 been built were the project-based credit enhancement unavailable;

101 2. Increasing the affordability of individual units that are targeted for lower
102 income households within workforce housing projects; and

103 3. Providing a payment to King County in lieu of additional project affordability
104 for the purpose of developing affordable housing at another location.

105 B. Eligible applicants may include public housing authorities, nonprofit
106 organizations, for-profit organizations, local governments, public agencies and public
107 development authorities.

108 C. Eligible beneficiaries must be the poor and infirm of King County. These
109 persons are commonly recognized as households earning eighty percent or less of the
110 county median income and persons or households with special needs.

111 D. Project-based credit enhancements are to be used to assist the development of

112 mixed-income projects that add to the stock of workforce housing units in King County,
113 including homeownership opportunities for eligible beneficiaries. Owned housing must
114 remain affordable for subsequent buyers who are eligible beneficiaries or upon resale to
115 an ineligible buyer the county shall recapture the subsidy provided by the credit
116 enhancement. Rental projects must guarantee long term affordability to eligible
117 beneficiaries. Eligible activities shall include new construction and acquisition and/or
118 rehabilitation of existing housing when the final product will yield additional workforce
119 housing units.

120 E. Projects assisted through the project-based credit enhancement program must
121 be located in urban centers or within close proximity to transit hubs or corridors. Projects
122 proposed to be sited elsewhere may be considered when there are unique opportunities to
123 aid eligible beneficiaries. These projects shall nevertheless demonstrate access to
124 employment, transportation and human services, and adequate infrastructure to support
125 housing development.

126 F. Applications for project-based credit enhancements should be accepted year
127 round to accommodate timely approval of final financial arrangements for projects.
128 Proposed projects must detail the financial benefit of the project-based credit
129 enhancement over the life of the project and how that benefit will be realized by eligible
130 beneficiaries residing in the project.

131 G. All projects shall undergo rigorous review for financial, legal and policy
132 compliance by staff from appropriate county agencies, including the ((community
133 services)) housing, homelessness and community development division, the finance and
134 business operations division and the office of the prosecuting attorney. When determined

135 necessary by staff, review by the county's economic development consultant and bond
136 counsel, as well as opinions from a bond rating service, shall be required. Project-based
137 credit enhancements shall be used to improve the credit worthiness of the housing
138 developer, but shall never be used as a sole source of credit worthiness of an applicant.
139 Developers and developer teams shall be competent, experienced and financially stable.
140 Minimum standards for developers and projects shall be established by the executive.

141 H. Projects shall conform with applicable county requirements for contracting
142 services.

143 I. All contingent loan agreements resulting in a project-based credit enhancement
144 for a project shall be structured to minimize the county's financial risk and shall ensure
145 the county's right to review all project records and direct corrective measures deemed
146 necessary to prevent financial instability, material or technical default. All agreements
147 shall be reviewed and approved by appropriate county agencies, including the
148 ~~((community services))~~ housing, homelessness and community development division, the
149 finance and business operations division, the office of the prosecuting attorney and the
150 office of risk management, and shall be reviewed by the county's economic development
151 consultant and bond counsel, as appropriate.

152 J. Projects receiving project-based credit enhancements shall have the option to
153 make a payment in lieu of providing additional project affordability. The payment shall
154 be allocated to the housing and community development fund for the sole purpose of
155 funding development of affordable low-income housing.

156 K. Projects will vary in financial risk to the county. While financial risks are to
157 be minimized, the county may extend project-based credit enhancements where risks

158 exist, provided the county has adequate financial reserves to cover county credit
159 enhancement obligations.

160 L. The executive is authorized to collect an application fee between 0.2 and 0.4
161 percent of the amount of project debt that is credit-enhanced under the project-based
162 credit enhancement program. The application fee shall be payable at the time that a
163 contingent loan agreement is approved. The proceeds of the application fee shall be
164 deposited in the credit enhancement reserve account described in K.C.C. 24.28.030.A. In
165 establishing the level of the fee, the executive shall give primary consideration to the
166 costs incurred by the county for processing an application for a project-based credit
167 enhancement.

