



## LAKEWOOD CITY COUNCIL STUDY SESSION AGENDA

Monday, February 28, 2022  
7:00 P.M.

**City Hall Council Chambers will NOT be open for this meeting. This will be a virtual meeting ONLY.**

Residents can virtually attend City Council meetings by watching them live on the city's YouTube channel:

<https://www.youtube.com/user/cityoflakewoodwa>

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Page No.

### CALL TO ORDER

### ITEMS FOR DISCUSSION:

- (3) 1. Review of HOME & CDBG FY 2022 Annual Action Plan (AAP) Funding Priorities and Update on Related Housing Programs. – (Memorandum)

### ITEMS TENTATIVELY SCHEDULED FOR THE MARCH 7, 2022 REGULAR CITY COUNCIL MEETING:

1. Proclamation recognizing the month of March as Red Cross Month. – *Daniel Wirth, Executive Director, South Puget Sound and Olympic Chapter*
2. Proclamation recognizing the 100<sup>th</sup> Anniversary of Lakeview Light and Power. – *Bob Estrada, President and Alan Hart, Vice President*
3. Living Access Support Alliance Update. – *Janne Hutchins, Executive Director*
4. Youth Council Report.
5. Clover Park School District Report.
6. Authorizing the execution of an agreement for City Hall architectural, engineering, and workspace design services. – (Motion – Consent Agenda)

*Persons requesting special accommodations or language interpreters should contact the City Clerk, 253-983-7705, as soon as possible in advance of the Council meeting so that an attempt to provide the special accommodations can be made.*

7. Authorizing the execution of a lease agreement with Pierce County for the Senior Center. – (Motion – Consent Agenda)
8. Authorizing the award of a construction contract with RS Underground, Inc., in the amount of \$210,867, for the American Lake Park overflow parking lot project. – (Motion – Consent Agenda)
9. Authorizing the award of a construction contract with RS Underground, Inc., in the amount of \$65,832, for the 59<sup>th</sup> Ave SW sidewalk project. – (Motion – Consent Agenda)
10. Authorizing the execution of an amendment to the agreement with Horwath Law for public defense services. – (Motion – Consent Agenda)
11. Authorizing the execution of an interlocal agreement with Pierce County for the PALS Plus permitting software. – (Motion – Consent Agenda)
12. Authorizing the execution of a concomitant agreement for Emerald City Essential Services Facility (ESF). – (Motion – Consent Agenda)
13. Appointing Jesse Black and Denise Nicole Johnson to serve on the Tree Advisory Ad Hoc Committee. – (New Business – Regular Agenda)

## **REPORTS BY THE CITY MANAGER**

## **CITY COUNCIL COMMENTS**


## **ADJOURNMENT**

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TO: Mayor and City Councilmembers

FROM: David Bugher, Assistant City Manager for Development Services, and  
Jeff Gumm, Housing Program Manager

THROUGH: John J. Caulfield, City Manager 

DATE: February 28, 2022, City Council Study Session

SUBJECT: HOME & CDBG FY 2022 Annual Action Plan (AAP) Funding  
Priorities and Update on Related Housing Programs

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**Background:** This memorandum serves multiple purposes:

- 1) Provides as a brief review of HOME & CDBG programs & processes;
- 2) Reviews CDBG expenditures since the City began receiving funds in 2000;
- 3) Reviews CDBG and HOME funds used to assist Lakewood residents with the coronavirus pandemic;
- 4) Provides the City Council with a brief update on recently awarded HOME ARP (American Rescue Plan) funding;
- 5) Reviews current goals identified in the 5-YR 2020-2024 Consolidated Plan and activities being conducted as part of the current FY 2021 Annual Action Plan;
- 6) Includes recommendations as to how Council may want to use CDBG and HOME funds as the City prepares for the FY 2022 (July 1, 2022 – June 30, 2023) Annual Action Plan process.

