



City of Seattle

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Human Services Department

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 To: Seattle City Council
 From: Jason Johnson, Director (Acting), Human Services Department
 Subject: Briefing on 2020 Annual Action Plan

At the December 11, 2019 Finance and Neighborhoods Committee you will be briefed on the draft 2020 Annual Action Plan (AAP) which lays out the activities proposed to receive Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME), Housing Opportunities for People With AIDS (HOPWA) and Emergency Solutions Grant (ESG) federal funds.

This briefing and public hearing will complete the Citizen Participation process to meet the requirements for Pre-Award spending, allowing CDBG projects to continue through 1/1/2020 without disruption. All the spending outlined in this AAP was adopted in the 2020 City of Seattle Budget (CF 314436).

The draft 2020 AAP represents anticipated allocations for the second year of the 2018-2022 Consolidated Plan adopted by the City on 08/06/2018 as Ordinance 119311. The Consolidated Plan and its annual action plans are documents required by HUD in advance of the City 's receipt of funds from four of its programs. The 2020 City Adopted Budget is built on assumptions of grant revenue.

In 2018 and 2019, HUD instructed federal grantees not to submit Consolidated or Annual Action Plans until final grant allocations are confirmed. Those instructions remain in effect according to HUD for 2020 grants. When HUD releases the final grant allocations, HSD will return to the committee with the legislation required to adopt the final 2020 AAP and approve submission. The actual grant allocation amounts will not be known until Congress completes its budget process for 2020 (see estimated 2020 revenue below).

Program	2020 Proposed Budget	Anticipated 2020 Award	Balance
Community Development Block Grant (CDBG) - Entitlement	\$9,199,553	\$9,199,553	\$0
Community Development Block Grant (CDBG) – Entitlement (Older CDBG funds to be reprogrammed)	\$2,300,000	\$2,300,000	\$0
Community Development Block Grant (CDBG) – Program Income	\$400,000	\$400,000	\$0
HOME Investment Partnership - Entitlement	\$3,043,164	\$3,043,164	\$0
HOME Investment Partnership – Program Income	\$1,000,000	\$1,000,000	\$0
Emergency Solutions Grant (ESG)	\$805,090	\$805,090	\$0
Housing Opportunities for Persons with AIDS (HOPWA)	\$2,600,883	\$2,600,883	\$0
Total	\$19,348,690	\$19,348,690	\$0

The draft 2020 Annual Action Plan proposed activities reflect the objectives of the governing 2018 - 2022 Consolidated Plan to: 1) support the delivery of emergency shelter and related services for homeless persons and families; 2) develop and preserve affordable rental and homeownership housing; 3) support low- and moderate-income neighborhoods, businesses and business districts with infrastructure and economic development assistance; 4) support job training activities as part of an anti-poverty strategy; and advance the objectives of affirmatively furthering fair housing.

Three changes will impact 2020 supported programs, the update of the Housing Levy Administration and Financial Plan and Policies and the transition to the new King County Regional Homelessness Authority during 2020-2021:

Housing Policy: Seattle's Office of Housing updated the Housing Levy Administration and Financial Plan and Housing Funding Policies in 2019, for program years 2019-2020. This biennial update applies to the taxpayer-approved Housing Levy passed in 2016, which includes \$290 million for affordable housing over a span of 7 years. As part of the 2019-2020 update, the Office of Housing standardized affirmative marketing requirements for City-funded affordable housing developments. The update also created policy around the use of community preference in City-funded affordable housing developments in areas at high risk of displacement. The City is developing a community preference guideline in consultation with several department including the Office for Civil Rights and stakeholders. Several non-profit housing developers have expressed interest in implementing community preference outreach in their upcoming projects.

Homeless Services Consolidation with King County: The City of Seattle's 2019 investments in homelessness response project increases in the numbers of households served, as well as increases in the rates of permanent housing exits, notably among key focus populations (Black/African American and American Indian/Alaska Native households). In 2020, the City will continue to build on this impact, aligning its work with King County and All Home (our region's Continuum of Care) to create a new King County Regional Homelessness Authority. This new governing body will provide a strategic, unified regional response to homelessness.

Economic Development Policy: Since 2010, job growth in the city of Seattle has outpaced national averages, growing by over 20%. Seattle's median income has soared, but that increase is not shared across racial groups, with whites continuing to significantly outpace other racial groups. As well, Seattle was the 2nd fastest growing large city between 2010 and 2017, growing by almost 20%. The City's growth challenges our small business community, particularly members from low-income neighborhoods, who voiced a significant need for support to maintain their businesses in the face of gentrification. OED piloted in 2019 two new programs, a Business Stabilization Fund and a Tenant Improvement Fund to develop tools responsive to the current reality.