



City Council

Approval of an Amendment to the 2018 Community Development Block Grant (CDBG) Action Plan Amendment to Fund Relocation Assistance for Displaced Residents of the Angelus Hotel

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Title

Approval of an Amendment to the 2018 Community Development Block Grant (CDBG) Action Plan Amendment to Fund Relocation Assistance for Displaced Residents of the Angelus Hotel

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve the amendment to the Program Year 2018 Community Development Block Grant (CDBG) Action Plan to fund relocation assistance for displaced residents of the Angelus Hotel.

Report

Issue:

Whether to approve the proposed Amendment to the Program Year 2018 Community Development Block Grant 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:

On June 4, 2019, the Council held 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 was part of the 30-day CDBG Citizen Participation Process that runs from May 10 - June 10, 2019. This public comment period is running concurrent to the 30-Day period for the Draft PY 2019 CDBG Action Plan.

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 CDBG loan. (Please note: there have been other recent CDBG Program Income receipts above and beyond the originally estimated \$100,000 for PY 2018.) 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 recommended the creation of a limited scope Tenant Assistance program, to be operated in partnership with the Community Action Council of Mason, Lewis and Thurston Counties (CAC), a local rental assistance provider. Staff proposed that this program be funded with the estimated \$56,000 for the direct tenant assistance in CDBG loan repayments. Additionally, Staff recommend that we include \$5,600 for Activity Delivery Costs (ADC) to fund the CAC staff costs of running this program. 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 was required to go through a public process ran concurrently with the public process for the 2019 Annual Action Plan.

Proposed PY 2018 Amendment: Add \$61,600 to total PY 2018 Allocations

\$ 61,600	<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>
\$1,061,600	TOTAL PROPOSED PY 2018 CDBG FUNDING AMENDMENT

**Includes \$56,000 in direct tenant assistance payments and \$5,600 or 10% Activity Delivery costs for CAC's staff services.*

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) would be ideal, given that 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 Relocation Assistance Program for Displaced Tenants of the Angelus Hotel, and in less than 30 days. CAC staff have identified additional resources to offer to displaced tenants from the Angelus Hotel. CAC has informed the City they would need 10 percent of the total program costs or \$5,600 for Activity Delivery Costs (ADC), which are available from other recent CDBG Program Income receipts.

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.

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 and June 4, 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. Move to approve the Amendment to the Community Development Block Grant (CDBG) 2018 Action Plan.
2. Do not move to approve the Amendment to the Community Development Block Grant (CDBG) 2018 Action Plan. This could leave 29 vulnerable households at risk of homelessness.

Financial Impact:

This proposed amendment would add \$56,000 for direct assistance and \$5,600 for Activity Delivery Costs (ADC) for a total amendment of \$61,600 added to the current CDBG 2018 Action Plan (September 1, 2018 - August 1, 2019) and create a revised total of \$1,061,600 of expenditures.

Attachments:

Assistance for Displaced Tenants in CDBG-Funded Properties