

Date: June 20, 2018
To: Seattle City Council
From: Jason Johnson, Interim Human Services Director, Human Services Department
Subject: Briefing on 2018-2022 Consolidated Plan for Housing and Community Development and the 2018 Annual Action Plan

At the June 22 Finance and Neighborhoods Committee you will be briefed on the legislation adopting the 2018-2022 Consolidated Plan for Housing and Community Development and the 2018 Annual Action Plan, authorizing its submittal to the United States Department of Housing and Urban Development (HUD) and amending the 2018 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 2018 Adopted Budget was built on assumptions of revenue; the actual amounts are now known:

Program	2018 Adopted Budget	Actual 2018 Award	Difference
Community Development Block Grant (CDBG) - Entitlement	\$9,034,070	\$9,488,150	\$454,080
Community Development Block Grant (CDBG) – Entitlement (Older CDBG funds to be reprogrammed/carried-forward)	\$0	\$128,403	\$128,403
Community Development Block Grant (CDBG) – Program Income	\$400,000	\$400,000	\$0
HOME Investment Partnership - Entitlement	\$2,488,471	\$3,298,415	\$809,944
HOME Investment Partnership – Program Income	\$1,000,000	\$1,000,000	\$0
Emergency Solutions Grant (ESG)	\$819,850	\$796,553	(\$23,297)
Housing Opportunities for Persons with AIDS (HOPWA)	\$1,783,626	\$2,302,251	\$518,625
Total	\$15,526,017	\$17,413,772	\$1,887,755

CONTEXT:

We will receive a total of approximately \$16 million from these fund sources from the US Department of Housing and Urban Development, for a total of \$17.4 million including program revenue. Of this, the total available CDBG is \$10,016,553, which includes \$400,000 in anticipated program income and reprogramming \$128,403 of older CDBG funding. The total HOME program funding is \$4,298,415, including \$1,000,000 of anticipated program income.

The Consolidated Plan informs HUD about the City's strategies for using these funds over the five-year period covered by the Plan, while the Annual Action Plan provides an allocation plan for a specific year's funds. The allocations for program year 2018 in the Annual Action Plan are consistent with the 2018 Operating Budget adopted by the City Council in November. The CDBG program is the most flexible of the four funds. The 2018 Annual Action Plan proposes to continue using CDBG to fund activities to provide for services to homeless persons and families; develop and retain affordable housing; provide for economic development opportunities for neighborhoods and individual businesses and job training for certain persons; and improve neighborhood parks. HOME funds are also dedicated to developing and preserving affordable housing. ESG funds are used by the Human Services Department to support shelter, outreach

and homelessness prevention program. HOPWA funds are used to provide housing and case management for persons with AIDS and their families. HOPWA funding received a significant increase this year because of a new formula allocation method that will be phased in over 5 fiscal years starting with 2017. The old formula was determined using cumulative AIDS cases (those living as well as those that have passed) over the years and is now based on individuals living with HIV or AIDS. HOPWA funds will be awarded through a joint RFP with the Ryan White program later in 2018.

CDBG funds in 2018 will continue to support efforts by the Office of Housing, Office of Economic Development, Human Services Department, Parks and Recreation Department, Office of Immigrant and Refugee Affairs and the Equitable Development Initiative in the Office of Planning and Community Development. CDBG and HOME funds in 2018 will continue to support efforts in Office of Housing to increase access to affordable housing. Most changes from the Adopted Budget are in the Office of Economic Development and the Human Services Department.

Program Changes in 2018:

- The increase in HOME funding will allow the Office of Housing to pursue additional affordable housing development.
- Neighborhood Business District – Only in Seattle & Planning/Technical Assistance/Staffing: One-time funding to assist with additional planning work.
- Alpha Cine Section 108 Repayment: Approximately \$98,000 of CDBG will be set aside to repay the loan obligation for 2019. With continued delays in the passage of the federal budget, CDBG allocation for this loan obligation is to be allocated one year in advance to guarantee the availability of CDBG funding to make the payment on time. This is anticipated to be an ongoing obligation for the remaining 12 years of the loan term.
- King Station Commercial Affordability: This project is starting to move forward to expend funding this year. The funds have been identified to compete a feasibility study and to begin project expenditures.
- Homeless Services – One-time increase to homeless services to maximize the 2018 Public Service cap. The public service cap on CDBG is determined using the current years funds and the prior year's program income. CDBG received an unexpected amount of Program Income in 2017 from sale of property.

Emergency Solutions Grant (ESG) funding reduction was anticipated during the 2017 Homeless Investment RFP was conducted; not requiring a reduction to any 2018 ESG contracts.

Attached is a table summarizing the 2018 funding allocations. The grey-highlighted rows indicate changes from the Adopted Budget to the allocations, based on the actual revenue. Jennifer Yost, Manager of the Federal Grants Unit in HSD, will be available to review the changes and allocations at the Council Committee briefing.

IMPLEMENTATION & NEXT STEPS:

At your June 22 Finance and Neighborhoods Committee meeting, staff from the Federal Grants unit of the Human Services Department will brief you on legislation regarding the 2018-2022 Consolidated Plan for Housing and Community Development and the 2018 Annual Action Plan.

- June 22, 2018: Council Committee briefing
- July 11, 2018: Council Committee briefing, public hearing, and possible vote
- July 25, 2018: Council Committee briefing, public hearing, and vote
- July 30, 2018: Proposed Final Full Council Adoption

ATTACHMENT ONE: Allocations for 2018 Grants (changes from 2018 Adopted Budget Allocations)

	CDBG*	HOME*	ESG	HOPWA	Change from Adopted Budget
Office of Housing					
Home Repair Staffing	\$260,202				
Home Repair Program (Homewise)	\$350,000				
Homebuyer Housing Education & Counseling	\$216,989				
MF Rental Housing Preservation & Development	\$489,419	\$4,072,191			HOME increased by \$809,086
OH HOME, MF Housing, Program Development Administration & Planning	\$232,017	\$226,224			Combined planning and administration activities, no funding change
Human Services Department					
Human Services Planning	\$1,047,706				
Minor Home Repair - HSI	\$449,917				
Homeless Services	\$3,730,628				One-time increase of \$419,000 to maximize Public Service cap
YWCA Angeline's Portfolio			\$301,576		
YWCA Willows Enhanced Shelter			\$201,052		
YWCA Family Housing & Stability Program			\$234,837		
ESG Admin (max @7.5%)			\$59,088		ESG Admin reduced and removed Contingency by \$23,297
2018 HOPWA				\$2,302,251	HOPWA award increased \$518,625
Office of Economic Development					
NBDR Only in Seattle Projects	\$679,675				
NBDR Only in Seattle Planning, TA & Staffing	\$212,000				One-time increase of \$40,000
King Street Station Planning & Project	\$100,000				Was removed from 2017 funds. Return as is ready to move forward. Increase of \$100,000
Small business / Microenterprise Technical Assistance and Lending	\$512,000				Combined Small Business TA and Lending. No funding change
Alpha Cine	\$98,000				Increase of \$23,403
Parks and Recreation					
Conservation Corps Upgrades	\$808,000				
Office of Immigrant and Refugee Affairs					
ESL for Work	\$400,000				
Program Year 2018 Totals	\$10,016,553	\$4,298,415	\$796,553	\$2,302,251	
*Note: funding amounts include award from HUD plus program income					