



# City of Seattle

Edward B. Murray, Mayor

## Human Services Department

Catherine Lester, Acting Director

### MEMORANDUM

To: Housing Affordability, Human Services and Economic Resiliency Committee  
Councilmember Sally Clark, Chair  
Councilmember Tom Rasmussen  
Councilmember Kshama Sawant

From: Catherine Lester, Acting Director

Date: March 27, 2015

Subject: Briefing on Proposed 2015 Annual Action Plan to the Consolidated Plan

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The following briefing describes proposed legislation adopting the 2015 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 2015 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 2015 Adopted Budget was built on assumptions of revenue; the actual amounts are now known:

Program	2015 Adopted Budget	Actual Award	Difference
Community Development Block Grant	\$9,355,961	\$9,107,424	(\$248,537)
HOME Investment Partnership	\$2,666,931	\$2,262,246	(\$404,685)
Emergency Solutions Grant	\$780,457	\$833,959	\$53,502
Housing Opportunities for Persons with AIDS	\$1,779,541	\$1,770,821	(\$8,720)

We will receive a total of approximately \$14 million from these fund sources. An additional \$2 million is anticipated in program income for the HOME and CDBG programs and from funds carried forward from prior years. Through a combination of mostly administrative reductions and the use of carryforward funds, we are able to hold harmless most direct service activities from these reductions and preserve the intent of the Adopted Budget.

The 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 2015 in the Annual Action Plan are consistent with the 2015 Operating Budget adopted by the City Council in November. The CDBG program is the most flexible of the four funds. The 2015 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 programs. HOPWA funds are used to provide housing and case management for persons with AIDS and their families.

A recent shift in funding patterns is in the use of HOME funds. In the past HOME funds were used to support both homebuyer activities (assistance to qualifying first-time homebuyers) and for the preservation and development of affordable rental housing. Recent changes in the rules governing the HOME program are making it increasingly difficult for partner agencies to deploy these funds to eligible potential homeowners. The Office of Housing has moved all HOME and CDBG funds out of the homebuyer activity and into rental housing preservation and development. Council recently approved the reprogramming of 2014 HOME funds (Ordinance 124692) from homeownership to rental housing.

The City of Seattle will continue to provide first-time homebuyers with funds available from the current Seattle Housing Levy. It is anticipated that available funds will be sufficient to cover buyers otherwise served with HOME funds. The Office of Housing hopes to educate HUD staff on the effects of their new rules on Seattle's homeownership program and to seek a loosening of those rules.

CDBG funds in 2015 will support an effort by the Office of Immigrant and Refugee Affairs to provide English as a Second Language services and job-related training to very limited-English speaking persons. The program hopes to introduce the program to at least 180 persons, with a goal of 80 participating in ESL and computer classes. Another component of the program is employer engagement, where at least ten Seattle-based companies and hiring agencies will be asked to support the program and its students.

Additional funds from the CDBG allocation will be used to support planning efforts in the Office of Housing in preparation for a new housing levy to replace the current one, which expires after 2016. And, as previously reported to the Committee, approximately \$74,000 of CDBG will be set aside to repay the Alpha Cine Section 108 loan obligation. This is anticipated to be an ongoing obligation for the remaining 14 years of the loan term.

Attached is a table summarizing the proposed 2015 funding allocations. The grey-highlighted rows indicate changes from 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 2015 Grants

		CDBG*	HOME*	HOPWA	ESG*	Change from Adopted Budget
<b>Office of Housing</b>						
	Home Repair and Multi-Family program staffing	\$340,141				
	Home Repair Program	\$198,000				
	Homebuyer Counseling	\$216,989				
	Rental Housing Preservation & Development	\$811,494	\$3,036,021			HOME reduced by \$380,692
	Homebuyer Program (from CDBG program income)	\$0				Shift program to Housing Levy funding, reduce CDBG PI by \$40,000
	Program development / housing affordability staffing	\$226,139				
	HOME Administration	\$15,000	\$226,225			CDBG reduced by \$71,000, HOME reduced by \$23,993
	Housing Levy Renewal Planning	\$122,000				CDBG reduced by \$41,438
<b>Human Services Department</b>						
	Human Services Planning	\$130,531				
	CDBG Administration (including HSD Indirect)	\$920,543				
	Minor Home Repair	\$449,917				
	YouthCare Shelter				\$32,053	
	DESC Connections	\$800,763				
	ESG Administration				\$58,534	
	Noel House	\$466,786				
	St. Martin des Porres	\$478,730				
	DESC Main Shelter	\$1,124,405			\$397,215	A decrease in CDBG was offset by an increase in ESG, resulting in no change in the contract total
	YWCA Angeline's Day Center				\$191,440	
	YWCA Seattle Emergency Housing	\$465,653				
	Neighborhood House Homelessness Prevention				\$170,345	
	HOPWA RFI			\$1,770,821		HOPWA reduced by \$8,720
	Solid Ground Housing Stability Case Management				\$160,000	

ATTACHMENT ONE: Proposed Allocations for 2015 Grants  
(continued)

<b>Office of Economic Development</b>						
	Neighborhood Business District Projects	\$554,675				
	Neighborhood Business District Planning	\$20,000				
	Neighborhood Business District staffing	\$92,000				
	Only In Seattle	\$250,000				
	Microenterprise Technical Assistance	\$167,000				
	Microenterprise Lending	\$375,000				
	Alpha Cine S 108	\$74,597				
<b>Parks and Recreation</b>						
	Conservation Corps	\$808,000				
	ADA Upgrades	\$378,979				CDBG reduced by \$21,021
<b>Office of Immigrant and Refugee Affairs</b>						
	ESL for Work	\$400,000				
<b>Contingency</b>					\$121,591	Eliminated \$66,431 CDBG contingency; increased ESG contingency by \$4,855
<b>Program Year 2015 Totals</b>		<b>\$9,887,342</b>	<b>\$3,262,246</b>	<b>\$1,770,821</b>	<b>\$1,131,178</b>	
*Note: funding amounts include award from HUD plus prior year carryover and program income						