



City of Seattle  
Edward B. Murray, Mayor

**Human Services Department**  
Catherine Lester, Director

**MEMORANDUM**

Date: February 25, 2016

To: Affordable Housing, Neighborhoods & Finance Committee  
Councilmember Tim Burgess, Chair  
Councilmember Lisa Herbold  
Councilmember Rob Johnson

From: Catherine Lester, Director

Subject: Briefing on Proposed 2016 Annual Action Plan to the Consolidated Plan

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This briefing describes proposed legislation adopting the 2016 Annual Action Plan to the 2014 – 2017 Consolidated Plan for Housing and Community Development, authorizing its submittal to the United States Department of Housing and Urban Development (HUD) and amending the 2016 Adopted Budget to be consistent with the actual amount of funds to be received from HUD. 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 2016 Annual Action Plan also informs HUD of our intent to fund the 23<sup>rd</sup> Avenue Stabilization project with Community Development Block Grant funds. The 2016 Adopted Budget was built on assumptions of revenue; the actual amounts are now known:

Program	2015 Actual and 2016 Adopted Budget	Actual 2016 Award	Difference
Community Development Block Grant (CDBG)	\$9,107,424	\$8,984,932	(\$122,492)
HOME Investment Partnership	\$2,262,246	\$2,408,254	\$146,008
Emergency Solutions Grant (ESG)	\$833,959	\$819,850	(\$14,109)
Housing Opportunities for Persons with AIDS (HOPWA)	\$1,770,821	\$1,783,626	\$12,805

We will receive a total of approximately \$14 million from these fund sources. An additional \$1.5 million is anticipated in program income for the HOME and CDBG programs and from funds carried forward from prior years. These funds support the following types of programs and activities:

<b>HUD Program</b>	<b>Departments</b>	<b>Programs and Activities</b>
Community Development Block Grant	OH; OED; HSD; Parks; OIRA	Homeless shelters, affordable housing (rental and ownership), business assistance (direct and tech asst.), business district assistance, parks improvements, ESL training, affordable housing planning, CDBG administration
HOME Investment Partnership	OH	Affordable rental housing preservation and development, HOME administration
Emergency Solutions Grant	HSD	Homeless shelters, homeless outreach and prevention
Housing Opportunities for Persons with AIDS	HSD	Services and housing assistance for persons with AIDS and their families

The CDBG reduction will be reflected in the budget for the Office of Housing’s affordable rental preservation and development program. This reduction in the affordable housing budget is offset by the increase in HOME funds. Thus, the net increase in affordable housing preservation and development from the entitlement funds will be \$74,792. The ESG reduction will require some internal budget adjustments or fund swaps within HSD, which should be manageable.

The actual reduction in the CDBG entitlement budget will be less than the \$122,492 gap between the anticipated amount and the actual amount. We had originally set aside \$20,082 in an unallocated contingency and saw an increase of \$31,194 in funds available for reprogramming from prior years. Thus, the net reduction to the OH affordable housing budget in CDBG entitlement funds is \$71,216.

The 2014 – 2017 Consolidated Plan informs HUD about the City’s strategies for using these funds over the four-year period covered by the Plan, while the Annual Action Plan provides an allocation plan for a specific year’s funds. The allocations proposed for program year 2016 in the Annual Action Plan are mostly consistent with the 2016 Operating Budget adopted by the City Council in November. The major change is the set-aside of \$400,000 in CDBG funds for the 23<sup>rd</sup> Avenue Business Stabilization Fund to support eligible businesses affected by 23<sup>rd</sup> Avenue Corridor road reconstruction project. Funding for the Stabilization Fund comes from a one-time set-aside in the Office of Housing’s 2016 CDBG budget of \$379,000 for the redevelopment of Fire Station 39 in Lake City and the use of \$21,000 in funds previously allocated for public service activities but, due to spending caps in the federal regulations, can no longer be used for those purposes. The Fire Station 39 project will not expend the set-aside funds in 2016, and the City Budget Office has committed to reinstating that one-time funding in 2017. HSD is working internally to cover the reduction in public service (i.e. homeless shelter) activities.

Attached is a table summarizing the proposed 2016 funding allocations. The grey-highlighted rows indicate changes from the allocations anticipated in the Adopted Budget to the proposed allocations, based on the actual revenue. Michael Look, Manager of the CDBG Administration Unit in HSD, will be available to review the proposed changes and allocations at your meeting.

ATTACHMENT ONE: Proposed Allocations for 2016 Grants

	CDBG	HOME	HOPWA	ESG	Change from original allocation plan
<b>Office of Housing</b>					
Home Repair Program staffing	\$260,202				
Homebuyer Counseling	\$216,989				
MF Housing Program staffing	\$79,939				
Rental Housing Preservation & Development	\$440,278	\$2,422,029			See Note 1, below. All increase in HOME is allocated here.
Lake City / Fire Station 39	\$0				Moved the \$378,979 to OED for 23 <sup>rd</sup> Ave.
Program development / housing affordability staffing	\$226,139				
HOME Administration		\$226,225			
Housing Levy Renewal Planning	\$50,000				
<b>Human Services Department</b>					
Human Services Planning	\$127,163				Small decrease to comply with planning cap
CDBG Administration (including HSD Indirect)	\$920,543				
Minor Home Repair	\$449,917				
YouthCare Shelter				\$32,053	
DESC Connections	\$800,763				
ESG Administration				\$26,000	
Noel House	\$466,786				
St. Martin des Porres	\$478,730				
DESC Main Shelter	\$1,099,696			\$294,017	Both CDBG and ESG decreased here due to programmatic spending caps. HSD working on alternatives to restore full contract funding.
YWCA Angeline's Day Center				\$191,440	
ESG eligible projects tbd				\$139,296	HSD is working to maximize use of these funds within programmatic spending caps.
YWCA Seattle Emergency Housing	\$465,653				
Neighborhood House Homelessness Prevention				\$170,345	
HOPWA RFI			\$1,783,626		HOPWA increased by \$12,805
Solid Ground Housing Stability Case Management				\$160,000	

Note 1: (The reduction in the CDBG entitlement budget for Rental Housing will be less than the \$122,492. We had set aside \$20,082 in an unallocated contingency and saw an increase of \$31,194 in funds available for reprogramming from prior years. Thus, the actual reduction to the OH affordable housing budget from CDBG is \$71,216. This is offset by the increase in HOME entitlement dollars of \$146,008, for a net gain from the entitlement funds of \$74,792.)

ATTACHMENT ONE: Proposed Allocations for 2015 Grants  
(continued)

<b>Office of Economic Development</b>						
	Neighborhood Business District Projects	\$494,675				
	Only In Seattle	\$185,000				
	Neighborhood Business District Planning and TA	\$80,000				
	Neighborhood Business District staffing	\$92,000				
	Small Business and Microenterprise TA	\$131,000				
	Small / Microenterprise Business Financial Assistance	\$151,000				
	23 <sup>rd</sup> Avenue Business Stabilization	\$400,000				New project
	Small Business TA / Entrepreneur Support	\$210,000				
	Alpha Cine S 108	\$74,597				
<b>Parks and Recreation</b>						
	Conservation Corps	\$808,000				
<b>Office of Immigrant and Refugee Affairs</b>						
	ESL for Work	\$400,000				
<b>Contingency</b>		\$7,056				
<b>Program Year 2016 Totals</b>		<b>\$9,116,126*</b>	<b>\$2,648,254*</b>	<b>\$1,783,626</b>	<b>\$987,151*</b>	
*Funding amounts include award from HUD plus prior year carryover.						