



**TO:** Elizabeth Pauli, Interim City Manager  
**FROM:** Ricardo Noguera, Director, Community and Economic Development Department  
**COPY:** City Council; City Clerk  
**SUBJECT:** Resolution authorizing submittal of the 2017-18 Annual Action Plan to the Department of Housing and Urban Development by the deadline of May 15, 2017.  
**DATE:** May 9, 2017

**SUMMARY:**

Authorizing the proper officers of the City of Tacoma to submit the 2017-18 Annual Action Plan for Housing and Community Development and Public Services to the U.S. Department of Housing and Urban Development (HUD) by the deadline of May 15, 2017; authorizing the execution of two agreements with the Tacoma Community Redevelopment Authority (TCRA) to fund housing development programs under the 1) Community Development Block Grant and 2) HOME Investment Partnership Act Grant as stated in the 2017-2018 Annual Action Plan; and two additional agreements 1) authorizing a Subrecipient Agreement under the HOME Program between the City of Tacoma, the City of Lakewood, and the TCRA to administer and carry-out the HOME Program; and 2) authorization an agreement with Rebuilding Together South Sound in the amount of approximately \$230,000 for the Tacoma Home Repair Program.

**STRATEGIC POLICY PRIORITY:**

- Strengthen and support a safe city with healthy residents.
- Ensure all Tacoma residents are valued and have access to resources to meet their needs.
- Foster a vibrant and diverse economy with good jobs for all Tacoma residents.
- Cultivate a vibrant cultural sector that fosters a creative, cohesive community.
- Assure outstanding stewardship of the natural and built environment.
- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

As a result of submitting its Annual Action Plan to HUD, the City will receive federal funds to manage its housing, community and economic development, neighborhood improvement, homeless assistance and social service programs.

**BACKGROUND:**

The Department of Housing and Urban Development (HUD) has not yet notified staff of Tacoma's PY2017-18 funding award so staff's recommendations to the Council are based on last year's funding amounts. Therefore, the expectations of a PY2017-18 new grant award includes a Community Development Block Grant (CDBG) entitlement of \$2,250,000; the Emergency Solutions Grant (ESG) grant of \$201,000; and a HOME Investment Partnership (HOME) grant of \$998,000 in HOME Funds. \$755,486 allocated to the City of Tacoma and \$242,514 allocated to the City of Lakewood under the Tacoma-Lakewood HOME Consortium Agreement. The assigned Consortium amounts reflect an agreed upon 73% / 27% split of the funds, respectively. These recommended funding amounts and percentages are subject to change and will depend on HUD's pending announcement to staff of the final Federal



award amount and Consortium percentages. Generally, HUD provides the final grant award amounts to recipients before the May 15<sup>th</sup> submission deadline, but with the uncertainty with the federal budget, City staff is unclear about when it will learn the final amounts.

During January and February 2017, the TCRA and the Human Services Commission (HSC) reviewed applications for funding, heard presentations by agencies applying for funding and considered the historic performance of those agencies and the needs of the community. From this, they prepared funding recommendations and presented them at Community Vitality and Safety Committee (Committee) special meeting held on March 09, 2017. This was followed by a public hearing and Council presentation on April 18, 2017.

Council is requested to make their funding decisions for submittal to HUD, including authorizing the allocation of HOME grant funds to the TCRA on behalf of the City of Lakewood housing programs in the amount of \$242,514 and the allocation of CDBG funds in the amount of \$439,936 and HOME funds in the amount of \$558,986 to the TCRA Affordable Housing Fund (AHF), to include \$505,986 in new grant funds and \$53,000 in PY2016-17 program income. Council is also requested to authorize staff to increase or decrease the final funding amounts and related agreements as necessary upon receiving final PY2017-18 funding award amounts and participating members percentages from HUD.

In addition to new monies being received from HUD, staff recommends reprogramming existing CDBG funds from prior year's activities that total \$209,666. These funds include \$88,228 in pre-2015 program year LID Program funds, \$21,438 in pre-2015 program year Washington Community Development Loan Funds and \$100,000 in PY2016-17 Workforce Development Program funds. Staff recommends allocating \$120,000 of these funds to the TCRA to fund the City of Tacoma Single Family Homeowner Occupied Rehabilitation Loan Program and the remaining balance of \$89,666 to economic development activities. Also, staff recommends allocating \$53,000 in HOME program income to the City of Tacoma to fund housing activities.

Before submission of the PY 2017-18 Annual Action Plan to HUD, the City must fulfill certain citizen participation requirements including holding a public hearing on the proposed plan. A draft of the Annual Action Plan was made available for a period of 30 days beginning on April 1, 2017 and ending April 30, 2017.

**ISSUE:**

At issue is Council's authorization of the proper officers of the City of Tacoma to submit the PY2017-18 Annual Action Plan for Housing and Community Development and Public Services to the U.S. Department of Housing and Urban Development (HUD) by the deadline of May 15, 2017; and authorization of the execution of three (3) agreements with the Tacoma Community Redevelopment Authority and one (1) agreement with Rebuilding Together South Sound.

**ALTERNATIVES:**

The alternatives presented in this report constitute one course of action. It is based on a review and analysis of each application for funding and staff's best judgment of program activities that will lead to the preferred outcome as established in the PY17-18 Annual Action Plan to be submitted to HUD for review and approval on or before May 15, 2017. However other options do exist. This would include,



but is not limited to, changing the funding mix between activities or even between individual service providers. Further alternatives might include revamping the way these services are procured and the types of activities the City wishes to pursue. Note, changes of this nature would require a more intensive staff review of possible alternatives which would likely jeopardize the HUD imposed May 15, 2017 AAP and Consolidated Plan deadline submittals. It is therefore suggested that any alternatives such as these should be pursued after the May 15th date and rolled into a current year plan amendment or should be addressed in future years' program activities.

**RECOMMENDATION:**

Implementing the recommendations identified in this report will allow staff to complete the Annual Action Plan process with HUD, which will allow the City to draw down funds to be used to address its housing, community and economic development, homeless assistance and social service programs. This constitutes a total estimated amount of \$3,449,000 made available to the City as a result of these actions.

**FISCAL IMPACT:**

The City is the pass-through agency for the grant funds. Both revenue and expenditures are budgeted in the City grant funds for the 2017-18 biennium.



**EXPENDITURES:**

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
1195-FGRT, CED Spec Rev Fund	730100-730500	Various	\$2,250,000
1195-FGRT, CED Spec Rev Fund	730100	Various	\$998,000
1195-FGRT, CED Spec Rev Fund	730100	Various	\$201,000
<b>TOTAL</b>			<b>\$3,449,000</b>

**REVENUES- FUNDING SOURCES**

	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Community Development Block Grant	730100	4331281	\$2,250,000
HOME Grant	730100	4331280	\$998,000
Emergency Solutions Grant	730100	4331282	\$201,000
<b>TOTAL</b>			<b>\$3,449,000</b>

**POTENTIAL POSITION IMPACT:**

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
<b>TOTAL</b>			

*This section should only be completed if a subsequent request will be made to increase or decrease the current position count.*

**FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$3,449,000**

**ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? YES**