RESOLUTION NO. 38790

1   A RESOLUTION related to the Consolidated Plan for Housing and Community
2   Development; authorizing approval of the 2014-2015 Funding Priorities
    Statement for the Annual Action Plan of the City's Consolidated Plan for
3   Housing and Community Development.

4   WHEREAS the City Council biennially approves the Funding Priorities

5   Statement to provide direction to the Tacoma Community Redevelopment

6   Authority and Human Services Commission for recommending/awarding federal

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    funds prior to starting the application process for the Consolidated Plan Annual
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9   Action Plan, and

10   WHEREAS the purpose of establishing funding priorities is to provide

11 direction for the selection of housing and community development and economic

12 development projects and programs, and human services, and
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14   WHEREAS all programs and projects must be consistent with the

15 Community Development Block Grant ("CDBG"), HOME Investment Partnership

16 ("HOME"), or any other funding source regulations, as applicable, and

17   WHEREAS CDBG projects and programs must meet one of three major
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    criteria: (1) benefit low-income persons; (2) remove blight; or (3) meet an urgent
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20 need, and

21   WHEREAS HOME projects must provide housing or assist in housing for

22 low-income persons, and

23   WHEREAS this specific funding cycle comes during the final year of the
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    current Five-Year Consolidated Plan period, with preparation of the new Five-Year
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26 Consolidated Plan scheduled to begin in spring 2014, and

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WHEREAS, as the new Five-Year Consolidated Plan process commences, a detailed review and assessment of community needs will be undertaken and documented in the Five-Year Consolidated Plan, which will be presented to the City Council for consideration, and

WHEREAS it is the recommendation of staff that the current Funding Priorities, as approved by the City Council pursuant to Resolution No. 38370, adopted November 29, 2011, be continued over the next two years, incorporating Program Years 2013-2014 and 2015-2016, to allow adequate time for the identification of new priorities and objectives through the upcoming Consolidated Plan process and to provide existing service providers with adequate time to complete program activities and address current community needs, and

WHEREAS, on October 9, 2013, the Human Services Commission, after reviewing the Funding Priorities for human services and holding a public hearing to receive public comment thereon, recommended the Funding Priorities Statement to the City Council for the 2014-2015 Annual Action Plan, and

WHEREAS, on October 24, 2013, the Tacoma Community Redevelopment Authority, after reviewing the Funding Priorities for housing, community development, and economic development and holding a public hearing to receive public comment thereon, recommended the Funding Priorities Statement to the City Council for the 2014-2015 Annual Action Plan; Now, Therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

That the City Council does hereby approve the City's 2014-2015 Funding Priorities Statement for the Annual Action Plan of the City's Consolidated Plan for

Housing and Community Development, attached hereto as Exhibit "A," said

document to be substantially in the form of the proposed 2014-2015 Funding

Priorities Statement on file in the office of the City Clerk.

Adopted _____

_____
Mayor

Attest:

_____
City Clerk

Approved as to form:

_____
Deputy City Attorney

EXHIBIT "A"

City of Tacoma CDBG, HOME and ESG
Funding Priorities Statement (2014-2015)

All programs and projects must be consistent with Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME), and any other funding source regulations and requirements as applicable. CDBG projects must meet one of three major criteria: (1) benefitting lower-income persons, (2) removing blight, or (3) meeting an urgent need. HOME projects must provide housing or assist in housing for low-income persons.

The Funding Priorities are organized into six categories: (1) General; (2) Set-asides; (3) Housing; (4) Community Development; (5) Economic Development; and (6) Human Services. Each of the categories is briefly summarized as follows:

1. *General Priorities* (CDBG and HOME) – Funds will be used to support activities that: (a) are consistent with existing plans (e.g. Consolidated Plan, Comprehensive Plan, Human Services Strategic Plan); (b) leverage other funding resources when applicable; (c) the funds can be committed within 12 to 24 months; (d) the project is proposed by an organization with a proven capacity for project completion and good management; (e) shows reasonable cost effectiveness; and (f) there is no General Fund monies needed for project operation and maintenance.

