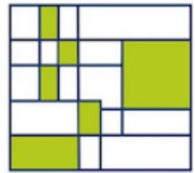




Pathways to Removing Obstacles to Housing (PRO Housing) Grant Proposal

Public Hearing – October 8, 2024



PRO HOUSING

Pathways to Removing Obstacles

What is PRO Housing?

- Competitive grant opportunity issued by the U.S. Department of Housing and Urban Development (HUD)
- Uses the Community Development Block Grant (CDBG) statutory and regulatory framework
- Activities must benefit populations with gross annual incomes that do not exceed 80% of Area Median Family Income by household size
- Grant's purpose is the identification and removal of barriers to affordable housing production and preservation
- \$100 million available nationwide
- Eligible applicants are state governments, local governments, metropolitan planning organizations, and multi-jurisdictional entities.
- This is the second time funding is being made available. The first NOFO occurred fall 2023.

PRO Housing, Round 2

Fiscal Year 2024 marks the second year PRO Housing grant funding is available and the second year Olympia has applied for the funds. Olympia received feedback from HUD on our first application and made adjustments to the 2024 application based on that feedback . Key takeaways from the feedback included:

- We illustrated well the key barriers to the creation and preservation of affordable housing locally.
- HUD liked our vision of how funds will be used and we scored well based on the proposed use of funds.
- The 2023 application did not provide enough detail on how funds will benefit the HUD-designated priority geographies of Grand Mound and Rochester. Points were lost as a result.
- Most, if not all, of 2023 awardees heavily concentrated PRO Housing funding in priority geographies.
- Language describing the funding proposed as leverage had too many qualifiers. The application was scored as though there was no leveraged funds. Leverage was not required but additional points were available to applicants that adequately demonstrated PRO Housing funds would be leveraged.

Eligible activities

Eligible activities must identify and seek to remove one or more barriers to affordable housing production and preservation. Additionally, each proposed activity must do one or more of the following:

- i. Further develop, evaluate, and implement housing policy plans
- ii. Improve housing strategies
- iii. Facilitate affordable housing production and preservation

Grant team

City of Olympia

Darian Lightfoot, Director of Housing and Homeless Response

Jacinda Steltjes, Affordable Housing Program Manager

Christa Lenssen, Senior Housing Program Specialist

Anastasia Everett, CDBG Program Manager

Thurston County

Thomas Webster, Senior Program Manager

Alex Persse, Affordable Housing Program Manager

Proposed activities

1. Provide capacity building support to Thurston Housing Land Trust
2. Provide capital funding to create and preserve affordable homeownership units
3. Provide resources to help low-income households become homeowners

Support to Thurston Housing Land Trust

Activity Summary: Funding to partially support a full-time Project Manager position with Thurston Housing Land Trust

Funding Request: \$360,000

Program Lead: City of Olympia

Barriers Addressed: Reduced organizational capacity among housing developers

Type of Eligible Activity: Facilitate affordable housing production and preservation; improve housing strategies

Capital funding

Activity Summary: Funding to acquire property for use as affordable homeownership. Acquisition could include vacant land for new development or land with existing housing structures for preservation.

Funding Request: \$2,000,000

Program Leads:

Olympia: Olympia city limits

Thurston County: Unincorporated Thurston County & Grand Mound/Rochester

Barriers Addressed: Insufficient availability of financing and subsidies to increase affordable housing production.

Type of Eligible Activity: Facilitate affordable housing production and preservation; improve housing strategies

Capital funding

Activity Summary: Funding to seed a City of Olympia infrastructure assistance grant program. Funds will be available to developers of affordable housing to be applied toward construction of necessary infrastructure such as sewer, water, and sidewalk within Olympia city boundaries. Staff has included this activity based on support for such a program from the Land Use and Environment Committee and the understanding that the program will require seed funding. Staff acknowledge this program will come before the full City Council for consideration in the coming months and should the City receive a PRO Housing award the program will not be carried out without Council approval.

Funding Request: \$1,000,000

Program Lead: Olympia

Barriers Addressed: Remove barrier to insufficient availability of financing and subsidies to produce new affordable housing

Type of Eligible Activity: Facilitate affordable housing production and preservation; improve housing strategies

Resources to homebuyers

Activity Summary: Funding to partially fund a Homeownership Center established by South Puget Sound Habitat for Humanity. The Center will provide homebuyer education and HUD certified homebuyer counseling courses.

Funding Request: \$782,000

Program Lead: Olympia

Barriers Addressed: Remove barrier to insufficient resources necessary to assist low-income households in achieving affordable homeownership

Type of Eligible Activity: Improve housing strategies

Resources to homebuyers

Activity Summary: Partner with Washington State Housing Finance Commission to provide homebuyer assistance grants in an amount up to \$65,000 per household at the time of purchase to reduce the amount a household must finance through a primary lender. Homebuyers will have access to the Commission's down payment assistance program offering \$15,000 per household as well as the Commission's House Key and other loan programs which offer below market interest rates.

Funding Request: \$1,000,000

Program Lead: Thurston County

Barriers Addressed: Remove barrier to insufficient resources necessary to assist low-income households in achieving affordable homeownership

Type of Eligible Activity: Improve housing strategies

Geographic distribution

- Funds will be utilized in Olympia and in unincorporated Thurston County with a focus on the HUD designated priority geographies of Grand Mound and Rochester.
 - The Infrastructure Assistance Grant program is the only use of funds that will be employed in Olympia only.
 - Cities of Lacey, Tumwater, and Yelm were invited to participate as partners but declined due to limited staff capacity.
 - Appreciation and thanks are extended to our partners: Thurston County, Thurston Housing Land Trust, South Puget Sound Habitat for Humanity, and Washington State Housing Finance Commission
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Timeline

Action	Date
Notice of Funding Opportunity published by HUD	Aug. 13, 2024
Public comment period on grant proposal	Sept. 25- Oct. 10, 2024
Public hearing	Oct. 8, 2024
Grant proposal due to HUD	Oct. 15, 2024
Anticipated award announcements	Jan. 2025
Funds made available to grantees	Feb. 2025
Period of performance in which funds are used	Feb. 2025- Sept. 2030



Questions?

Contact Jacinda Steltjes

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