



Proposed Substantial Amendments
to the Snohomish County Urban County Consortium
2018 and 2019 Annual Action Plans

July 18, 2020

Table of Contents

| | | |
|------|---|--------|
| I. | Public Comment and Contact Information | Page 1 |
| II. | City of Everett HOME Set-aside Substantial Amendments | Page 2 |
| III. | Snohomish County HOME Substantial Amendment | Page 4 |

I. Public Comment and Contact Information

Snohomish County (County), as lead agency of the Snohomish County Urban County Consortium (Consortium), seeks public review and comment on proposed substantial amendments to the Consortium's 2018 and 2019 Action Plans.

The Action Plan describes how certain grant funds will be used during the year to help meet the five-year goals set forth in the Consortium's 2015-2019 Consolidated Plan. The sources of grant funds include Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and Emergency Solutions Grant (ESG) programs. The funds are used to provide support for affordable housing and community development projects that benefit low- and moderate-income households and neighborhoods in the community. The Action Plan includes funding allocations to specific activities.

A substantial amendment to an Action Plan is sometimes needed after the plan has been adopted. On such occasions, the County publishes notice of the proposed substantial amendment (s) and provides the public with at least 30 days to comment. This notice serves this requirement for the proposed substantial amendments listed below. Descriptions of the amendments are included in Section II and III of this document.

All interested persons are encouraged to review and comment on proposed substantial amendments. **Written comments must be submitted no later than 4:00 pm on July 17, 2020.** Comments may be submitted via e-mail or mail. Comments received will be taken into consideration before final action on the proposed amendments. Submit comments to:

Contact: Debra May
E-mail: debra.may@snoco.org
Mail: Snohomish County Human Services Department
Housing & Community Services Division – M/S 305
3000 Rockefeller Ave, Everett, WA, 98201.

ADA Notice: It is the policy of Snohomish County to ensure that communications with persons with disabilities are as effective as communications with others. For questions about accessibility or to request accommodations to enable you to review this document in an alternate format or to submit comments in an alternate format, contact Debra May by e-mail at debra.may@snoco.org, by phone at 425-388-3264 or at 711 for TTY users.

II. City of Everett HOME Set-Aside Substantial Amendments

The City of Everett is proposing a total of four substantial amendments to the 2018 and 2019 Action Plans for their HOME Set-aside funds. These substantial amendments, if approved, would include HOME funds and HOME Program Income awards to Parkview Services – Homeownership Assistance program, HOME funds and HOME program income to the Everett Housing Authority - Lakeview Terrace Rehabilitation project, and a change in the scope of work and site for Housing Hope – New Century and Aspenwood Rehabilitation project.

A. Background of Proposed City of Everett HOME Set-Aside Amendments

2015-2019 Consolidated Plan: The City of Everett is a member of the Snohomish County Urban County Consortium (Consortium) for HOME funds. The plan, in part, identifies priority housing needs in our community for low-income and homeless persons, including persons with special needs, and establishes five-year goals to guide the investment of HOME funds over the five-year period to help meet these needs.

Everett HOME Set-Aside: Pursuant to an interlocal agreement, 21% of the Consortium’s HOME funds are set-aside each year for affordable housing activities that benefit residents of the City of Everett and the City of Everett’s Urban Growth Area. The projects are selected through the City of Everett’s project selection process and undergo both city-wide and county-wide citizen participation requirements. Snohomish County has final approval of the project awards, which are included in the Annual Action Plan for these funds each year, or as amendments to these plans. Projects selected must be consistent with the 2015-2019 Consolidated Plan goals.

B. Summary of Proposed Actions

The City of Everett proposed HOME set-aside substantial amendments would:

- Amend the 2018 Annual Action Plan to reduce the City of Everett Community Housing Improvement Program (CHIP) award of \$289,031.33, by 289,031.33, to \$0;
- Amend the 2018 Action Plan to reduce the City of Everett 2018 HOME program income award to the CHIP Program of \$324,217, by \$265,648, to \$58,568.33;
- Amend the 2018 Action Plan to award \$100,000 in City of Everett HOME program income to Parkview Services – Homebuyer Assistance program;
- Amend the 2018 Action Plan to award \$454,680 in City of Everett 2018 HOME funds and 2018 HOME program income to the Everett Housing Authority - Lakeview Terrace Rehabilitation project;
- Amend the 2019 Action Plan to reduce the scope of work for City of Everett HOME award to Housing Hope – New Century and Aspenwood Rehabilitation project; and
- Amend the 2019 Action Plan to award \$46,201.92 in HOME program income, to the City of Everett – Parkview Services Homebuyer Assistance program.

C. Proposed City of Everett Substantial Amendments:

The 2018 Action Plan included an award of City of Everett HOME program income in the amount of \$289,031.33, and \$324,217 in HOME funds to the City of Everett - CHIP. The City of Everett is proposing to reallocate \$100,000 in 2018 HOME program income to the Everett Parkview Services – Homeownership Assistance program, and \$454,680 in HOME funds and HOME program income to the Everett Housing Authority (EHA) – Lakeview Terrace Rehabilitation project.

