

#14  
CB 117454

Michael Look/SB  
HSD 2012 Subst Amend ORD  
April 17, 2012  
Version #9

CITY OF SEATTLE

ORDINANCE \_\_\_\_\_

COUNCIL BILL 117454

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AN ORDINANCE relating to funding for housing and community development programs; authorizing acceptance of grant funds from the United States Department of Housing and Urban Development for programs included in the City's Consolidated Plan for Housing and Community Development; decreasing appropriations in the 2012 Adopted Budget of funds available for activities under the Community Development Block Grant (CDBG) Program and for activities of the Office of Housing; increasing the appropriation in the 2012 Adopted Budget for the Human Services Department for activities funded by the Housing Opportunities for Persons with AIDS program and the Emergency Solutions Grant program; increasing appropriations in the 2012 Adopted Budget for certain activities of the Office Housing and Office of Economic Development; amending the 2012 Annual Allocation Plan component of the 2012 Update to the Consolidated Plan; amending the 2011 Annual Allocation Plan component of the 2011 Update to the Consolidated Plan; reallocating unexpended funds from prior years; recognizing the Section 108 program income within the Consolidated Plan; and ratifying and confirming prior acts, all by a three-fourths vote of the City Council.

WHEREAS, Ordinance 123739, passed November 14, 2011, adopted The City of Seattle's 2012 Update to the 2009 - 2012 Consolidated Plan for Housing and Community Development (2012 Update), including the 2012 Annual Allocation Plan, authorized the submission of the 2012 Update to the United States Department of Housing and Urban Development (HUD), and thereby applied for funds available from HUD for community development, human services, economic development, and housing under four separate entitlement grants: CDBG, the HOME program, Housing Opportunities for Persons With AIDS (HOPWA), and the Emergency Solutions Grant (ESG) Program; and

WHEREAS, Ordinance 123438, passed November 8, 2010, adopted The City of Seattle's 2011 Update to the 2009 - 2012 Consolidated Plan for Housing and Community Development (2011 Update), including the 2011 Annual Allocation Plan, and which was subsequently amended by Ordinance 123692, passed September 6, 2011, authorized the submission of the 2011 Update to HUD, and thereby applied for funds available from HUD for community development, human services, economic development, and housing under the CDBG, HOME, HOPWA, and ESG programs; and

WHEREAS, Ordinance 123758, passed November 21, 2011, adopted the City Budget for fiscal year 2012 and included appropriations in several City departments based on estimates of the grant awards for the four HUD fund sources listed above; and



1 WHEREAS, the grant awards that have been received from HUD for the 2012 CDBG, HOME,  
2 HOPWA and ESG programs differ from the amounts anticipated, and authorization levels  
3 for these grants made in the 2012 Budget must be adjusted; and

4 WHEREAS, the grant award for the 2011 ESG program was increased late in calendar year 2011  
5 and thus the authorization level for the program must be adjusted in the 2012 Budget; and

6 WHEREAS, anticipated program income and unspent funds from prior years' projects have  
7 yielded more funds than estimated in the 2012 Update to the Consolidated Plan; and

8 WHEREAS, HUD has laid out certain requirements for the receipt of 2011 ESG funds in the  
9 "Notice of the FY 2011 Substantial Amendment Process and Other Related Information  
10 for Recipients of Emergency Solutions Grants Program Funds [Docket No. FR-5594-N-  
11 01]"; and

12 WHEREAS, Section 108 loan program fees paid with proceeds from Section 108 loans and  
13 collected in excess of the needs to fund the administration of the loan program will now  
14 be allowed to fund general CDBG activities; and

15 WHEREAS, the 2012 Annual Allocation Plan must be revised to reflect actual 2012 funding and  
16 revised allocations; and

17 WHEREAS, the 2011 Annual Allocation Plan must be revised to reflect actual 2011 funding and  
18 revised allocations; NOW, THEREFORE,

19 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

20 Section 1. The Mayor or his designee is authorized to execute, deliver and perform for  
21 and on behalf of The City of Seattle such agreements as are reasonably necessary to accept  
22 financial assistance from HUD for the following grant programs up to the maximum amounts  
23 listed below:

24 Community Development Block Grant (CDBG)	\$9,267,515
25 HOME Investment Partnership	\$2,610,286

1           Housing Opportunities for Persons with AIDS (HOPWA)           \$1,814,768

2           2012 Emergency Solutions Grant (ESG)                           \$929,144

3           CDBG funds, when received, shall be deposited into the CDBG Main Fund (17810).

4  
5 HOME funds, when received, shall be deposited into the HOME Subfund of the Low-Income

6 Housing Fund (16490). HOPWA and ESG funds, when received, shall be deposited into the

7 Human Services Operating Fund (16200). The Mayor or his designee is further authorized to

8 execute and deliver such other documents relating to the agreements as may be required.

9  
10           Section 2. The Mayor or his designee is authorized to execute, deliver and perform for

11 and on behalf of The City of Seattle such agreements as are reasonably necessary to increase

12 financial assistance from HUD for the 2011 ESG Program by a maximum of \$297,592. ESG

13 funds, when received, shall be deposited into the Human Services Operating Fund (16200). The

14 Mayor or his designee is further authorized to execute and deliver such other documents relating

15 to the agreements as may be required.

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18           Section 3. The appropriations for the following items in the 2012 Budget are decreased

19 from the funds shown, as follows:



Item	Fund Name and Number	Department	Budget Control Level	Amount
3.1	CDBG Main Fund (17810)	Human Services Department	CDBG - Human Services (6HSD10)	(\$330,345)
3.2	CDBG Main Fund (17810)	Executive	CDBG - Office of Economic Development (6XD10)	(\$74,929)
3.3	Low Income Housing Fund(16400)	Executive	Low-Income Housing Fund 16400 (XZ-R1)	(\$1,310,054)
	Total			(\$1,715,328)

Section 4. In order to pay for necessary expenditures of the City for which insufficient appropriations were made due to causes that could not reasonably have been foreseen at the time of the making of the 2012 Budget, the appropriations for the following items in the 2012 Budget are increased from the funds shown, as follows:

Item	Fund Name and Number	Department	Budget Control Level	Amount
4.1	Human Services Operating Fund (16200)	Human Services Department	Transitional Living and Support (H30ET)	\$755,797
4.2	CDBG Main Fund (17810)	Executive	CDBG – Office of Housing (6XZ10)	\$100,000
4.3	General Subfund (00100)	Executive	Office of Economic Development (X1D00)	\$108,190
	Total			\$963,987

Section 5. The 2012 Annual Allocation Plan component of the 2009 – 2012 Consolidated Plan for Housing and Community Development, as adopted by Ordinance 123739 as Section 4 of the 2012 Update, is amended as reflected in Attachment 1 to this ordinance. The Director of the Human Services Department is authorized to make any conforming changes that



1 may be necessary to other portions of the Consolidated Plan to reflect the changes adopted in this  
2 Section. The allocations set forth in Attachment 1 outline the City's intended expenditures for  
3 the funds and do not constitute appropriations or modify the amounts of any existing  
4 appropriations, nor are they to be considered as final funding decisions. The authority of the  
5 respective City departments and offices to implement the activities set forth in the 2012 Annual  
6 Allocation Plan, as amended, is subject to sufficient appropriations in the 2012 Adopted Budget,  
7 as amended by this ordinance, or in any separate ordinance. Implementation of any specific  
8 project or program is also subject to a final determination by the appropriate office or department  
9 after completion of any necessary review under environmental and related laws.  
10

