



TO: Elizabeth Pauli, City Manager
FROM: Felicia Medlen, Housing Division Manager, Community and Economic Development
 Jeff Robinson, Director, Community and Economic Development
COPY: City Council and City Clerk
SUBJECT: Resolution Authorizing Submittal of the Tacoma-Lakewood HOME Consortium HOME ARP Allocation Plan
DATE: July 26, 2022

SUMMARY AND PURPOSE:

The Community and Economic Development Department (CED) requests a resolution by the Tacoma City Council to approve an amendment to the Tacoma-Lakewood HOME Consortium’s 2021-2022 Annual Action Plan (AAP). The amendment will incorporate \$5,110,825.00 in America Rescue Plan Act funds allocated through the HOME Investment Partnership program, or HOME ARP, to increase housing opportunities and provide services for people experiencing homelessness or who are at risk of homelessness. This resolution will also authorize staff to execute two subrecipient agreements: 1) between the City of Tacoma and the Tacoma Community Redevelopment Authority (TCRA); and 2) between the City of Tacoma, the TCRA, and the City of Lakewood.

BACKGROUND:

This Department’s Recommendation is Based On:

In September 2021, the Department of Housing and Urban Development (HUD) issued a final notice establishing the requirements for the HOME ARP program. The supplemental funding is to be allocated as a substantial amendment to the 2021-22 AAP.

The Cities of Lakewood and Tacoma participate in the HOME program as a Consortium, which allows contiguous local governments to take a regional approach to meeting affordable housing needs when individual formula allocations do not meet HUD’s minimum threshold for funding.

As the lead jurisdiction for the Tacoma-Lakewood HOME Consortium (the Consortium), the City of Tacoma convenes planning and reporting for the cities’ HOME-funded activities and assumes overall responsibility for compliance with the requirements of the program for both cities. Of the total \$5,110,825.00 assigned to the Consortium, the City of Lakewood will receive the HUD-recommended amount of 23%.

Tacoma - Lakewood’s HOME-ARP Allocation	\$5,110,825
Tacoma	\$3,935,336
Lakewood	\$1,175,489
Total	\$5,110,825



There are four, eligible activities eligible for the use of HOME ARP funds:

1. Production or Preservation of Affordable Rental Housing
2. Tenant-Based Rental Assistance
3. Supportive Services, Homeless Prevention Services, and Housing Counseling
4. Purchase and Development of Non-Congregate Shelter

Activities funded by the HOME ARP program are required to serve the following, qualifying populations:

- **Those currently Homeless**, as defined in 24 CFR 91.5 Homeless (1), (2), or (3) at risk of homelessness
- **Those at risk of Homelessness**, as defined in 24 CFR 91.5 At risk of homelessness
- Those **fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, or human trafficking, as defined by HUD**
- **Those in other populations where providing services would prevent the family’s homelessness or serve those with the greatest housing instability**
- Veterans and families of veterans that meet any of the above criteria

To access the HOME ARP grant, the Consortium is required to submit an allocation plan to HUD as an amendment to the 2021-22 AAP. Based on an analysis of current resources available and unmet needs of qualified populations, the Consortium determined the funds would be allocated in the following amounts:

Tacoma - Lakewood’s HOME-ARP Allocation	\$5,110,825.00
Uses	
Administration	\$500,000
Tacoma	
Production of Affordable Rental Housing	\$2,880,336
Supportive Services	\$555,000
Lakewood	
Production of Affordable Rental Housing	\$587,745
Tenant Based Rental Assistance	\$587,744
Total Uses	\$5,110,825.00

Through the City of Tacoma’s Participation Plan and Annual Action Plan process, the Consortium’s HOME funds are assigned to the Tacoma Community Redevelopment Authority (TCRA) for administration. The TCRA will have final approval authority over projects and programs funded by the HOME ARP program.

