



TO: T.C. Broadnax, City Manager
FROM: Ricardo Noguera, Director, Community and Economic Development Department
COPY: City Council; City Clerk
SUBJECT: Resolution authorizing submittal of the 2015-2019 Consolidated Plan and 2015-2016 Annual Action Plan to Housing and Urban Development by the deadline of May 15, 2015.
DATE: May 5, 2015

SUMMARY:

Authorizing the proper officers of the City of Tacoma to submit the 2015-19 Consolidated Plan and 2015-16 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, 2015; authorizing the execution of two agreements with the Tacoma Community Redevelopment Authority to fund housing development programs under the 1) Community Development Block Grant and 2) HOME Investment Partnership Act Grant as stated in the 2015-16 Annual Action Plan; and authorizing a Subrecipient Agreement under the HOME Program between the City of Tacoma, the City of Lakewood, and the Tacoma Community Redevelopment Authority to administer and carry-out the HOME Program.

In addition, as part of the adoption of the Consolidated Plan, the City had to consider any revisions and readopt the Citizen Participation Plan. The only revision is the inclusion of the Economic Development Fund (EDF).

STRATEGIC POLICY PRIORITY:

- Foster neighborhood, community, and economic development vitality and sustainability.
- Plan for and improve public infrastructure that meets the transportation needs of all Tacoma residents and visitors.

As a result of submitting its Consolidated Plan and 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 City of Tacoma is in the process of updating the Consolidated Plan (“Plan”) for Housing and Community Development. This 5-year plan sets goals and action areas for expenditure of several federal grants and establishes a framework use of federal grants: CDBG (Community Development Block Grant), ESG (Emergency Solutions Grant), and HOME (HOME Investments Partnership Program). Funds are generally intended to benefit lower-income persons and neighborhoods, but can be used for housing, services, neighborhood improvements, job development – a broad range of activities and projects qualify.

The Consolidated Plan is a five year Housing and Community Development Strategic Plan. A component of this is the Annual Action Plan, which combines the submission of applications for Community Development Block Grant (CDBG), HOME Investment Partnership (HOME) and Emergency Solutions Grant (ESG) funding for the upcoming program year.



The 2015-16 Annual Action Plan combines the submission of applications for a Community Development Block Grant (CDBG) entitlement of \$2,234,649; a HOME Investment Partnership (HOME) grant of \$943,877 and The Emergency Solutions Grant (ESG) grant of \$199,158. The City of Tacoma and the City of Lakewood formed a consortium partnership for the HOME Program so Tacoma's share of HOME funding is expected to be \$765,484 while Lakewood's share is \$178,393. During January and February 2015, the Tacoma Community Redevelopment Authority (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. The TCRA and the HSC presented their recommendations for funding at the City Council Study Session held on March 31, 2015. This was followed by a public hearing and Council presentation on April 14, 2015.

Council is requested to make their final 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 \$178,393, and the allocation of CDBG funds in the amount of \$674,090 and HOME funds in the amount of \$671,097 to the Tacoma Community Redevelopment Authority Affordable Housing Trust Fund (AHF). In addition, \$63,235 in 2015-16 CDBG funds will be allocated to the Valhalla Hall Adaptive Reuse Project as a new line item.

In addition, \$862,095 is being reprogrammed from prior year's allocations of Local Improvement District (LID) set asides, CDBG Business Revolving Loan Fund, the Single Family Residential Blight Abatement Program and the Habitat for Humanity Trafton Project, which was not completed. These funds will be distributed and will be reprogrammed to the Economic Development Fund in the amount of \$525,000, the Valhalla Hall Adaptive Reuse Project in the amount of \$312,095 and the William Factory Small Business Incubator Microenterprise Assistance Program (WFSBI) in the amount of \$25,000. Please note the WFSBI contract will be considered as a separate agreement entered into between the City and WFSBI.

ISSUE:

Before submission of the PY 2015-16 Annual Action Plan to HUD, the City must fulfill certain citizen participation requirements including holding a public hearing on the proposed plan. The Drafts of the Consolidated Plan and Annual Action Plan were made available for a period of 30 days beginning on April 1, 2015 and ending April 30, 2015.

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 HUD approved 2010-15 Consolidated Plan. 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 fund. Note, changes of this nature would require a more intensive staff review of possible alternatives which would likely jeopardize the HUD imposed May 15, 2015 AAP deadline submittal. Other alternatives of this magnitude might also conflict with the Consolidated Plan and would have to be approved by HUD. 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 Consolidated Plan and 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 of \$3,377,684 in new monies made available to the City as a result of these actions (CDBG \$2,234,649, HOME \$943,877 and ESG \$199,158). Reprogrammed amounts of CDBG funds to be used in 2015-16 will be \$862,095.

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 2015-16 biennial.

EXPENDITURES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
1195-FGRT, CED Spec Rev Fund	730100-730500	Various	\$2,234,649
1195-FGRT, CED Spec Rev Fund	730100	Various	\$943,877
1195-FGRT, CED Spec Rev Fund	730100	Various	\$199,158
TOTAL			\$3,377,684

* General Fund: Include Department

REVENUES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
1195-FGRT, CED Spec Rev Fund	730100	4331281	\$2,234,649
1195-FGRT, CED Spec Rev Fund	730100	4331280	\$943,877
1195-FGRT, CED Spec Rev Fund	730100	4331282	\$199,158
TOTAL			\$3,377,684