11  
12 Section 6. The 2011 Annual Allocation Plan component of the 2009 – 2012  
13 Consolidated Plan for Housing and Community Development, as adopted by Ordinance 123438  
14 as Section 4 of the 2011 Update, and as amended by Ordinance 123692, is amended to add the  
15 items reflected in Attachment 2 to this ordinance. The Director of the Human Services  
16 Department is authorized to make any conforming changes that may be necessary to other  
17 portions of the Consolidated Plan to reflect the changes adopted in this Section. The allocations  
18 set forth in Attachment 2, to the extent not already expended, outline the City's intended  
19 expenditures for the funds and do not constitute appropriations or modify the amounts of any  
20 existing appropriations, nor are they to be considered as final funding decisions. The authority  
21 of the respective City departments and offices to implement the activities set forth in Attachment  
22 2 is subject to sufficient appropriations in the 2012 Adopted Budget, as amended by this  
23 ordinance, or in any separate ordinance. Implementation of any specific project or program is  
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1 also subject to a final determination by the appropriate office or department after completion of  
2 any necessary review under environmental and related laws.

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4 Section 7. The 2011 Update to the Consolidated Plan is amended as set forth in  
5 Attachment 3 to this ordinance, which is made a part of the 2011 Action Plan and, where not  
6 specific to 2011 funding, part of the 2012 Action Plan, under HUD regulations, in response to  
7 HUD's requirements for the receipt of the additional 2011 ESG funds and for 2012 ESG funds.  
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9 Section 8. Notwithstanding prior legislation, Section 108 loan program fees collected  
10 prior to 2010, which were paid for with Section 108 funds, are deemed program income by HUD  
11 regulations and shall therefore be used to fund general CDBG program costs to the extent not  
12 required for Section 108 program administration.  
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14 Section 9. The 2012 Update to the 2009 – 2012 Consolidated Plan is amended by  
15 adding the following to the paragraph at Section 2, Community Development Block Grant  
16 Program: "Additionally, program income from the Section 108 Loan Program of \$68,261 is also  
17 available to fund CDBG activities in 2012."  
18

19  
20 Section 10. Execution of the agreements authorized in Sections 1 and 2 hereof, and  
21 other acts pursuant to the authority and prior to the effective date of this ordinance, are hereby  
22 ratified and confirmed.  
23

24 Section 11. Nothing in this ordinance, the attachments to this ordinance, or the  
25 agreements and documents authorized by this ordinance is intended to confer any legal rights or  
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1 entitlements on any persons, groups or entities, except the rights of HUD under the agreements  
2 authorized hereunder.

3  
4 Section 12. This ordinance shall take effect and be in force 30 days from and after its  
5 approval by the Mayor, but if not approved and returned by the Mayor within ten days after  
6 presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

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8 Passed by a three-fourths vote of all the members of the City Council the \_\_\_\_ day of  
9 \_\_\_\_\_, 2012, and signed by me in open session in authentication of its  
10 passage this \_\_\_\_ day of \_\_\_\_\_, 2012.

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14 President \_\_\_\_\_ of the City Council

15 Approved by me this \_\_\_\_ day of \_\_\_\_\_, 2012.

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18 \_\_\_\_\_  
19 Michael McGinn, Mayor

20 Filed by me this \_\_\_\_ day of \_\_\_\_\_, 2012.

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22 \_\_\_\_\_  
23 City Clerk

24 (Seal)

25 Attachment 1: Amendments to City of Seattle 2012 Annual Allocation Plan



Attachment 2: Amendments to City of Seattle 2011 Annual Allocation Plan

Attachment 3: Emergency Solutions Grant Program Amendment to City of Seattle 2011 Update to the Consolidated Plan

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## Attachment 1

### Amendments to City of Seattle 2012 Annual Allocation Plan

#### Section 4 – 2012 Annual Allocation Plan

-The 2012 Annual Allocation Plan is the proposed one-year spending plan for Consolidated Plan funds for the City's 2012 fiscal year. These allocations are aligned with the strategies and objectives as described in the 2009 – 2012 Consolidated Plan, as amended.

NOTE: The contents of this Plan are not intended to confer any legal rights or entitlements on any persons, groups, or entities, including those named as intended recipients of funds or as program beneficiaries. The terms of this Annual Allocation Plan are subject to amendment and to the effect of applicable laws, regulations and ordinances. Statements of numerical goals or outcomes are for the purpose of measuring the success of programs and policies and do not impose a legal obligation on the City to achieve the intended results. Actual funding of particular programs and projects identified in this Plan is subject to completion of various further actions, some of which involve discretionary determinations by the City or others. These include HUD approval of this Plan; appropriations by the United States Congress and the City Council; reviews and determinations under environmental and related laws; and results of bidding and contracting processes.

Alloc. Plan ID	Anticipated Provider	Activity	CDBG	ESG	HOPWA	HOME	2012 Total
		<b>1: Office of Housing</b>					
		<i>11: HomeWise, Weatherization, Home Repair and Homebuyer Programs</i>					
		<b>111: Rehabilitation Lending and Investment</b>					
111 010	City of Seattle OH	<p><b>Housing Technical Assistance - Home Repair and Homebuyer Staffing (CDBG) (Citywide)</b></p> <p>Support staff and related costs of managing homebuyer assistance programs and homeowner rehabilitation projects, managing rehabilitation, energy conservation, paying contract costs for compliance with lead-based paint, complying with Section 106 Historic Preservation regulations, and processing loans</p> <p><i>Performance indicator:</i> Home repair indicator is shown below under Home Repair Program (CDBG PI) and homebuyer assistance indicator is shown below under Homebuyer Programs (HOME and HOME PI)</p> <p><i>Start date: 1/1/2012 – Completion date: 12/31/2012.</i></p> <p><i>HUD Info: 14A/202/LMC/LocGov</i></p>	\$361,279				\$361,279



Alloc. Plan ID	Anticipated Provider	Activity	CDBG	ESG	HOPWA	HOME	2012 Total
111 015	City of Seattle OH	<p><b>Home Repair Program (CDBG PI) (Citywide)</b></p> <p>Accumulated prior years' CDBG program income of \$435,000 will be used to provide home rehabilitation loans for the purpose of improving the health, safety, and energy efficiency of housing for low-income households.</p> <p><i>Performance indicator:</i> 2006 and prior years' CDBG program income, plus 1995 Housing Levy and bond program income, totaling an estimated \$600,000, are expected to fund 30 home repair loans.</p> <p><i>Start date:</i> 1/1/2012 – <i>Completion date:</i> 12/31/2012.</p> <p><i>HUD Info:</i> 14A/202/LMC/LocGov</p>	PI \$435,000				PI \$435,000
		<b>111: Rehabilitation Lending and Investment Subtotal</b>	\$796,279	\$0	\$0	\$0	\$796,279
		<b>112: Homebuyer Assistance</b>					
112 010	City of Seattle OH	<p><b>Homebuyer Programs (CDBG PI) (Citywide)</b></p> <p>CDBG program income estimated at \$160,000 will be used for eligible low-income homebuyer activities.</p> <p><i>Performance indicator:</i> Shown below under Homebuyer Programs (HOME and HOME PI)</p> <p><i>Start date:</i> 1/1/2012 – <i>Completion date:</i> 12/31/2012</p> <p><i>HUD Info:</i> 13/201(n)/LMH/LocGov</p>	PI \$160,000				PI \$160,000
112 030	City of Seattle OH	<p><b>Homebuyer Programs (HOME and HOME PI) (Citywide)</b></p> <p>HOME allocation of <del>\$829,749</del> <u>\$587,314</u> and HOME program income estimated at \$500,000 will be used for eligible low-income homebuyer activities. Up to 10% of program income may be used for program delivery. A \$1 to \$1 swap of allocation funds for program income may occur between HOME eligible programs in order to meet HUD grant requirements that jurisdictions spend program income before drawing allocation funds.</p> <p><i>Performance indicator:</i> 2012 CDBG &amp; HOME funding, plus Housing Levy funding, totaling an estimated <del>\$2.219</del> million are expected to help <del>39-35</del> households purchase homes.</p>				PI \$829,749 <u>\$587,314</u> PI \$500,000	\$829,749 <u>\$587,314</u> PI \$500,000