168 M. The executive is authorized to impose an annual monitoring fee between 0.05
169 and 0.10 percent of the amount of project debt that is credit enhanced under the project-
170 based credit enhancement program. The proceeds of the monitoring fee shall be
171 deposited in the housing and community development fund and used for program
172 administrative costs.

173 SECTION 3. Ordinance 18591, Section 6, and K.C.C. 24.28.050 are each hereby
174 amended to read as follows:

175 A. The King County Housing Authority credit enhancement program is hereby
176 created.

177 B. The King County Housing Authority shall be the only eligible user of the
178 program.

179 C. All projects financed under the program shall satisfy the requirements of state
180 housing authority law, chapter 35.82 RCW, which requires a minimum of fifty percent of

181 the units in a project be made available to and affordable to eligible beneficiaries, which
182 are households with income at or below eighty percent of the area median income.

183 D. Credit enhancement under the program will be utilized by the King County
184 Housing Authority to assist in the acquisition, new construction or rehabilitation, or any
185 combination of acquisition, new construction and rehabilitation, of housing that adds to
186 the stock of workforce housing units in King County. The purpose of the King County
187 Housing Authority credit enhancement program is to provide long term affordability to
188 eligible beneficiaries consistent with the requirements of state housing authority law.

189 E. All properties developed or acquired under the program must be located in
190 areas with access to high capacity transit, schools, jobs or other social amenities that
191 support upward economic mobility.

192 F. The King County Housing Authority may submit requests to commit credit
193 enhancement under the program on a rolling basis until December 31, 2022, at which
194 time no new credit enhancement commitments shall be made.

195 G. Credit enhancements under the program shall be provided and underwritten to
196 the financial strength, legal and policy compliance of the King County Housing Authority
197 and not based on an individual project viability review. Credit enhancements shall be
198 used to provide the King County Housing Authority with ready access to municipal credit
199 markets at the lowest available interest rates.

200 H. All financial instruments utilized by the King County Housing Authority with
201 credit enhancements under the program shall comply with all state and federal law.

202 I. All contingent loan agreements resulting in credit enhancement under the
203 program shall be structured to minimize the county's financial risk, and the county shall

204 have recourse to the King County Housing Authority's general revenues as security for its
205 contingent loan agreements.

206 J. The King County Housing Authority shall provide to the ((community
207 services)) housing, homelessness and community development division its annual audited
208 financial statements within ten days of receipt and participate in an annual credit review
209 by the appropriate county agencies, including ((community services)) the housing,
210 homelessness and community development division, the finance and business operations
211 division and the office of the prosecuting attorney, with review by the county's economic
212 development consultant and bond counsel, as appropriate.

213 K. The executive is authorized to collect an application fee up to 0.3 percent of
214 the amount of credit enhancement committed under the program. The application fee
215 shall be payable on the effective date of each commitment of county credit enhancement
216 under the program. The proceeds of the application fee shall be deposited in the housing
217 and community development fund and used for program administrative costs.

218 L. The executive is authorized to impose an annual monitoring fee of up to 0.1
219 percent of the amount committed under the program's credit enhancement. The proceeds

220 of the monitoring fee shall be deposited in the housing and community development fund
221 and used for program administrative costs.
222

Ordinance 18872 was introduced on 10/1/2018 and passed by the Metropolitan King County Council on 3/13/2019, by the following vote:

Yes: 8 – Mr. von Reichbauer, Ms. Lambert, Mr. Dunn, Mr. McDermott, Mr. Dembowski, Mr. Upthegrove, Ms. Kohl-Welles and Ms. Balducci
No: 1 – Mr. Gossett
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Rod Dembowski, Chair

ATTEST:

Melani Pedroza, Clerk of the Council



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APPROVED this 19 day of MARCH, 2019.

Dow Constantine, County Executive

Attachments: None