**What is HOME?** Created by the National Affordability Housing Act of 1990, the HOME program's primary intent is to increase the supply of decent, affordable housing for low- and very low-income households. Eligible activities include:

- 1) Homeowner rehabilitation;
- 2) Homebuyer activities;
- 3) Rental housing, including capitalization of project reserves and buy down of debt;
- 4) Tenant-based rental assistance;
- 5) New construction of low-income housing (rental/homeownership);
- 6) Property acquisition and project development, including on-site improvements; and
- 7) Project-related soft costs (architectural, engineering, financial counseling, affirmative marketing, and fair housing services).

HOME funds carry various programmatic regulations which can be found at 24 CFR Part 92. Funds received must be committed to an eligible activity within two years and must be expended within four years. Lakewood qualifies for HOME funding through the consortium process as a member of the Tacoma-Lakewood HOME consortium.

*HOME Tip: With the exception of tenant based rental assistance, HOME funding could be thought of as a funding source for the development of permanent affordable housing (not to include transitional and shelter housing).*

### **How does HUD define various forms of housing?**

- Shelter – Housing which provides temporary shelter for homeless in general or for specific populations of the homeless and which do not require occupants to sign leases or occupancy agreements.
- Transitional Housing – Housing which is designed to facilitate movement to independent living within 24 months, or a longer period if approved by HUD.
- Permanent Housing – Community-based housing without a designated length of stay in which individuals and families live as independently as possible. Permanent housing typically involves homeownership or rentals with leases of at least one year.

**What is CDBG?** Authorized under Title 1 of the Housing and Community Development Act of 1974, the Community Development Block Grant (CDBG) program is a grant to local jurisdictions to assist in the development of viable communities. Funds are to be expended to principally benefit low- and moderate-income individuals through the provision of: 1) decent housing; 2) a suitable living environment; and 3) expanded economic opportunities. Each CDBG grantee is responsible for choosing how best to serve its community's interests and meet the needs of eligible citizens.

Eligible CDBG activities include the following:

#### Affordable Housing

- Homeowner rehabilitation
- Down payment assistance
- Rental rehabilitation
- Acquisition and demolition
- Lead paint activities
- New construction, if carried out by a CBDO

#### Public Services

- Employment and education services
- Childcare
- Health and substance abuse services
- Services for seniors
- Fair housing counseling
- Services for homeless
- Job training and employment services

#### Public Facilities/Infrastructure

- Acquisition, construction, rehab or installation of public or community facilities
- Infrastructure installation or improvements (i.e. roads, sidewalks, sewers, street lighting, etc.)

#### Economic Development

- Microenterprise assistance
- Commercial rehabilitation
- Job training and technical assistance
- Special economic development – acquisition, construction, rehab, installation of property or equipment

Two of the most common ways of using CDBG funds to support the development of permanent affordable housing is to use CDBG to acquire property on which permanent housing will be built using other resources, or to fund the installation or reconstruction of public improvements that will serve the affordable housing to be constructed. New construction of housing is typically an ineligible activity under the CDBG program, unless it is carried out by a community based development organization (CBDO). Habitat for Humanity is the only CBDO currently operating in Lakewood and Tacoma. Housing rehabilitation is also eligible under the CDBG program and may include the conversion of existing, non-residential structures into residential units.

CDBG funds may also be used to assist with the development of emergency shelters and transitional housing, provided the project is owned by the jurisdiction or a non-profit entity. Operations and maintenance of such facilities is considered eligible under public services activities; however, funding is limited so as not to exceed 15% of a grantee's funding allocation.

CDBG funds carry various programmatic regulations which can be found at 24 CFR 570. CDBG carries two specific funding caps: 1) administrative expenses may not exceed 20% of the current entitlement allocation and program income; and 2) public service activities may not exceed 15% of the current entitlement allocation, plus 15% of the preceding year's program income. Additionally, 70% of CDBG funds must be used to benefit low- and moderate- income individuals over a one-, two- or three-year time period. CDBG funding faces an annual timeliness test (May 1<sup>st</sup>) to ensure funds in the jurisdiction's federal line-of-credit do not exceed 1.5 times the annual grant for its current program year.