Alloc. Plan ID	Anticipated Provider	Activity	CDBG	ESG	HOPWA	HOME	2012 Total
		<i>Start date: 1/1/2012 – Completion date: 12/31/2012.</i> <i>HUD Info: 05R .</i>					
		<b>112: Homebuyer Assistance Subtotal</b>	\$160,000	\$0	\$0	\$1,329,749 \$1,087,314	\$1,489,749 \$1,247,314
		<b>113: Minor Home Repair</b>					
113 010	Senior Services of Seattle & King County	<b>Minor Home Repair (CDBG) (Citywide)</b>  CDBG funds will be used by Senior Services to inspect and provide minor repairs (e.g. plumbing, electrical work, carpentry) for homes occupied by low-income homeowners primarily (but not exclusively) those 60 years of age and older.  <i>Performance indicator: 650 housing units repaired</i> <i>Start date: 1/1/2012 – Completion date: 12/31/2012.</i> <i>HUD Info: 14A/202/LMH/SubPriv</i>	\$449,917				\$449,917
		<del>113: Minor Home Repair Subtotal</del>	\$449,917	\$0	\$0	\$0	\$449,917
		<b>114: Homebuyer Education and Counseling</b>					
114 030	tbd	<b>Low-Income Housing Development Services (CDBG) (N/A)</b> CDBG funds will be awarded to one or more organization(s) that provide education and counseling for first-time low-income homebuyers.  <i>Performance indicator: 17 homebuyer workshops held; 220 households participate in counseling</i> <i>Start date: 1/1/2012 – Completion date: 12/31/2012.</i> <i>HUD Info: 13/201(n)/LMH/SubPriv</i>	\$216,989				\$216,989
		<b>114: Homebuyer Education and Counseling Subtotal</b>	\$216,989	\$0	\$0	\$0	\$216,989
		<del>11: HomeWise, Weatherization, Home Repair and Homebuyer Programs Subtotal</del>	\$1,623,185	\$0	\$0	\$1,329,749 \$1,087,314	\$2,952,934 \$2,710,499
		<del>12: Multifamily Production and Preservation</del>					
		<del>121: Multifamily Lending and Investment</del>					
121 10	City of Seattle OH	<b>Multi-Family Housing Staffing (CDBG) (Citywide)</b>	\$50,000				\$50,000



Alloc. Plan ID	Anticipated Provider	Activity	CDBG	ESG	HOPWA	HOME	2012 Total
		<p>Support staff and related costs of funding acquisition and/or rehabilitation or new construction to provide multi-family rental housing for low-income households. This includes providing technical assistance and reviewing competitive NOFA applications; preparing legal documents; executing real-estate closings; coordinating with other funders; processing loan draws; managing budgeting processes; and monitoring and documenting compliance with federal, state, and local requirements (e.g., relocation; construction and labor; lead-based paint regulations; Endangered Species Act, NEPA, and other environmental regulations; IDIS and other reporting, etc.)</p> <p><i>Performance indicator: NA</i></p> <p><i>Start date: 1/1/2012 – Completion date: 12/31/2012.</i></p> <p><i>HUD Info: 21A/206/LMH/LocGov</i></p>					
121-030	City of Seattle OH	<p><b>Rental Housing Preservation &amp; Production (HOME and HOME PI) (Citywide)</b></p> <p>HOME allocation of \$2,463,631 and HOME program income estimated at \$500,000 will provide gap financing for acquisition, rehabilitation and/or new construction to provide multifamily rental housing with long-term rent and income restrictions, for low-income households, consistent with HOME program regulations. Up to 10% of program income may be used for program delivery. A \$1 to \$1 swap of allocation funds for program income may occur between HOME eligible programs in order to meet HUD grant requirements that participating jurisdictions spend program income before allocation funds.</p> <p><i>Performance indicator: 2012 HOME and CDBG allocation funding, plus Housing Levy funding, totaling \$17.917.2 million is expected to fund 223-214 units.</i></p> <p><i>Start date: 1/1/2012 – Completion date: 12/31/2012.</i></p> <p><i>HUD Info: 14B/202/LMH/LocGov</i></p>				<p>\$2,463,631</p> <p>\$1,761,943</p> <p>PI \$500,000</p>	<p>\$2,463,631</p> <p>\$1,761,943</p> <p>PI \$500,000</p>
121-040	City of Seattle OH	<p><b>Rental Housing Preservation &amp; Production (CDBG and CDBG PI) (Citywide)</b></p>	\$511,494				\$511,494



Alloc. Plan ID	Anticipated Provider	Activity	CDBG	ESG	HOPWA	HOME	2012 Total
		<p>Provide gap financing for acquisition and/or rehabilitation or new construction for homeless housing and multifamily rental housing with long-term rent and income restrictions, for low-income and homeless households, consistent with CDBG Program regulations. Up to 10% of program income may be used for program delivery.</p> <p><i>Performance indicator:</i> Shown above under Rental Housing Preservation &amp; Production (HOME and HOME PI)</p> <p><i>Start date:</i> 1/1/2012 – <i>Completion date:</i> 12/31/2012.</p> <p><i>HUD Info:</i> 14B/202/LMH/LocGov</p>	PI \$180,000 <u>\$280,000</u>				PI \$180,000 <u>\$280,000</u>
		<b>121: Multifamily Lending and Investment Subtotal</b>	\$741,494	\$0	\$0	\$2,963,631	\$3,705,125
			<u>\$841,494</u>			<u>\$2,261,943</u>	<u>\$3,103,437</u>
		<b>12: Multifamily Production and Preservation Subtotal</b>	\$741,494	\$0	\$0	\$2,963,631	\$3,705,125
			<u>\$841,494</u>			<u>\$2,261,943</u>	<u>\$3,103,437</u>
		<b>13: Program Development</b>					
		<b>133: Program Development</b>					
133 010	City of Seattle OH	<p><b>Program Development Staffing (CDBG) (Citywide)</b></p> <p>Staff and related costs of creating new housing strategies to ensure sufficient supply of affordable housing for households at a wide range of income levels; developing strategies for neighborhood revitalization without displacing vulnerable populations; leveraging City housing funds; writing and updating the housing element of the Consolidated Plan, including the Analysis of Impediments to Fair Housing; preparing reports required for regulatory compliance; and coordinating outreach to stakeholders on potential policy changes and new housing affordability strategies.</p> <p><i>Performance indicator:</i> NA</p> <p><i>Start date:</i> 1/1/2012 – <i>Completion date:</i> 12/31/2012.</p> <p><i>HUD Info:</i> 20/205/LMH/LocGov</p>	\$30,000				\$30,000
		<b>133: Program Development Subtotal</b>	\$30,000	\$0	\$0	\$0	\$30,000
		<b>13: Program Development Subtotal</b>	<u>\$30,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$30,000</u>
		<b>14: Administration &amp; Management</b>					



