



City of Seattle
Human Services Department

DATE: August 9, 2013

TO: Housing, Human Services, Health and Culture Committee
Councilmember Nick Licata, Chair
Councilmember Sally Bagshaw
Councilmember Bruce Harrell

FROM: Catherine Lester
Interim Director

Michael Look
CDBG Administrator

SUBJECT: 2013 Substantial Amendment to the Consolidated Plan

At your August 14th meeting, staff from the Community Development Block Grant Administration Unit of the Human Services Department will brief you on proposed legislation regarding the 2013 funding amounts and uses for the following federal programs:

- Community Development Block Grant (CDBG)
- HOME Investment Partnership
- Emergency Solutions Grant Program (ESG)
- Housing Opportunities for Persons with AIDS (HOPWA)

Collectively these four programs are known as the Consolidated Plan funds and their uses are governed by the City's 2013 Action Plan component of the 2009 – 2012 Consolidated Plan for Housing and Community Development and its annual updates and amendments. (The effective end date of the Consolidated Plan was pushed out through 2013, with the consent of the U.S. Department of Housing and Urban Development). The proposed legislation amends the 2013 adopted budgets for the Human Services Department and the Office of Housing to match the actual awards from the federal government and to shift some funds between activities to maximize use of resources. It also amends the 2013 Action Plan which details the proposed uses of the funds.

These amendments will be transmitted to the U.S. Department of Housing and Urban Development as part of their requirements before the City can access these funds.

The following table describes the differences between the estimated awards included in the 2013 Adopted Budget and the actual awards:

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Program	2013 Adopted Budget	2013 Actual Award	Difference
Community Development Block Grant	\$9,267,515	\$9,606,960	\$339,445
HOME	\$2,610,286	\$2,502,176	(\$108,110)
Emergency Solutions Grant	\$929,114	\$676,093	(\$253,021)
HOPWA	\$1,814,768	\$1,706,482	(\$108,286)
Total	\$14,621,683	\$14,491,711	(\$129,972)

The proposed legislation implements the Mayor's recommendations to address these budget differences. Attachment A provides the details of our reduction and reduction mitigation proposals.

HOME Reduction

Home funds are used by the Office of Housing for homebuyer programs, affordable rental housing preservation and production, and administration. The reduction in the HOME allocation will be applied to the HOME administration budget and homebuyer programs. The overall programmatic effects may result in up to two fewer qualifying households accessing financial assistance to purchase their first homes.

HOPWA Reduction

The HOPWA increase will not have a material effect on existing contracting or service levels. HSD will release a HOPWA Request for Investments announcement this fall for the allocation of 2013 funds.

CDBG Increase and ESG Reduction

The magnitude of the ESG reduction is larger than anticipated, but similar in proportion to the overall federal reduction. The increased CDBG funding provides a way to maintain the funding commitments that were to have been supported by the unrealized ESG funds. To the extent possible, CDBG funds will directly substitute for the ESG, and where not possible (due to categorical spending limits) funding swaps will free up already-budgeted HSD General Fund to substitute for the ESG.

Other Actions in the Proposed Legislation

The amendment to the 2013 Action Plan also makes various adjustments to individual activities and contracts, whose funding sources changed subsequent to the submission to US HUD of our initial 2013 Action Plan. No service levels are reduced due to these contractual changes.

Michael Look from the CDBG Administration Unit in HSD and staff from the Office of Housing and the Office of Economic Development will be available at your August 14th meeting to discuss these changes and answer your questions.

Attachment A
Elements of the Substantial Amendment to City of Seattle 2013 Annual Action Plan

Background

Every year the City of Seattle adopts an operating budget based in part on assumptions about how much money will be provided to the City from the U.S. Department of Housing and Urban Development (HUD) in four federal programs. The City also presents to US HUD its plans for the use of those funds. As the actual awards are announced, if the differences are substantial, HUD requires the City to amend its plan to inform them and the public of what changes the City intends to make to the original plan. The following table identifies the differences between the adopted amount in the City budget and the actual award.

HUD Program	Adopted Budget	Actual Allocation	difference
Community Development Block Grant (CDBG)	\$9,267,515	\$9,606,960	\$339,445
HOME Investment Partnerships	\$2,610,286	\$2,502,176	(\$108,110)
Housing Opportunities for Persons with AIDS (HOPWA)	\$1,814,768	\$1,706,482	(\$108,286)
Emergency Solutions Grant (ESG)	\$929,144	\$676,093	(\$253,021)

The proposed Substantial Amendment will do the following. Changes are defined from the original plan for the 2013 funds. Note: where activities are identified more than once, all changes are cumulative.

I. Address ESG shortfall of \$253,021.

1. For DESC Main Shelter Program, decrease ESG by \$137,469 and replace with CDBG \$137,469 from the increased CDBG allocation.
2. Use \$115,582 of the increased CDBG allocation for eligible planning and administration, freeing up an equivalent amount of General Fund.
3. For contract DA13-1399 DESC Main Shelter Program, decrease ESG by an additional \$115,582 and increase General Fund support by an equivalent amount.

II. Revise CDBG allocations to CDBG administration, planning and public services per results of Communities Supporting Safe and Stable Housing Request for Investments Process, contract negotiations and technical budget adjustments

Project*	Original Amount	Revised Amount***
4. Communities Supporting Safe and Stable Housing Request for Investments Process	\$705,792	\$0
5. DESC Connections ****	\$0	\$855,793
6. YWCA Seattle Emergency Housing	\$459,405	\$465,653

7. DESC Main Shelter	\$1,167,780	\$1,173,052
8. Catholic Community Services St. Martin de Porres Shelter	\$336,226	\$478,730
9. Archdiocesan Housing Authority Noel House (formerly Catholic Community Services Noel House)	\$185,302	\$466,786
10. Catholic Community Services Aloha Inn	\$215,485	\$0**
11. YWCA Downtown Shelter	\$220,025	\$0**
12. Human Services Planning	\$130,172	\$130,531
13. CDBG Administration	\$920,882	\$920,543

* Projects identified in the original adopted action plan which are not listed have no change from original allocation.

** Program is still being funded by HSD, just not with CDBG funds.

*** Before effect of any changes in items 1-2 above.

**** DESC Connections was not previously identified to receive CDBG assistance in 2013. It is located at 515 Third Avenue, to provide day center and social service referrals for homeless persons. Estimated 2013 performance of 750 clients accomplishing one or more personal stabilization goals.

III. Reserve unallocated CDBG Funds for contingency purposes

14. Reserve \$86,394 of unallocated CDBG in a contingency activity.

IV. Reduce HOPWA Allocation to match actual award

Project Name	Original Amount	Revised Amount
15. HOPWA RFI Allocation	\$1,814,768	\$1,706,482

V. Reduce HOME Allocation to match actual award

Project Name*	Original Amount	Revised Amount
16. HOME Administration	\$261,029	\$250,218
17. Homebuyer Program	\$1,087,314	\$990,015

* Activities identified in the original adopted action plan which are not listed have no change from original allocation.

VI. Adjust CDBG allocations for OED plan for Neighborhood Business District (NBD) between project assistance and planning assistance

Project	Original Amount	Revised Amount
18. NBD Project Assistance	\$216,000	\$268,177
19. NBD Planning	\$450,675	\$398,498
Total	\$666,675	\$666,675