



City Council

Public Hearing on a Community Development Block Grant (CDBG) 2018 Action Plan Proposed Amendment Adjusting Funding for Housing Assistance for Displaced Residents of the Angelus Hotel

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Title

Public Hearing on a Community Development Block Grant (CDBG) 2018 Action Plan Proposed Amendment Adjusting Funding for Housing Assistance for Displaced Residents of the Angelus Hotel

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Hold a public hearing on the proposed Amendment to the Community Development Block Grant (CDBG) 2018 Action Plan to adjust funding for housing assistance for displaced residents of the Angelus Hotel.

Report

Issue:

Whether to hear testimony on the proposed Amendment to the Community Development Block Grant 2018 Action Plan.

Staff Contact:

Anna Schlecht, Community Service Programs Manager, Community Planning and Development Department (360-753-8183)

Presenter(s):

Anna Schlecht, Community Service Programs Manager

Background and Analysis:

The Council will hold a public hearing to receive public comments on the proposed Amendment to the Community Development Block Grant (CDBG) Program Year (PY) 2018 (September 1, 2018 - August 31, 2019) Action Plan. This public hearing is part of the 30-day CDBG Citizen Participation Process

that runs from May 10 - June 10, 2019. This public comment period will run concurrent to the 30-Day period for the Draft PY 2019 CDBG Action Plan. Any public comments received will be placed at Council's desks the night of the public hearing.

Proposed PY 2018 Substantial Amendment: Since the General Government Committee forwarded their recommendations, City staff learned that the Angelus Hotel was sold, which generated over \$56,000 in CDBG program income from repayment of a prior year loan. Unfortunately, the City was also notified that the new owner plans a major renovation project that will potentially displace all 29 low income households. In order to prevent potential homelessness, City staff recommend the creation of a limited scope Tenant Assistance program, to be operated in partnership with a local rental assistance provider and funded with the estimated \$56,000 in CDBG loan repayments. This recommended program is described in greater detail in the attached, "Assistance for Displaced Tenants in CDBG-funded Properties." This recommendation is considered a "Substantial Amendment" by HUD regulations and must go through a public process that can run concurrently with the public process for the 2019 Annual Action Plan.

Proposed PY 2018 Amendment: Add \$56,000 to total PY 2018 Allocations

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|--------------------|--------------------------------------------------------------------------------|
| \$ 56,000 | <i>PROPOSED AMENDMENT: Tenant Assistance Program (One-time program)</i> |
| \$400,000 | Housing Activities - Land Acquisition |
| \$300,000 | Public Facilities - Day Center |
| \$ 50,000 | Micro-Enterprise Assistance/Business Training & Technical Assistance |
| \$ 50,000 | Crime Prevention Through Environmental Design (CPTED) |
| \$ 55,000 | Downtown Ambassador Program |
| \$ 45,000 | Day Center Staffing |
| <u>\$100,000</u> | <u>Program Administration - Required</u> |
| \$1,056,000 | TOTAL PROPOSED PY 2018 CDBG FUNDING |

Proposed Tenant Assistance Program: Staff sought the recommendation of the Family Support Center, which serves as the Thurston County Coordinated Entry coordinator. Family Support Center recommended that Community Action Council (CAC) will be serving as the new Coordinated Entry sub-contractor to work with single adults and would be a sole-source provider of such resources for displaced tenants. City staff have been working with CAC to develop a one-time Displaced Tenant Assistance Program, already CAC staff have identified other resources to offer to displaced Angelus Hotel tenants.

CDBG Program Purpose: The CDBG Program was created as a "bundled" federal aid program intended to aid the development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income. Regulations for the CDBG Program are contained in 24 CFR 570.

Public Process: The proposed Amendment to the CDBG 2018 Action Plan will be made available for public review in the CDBG Citizen Participation Process, summarized as follows:

May 7 Council launch of the CDBG Citizen Participation Process

May 10 - June 10 30-Day CDBG Citizen Participation Process (Please note: Revised 30-day period as per Legal Notice)

June 4 **Public Hearing: CDBG 2019 Action Plan**

June 18 Council review & approval of draft CDBG 2019 Action Plan

July 15 Submission of draft CDBG 2019 Action Plan to HUD

Please note that this Amendment will occur during the first year of the Five-Year CDBG Consolidated Plan (2018 - 2022).

Prior Discussions: This item was discussed at a prior Council meeting on May 7, 2019 during the same discussion on launching the CDBG PY 2019 Action Plan.

Neighborhood/Community Interests (if known):

All neighborhoods and community stakeholders have an interest in how federal CDBG funds are invested in community development programs and projects.

Options:

1. Hold a public hearing on the proposed Amendment to the Community Development Block Grant (CDBG) 2018 Action Plan to receive public comments.
2. Delay the public hearing on the proposed Amendment to the Community Development Block Grant (CDBG) 2018 Action Plan and leave 29 vulnerable households at risk of homelessness and provide staff direction on next steps. Additional risk of not meeting HUD Spend-down requirement by June 30, 2019.

Financial Impact:

This proposed amendment would add \$56,000 to the current CDBG 2018 Action Plan (September 1, 2018 - August 1, 2019) and create a revised total of \$1,056,000 of expenditures.

Attachments:

Assistance for Displaced Tenants in CDBG-Funded Properties