Alloc. Plan ID	Anticipated Provider	Activity	CDBG	ESG	HOPWA	HOME	2012 Total
		<b>142: Management Support Services</b>					
142 010	City of Seattle OH	<p><b>HOME Administration (HOME) (700 5<sup>th</sup> Avenue, 57<sup>th</sup> Floor)</b></p> <p>Fund City costs of implementing the HOME program. The 2012 HOME award provides \$261,029 in administration funding. An additional \$145,561 of prior year unexpended administration funding will be allocated in 2012 for a total of \$406,590.</p> <p>Performance indicator: N/A</p> <p>Start date: 1/1/2012 - Completion date: 12/31/2012</p> <p>HUD Info: 21A</p>				<p>\$365,931</p> <p>\$261,029</p>	<p>\$365,931</p> <p>\$261,029</p>
		<b>142: Management Support Services Subtotal</b>	\$0	\$0	\$0	\$365,931 \$261,029	\$365,931 \$261,029
		<b>14: Administration &amp; Management Subtotal</b>	\$0	\$0	\$0	\$365,931 \$261,029	\$365,931 \$261,029
		<b>1: Office of Housing Subtotal</b>	\$2,394,679 \$2,494,679	\$0	\$0	\$4,659,311 \$3,610,286	\$7,053,990 \$6,104,965
		<b>2: Human Services Department</b>					
		<b>21: Leadership &amp; Management Services</b>					
		<b>212: Planning</b>					
212 010	City of Seattle HSD	<p><b>Human Services Planning (700 Fifth Avenue, #5800: Citywide)</b></p> <p>Staff will develop and evaluate City human service strategies, goals, policies, and programs for low- and moderate-income households, including those of people who are homeless or who have special needs. Staff will also be responsible for development of the Consolidated Plan and annual updates and other CDBG-related planning tasks.</p> <p>Performance indicator: N/A</p> <p>Start date: 1/1/2012 - Completion date: 12/31/2012</p> <p>HUD Info: 20/205/LMC/LocGov</p>	\$119,410				\$119,410
		<b>212: Planning Subtotal</b>	\$119,410	\$0	\$0	\$0	\$119,410
		<b>215: Grants &amp; Budget Administration</b>					



Alloc. Plan ID	Anticipated Provider	Activity	CDBG	ESG	HOPWA	HOME	2012 Total
215 010	City of Seattle HSD	<p><b>Block Grant Administration</b> (Office: 700 Fifth Avenue, #5800)</p> <p>Provide administration and technical assistance to City departments and community-based organizations so they can implement CDBG and other HUD grant funds and programs in an efficient, accountable, and responsive manner. Included is \$250,000 of HSD indirect costs.</p> <p><i>Performance indicator: N/A.</i></p> <p><i>Start date: 1/1/2012— Completion date: 12/31/2012.</i></p> <p><i>HUD Info: 21A/206/LMC/LocGov</i></p>	\$932,947 \$931,664				\$932,947 \$931,664
		<b>215: Grants &amp; Budget Administration Subtotal</b>	\$932,947 \$931,664	\$0	\$0	\$0	\$932,947 \$931,664
		<b>21: Leadership &amp; Management Services Subtotal</b>	\$1,052,357 \$1,051,074	\$0	\$0	\$0	\$1,052,357 \$1,051,074
		<b>23: Children, Youth, &amp; Family Development</b>					
		<b>231: Youth Development</b>					
232 010	YouthCare	<p><b>YouthCare- The Shelter</b></p> <p>(2500 NE 54<sup>th</sup> Street, Seattle) Provide emergency shelter and support for homeless youth.</p> <p><i>Performance Indicator: 60 homeless youth provided with emergency shelter.</i></p> <p><i>Start date: 1/1/2012 — Completion date: 12/31/2012.</i></p> <p><i>HUD Info: 03T</i></p>		\$32,053			\$32,053
		<b>231: Youth Development Subtotal</b>	\$0	\$32,053	\$0	\$0	\$32,053
		<b>23: Children, Youth, &amp; Family Dev. Subtotal</b>	\$0	\$32,053	\$0	\$0	\$32,053
		<b>24: Community Services</b>					
		<b>242: Emergency &amp; Transitional Services</b>					
242 030	Low Income Housing Institute	<p><b>Urban Reststop Essential Services</b> (1922 9<sup>th</sup> Ave, 98121 )</p> <p>Provide toilets, showers, washers, dryers, temporary storage, and waiting areas to homeless adults. (Also funded with \$28,145 of GF for contract total of \$118,852.)</p>		\$118,852 \$90,707			\$118,852 \$90,707



Alloc. Plan ID	Anticipated Provider	Activity	CDBG	ESG	HOPWA	HOME	2012 Total
		<p><i>Performance indicator: 3,200 persons who are homeless provided with assistance.</i></p> <p><i>Start date: 1/1/2012 — Completion date: 12/31/2012.</i></p> <p><i>HUD Info: 03T/201(e)/LMC/SubPriv</i></p>					
242 170	New Beginnings	<p><b>New Beginnings Shelter For Battered Women</b> (Restricted address)</p> <p>Provide shelter, crisis intervention, counseling, support and referral services to women and children who are victims of domestic violence.</p> <p><i>Performance indicator: 200 persons at risk of homelessness provided with assistance.</i></p> <p><i>Start date: 1/1/2012 — Completion date: 12/31/2012.</i></p> <p><i>HUD Info: 05G/201(e)/LMC/SubPriv</i></p>		\$15,668			\$15,668
242 120	YWCA of Seattle- King County	<p><b>Angeline's Day and Hygiene Center</b> (2024 3<sup>rd</sup> Avenue 98121)</p> <p>Provide a day center for chronically homeless low-income women. Services include hygiene, laundry, and supportive services.</p> <p><i>Performance indicator: 1,250 persons who are homeless provided with assistance.</i></p> <p><i>Start date: 1/1/2012 — Completion date: 12/31/2012.</i></p> <p><i>HUD Info: 03T/201(e)/LMC/SubPriv</i></p>	\$855,772				\$855,772
242 180	City of Seattle HSD	<p><b>Emergency Solutions Grant Program Administration</b> (Office: 700 5th Avenue Suite 5800)</p> <p>Emergency Solutions Grant Program Administration.</p> <p><i>Performance indicator: NA.</i></p> <p><i>Start date: 1/1/2012 — Completion date: 12/31/2012.</i></p> <p><i>HUD Info: 21A/206/LMC/LocGov</i></p>		\$26,425			\$26,425
242 210	Catholic Community Services of Western WA	<p><b>Aloha Inn</b> (1911 Aurora Avenue N, 98109)</p>	\$245,485 \$215,485				\$245,485 \$215,485