On July 26, 2022, Tacoma City Council will receive a request to authorize submission of the plan to HUD and to execute two subrecipient agreements: 1) Between the City of Tacoma and the TCRA to support the Production of Affordable Rental Housing and Supportive Services; and 2) Between the City of Tacoma, the TCRA, and the City of Lakewood to support the Production of Affordable Rental Housing and Tenant Based Rental Assistance.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

The City of Tacoma began its analysis of needs with an inventory of related planning processes and existing data, including:



- Pierce County Comprehensive Plan to End Homelessness
- Pierce County Five-Year Plan to Address Homelessness
- Tacoma Lakewood HOME Consortium 2020-2024 Consolidated Plan
- Tacoma Lakewood HOME Consortium Analysis of Impediments to Fair Housing Choice
- City of Tacoma Housing Action Plan
- City of Tacoma Affordable Housing Action Strategy
- City of Lakewood's Annual Housing Report

To gather qualitative data, the City of Tacoma and Pierce County staff coordinated a joint consultation process. The consultation process was initiated with a presentation to The Road Home Tacoma Pierce County Continuum of Care. Members of The Road Home were also provided with a memo outlining details on the HOME ARP program and a survey.

Organizations serving qualified populations were sent a memo outlining details on the HOME ARP program with a survey link. Staff also carried out several interviews to collect data on tenant based rental assistance, coordinated entry, and service delivery.

Beginning on July 8th and ending on July 25th, the public was invited to submit comments in writing or in person at a public hearing before the City Council. To notify the public of this comment opportunity, the City published an ad in The News Tribune and in the Tacoma Daily Index summarizing the contents of the draft allocation plan and outlining instructions for submitting written or verbal comment. The draft plan is published for review at cityoftacoma.org/conplan.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility: (*Mandatory*) Activities funded through the HOME ARP program provide housing, shelter, and services to populations experiencing homelessness and those with the greatest housing instability.

Economy/Workforce: *Equity Index Score:* Moderate Opportunity

Increase positive public perception related to the Tacoma economy.

Increase the number of Tacoma households that have livable wage jobs within proximity to the city.

Civic Engagement: *Equity Index Score:* Moderate Opportunity

Increase the percentage of residents who believe they are able to have a positive impact on the community and express trust in the public institutions in Tacoma.

Livability: *Equity Index Score:* Moderate Opportunity

Decrease the percentage of individuals who are spending more than 45% of income on housing and transportation costs.

Increase positive public perception of safety and overall quality of life.

Explain how your legislation will affect the selected indicator(s).

The intention of these funds is to deliver affordable rental housing, shelter, rental assistance, and/or services to individuals and households who are experiencing homelessness or who are at risk of homelessness. Activities funded by HOME ARP will serve residents citywide.



ALTERNATIVES:

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. Not approve the plan as presented and change funding mix between activities or between individual service providers	Further customize federal program funding to meet local needs	Delay the delivery of housing production and services to the Consortium.
2. Not approve the plan as presented and revamp the way services are procured and the types of activities the City wishes to pursue	Further customize federal program funding to meet local needs	Delay the delivery of housing production and services to the Consortium.
3. Address the above alternatives in future years' program activities	Further customize federal program funding to meet local needs	No negative impacts are anticipated from this alternative

EVALUATION AND FOLLOW UP:

Each program funded by the HOME ARP program will track the demographic information of persons and households served. Program outcomes and expenditures are reported in the Consortium's Consolidated Annual Performance and Evaluation Report.

STAFF/SPONSOR RECOMMENDATION:

Staff recommends approving the plan as presented and authorizing staff to finalize and execute the aforementioned subrecipient agreements.

FISCAL IMPACT:

Please provide a short summary of the fiscal impacts associated with the grant, agreement, policy action, or other action.

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
1195 CED Federal Grants	730100 - CED Economic Grants	4331280 - Dir Fed HUD Home	\$5,110,825.00
TOTAL			



City of Tacoma

City Council Action Memorandum

Are the expenditures and revenues planned and budgeted in this biennium's current budget?

YES

While these grant funds are budgeted in the 2021-2022 biennium, the expenditures are likely to be made in subsequent biennia and will need to be carried forward.

Are there financial costs or other impacts of not implementing the legislation?

YES

Will the legislation have an ongoing/recurring fiscal impact?

No

Will the legislation change the City's FTE/personnel counts?

No

ATTACHMENTS:

Executive Summary - Tacoma-Lakewood HOME Consortium HOME ARP Allocation Plan

Draft HOME ARP Subrecipient Agreement - City of Tacoma and TCRA

Draft HOME ARP Subrecipient Agreement – City of Tacoma, TCRA, and City of Lakewood