



HOUSING
DEVELOPMENT
consortium

2005 Support:

- **\$1 Million in New Funds for the Housing Opportunity Fund (HOF)**
- **No Cuts in Housing & Human Services Budget from 2004 Levels**

HDC supports fully funding human services at 2004 levels and allocating \$1 million of new funding for the Housing Opportunity Fund (HOF). A consistent influx of new funding is needed each year to create a pipeline for low-income housing projects in King County.

- King County has provided at least **\$3 million annually** for low-income housing since 1998, with the exception of 2002.
- The King County Council used 2003 HOF funds to make up a human services shortfall with a **pledge to restore funding** for 2004. King County cannot afford to repeat this cycle.
- A \$1 million appropriation of new funds is needed to **maintain the HOF commitment**.
- In 2001, the legislature passed HB2060—**document recording fee**—giving King County the ability to establish a dedicated fund for low-income housing. (RAHP)
- **However, it's not enough.** This new funding source falls short of the county's historic commitment by an estimated \$1.5 million* because a large part of the new fund is reserved for projects within the City of Seattle. **Only the HOF serves the lowest-income residents.**

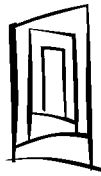
* *The average countywide document recording fee revenue for housing is projected to be \$2.5 million. Over 39% of this amount is reserved for projects in Seattle.*

Why We Need HOF:

- \$1 million appropriation will **establish a dedicated funding source** for needed housing when combined with the RAHP document record fee revenue.
- \$1 million will **create a higher level of stability** for long-term investment in low-income housing if it is made **consistently over several years**.
- HOF has **funded over 2,820 low-income units** for King County's most vulnerable populations—those earning below 50% of area median income.
- HOF funds county priorities such as projects that **keep people out of jail and reduce recidivism**.

What the Housing Opportunity Fund Accomplishes:

1. **Serves the neediest residents of King County.**
 - *Projects funded by the HOF serve the lowest income residents in the county, those below 50% of median income. Long-term housing solutions reduce human services needs*
2. **Creates & increases housing opportunities & choices in King County.**
 - *HOF financed 2,820 apartments in communities throughout King County to date.*
3. **Leverages public and private housing funds.**
 - *Every HOF dollar leverages an additional \$7.15 in public and private dollars.*
4. **Advances human services & growth management policies**



King County Housing Opportunity Fund Program Achievements - 1990 to June 2003

1. Serves the Neediest Residents of King County

- Projects must assist people at or below 50% of area median household income.
- **75% of the projects serve households with incomes below 30% of area median income.**
- All projects serving youth, homeless, and special needs populations link essential support services to housing.

<u>Populations Served</u>	<u>Units</u>
Special Needs Groups	1019 (36%)
Households at Risk of Displacement.....	854 (30%)
Low-Income Families & Seniors	490 (17%)
Teen Parents and Homeless Youth.....	199 (7%)
Homeless Families & Individuals	256 (9%)

2. Creates & Increases Housing Opportunities throughout King County

Projects Financed	111
Units Financed	2,700
Projects in unincorporated King County.....	37
Projects in suburban cities.....	59
Projects in Seattle (including mental health housing and projects of regional significance)	15

3. Leverages Public and Private Housing Funds

- Every dollar awarded by HOF leverages \$7.15 in other public and private financing.
 - Sixteen different cities have provided funds for HOF projects.
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| HOF Funds Awarded (1990 - June 2003) | \$ 33,499,569 |
| Funds Leveraged from Other Sources | \$251,655,250 |

Sources of Leveraged Funding

- Federal, state and local governments – 34%
- Charitable contributions; owner equity – 19%
- Mortgage & bond financing; low-income housing tax credits – 47%

4. Advances Human Services & Growth Management Policies

- HOF finances housing to **accomplish key human services priorities** addressing special needs such as sobering support, domestic violence, and community-based housing for people with disabilities (\$19,780,334 – 1005 units).
- HOF projects **create an incentive for joint city-county funding** of low-income housing. Funding also supports the sub-regional housing organization, A Regional Coalition for Housing (ARCH) in northeast King County.
- HOF is the primary funding source to **meet growth management targets for low-and moderate-income housing** in unincorporated areas. HOF **helps finance affordable housing in master plan developments** required in King County's comprehensive planning.