



TO: Elizabeth Pauli, City Manager
FROM: Daniel Murillo, Community & Economic Development Department Housing Division Manager
Pam Duncan, Neighborhood & Community Services Division Manager
Kim Bedier, Acting Director, Community & Economic Development Department
Linda Stewart, Director, Neighborhood and Community Services Department
COPY: City Council and City Clerk
SUBJECT: Resolution authorizing submittal of the 2018-19 Annual Action Plan to the Department of Housing and Urban Development by the deadline of May 15, 2018
DATE: May 1, 2018

SUMMARY:

Authorize the proper officers of the City of Tacoma to submit the 2018-2019 Annual Action Plan (AAP) to the U.S. Department of Housing and Urban Development (HUD) by the deadline of May 15, 2018; authorize 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 AAP; 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 of an agreement with Rebuilding Together South Sound in the amount of approximately \$248,000 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 AAP 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 the City of Tacoma’s PY 2018-2019 Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME) and Emergency Solutions Grant (ESG) funding awards. As such, the funding recommendations set forth in the AAP are based on last year’s funding amounts. Therefore, the estimated funding amounts in PY 2018-2019 are:

1. CDBG: \$2,242,344;
2. ESG: \$202,381; and,
3. HOME: \$964,831. \$751,603 allocated to the City of Tacoma and \$213,228 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 of the final Federal award amount and Consortium percentages. Generally, HUD provides the final grant award amounts to recipients before the May 15th submission deadline, however with the delayed passage of the Fiscal Year 2018 federal budget, the announcement date of award amounts is currently unknown.

During February and March of 2018, 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 were scheduled to present them to the Community, Vitality and Safety Committee (Committee) on March 22. Due to time constraints the item was removed from the agenda and a recommendation for staff to present their recommendations during regular study session was made by the Committee.

On April 10, 2018 CED and NCS staff presented these funding recommendations to City Council during a regular study session. This will be followed by a public hearing on April 17, 2018.

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 \$234,454 and the allocation of CDBG funds in the amount of \$432,822 and HOME funds in the amount of \$531,718 to the TCRA Affordable Housing Fund (AHF). Council is also requested to authorize staff to increase or decrease the final funding amounts and related agreements as necessary upon receiving final PY 2018-2019 funding award amounts and participating members percentages from HUD.

Before submission of the PY 2018-2019 AAP to HUD, the City must fulfill certain citizen participation requirements including holding a public hearing on the proposed plan. A draft of the AAP was made available for a period of 30 days beginning on April 1, 2018 and ended on April 30, 2018.

ISSUE:

At issue is Council's authorization of the proper officers of the City of Tacoma to submit the PY 2018-2019 Annual Action Plan to the U.S. Department of Housing and Urban Development (HUD) by the deadline of May 15, 2018; 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 PY 2018-2019 Annual Action Plan to be submitted to HUD for review and approval on or before May 15, 2018. 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, 2018 AAP deadline. 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 AAP process with HUD, which will allow the City to draw down funds for use in addressing its housing, community



and economic development, homeless assistance and social service programs. This constitutes a total estimated amount of \$3,409,556 made available to the City as a result of these actions.

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
1195-FGRT, CED Spec Rev Fund	730100-730500 in 2018; 730600, 730800-731600 in 2019	Various	2,242,344
1195-FGRT, CED Spec Rev Fund	730100 in 2018; 730700, 731200, 731700- 731800 in 2019	Various	964,831
1195-FGRT, CED Spec Rev Fund	730100 in 2018; 731000 in 2019	Various	202,381
TOTAL			3,409,556

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
1195-FGRT, Community Development Block Grant	730100 in 2018; 730600 in 2019	4331281	2,242,344
1195-FGRT, HOME Grant	730100 in 2018; 730700 in 2019	4331280	964,831
1195-FGRT, Emergency Solutions Grant	730100 in 2018; 731000 in 2019	4331282	202,381
TOTAL			3,409,556

NEW COST CENTERS WERE DEVELOPED AS PART OF PROGRAM BASED BUDGETING AND WILL BE IMPLEMENTED BEGINNING IN 2019.

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$3,409,556

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.