2. *Set-Aside Priorities* – Set aside amounts from the annual CDBG grant: (a) 50% for housing development & rehabilitation; (b) 15% (HUD Maximum) to support human services; and (c) up to $100,000 for community development (neighborhood improvement projects such as LID assistance, sidewalk repair or replacement, and innovative grants). In past funding cycles the City had allocated up to $25,000 in contingency for unanticipated capital project costs. This has been a source of concern for HUD given their interpretation of the contingency is an unallocated balance. As a result the contingency line item is no longer allowed; this according to the HUD monitor of the Tacoma grant allocation.

3. *Housing Priorities* (CDBG and HOME) – The priorities for housing activities are: (a) homeownership programs that benefit low-income owners with repairs and rehabilitation; (b) programs that assist first-time homebuyers to purchase a home; (c) maintaining and expanding affordable rentals housing for families and the elderly; and (d) provide supportive housing for homeless and/or special needs individuals and families that may include emergency and transitional shelters, and special needs housing with support services. In furtherance of these efforts, maintain minimum funding levels for the City's low-income housing programs: home owner

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occupied Neighborhood Preservation Program which includes single family rehabilitation and energy improvements (CDBG $500,000) and Emergency Major Home Repair (CDBG $150,000); and Down Payment Assistance for first time home buyers (HOME $250,000);

4. *Community Development Priorities* (CDBG only) – The priorities for Community Development are activities that support neighborhood improvements for lower income residents such as; (a) payment of LID assessments for lower income homeowners; (b) street-related improvements such as sidewalk repair or replacement in lower income neighborhoods; (c) eligible neighborhood innovative grant projects; and (d) public facilities.

5. *Economic Development Priorities* (CDBG only) – The priorities for economic Development are activities that help increase jobs and business opportunities such as: (a) creation or retention of jobs for lower income persons; (b) business services that support lower income neighborhood and/or lower income groups; and (c) financial and technical assistance for disadvantaged persons who own or plan to start a business; (d) revitalization of blighted or lower income business districts through historic preservation, conservation actions and neighborhood economic development.

6. *Human Services Priorities* (CDBG and ESG) – In 2011, human services funding priorities were updated to align with federal HEARTH legislation and respond to changes in ESG regulations. CDBG funds remained targeted towards low and moderate income persons, with a new emphasis on stabilization services that would support individuals and families to move towards housing and economic stability. A category for youth stabilization services was added to reflect the local priority to provide services to unaccompanied youth who are at risk for or currently experiencing homelessness. ESG funds were re-focused on HUD's new categories of eligible activities, including rapid re-housing. The priorities for human services supported with CDBG and ESG funds are identified below.

CDBG

CDBG funds will only be used for programs which target lower income Tacoma residents, provide stabilization services, and address one of the Funding Priorities listed below. The three funding priorities are of equal importance.

- Housing Stabilization Services: Housing and homelessness prevention services for individuals and families at risk of or currently experiencing homelessness, including tailored services that will lead residents toward more stable housing.

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- **Economic Stabilization Services**: Services that have a direct connection to increasing the economic stability of lower income Tacoma residents, including increased economic opportunity (e.g. through pre-employment training or job placement).

- **Youth Emergency Stabilization Services**: Housing and intervention/prevention services for unaccompanied youth, up to (and including) age 24, who are at risk of or currently experiencing homelessness.

ESG

ESG funds will be used for programs which support individuals and families who are experiencing or at risk of experiencing homelessness, as defined by the Department of Housing and Urban Development. Ten percent of the grant will be reserved for expenses related to administration of the grant and reporting through the local Homelessness Management Information System (HMIS). The remainder of the funds will be used for the following components:

- **Street Outreach**: Services related to reaching out to unsheltered homeless individuals and families and connecting them with emergency shelter, housing, or critical services.

- **Emergency Shelter**: Operations and essential services associated with provision of emergency shelter to homeless individuals and families.

- **Rapid Re-housing**: Rental assistance and stabilization services to help individuals and families who are literally homeless into permanent housing and stability.

- **Homelessness Prevention**: Rental assistance and stabilization services to prevent individuals and families who are at risk of homelessness from losing their housing.

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