Alloc. Plan ID	Anticipated Provider	Activity	CDBG	ESG	HOPWA	HOME	2012 Total
		<p>Transitional housing and support services for formerly homeless men and women. (Also funded with \$30,000 of GF for contract total of \$245,485.)</p> <p>Performance Indicator: 44 individuals will remain housed for 6 months</p> <p>Start date: 1/1/2012 – Completion date: 12/31/2012</p> <p>HUD Info: 03T/201(e)/LMC/SubPriv</p>					
242 220	Catholic Community Services of Western WA	<p>Noel House (2301 Second Avenue, 98121)</p> <p>Emergency shelter and transitional services for homeless women. (Also funded with \$330,345 of GF for contract total of \$515,647.)</p> <p>Performance Indicator: 48 individuals placed in permanent or long-term transitional housing</p> <p>Start date: 1/1/2012 – Completion date: 12/31/2012</p> <p>HUD Info: 03T/201(e)/LMC/SubPriv</p>	<p>\$515,647</p> <p>\$185,302</p>				<p>\$515,647</p> <p>\$185,302</p>
242 230	Catholic Community Services of Western WA	<p>St. Martin de Porres (1561 Alaskan Way S, 98134)</p> <p>Emergency shelter and transitional services for homeless individuals</p> <p>Performance indicator: 30 individuals placed in permanent or long-term transitional housing</p> <p>Start date: 1/1/2012 – Completion date: 12/31/2012</p> <p>HUD Info: 03T/201(e)/LMC/SubPriv</p>	<p>\$306,226</p> <p>\$336,226</p>				<p>\$306,226</p> <p>\$336,226</p>
242 240	Downtown Emergency Services Center	<p>Main Shelter Program (517 3rd Ave, 98104)</p> <p>Provide emergency shelter and supportive transitional services for homeless adult persons.</p> <p>Performance indicator: 138 individuals placed in permanent or long-term transitional housing</p> <p>Start date: 1/1/2012 – Completion date: 12/31/2012</p> <p>HUD Info: 03T/201(e)/LMC/SubPriv</p>	\$1,167,780	\$364,200			\$1,531,980



Alloc. Plan ID	Anticipated Provider	Activity	CDBG	ESG	HOPWA	HOME	2012 Total
242 290	YWCA Seattle – King County	<p><b>Downtown Emergency Shelter (1118 5th Avenue, 98101)</b></p> <p>Provide emergency shelter and counseling services for homeless women and children in crisis.</p> <p>Performance indicator: 24 individuals or families secure permanent housing.</p> <p>Start date: 1/1/2012 – Completion date: 12/31/2012</p> <p>HUD Info: 03T/201(e)/LMC/SubPriv</p>	\$220,025				\$220,025
242 300	YWCA Seattle – King County	<p><b>Seattle Emergency Housing (2820 E. Cherry, 98122)</b></p> <p>Provide emergency shelter for 2- and 1-parent homeless families; also provide supportive services.</p> <p>Performance indicator: 100 families placed into enhanced shelter, 80 families exit to permanent or long-term transitional housing</p> <p>Start date: 1/1/2012 – Completion date: 12/31/2012</p> <p>HUD Info: 03T/201(e)/LMC/SubPriv</p>	\$459,405				\$459,405
242 400	TBD	<p><del>Homeless Services</del><b>Stable Housing Services</b></p> <p>Anticipated increase in ESG funds will be held as TBD pending release by US HUD of eligibility and funding guidelines associated with the new Homeless Emergency and Rapid Transition to Housing (HEARTH) Act funds, which governs the use of ESG funds. These 2012 ESG funds will be allocated during the RFI process to secure services to support safe and stable housing services for homeless and other persons and families. Contracts for these services are expected to begin in January of 2013.</p>		\$177,870 <u>\$339,193</u>			\$177,870 <u>\$339,193</u>
		<b>242: Emergency &amp; Transitional Services Subtotal</b>	\$3,770,340	\$703,015	\$0	\$0	\$4,473,355
		<b>243: Tenant Stabilization</b>	\$3,439,995	\$836,193			\$4,276,188
243 010	Neighborhood House	<p><b>Homelessness Prevention (905 Spruce Street, Seattle)</b></p> <p>Provide case management and homeless prevention services to individuals at risk of homelessness. Also funded with \$137,592</p>		\$32,753			\$32,753



Alloc. Plan ID	Anticipated Provider	Activity	CDBG	ESG	HOPWA	HOME	2012 Total
		from 2011 "second" ESG allocation. <i>Performance Indicator: 160 households</i> <i>Start Date: 1/1/2012 – Completion Date: 12/31/2012</i>					
243 020	Compass Housing Alliance	<b>Housing Stability and Retention (77 South Washington Street, Seattle)</b>  Provides households at-risk of homelessness with rental assistance and other support services to prevent homelessness. Also funded with approximately \$112,000 of General Fund. <i>Performance Indicator: 180 households</i> <i>Start Date: 1/1/2012 – Completion Date: 12/31/2012</i>		\$28,145			\$28,145
243 060	tbd	<b>HOPWA Request for Investments (RFI)</b>  An RFI process will be used to allocate the 2012 HOPWA funds. The RFI will occur in 2012 with contracts anticipated by early 2012.  HUD Info: 31 HOPWA			\$1,719,000 \$1,814,768		\$1,719,000 \$1,814,768
		<b>243: Tenant Stabilization Subtotal</b>	\$0	\$0	\$1,719,000 \$1,814,768	\$0	\$1,719,000 \$1,875,666
		<b>24: Community Services Subtotal</b>	\$3,770,340 \$3,439,995	\$703,015 \$897,091	\$1,719,000 \$1,814,768	\$0	\$6,192,355 \$6,151,854
		<b>2: Human Services Department Subtotal</b>	\$4,822,697 \$4,491,069	\$735,068 \$929,144	\$1,719,000 \$1,814,768	\$0	\$7,276,765 \$7,234,981
		<b>4: Office of Economic Development</b>					
		<b>42: Neighborhood and Community Development</b>					
		<b>421: Community Development</b>					
421 010	Impact Capital, et al.	<b>Community Development Neighborhood and Business District Revitalization - Projects - (Citywide)</b>  The City will fund nonprofit organizations in partnership with Impact Capital to revitalize targeted business districts serving low-income neighborhoods. (See also Planning: 20)  <i>Performance indicators: Up to eight organizations assisted.</i> <i>Start date: 1/1/2012 – Completion date: 12/31/2012.</i>	\$254,507 \$216,000				\$254,507 \$216,000