*CDBG Tip: CDBG funding provides a wide array of funding possibilities to allow a jurisdiction to fund community and economic development activities, public service related activities, and some housing assistance activities (not to include the development of permanent affordable housing).*

**What does Lakewood's historical CDBG funding picture look like to date?**

<b>TABLE 1</b>						
<b>CDBG Expenditure by Funding Priority (including Program Income*)</b>						
<b>Year</b>	<b>Physical/ Infrastructure</b>	<b>Housing</b>	<b>Public Service</b>	<b>Economic Development</b>	<b>Admini- stration</b>	<b>Section 108 Loan Payment</b>
2000	\$537,860.10	\$102,275.13	\$34,030.65	\$0.00	\$103,618.22	\$0.00
2001	\$250,286.87	\$126,611.96	\$60,022.92	\$0.00	\$153,428.50	\$0.00
2002	\$451,438.00	\$357,309.63	\$78,145.68	\$0.00	\$144,068.86	\$0.00
2003	\$399,609.05	\$350,528.50	\$76,294.76	\$0.00	\$161,200.00	\$0.00
2004	\$294,974.47	\$407,591.69	\$80,490.00	\$0.00	\$136,552.91	\$0.00
2005	\$86,156.39	\$359,033.03	\$68,336.00	\$0.00	\$130,879.53	\$0.00
2006	\$164,000.00	\$486,607.03	\$70,645.37	\$0.00	\$99,091.68	\$0.00
2007	\$0.00	\$427,346.00	\$66,380.17	\$0.00	\$96,940.46	\$0.00
2008	\$9,871.81	\$412,526.83	\$66,818.21	\$0.00	\$108,065.99	\$0.00
2009	\$20,000.00	\$433,021.09	\$64,920.04	\$0.00	\$127,986.46	\$0.00
2010	\$522,544.00	\$133,536.78	\$84,394.14	\$31,947.85	\$131,686.11	\$0.00
2011	\$185,481.69	\$268,584.51	\$86,187.73	\$0.00	\$123,853.80	\$0.00

TABLE 1 CDBG Expenditure by Funding Priority (including Program Income*)						
2012	\$0.00	\$280,854.87	\$34,701.05	\$0.00	\$100,871.31	\$0.00
2013	\$284,851.80	\$301,829.41	\$3,545.40	\$13,229.84	\$98,881.36	\$0.00
2014	\$160,000.00	\$188,138.86	\$48,065.71	\$0.00	\$108,853.98	\$0.00
2015	\$320,000.00	\$94,747.21	\$0.00	\$0.00	\$98,363.40	\$0.00
2016	\$321,937.57	\$164,351.72	\$0.00	\$0.00	\$106,967.67	\$0.00
2017	\$270,492.80	\$101,003.36	\$0.00	\$0.00	\$96,106.18	\$49,311.26
2018	\$300,000.00	\$220,546.92	\$0.00	\$0.00	\$102,580.28	\$49,812.66
2019	\$0.00	\$280,706.87	\$0.00	\$0.00	\$122,805.49	\$48,224.75
2020	\$0.00	\$224,925.17	\$0.00	\$0.00	\$106,919.53	\$0.00
2021	\$32,775.82	\$71,462.25	\$0.00	\$0.00	\$49,721.17	\$0.00
<b>TOTAL</b>	<b>\$4,612,280.37</b>	<b>\$5,793,538.82</b>	<b>\$922,977.83</b>	<b>\$45,177.69</b>	<b>\$2,509,442.89</b>	<b>\$147,348.67</b>
<i>*Program Income Included in Total</i>	<i>0.00</i>	<i>\$869,762.00</i>	<i>\$5,621.45</i>	<i>\$10,179.52</i>	<i>\$238,798.06</i>	<i>\$0.00</i>

**What CDBG and HOME funding was awarded to assist Lakewood residents with the negative impacts of the coronavirus pandemic?**

- 1) CDBG CARES Act funding (CDBG-CV): The Coronavirus Aid, Relief, and Economic Security (CARES) Act, signed into law on March 27, 2020, provided economic assistance to American workers, families, small businesses, and industries adversely affected by the economic impacts of the coronavirus pandemic. Funding was awarded directly to CDBG grantees and to States over multiple funding rounds. In 2021/21, the City received a total of \$807,337 in direct CDBG-CV funding as part of CV1 and CV3 funding allocations. CDBG-CV2 funding totaling \$136,706 was awarded in 2021 through the WA State Department of Commerce.

