



City of Seattle
Human Services Department

DATE: September 6, 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: 2014 – 2017 Consolidated Plan for Housing and Community Development

At your September 11th meeting, staff from the Community Development Block Grant Administration Unit of the Human Services Department will brief you on the proposed 2014 – 2017 Consolidated Plan for Housing and Community Development. This Plan provides the US Department of Housing and Urban Development (HUD) with an outline of the City's broad strategies for the use of four of their grant funds over this four-year period. Those funds are:

- 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. The Plan for 2014 – 2017 continues the strategies that have been presented under the prior plan (2009 – 2013). Fundamentally, the Consolidated Plan funds will be used to:

- Support the delivery of emergency shelter and related services for homeless persons and families
- Develop and preserve affordable rental and ownership housing
- Support low- and moderate-income neighborhoods, businesses and business districts with infrastructure and economic development assistance
- Support job training activities as part of an anti-poverty strategy.

These strategies are supported by analyses of various housing, community, and economic data derived from HUD and local sources, consideration of alternative funding sources for community needs, and an evaluation of past performance of Consolidated Plan-funded activities. A summary of the 2014 – 2017 Consolidated Plan is attached to this memorandum for your convenience. A full draft version of the Consolidated Plan is attached to the legislation formally

authorizing its submittal to HUD. The version is “draft” because we need to wait for public comment and respond accordingly in the body of the Plan prior to submission to HUD.

Incorporated into the Plan is the 2014 “Annual Action Plan” which outlines a proposed allocation of the funds we expect from HUD for 2014. We base our anticipated 2014 revenues on actual 2013 awards, with adjustments based on available information such as the President’s proposed 2014 budget and up to the minute Congressional action. For 2014 we anticipate receiving just under \$16 million in funds from HUD and related program income. The proposed 2014 Annual Action Plan embodies the City’s 2014 Endorsed Budget with a few changes necessitated by anticipated changes in revenues. Specifically focusing on the CDBG program (the program over which the City has the most discretion), deviations from the 2014 Endorsed Budget are seen in the following table.

Community Development Block Grant Funding

Department	2013 Final CDBG Allocation	2014 Endorsed Budget	2014 Proposed Allocation	Comment
Office of Housing	\$1,959,680	\$1,959,680	\$1,739,763	Decrease is interaction of net increase in the program income for the Home Repair Program and transfer of Senior Services contract to HSD
Human Services Department	4,804,140	\$5,291,089	\$5,553,438	Net increase caused by transfer of Senior Services contract from OH; and a decrease in CDBG funds for shelter due to lower revenue projection*
Office of Economic Development	\$2,983,675	\$1,208,675	\$1,528,675	Decrease reflective of Endorsed Budget’s end of CDBG support to Rainier Valley Community Development Fund; increase in neighborhood capital investments
Parks and Recreation	\$508,000	\$1,540,000	\$808,000	Decrease reflects need to adjust expenditures to anticipated (lower) revenues; foregone expenditures for Parks ADA improvements will be covered by other sources.
TOTALS	\$10,255,495	\$9,999,444	\$9,629,876	

* Other funds will be proposed in the Mayor’s Proposed Budget to cover these losses.

Other Consolidated Plan Funds

Fund	2014 Endorsed	2014 Proposed	Comment
HOME	\$2,610,286	\$2,502,176	This reduction was experienced in 2013, and the same adjustments will be made in 2014 activities
Emergency Solutions Grant Program	\$976,865	\$676,093	This reduction was experienced in 2013, and adjustments were made to carry current programs through 2014
HOPWA	\$1,814,768	\$1,706,482	This reduction will affect a competitive allocations process at a later date in 2014.

This legislation does not provide budget authority for the expenditure of these funds; that will be contained in the legislation for the Mayor's Proposed 2014 Budget. This legislation focuses on authorizing the submittal of this plan and proposed 2014 use of funds to HUD.

The 2014 – 2017 Consolidated Plan is formatted quite differently from prior plans. US HUD has developed an internet-based system for the submittal of Consolidated Plans and is requiring all recipient jurisdictions to use the system. The hardcopy of the Plan attached to the legislation is the downloaded version as produced by HUD's web-based system. It is, unfortunately, not as "readable" for the casual consumer as in the past when we developed our own formatting, structure and content.

In response to HUD's format changes, the Office of Housing is proposing to remove mention of local housing policies from the Consolidated Plan. These policies, not required by HUD, guide the City's use of both federal and non-federal funds for affordable housing. The removed policies are included in the legislation recently transmitted to Council adopting the Housing Levy Administrative and Financial Plan and Housing Funding Policies. HUD-mandated policies are retained in the Consolidated Plan and referenced in OH's new Housing Funding Policies.

This Plan does not propose any other changes in Human Services, Housing, or Economic Development policies for the City. Any changes to such policies will be reviewed as part of the Council's review of the Mayor's Proposed 2014 Budget. The Plan's fundamental message to HUD is that there continue to be need for homeless services, affordable housing, and economic and neighborhood development, and that we have determined that the Consolidated Plan funds are best used to meet these needs.