



TO: Elizabeth Pauli, City Manager
FROM: Jeff Robinson, Director, Community & Economic Development Department
Daniel Murillo, Community & Economic Development Department, Housing Division Manager
COPY: City Council and City Clerk
SUBJECT: Approval of Amendments to the 2019-2020 Annual Action Plan – December 10, 2019
DATE: November 21, 2019

SUMMARY:

Approve amendments to City of Tacoma's Program Year 2019-2020 (July 1, 2019 – June 30, 2020) Annual Action Plan (AAP) for Housing and Community Development projects.

STRATEGIC POLICY PRIORITY:

- 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.

BACKGROUND:

Each year, the City submits an AAP to the federal Department of Housing and Urban Development (HUD) in order to fulfill the requirements associated with receipt of entitlement funding. The AAP outlines the uses of Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), and Emergency Solutions Grant (ESG) funds. Periodically, changes to submitted AAPs are necessary. Depending on the significance of the change, the City must implement a "substantial amendment" process. As outlined in the City's Citizen Participation Plan (CPP), a 30-day public comment period to include acceptance of public comment at a regularly scheduled City Council meeting is necessary.

On December 3, 2019, the City Council held a public hearing to receive comments on the proposed amendments. The public also had an opportunity to provide comments in writing from November 9, 2019 to December 9, 2019. Staff will document any comments that are received and make any changes to the proposed amendments if warranted.

ISSUE:

There is a necessity to take a series of actions required to reprogram unused prior year funds. These funds were not spent down for a variety of reasons and are available for use on other projects. These projects must meet the eligibility requirements of the CDBG program and serve low-moderate income individuals as designated by HUD. The Program Year 2019-2020 (PY 2019-2020) AAP enumerated a list of projects and funding amounts. The expected funding source of these projects was new CDBG funding. However, HUD has yet to release PY 2019-2020 CDBG funds. Because of the funding commitments already made, it has become necessary to reprogram the unused prior year funds for this purpose. The projects are as follows:

1. Tacoma Housing Authority's (THA) 1800 Hillside project (\$227,006): This project will support off-site capital improvements that are necessary for THA to develop 64 units of affordable housing for households that make up to 60% of Area Median Income (AMI).
2. Associated Ministries' Paint Tacoma / Pierce Beautiful program (\$75,000): This program will paint homes of individuals that make up to 80% of AMI, own and reside in the home and whose home does not need major repairs prior to painting or poses a danger to volunteer painters.



3. Rebuilding Together South Sound’s Tacoma Home Repair Program (\$310,000): This program will provide health and safety related home repairs and rehabs such as roof leaks, gutter repairs, plumbing and electrical fixes, and fence repairs.
4. Rebuilding Together South Sound’s Rebuilding Day 2019 and Year-Round Services program (\$81,500): This program will provide emergency health and safety related home repairs and rehabs for low income, disabled, families with children and elderly households. Repairs include grab bars, floor repairs, roof repairs, electrical, and plumbing. Rebuilding Day is an annual event that takes place on the 3rd weekend of April each year.
5. Tacoma Pierce County Chamber of Commerce’s Spaceworks Tacoma project (\$185,000): This project provides business support services and resources to creative entrepreneurs and artists.
6. Urban Business Support’s Business Plan Training program (\$84,023): This program will provide technical assistance to existing small business owners in low income communities. The program will help business owners complete business plans and assist businesses with obtaining microloans to prevent displacement and help create jobs. Services will include a series of Business Plan in a Day boot camps and 10 week Entrepreneurship Programs held throughout the City. Ongoing technical assistance will be provided to graduates of the 10-week program.

Also, the Tacoma Community Redevelopment Authority (TCRA) annually collects loan repayments from previously funded projects. The main source of these repayments are housing rehabilitation loans. When income is received, the TCRA designates the funds for reuse on future loans. However, a large fund balance remains and without this action are not available for other high priority projects. As such, there is a need to reprogram a portion of those funds for use in another project. The TCRA expects that future repayments will allow it to continue to meet the demand of the housing rehabilitation program in addition to allowing new CDBG funds for use on said purpose. Specifically, this amendment will allocate \$1,000,000 to the Tacoma Housing Authority (THA) Arlington Youth Campus (Campus) project. Funds will support the construction of the Crisis Residential Center co-located on the Campus that will serve youth 12-17 year olds experiencing homelessness. The PY 2019-2020 included \$500,000 for this project. However, the THA needs an additional \$500,000 to complete the project.

Before submission of the substantial amendments to HUD, the City must fulfill certain citizen participation requirements, including holding a public hearing on the proposed plan. The draft amendments were made available for a period of 30 days, beginning on November 9, 2019, and ending on December 9, 2019.

ALTERNATIVES:

The City Council could choose not to approve the amendments. This would prohibit the reprogramming of prior year funds for important community projects.

RECOMMENDATION:

Staff recommends approval of the amendment to Program Year 2019 – 2020 Annual Action Plan.

FISCAL IMPACT:

This will not result in an additional fiscal impact and will instead use unprogrammed and unused prior year resources.