CDBG-CV funding allocations were reviewed by Council and allocated as follows:

CDBG-CV1 & 3 (direct funding)

- \$88,805.27 for a small business assistance program;
- \$655,892.63 to provide for an emergency rental assistance program; and
- \$62,639.10 for general program administration.

CDBG-CV2 (through Commerce)

- \$121,706 awarded to LASA to fund Prairie Oaks Service Center rehab and expansion of client services facility; and
- \$15,000 for general program administration.

TABLE 2 CDBG-CV1 & 3 Expenditures and Outcomes			
Program	Expenditures	Fund Balance	Outcomes
Small Business Assistance Program	\$88,805.27	\$0.00	15 businesses assisted;

TABLE 2 CDBG-CV1 & 3 Expenditures and Outcomes			
			37 employees retained/ 1 new employee hired
Emergency Rental Assistance Program	\$482,690.63	<b>\$173,202.00</b>	149 households assisted/ 370 individuals retained housing
Administration	\$62,639.10	\$0.00	

TABLE 3 CDBG-CV2 Expenditures and Outcomes			
Program	Expenditures	Fund Balance	Outcomes
LASA Client Service Center Rehab	\$121,706.00	<b>\$121,706.00</b>	LASA in design phase of project
Administration	\$15,000.00	<b>\$15,000.00</b>	

- 2) HOME Tenant-Based Rental Assistance (TBRA) Program: As part of the FY 2020 Annual Action Plan, a total of \$148,464 was allocated for an emergency tenant based rental assistance program to assist tenants negatively impacted by the coronavirus pandemic.

TABLE 4 HOME Program Expenditures and Outcomes			
Program	Expenditures	Fund Balance	Outcomes
HOME TBRA Assistance Program	\$112,573.42	<b>\$35,890.58*</b>	48 households assisted/ 104 individuals retained housing
<i>* Program waivers expired for streamlined pandemic program. Propose to move fund balance to HOME Affordable Housing Fund in FY 22.</i>			

**HOME funding recently awarded through the American Rescue Plan (HOME-ARP):** The American Rescue Plan (ARP) Act provides \$5 billion in assistance for new federal homelessness assistance and supportive services programs. These grant funds have been awarded to the 651 State and local participating jurisdictions through the HOME Investment Partnerships Program (HOME). Lakewood, through the Tacoma-Lakewood Consortium, was awarded \$1,175,489 in HOME-ARP funding.

HOME-ARP funds can be used for four eligible activities:

- 1) Production or Preservation of Affordable Housing;
- 2) Tenant-Based Rental Assistance (TBRA);
- 3) Supportive Services, Homeless Prevention Services, and Housing Counseling; and
- 4) Purchase and Development of Non-Congregate Shelter.

HOME-ARP funds must be used to primarily benefit individuals or families from the following “qualifying populations”:

- 1) Homeless, as defined in section 103(a) of the McKinney-Vento Homeless Assistance Act;
- 2) At-risk of homelessness, as defined in section 401(1) of the McKinney-Vento Homeless Assistance Act;



- 3) Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, as defined by the Secretary;
- 4) In other populations where providing supportive services or assistance under section 212(a) of the Act would prevent the family's homelessness or would serve those with the greatest risk of housing instability; and
- 5) Veterans and families that include a veteran family member that meet one of the preceding criteria.

All HOME-ARP projects must be completed within four years of the date of commitment of funds. Staff is engaging Pierce County and Tacoma to seek partnership opportunities to ensure funding and services are not duplicated, and to potentially coordinate regional projects and partnerships.