The reallocation of HOME funds is due to CHIP receiving unanticipated Community Development Block Grant (CDBG) and HOME program income in the Revolving Loan Fund, and it is unlikely the City of Everett will be able to meet the CDBG spending requirements and HOME commitment deadlines. A Request for Proposals (RFP) was issued by the City of Everett on September 9, 2019 to solicit applications that can meet the commitment and spending deadlines for qualifying affordable housing projects.

1. Proposed award of \$100,000 to Parkview Services - Homeownership Assistance program

Parkview Services operates a first-time homebuyer purchase assistance program for low- and moderate-income households where at least one member of the household has a permanent disability as defined by the Americans with Disabilities Act of 1990. Assistance is provided through second or third mortgages up to \$50,000 per household. Repayment would be due at time of resale, refinance, or transfer of property. Recaptured funds including amount of purchase assistance and any shared appreciation will be used to provide additional loans to future low-income first-time homebuyers.

2. Proposed award of \$454,680 in City of Everett 2018 HOME funds and 2018 HOME program income to the Everett Housing Authority - Lakeview Terrace Rehabilitation project.

The EHA - Lake View Terrace Rehabilitation project is a 21 unit multifamily residential building located in the City of Everett which provides affordable housing to 21 very low-income families and seniors. The rehabilitation work will include siding and roof replacement.

Proposed amendments 1 and 2 above, if approved, would help the City of Everett address the severe housing need in the community, assist with other affordable housing goals, and help meet expenditure and commitment timelines. Both projects were selected through the City of Everett's RFP process and approved by the Everett City Council through Resolution #7400, on July 17, 2019.

3. Proposed amendment to the 2019 Action Plan to reduce the scope of work for the City of Everett HOME funded Housing Hope – New Century and Aspenwood Rehabilitation project.

The 2019 Action Plan included an award of \$203,222 in City of Everett HOME set-aside funds for the Housing Hope - New Century and Aspenwood Rehabilitation project. The project included rehabilitation of two rental properties; New Century, a 10 unit property, and Aspenwood, a 9 unit property, for a total of 19 units. Both buildings are on the same parcel and owned by Housing Hope. The project consisted of siding, roof, gutters and windows at both locations, and sealcoating the parking lot at Aspenwood.

After the 2019 Action Plan was approved, it was determined that the Housing Hope – New Century complex had received HOME funds in the recent past, which were still within the period of affordability established for the project. The HOME regulations at 24 CFR 92.214 (a)(6) prohibits additional HOME funds to a project (except within the first year after project completion) during the period of affordability.

This proposed substantial amendment, if approved, would change the title of the project from “New Century/Aspenwood Rehabilitation” to “Aspenwood Rehabilitation” and remove the New Century property from the scope of work. The Aspenwood Rehabilitation project will include siding, roofing, gutter, and window replacement as well as sealcoating the parking lot.

4. Proposed award of \$46,205.51 in HOME program income to the Everett Parkview Services - Homeownership Assistance program.

Entitlement jurisdictions receiving HOME funds are required to include in each Action Plan, program income collected in the prior program year for use in the upcoming year's project activities. The 2018 program year ended June 30, 2019. The 2019 Action Plan was approved on May 1, 2019. Program income received after the Action Plan is approved, but before the end of the program year, must be added to the action plan through an amendment.

Historically, Parkview Services received City of Everett HOME set-aside funds for their Homeownership Assistance program to serve low- and moderate-income households within the City of Everett. Repaid funds including the amount of purchase assistance and any shared appreciation is program income and will be used to provide additional loans to future first-time homebuyers under the program.

The proposed substantial amendment, if approved, will add \$46,205.51 in HOME program income to the 2019 Action Plan for Everett Parkview Services – Homeownership Assistance program.

III. Snohomish County HOME Substantial Amendment – HomeSight – Puget Sound Homeownership

The proposed 2019 Action Plan substantial amendment would add \$145,179.04 in HOME program income to the HomeSight - Puget Sound Homeownership program.

Background of proposed substantial amendment

The 2019 Action Plan included an award of \$105,512.75 in HOME program Income for the HomeSight - Puget Sound Homeownership program, which was collected by HomeSight in the 2018 program year through April 24, 2019.

HomeSight operates a first-time homebuyer program and provides purchase assistance to low- and moderate-income first-time homebuyers. Assistance is provided through second or third mortgages up to \$50,000 per household at three percent deferred interest for 30 years with no monthly or annual payments. Repayment would be due at the time of resale, refinance, or transfer of property. Repaid funds including the amount of purchase assistance and any shared appreciation is returned as program income and will be used to provide additional loans to future first-time homebuyers under the program.

Entitlement jurisdictions receiving HOME funds are required to include in each Action Plan, Program Income collected in the prior program year for use in the upcoming year's project activities. The 2018 program year ended June 30, 2019. The current 2019 Action Plan includes 2018 HOME program income for the HomeSight – Puget Sound Homeownership program, collected through April 24, 2019, based on the most recent information available at the time the plan was adopted. HomeSight received additional PI in the 2018 program year and this amendment would add the additional program income to the plan as required.

The proposed substantial amendment, if approved, will add \$145,179.04 in 2018 HOME program income to the 2019 Action Plan for HomeSight – Puget Sound Homeownership program. The 2019 Action Plan included \$105,512.75 in 2018 program income collected through April 24, 2019, bringing the total 2018 HOME program income for HomeSight to \$250,691.79.