Alloc. Plan ID	Anticipated Provider	Activity	CDBG	ESG	HOPWA	HOME	2012 Total
		<i>HUD Info: 18B/203/LMA/CBDO</i>					
421 020		<p><b>Community Development – Neighborhood and Business District Revitalization – Planning and Technical Assistance – (Citywide)</b></p> <p>The City will fund nonprofit organizations in partnership with Impact Capital to revitalize targeted business districts serving low-income neighborhoods. Technical assistance to support the revitalization strategies will also be coordinated and provided by Impact Capital. (See also Program Delivery: 18B)</p> <p><i>Performance indicators: Up to eight organizations assisted.</i></p> <p><i>Start date: 1/1/2012 — Completion date: 12/31/2012.</i></p> <p><i>HUD Info: 20/205/LMA/CBDO</i></p>	<p>\$412,168</p> <p>\$342,485</p>				<p>\$412,168</p> <p>\$342,485</p>
421 45	Tbd	<p><b>Small Business (Citywide)</b></p> <p>Small businesses will receive technical assistance and business training to improve their chances of success. There will be a focus on micro-enterprises and businesses serving low-income communities. Contracted organization will assist with the development and capacity building of small businesses through entrepreneur training, counseling and by providing access to credit.</p> <p><i>Performance Indicator: 500 businesses assisted</i></p> <p><i>Start date: 1/1/2012- Completion date: 12/31/2012</i></p> <p><i>HUD Info: 18c/201(o)/LMI/Priv</i></p>	\$92,000				\$92,000
421 050	Rainier Valley CDF & City of Seattle	<p><b>Rainier Valley Community Development Fund (L/M)</b></p> <p>Provide loans and/or payments to promote business and real estate development and job creation in the Rainier Valley. Business development activities will encourage small business formation, strengthen existing businesses in the Rainier Valley and promote job creation. Real estate development activities will involve both new construction and the rehabilitation of existing building stock for the purpose of stimulating economic activity, increasing the inventory of commercial spaces for Rainier Valley businesses, and promoting affordable housing for Rainier Valley residents.</p>	\$3,317,500				\$3,317,500



Alloc. Plan ID	Anticipated Provider	Activity	CDBG	ESG	HOPWA	HOME	2012 Total
		<i>Performance Indicator:</i> CDP: 5 loans approved  <i>Start date: 1/1/2012 – Completion date: 12/31/2012</i>  <i>HUD Info: 18A/204/LMJ or LMA/CBDO</i>					
		<b>421: Community Development Subtotal</b>	\$4,076,175 \$3,967,985	\$0	\$0	\$0	\$4,076,175 \$3,967,985
		<b>422: Community Development Loans</b>					
422 020	TBD	<b>Section 108 Loan Program Activities</b>	\$48,261				\$48,261
422 010	National Development Council	<b>National Development Council Float Loan Origination (N/A)</b>  Handle marketing and outreach for the CDBG Float Loan and Section 108 Loan programs, and provide technical assistance to prospective borrowers  <i>Performance indicator: 1 loan approved</i>  <i>Start date: 1/1/2012 – Completion date: 12/31/2012</i>  <i>HUD Info: 18A/203/LMJ/Priv</i>	\$15,000				\$15,000
		<b>422: Community Development Loans Subtotal</b>	\$15,000 \$48,261	\$0	\$0	\$0	\$15,000 \$48,261
		<b>42: Neighborhood and Community Development Subtotal</b>	\$4,091,175 \$4,016,246	\$0	\$0	\$0	\$4,091,175 \$4,016,246
		<b>4: Office of Economic Development Subtotal</b>	\$4,091,175 \$4,016,246	\$0	\$0	\$0	\$4,091,175 \$4,016,246
		<b>FUND TOTALS</b>	\$11,308,551 \$11,001,994	\$735,068 \$929,144	\$1,719,000 \$1,814,768	\$4,659,311 \$3,610,286	\$18,421,930 \$17,356,192





### Amendment to City of Seattle 2011 Annual Allocation Plan

Alloc. Plan ID	Anticipated Provider	Activity	CDBG	ESG	HOPWA	HOME	2011 Total
243 100	Solid Ground	<p>Housing Stability Case Management (1501 North 45<sup>th</sup> Street, Seattle)</p> <p>Provide case management , support services, and other services to households at risk of homelessness. Also funded with city General Fund.</p> <p><i>Performance Indicator: 75 households</i></p> <p><i>Start Date: 1/1/2012 – Completion Date: 12/31/2012</i></p>		\$160,000			\$160,000
243 200	Neighborhood House	<p>Homelessness Prevention (905 Spruce Street, Seattle)</p> <p>Provide case management and homeless prevention services to individuals at risk of homelessness. Also funded with 2012 ESG and city General Fund.</p> <p><i>Performance Indicator: 160 households</i></p> <p><i>Start Date: 1/1/2012 – Completion Date: 12/31/2012</i></p>		\$137,592			\$137,592
							\$297,592

## **EMERGENCY SOLUTIONS GRANT PROGRAM AMENDMENT TO 2011 UPDATE TO THE CONSOLIDATED PLAN**

On January 27, 2012, U.S. Housing and Urban Development published a "Notice of the FY 2011 Substantial Amendment Process and Other Related Information for Recipients of Emergency Solutions Grants Program Funds" in the Federal Register (Volume 77, No. 18, page 4337). This Attachment responds to that Notice and is adopted as an amendment to the 2011 Update to the Consolidated Plan by the City Council via Ordinance No. \_\_\_\_\_. This Attachment shall be known as Section 7 of the 2011 Update and therefore is amended to the four-year 2009 – 2012 Consolidated Plan.

### **Background**

In November 2011 the City of Seattle was notified by U.S. Housing and Urban Development that its funding under the Emergency Solutions Grant Program will receive a "part 2" or "second" allocation of \$297,592. In January of 2012, a notice of funding requirements was published in the Federal Register containing requirements that must be met by fund recipients prior to their actual receipt of the second allocation. This Section responds to those requirements, describing our consultation process with the local continuum of care for the allocation of the second allocation, our match contributions, funding priorities, and program standards.

### **Planned Use of Second Allocation & Funding Priorities**

The City of Seattle proposes to use the second allocation of 2011 funds, totaling \$297,592, to fund homeless prevention services through two community-based non-profit providers in 2012. The two programs are:

- Solid Ground, Housing Stability Case Management Program, \$160,000
- Neighborhood House, Homeless Prevention Program, \$137,592

These programs were selected to receive funding to indirectly offset reductions in the City's Community Development Block Grant funding for 2012. Using the money in this manner prevents the loss of services stemming from the reduced CDBG. These ESG funds will be in addition to other City General Fund support for these programs. In considering how to implement the goal of offsetting CDBG reductions, the City considered existing contracts which involved agencies:

- Experienced in accounting for the expenditure of federal funds
- Would not incur substantial burdens receiving these federal funds (e.g. A-133 audit requirements)
- Clearly documenting client income (and other) eligibility
- Having substantial-enough contracts through which the ESG funds could flow.
- Providing ESG-eligible services.



Funding will be provided in the form of a contract between the recipient agency and the Seattle Human Services Department. This contract contains specific terms and conditions of funding, reporting and invoicing requirements, performance expectations and service delivery levels, record-keeping responsibilities, and consent to on-site monitoring as requested by the City.

### **Consultation and Citizen Participation**

The Seattle / King County Continuum of Care includes King County plus the cities of Seattle, Auburn, Bellevue, Federal Way, Kent, Renton, and Shoreline. The lead agency for the Continuum is the Committee to End Homelessness, a broad coalition of government, faith communities, nonprofits, the business community and homeless and formerly homeless people working together to implement the Ten-Year Plan to End Homelessness in King County. The City's proposed use of the second allocation was presented in a letter to the Continuum of Care via Mr. Bill Block, Program Director of the Committee to End Homelessness King County. A presentation was also made on April 2 to the Interagency Council of the County's Continuum of Care.