*Funding award is contingent upon a jurisdiction amending its FY 2021 Annual Action Plan to include required public outreach, selection processes for selecting eligible project(s), eligible activities funded, and qualifying populations served. Lakewood, as part of the Tacoma-Lakewood Consortium, will need to coordinate amendment of its FY 2021 Annual Action Plan with Tacoma (lead agency for HOME Consortium) and the Lakewood and Tacoma City Councils. Coordination between Lakewood and Tacoma staff is ongoing with timelines to amend the Plan anticipated to commence sometime in March-April with an estimated submittal date in July 2022. This process is separate from the City's FY 2022 Annual Action Plan process detailed below.*

**CDBG and HOME annual planning process:** HUD requires State and local governments to produce both a 5-Year Consolidated Plan and an Annual Action Plan to receive federal funding from the Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME). The 5-YR Consolidated Plan serves as a framework for identifying a City's long-term housing, homeless, and community development needs and provides a strategic plan for how a community intends to expend CDBG and HOME funds in order to satisfy those needs over a specified five-year period of time. The purpose of the 5-YR Plan is to create a broad, yet consistent, long-term (5 year) vision to carry out activities consistent with HUD's national objectives. The Annual Action Plan on the other hand, is a single year action plan derived from the goals of the 5-YR Plan as well as annual community input. Annual Action Plans provide specific activities and funding actions to be carried out to meet goals and objectives identified in the 5-YR Plan. Lakewood's current 5-YR Consolidated Plan was adopted by Council on June 1, 2020 (Resolution 2020-09) and covers fiscal years 2020-2024 (July 1, 2020 – June 30, 2025), while the Draft FY 2022 Annual Action Plan covers only fiscal year 2022 (July 1, 2022 – June 30, 2023).

Lakewood and Tacoma, through the Tacoma-Lakewood HOME consortium, create a joint 5-YR Consolidated Plan to address community development needs on a regional basis. Following the 5-YR Plan, both Lakewood and Tacoma create individual Annual Action Plans designed to address needs identified in the 5-YR Plan specific to each jurisdiction.

The discussion below focuses on proposed funding allocations for Lakewood's FY 2022 Annual Action Plan.

**Anticipate funding allocations for FY 2022 CDBG and HOME programs:** HUD has not yet released funding allocations for FY 2022. The President's FY 2022 budget does propose



an increase of \$295 million (8.5%) increase for CDBG and a \$500 million (37%) increase in HOME; however, staff is wary of proposing an increase without final congressional approval, and instead is proposing a conservative approach to anticipated funding. Should funding allocations differ from anticipated funding levels, staff would recommend prorating funding allocations accordingly. Staff is hopeful funding allocations will be approved sometime in late-April and projects the following funding amounts:

- 1) CDBG: **\$587,619** (1% increase from FY 2021 allocation of \$581,801)
- 2) HOME: **\$324,947** (1% increase from FY 2021 allocation of \$321,730)

**What does Lakewood’s typical CDBG/HOME program timeline look like?** With the program year of July 1 – June 30, the timeline below outlines major milestones. Each year the timeline consists of activities conducted to carry out the current Annual Action Plan and activities carried out in preparation for developing the following year’s Annual Action Plan.

<b>TABLE 5 CDBG/HOME TIMELINE</b>	
July 1	Program year begins.
September 14 - 29	15-day public comment period on CAPER <sup>1</sup> .
September 30	Submit CAPER to HUD (90 days after program year ends).
October/November	Conduct public hearing on community development needs for next year’s AAP.
December/January	Application filing period for funding.
January - March	Meetings with Advisory Board and Council on AAP funding priorities and activities.
April 1 – 30	30-day citizen comment period on AAP.
Mid-April	Public hearing on Draft AAP.
1 <sup>st</sup> week of May	Council approval of AAP.
May 15	Submittal of AAP to HUD (45 days before program year begins).
June 30	End of program year.

**What input did we receive at the October 27, 2021 public hearing on CDBG and HOME?**

Comments received focused primarily upon the need for affordable housing, shelter and transitional housing, and related housing programs and expenses (moving expenses, utility expenses and liens, screening fees, financial counseling, supportive drug/alcohol-free housing, re-entry beds, and transportation). Comments included support of the development of new transitional and shelter housing for the homeless and affordable homeownership opportunities for low- and moderate-income households in the wake of escalating housing prices. Additional support was recommended in the way of food assistance to low-income households, as well as the need to provided funding for land acquisition and rehabilitation of derelict properties.

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<sup>1</sup> The Consolidated Annual Performance and Evaluation Report (CAPER) provides annual performance reporting on client outputs and outcomes that enables an assessment of grantee performance in achieving the housing stability outcome measure. The CAPER, in conjunction with the Integrated Disbursement Information System (IDIS), fulfills statutory and regulatory program reporting requirements and provides the grantee and HUD with the necessary information to assess the overall program performance and accomplishments against planned goals and objectives.

**What are the five year goals and objectives identified in the current 5-YR 2020-2024 Consolidated Plan?** The 5-YR Plan identified four goals to address over the next five years, each a high priority:

- 1) Housing instability among residents, including homelessness
- 2) Limited supply of diverse rental and homeownership opportunities
- 3) Need for accessible, culturally competent services
- 4) Need for safe, accessible homes and facilities

Priorities were established after quantitative and qualitative data analysis, broad discussions with community members and stakeholders, and review and consideration of strategic plans of local and regional partner agencies and providers and public planning documents.

The goals and outcomes outlined in Table 6 below affect populations that are underserved in the way of access to housing opportunities and services:

- Extremely low- and very low-income households;
- Immigrants;
- Seniors;
- People of color;
- Persons living with disabilities; and
- Persons experiencing homelessness.

These groups increasingly face competition for homes designed to serve their needs, as well as barriers to accessing existing affordable subsidized and unsubsidized homes in both cities. Severe housing problems like severe cost-burdens and overcrowding disproportionately affect householders that identify as Black and African American; Hispanic; and Asian-Pacific Islander.

TABLE 6 GOALS AND OUTCOMES ESTABLISHED FOR 5-YR 2020-24 PLAN	
<u>Goal 1. Housing instability, including homelessness</u>  1) Stabilize existing residents 2) Prevent and reduce homelessness 3) Need of accessible, culturally competent services  <u>Outcome</u> 1) Homeowner housing rehabilitated: 80 households (50 CDBG/30 HOME) 2) Tenant-based rental assistance: 50 households (HOME) 3) Job creation/retention: 2 businesses/5 jobs (CDBG) 4) Buildings demolished: 12 buildings (NSP)	<u>Goal 2. Affordable rental and homeowner opportunities</u>  1) Stabilize existing residents 2) Increase rental and homeownership and rental opportunities  <u>Outcome</u> 1) Homeowner/rental housing added: 30 households (HOME)

<b>TABLE 6</b> <b>GOALS AND OUTCOMES ESTABLISHED FOR 5-YR 2020-24 PLAN</b>	
<u>Goal 3. Need for accessible culturally competent services</u> 1) Prevent and reduce homelessness 2) Need of accessible, culturally competent services  <u>Outcome</u> 1) Fair housing, landlord-tenant, and stabilization services: 250 individuals (CDBG) 2) Emergency Assistance for Displaced Residents: 50 individuals (CDBG)	<u>Goal 4. Need for safe, accessible homes and facilities</u> 1) Stabilize existing residents 2) Increase rental and homeownership opportunities 3) Support of public infrastructure improvements  <u>Outcome</u> 1) Infrastructure improvements: 25,775 individuals (CDBG)

**What activities have been undertaken so far as part of the current 5-YR 2020-2024 Consolidated Plan?** The following tables list projects for the first two years of the Consolidated Plan (2020 & 2021) and anticipated projects for year three (2022). The list includes funding sources and anticipated project completion timelines.