The planned use of the second allocation was also published community-wide in the City's newspaper of record, the Daily Journal of Commerce. More targeted announcements were made via the City's Human Services Department's public website and in a monthly electronic newsletter from the Human Services Department to a broad spectrum of social service providers and other interested parties.

### **Match Contribution**

The City of Seattle will match the expenditures proposed for the second allocation of ESG funds by providing just under \$1 million in City General Fund dollars to homelessness prevention and case management contracts in 2012. For program year 2012 the City's General Fund will support four separate contracts for supportive housing programs. Other City funding, including federal McKinney – Vento funding, supports additional supportive housing contracts.

### **Program Standards**

In accordance with the Notice, a set of written program standards was developed for contracts funded by the Homelessness Prevention and Rapid Re-Housing Program which will be carried forward to the "second allocation" ESG contracts. As planning resources permit, these standards will be refined and expanded. Current standards, which apply to both 2011 second round and subsequent ESG funds, include the following.

Agencies will operate their programs as components of a City-wide approach to homelessness prevention, which includes participation in:

Access – Contracted agencies will take referrals from pre-screened callers from King County Community Information Line’s 2-1-1 program and also receive walk-ins and referrals from partner agencies. Programs that provide services to families with children will participate in coordinated entry and assessment process when that system has been developed.

Housing Stability Case Management – Each household will be assessed by contracted agencies and will develop an individualized written action plan for each with goals to ensure that housing stability is achieved and maintained. Comprehensive assessments, housing plans, and program referrals will address strengths, needs, and plans.

Financial Assistance – Financial assistance, including rental assistance, is limited to the activities and costs as described in individual contracts. Any individual or family provided with financial assistance must have at least an initial assessment with a case manager who can determine the appropriate amount, type and duration of assistance to meet the household’s needs or to make referrals to appropriate resources or services.

One Stop Access to Mainstream Benefits - HSD’s access to benefits program, PeoplePoint, and the Washington Connection benefits portal will be utilized by contracted agencies to connect households to services and benefits that increase overall household income. Agencies will register with the Washington State Department of Social and Health Services (DSHS) to assist their Program clients to apply for City and State benefits seamlessly through the Washington Connection electronic benefits portal.

Legal Services – Legal services may be provided by the agencies themselves utilizing staff qualified to render legal services in the state of Washington, or may make these services available by entering a partnership with local legal aid programs for such services. Legal services must be provided by an attorney, or other person(s) under the direct supervision of an attorney, primarily services directly related to rendering legal advice and providing representation in administrative or court procedures related to tenant/ landlord matters or housing issues.

Financial Empowerment – Contracted agencies will work with the Seattle-King County Asset Building Collaborative (SKCABC) and the Seattle-King County Financial Education Providers Network to incorporate financial empowerment into housing stabilization services offered to participants. Financial empowerment includes improving access to financial services, advancing financial education/counseling/coaching, encouraging asset building and protection, and promoting the uptake of public benefits and free tax preparation and tax credits such as the Earned Income Tax Credit.

Current and Accurate Program Information – Contracted agencies are required to enter Program data as described in their contracts directly into the Safe Harbors Homelessness Management Information System (HMIS), and, submit other reporting relating to the milestones and performance commitment established by their contracts.



Participation in the King County Ending Family Homelessness Initiative – When serving households with dependent children, agencies must participate in this initiative, where applicable. This initiative provides an opportunity to realign the family homeless assistance network and funding opportunities with promising practices in ways designed to serve families experiencing housing instability which may result in homelessness.

Additional program standards affect the operations of the program and the delivery of services. These standards are also set forth in the individual service contracts between the City and provider agencies. These standards include the following.

Income Eligibility - Agencies will serve only households and individuals residing in the city of Seattle and whose incomes do not exceed 50% of the applicable HUD PMSA. Agencies will document and verify the income eligibility of each person and household enrolled for program services. Documentation must be from each client's specific income sources, or be verified in writing by a third party Federal or State agency currently serving the client, and whose services require proof of income.

Client and Employee Grievances – Agencies will maintain both client and employee grievance procedures, which include how individuals are informed of their rights to resolve grievances. The Agency shall maintain documentation of all grievances filed against the program including, but not limited to, name of the person filing the grievance, date the grievance is filed, nature of the grievance, outcome of the grievance resolution, and the date of resolution. Agency grievance procedures must be prominently posted in public and employee areas.

Right to Service - Agencies shall not require households or individuals who are eligible for services under the terms of their service contracts with the City to participate in other Agency services or programs as a prerequisite or requirement to receive services provided through this Agreement.

Maintenance of Records – Agencies shall maintain timely and accurate records which reflect service levels, participant characteristics, specific actions taken to assist participants, and service outcomes and expenditures under the terms of their contracts. Agencies shall maintain client demographic data and complete the required City's client reports.



**FISCAL NOTE FOR NON-CAPITAL PROJECTS**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>CBO Analyst/Phone:</b>
Human Services Department	Michael Look / 615-1717	Amanda Allen / 684-8894

**Legislation Title:**

AN ORDINANCE relating to funding for housing and community development programs; authorizing acceptance of grant funds from the United States Department of Housing and Urban Development for programs included in the City's Consolidated Plan for Housing and Community Development; decreasing appropriations in the 2012 Adopted Budget of funds available for activities under the Community Development Block Grant (CDBG) Program and the HOME program; increasing the appropriation for the Housing Opportunities for Persons with AIDS program and the Emergency Solutions Grant program; increasing appropriations for certain activities of the Office Housing and Office of Economic Development; amending the 2012 Annual Allocation Plan component of the 2012 Update to the Consolidated Plan; amending the 2011 Annual Allocation Plan component of the 2011 Update to the Consolidated Plan; reallocating unexpended funds from prior years; amending the housing policies section and recognizing the Section 108 program income within the Consolidated Plan; and ratifying and confirming prior acts.

**Summary of the Legislation:**

This ordinance amends the 2011 and 2012 Annual Allocation Plan components of the Consolidated Plan for Housing and Community Development ("2011 Plan" and "2012 Plan," respectively) to 1) adjust estimated funding amounts in the 2012 Plan to match the actual amounts to be received from the United States Department of Housing and Urban Development (HUD); 2) adjust the 2011 spending plan for the Emergency Solutions Grant Program to reflect an increase in the allocation for that program from HUD that occurred late in 2011; 3) reflect 2012 allocation changes negotiated with service providers; and 4) amend certain policy language regarding the Section 108 loan program, changing the use of Section 108-generated program income.. In addition, the bill provides General Subfund backfill to the Office of Economic Development to address reductions in Community Development Block Grant funding.

This ordinance authorizes the receipt of over \$17 million in federal funds for services to low- and moderate-income residents of Seattle. It also establishes a spending plan that includes over \$2 million in related program income and recaptured funds. The 2012 Plan, as amended by this legislation, allocates these funds to support projects and services primarily benefitting low- and moderate-income residents of Seattle.