<b>TABLE 7</b> <b>FY 2020 – Completed</b> <b>(July 1, 2020 – June 30, 2021 – YEAR 1 of PLAN)</b>	
<b>CDBG</b>	1. Major Home Repair- 7 single-family households/10 individuals assisted. 2. Emergency Assistance for Displaced Residents- 3 single-family households/ 5 individuals assisted.
<b>HOME</b>	1. TBRA- 48 single-family households/ 104 individuals assisted. 2. LASA- 5516 Fairlawn Dr. SW – Acquisition of one additional contiguous parcel and redevelopment. Acquisition price- \$396,296 (2060 County funds) 3. Housing Rehabilitation- 1 single-family household/ 3 individuals assisted. 4. Down Payment Assistance- 1 single-family household/ 2 individuals assisted.
<b>CDBG-CV1 &amp; 3</b>	1. Small Business Emergency Services Grant Program- 15 businesses/ 38 jobs (37 retained/1 new job created). 2. Emergency Payments for Rental/Mortgage Assistance- 65 single-family households/ 151 individuals assisted.
<b>2060 (Pierce County)</b>	1. LASA- 5516 Fairlawn Dr. SW acquisition- Acquired Jan 2021 with Pierce County 2060 funding (\$396,000). Contiguous parcel to LASA Client Service Center. Currently SF rental.

<b>TABLE 8</b> <b>FY 2021 - Ongoing</b> <b>(July 1, 2021 – June 30, 2022- YEAR 2 of PLAN)</b>	
<b>CDBG</b>	1. Major Home Repair- Target of 10 single-family households; 5 underway. Fund balance \$793,580.61; FY 2019, 2020, 2021. Completion 2022. 2. Emergency Assistance for Displaced Residents- Target of 10 individuals; 1 individual assisted. Fund balance \$71,473.26; FY 2020, 2021. Completion 2022/23. 3. Oakbrook Neighborhood Sidewalk Improvements- Proposed infrastructure. Fund balance \$273,983.38; FY 2021. Completion 2022. 4. Housing/Foreclosure Assistance- Assist 100 households. Fund balance \$50,000; FY 2021. Habitat for Humanity providing services. Completion 2022/23. 5. Fair Housing Counseling- Assist 50 individuals. Funding thru 2021 Administration. Completion 2022/23.

<b>TABLE 8</b> <b>FY 2021 - Ongoing</b> <b>(July 1, 2021 – June 30, 2022- YEAR 2 of PLAN)</b>	
<b>HOME</b>	1. Habitat- 15121 Boat St. SW- Construct 9 new single-family homes. Funded 2020; \$600,000. Completion in 2024. 3. LASA- 8966 Gravelly Lk. Dr. SW acquisition and rehab. Funded 2021; \$600,000. Contiguous parcel to LASA Client Service Center. Completion 2022. 4. Housing Rehabilitation projects- 2 single-family households. Funded \$120,000 program income. Completion 2022/23.
<b>HOME-ARP</b>	1. Allocation of \$1,175,489 awarded Lakewood thru Tacoma-Lakewood HOME Consortium in 2021. Staff engaging Tacoma and Pierce County for potential cooperative funding of regional project – LASA Gravelly Lk. Dr. SW. Completion 2025.
<b>CDBG-CV1, 2 &amp; 3</b>	1. Emergency Payments for Rental/Mortgage Assistance- 149 single-family households/ 370 individuals assisted. Fund balance \$173,202; FY 2021. Completion 2022. 2. LASA- Client Service Center Rehab/Services Expansion- 8956 Gravelly Lk. Dr. SW; shower, laundry, services, entry reconfiguration. Funded 2021; \$136,706 CDBG-CV2 thru Commerce (additional State general fund allocation of \$500K+). Completion 2023.
<b>NSP1</b>	1. NSP Abatement Fund- Demolished 2 dangerous structures; 2 ongoing. Funded \$150,000 program income. Completion 2022.
<b>NSP3</b>	1. Habitat- 15210 Portland Ave. SW- Construct 1 new single family home. Funded 2021; \$49,500. Completion 2024.
<b>SHB-1406</b>	1. Homeowner Rehab- 8509 Veterans Dr. SW & 12522 Nyanza Rd. SW. Projects underway; completion 2022.