**Background:**

Each year the City submits to HUD a plan for the use of funds from four federal programs: 1) Community Development Block Grant (CDBG); 2) HOME Investment Partnership (HOME); 3) Emergency Solutions Grant Program (ESG) (formerly Emergency Shelter Grant Program); and 4) Housing Opportunities for Persons with AIDS (HOPWA). This plan is submitted in November for expenditure commitments starting in January of the following year and is based on



estimates of revenues to be received. HUD announced their actual allocations for each city for 2012 in January. Seattle's 2012 award allocations in CDBG are lower than the estimates provided in the 2012 Adopted Budget, however program income is increased, offsetting the need for reductions and adding to CDBG programs by approximately \$129,000.. The HOME award allocation in 2012 is lower than estimated in the 2012 Adopted Budget, resulting in a shortfall of almost \$1.5 million. The combined ESG and HOPWA actual amounts are approximately \$458,000 higher than the 2012 Adopted Budget revenue estimates. An amendment to the 2012 Plan is now necessary in order to align planned expenditures to actual revenues.

This amendment to the 2012 Plan also brings forward unanticipated balances from prior years that are now available for reprogramming and reflects an increase in anticipated program income for 2012. Expenditure proposals are made for these funds as well. It also amends the Adopted 2012 City Budget to offset CDBG reductions in the Office of Economic Development with General Fund resources.

Late in calendar year 2011, HUD notified the City that our allocation in the ESG program would increase by \$297,592. In order to receive these funds, HUD is requiring recipient jurisdictions to amend their 2011 Allocation Plans. The attached legislation increases the 2012 Adopted Budget to authorize the City to expend these funds.

Attachment 1 to the proposed legislation is the revised 2012 Annual Allocation Plan, which is the vehicle the City uses to inform HUD and the public about the specific uses of the Consolidated Plan funds. Attachment 2 to the proposed legislation contains the updated 2011 Allocation Plan, reflecting the increase in the 2011 ESG.

The bill also changes the policy regarding use of Section 108 program income. The accumulated income from loan fees will now be allowed to be used for general CDBG program expenditures rather than being restricted to Section 108 program activities.

Please check one of the following:

**This legislation does not have any financial implications.**  
(Stop here and delete the remainder of this document prior to saving and printing.)

**This legislation has financial implications**

**Appropriations:**

Fund Name and Number	Department	Budget Control Level*	2012 Appropriation	2013 Anticipated Appropriation
CDBG Main Fund (17810)	Human Services Department	CDBG - Human Services (6HSD10)	(\$330,345)	
CDBG Main Fund (17810)	Executive	CDBG - Office of Economic Development (6XD10)	(\$74,929)	



CDBG Main Fund (17810)	Executive	CDBG – Office of Housing (6XZ10)	\$100,000	
Low Income Housing Fund (16400)	Executive	Low-Income Housing Fund 16400 (XZ-R1)	(\$1,310,054)	
Human Services Operating Fund (16200)	Human Services Department	Transitional Living and Support (H30ET)	\$755,797	
General Subfund (001000)	Office of Economic Development	Office of Economic Development (X1D00)	\$108,190	
<b>TOTAL</b>			<b>(\$751,341)</b>	

*\*See budget book to obtain the appropriate Budget Control Level for your department.*

Appropriations Notes:

The decrease in appropriations in the CDBG Main Fund is a combination of a decreased 2012 entitlement award from HUD and the authority to spend unanticipated increased 2012 program income and recaptured funds from prior program years. The increase in the Human Services Operating Fund (16200) is the result of increases in the 2012 HOPWA and ESG allocations and the increase in the 2011 ESG allocation.

**Anticipated Revenue/Reimbursement: Resulting from this Legislation:**

Fund Name and Number	Department	Revenue Source	2012 Revenue	2013 Revenue
CDBG Main Fund (17810)	Community Development Block Grant	U.S. HUD / CDBG Program	(\$932,485)	
CDBG Main Fund (17810)	Community Development Block Grant	Program Income (including S108) and recapture exceeded estimates	\$1,061,835	
CDBG Main Fund (17810)	Executive	Program income from Office of Housing Multifamily Lending Program	\$100,000	



Low Income Housing Fund (16400)	Executive	U.S. HUD / HOME	(\$1,310,054)	
Human Services Operating Fund (16200)	Human Services	U.S. HUD / 2012 ESG	\$349,437	
Human Services Operating Fund (16200)	Human Services	U.S. HUD / 2011 ESG	\$297,592	
Human Services Operating Fund (16200)	Human Services	U.S. HUD / HOPWA	\$108,768	
<b>TOTAL</b>			<b>(\$324,907)</b>	

Revenue/Reimbursement Notes:

**Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact: N/A**

**Do positions sunset in the future? N/A**

**Spending/Cash Flow: N/A**

**What is the financial cost of not implementing the legislation?**

This ordinance authorizes the receipt of over \$17 million in federal funds for services to low- and moderate-income residents of Seattle. Failure to implement this legislation will result in the loss of numerous programs assisting Seattle residents.

**Does this legislation affect any departments besides the originating department?**

Yes, this legislation affects the Office of Housing (OH) and the Office of Economic Development (OED). Both of these departments are recipients of CDBG funds and OH is the recipient of HOME funds. OH and OED oversee programs that are funded by the resources they receive from HUD and both departments participated in the development of this legislation.

**What are the possible alternatives to the legislation that could achieve the same or similar objectives?**

There is no other alternative for the City to undertake in order to access these funds. The substantial amendment is a HUD requirement for these funds.

**Is the legislation subject to public hearing requirements?**

Yes, a public hearing must be held in conjunction with a 30-day public comment period. The comment period began approximately April 2 and will end approximately May 2, prior to action by the full Council.

**Other Issues: N/A**

**List attachments to the fiscal note below: N/A**





City of Seattle  
Office of the Mayor

April 10, 2012

Honorable Sally J. Clark  
President  
Seattle City Council  
City Hall, 2<sup>nd</sup> Floor

Dear Council President Clark:

I am pleased to transmit the attached proposed Council Bill authorizing the acceptance of \$14.9 million in funds from the U.S. Department of Housing and Urban Development (HUD) to fund vital programs and services for homeless and low- and moderate-income Seattle residents. These funds are:

Community Development Block Grant (CDBG)	\$9,267,515
HOME Investment Partnership	\$2,610,286
Housing Opportunities for Persons with AIDS (HOPWA)	\$1,814,768
Emergency Solutions Grant Program (ESG) 2012	\$929,144
Emergency Solutions Grant Program 2011 – 2 <sup>nd</sup> allocation	\$297,592
<b>Total Funds</b>	<b>\$14,919,305</b>

These funds are governed by the 2011 and 2012 Updates to the 2009 – 2012 Consolidated Plan for Housing and Community Development, adopted by the Council in prior years. In 2012, this HUD funding is used to support homeless shelters and services, produce and preserve affordable housing, and provide for economic development in low- and moderate-income areas of the City. The original Updates were based on an estimate of revenues as well as projections of program income and underexpended funds from prior years.

The proposed Council Bill makes adjustments to match our 2012 expenditure plan to the actual amount of funds to be received from HUD. The adopted federal budget for 2012 reduces the City's CDBG allocation by \$932,000 from the 2012 Adopted Budget estimates and reduces the HOME allocation by \$1.46 million from what was assumed in the Adopted Budget. HOPWA has an increase of approximately \$109,000 while ESG received an increase of \$350,000 over what was budgeted for 2012.

Thank you for your consideration of this legislation. Should you have questions, please contact Michael Look, CDBG Administrator at (206) 615-1717.

Sincerely,

Michael McGinn  
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

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