<b>TABLE 9</b> <b>FY 2022 - Anticipated</b> <b>(July 1, 2022 – June 30, 2023- YEAR 3 of PLAN)</b>	
<b>CDBG</b>	1. Major Home Repair- 10 single-family households. Funding TBD 2022. Completion 2023. 2. Fair Housing Counseling- Assist 50 individuals. Funding thru 2022 Administration. Completion 2022. 3. Pierce County Housing Authority- Oakleaf and Village Square Apartments- Siding Repair/Exterior Painting- 64 units/ 88 individuals assisted (78 low-income individuals; 89% LMI population served). Funding TBD 2022. Completion 2023. 4. CDBG Emergency Payments Program- 35-50 single-family households. Funding TBD 2022. Completion 2023. 5. Emergency Assistance for Displaced Residents- Target of 10 individuals assisted. Fund balance \$71,473.26; FY 2020, 2021. Ongoing. Completion 2023.
<b>HOME</b>	1. Habitat- 15121 Boat St. SW- Ongoing. Completion 2024. 2. LASA- Gravelly Lake Dr. Service Center- Funding 2022 \$300,000; 2023 \$300,000- Ongoing. 3. Housing Rehabilitation projects- 2 single-family households. Funded \$120,000 program income. Completion 2023.
<b>HOME-ARP</b>	1. Lakewood project(s)- Ongoing. Completion 2025.
<b>CDBG-CV2</b>	1. LASA- Client Service Center Rehab/Services Expansion- 8956 Gravelly Lk. Dr. SW- Ongoing. Completion 2023.
<b>NSP1</b>	1. NSP Abatement Fund- - Demolish 3 dangerous structures. Funded \$75,000 program income. Completion 2023.
<b>NSP3</b>	1. Habitat- 15210 Portland Ave. SW- Construct 1 new single family home. Funded 2021; \$49,500. Ongoing. Completion 2024.
<b>SHB-1406</b>	1. Homeowner Rehab- 3 single-family households. Funding TBD 2022. Ongoing.

<b>TABLE 9</b> <b>FY 2022 - Anticipated</b> <b>(July 1, 2022 – June 30, 2023- YEAR 3 of PLAN)</b>	
<b>2060 (Pierce County)</b>	1. LASA- Gravelly Lake Dr. Service Center- Funding TBD 2022. Ongoing.

**Funding priority recommendation for CDBG and HOME for FY 2022 Annual Action Plan (year three of five):** Funding allocations for FY 2022 have not yet been announced and the recommendations included in this memo are preliminary. Funding allocations are typically released by HUD in late-April or May. The funding process includes two public hearings to receive public input on current community development, housing and public service needs. The first hearing was held on October 27, 2021, the second is scheduled to be held before Council on April 18, 2022.

Table 10 lists CDBG funding priority recommendations consistent with the current 5-YR 2020-24 Consolidated Plan:

<b>TABLE 10</b> <b>CDBG FUNDING RECOMMENDATIONS – FY 2022</b>				
	<b>CDBG</b>	<b>Reprogrammed CDBG</b>	<b>TOTAL</b>	<b>Consistent With 5-YR Goal</b>
Housing – Major Home Repair	\$155,095.20	\$66,417.67	\$221,512.87	#1 – Housing Instability, including homelessness (10 households)
Housing – PCHA Village Square/Oakleaf Apts. Rehab.	\$200,000	\$0	\$200,000	#2 – Affordable rental and homeowner opportunities (64 households)
Housing – CDBG Down Payment Assistance	\$0	\$0	\$0	#2 – Affordable rental and homeowner opportunities (2 households)
Services – CDBG Emergency Payments Program	\$100,000	\$0	\$100,000	#3 – Need for accessible culturally competent services (35-50 households)
CDBG Admin of HOME Housing Services	\$15,000	\$0	\$15,000	#1 – Housing Instability, including homelessness (2 households)
Administration	\$117,523.80	\$0	\$117,523.80	Administration
<b>Total Funding</b>	<b>\$587,619*</b>	<b>\$66,417.67**</b>	<b>\$654,036.67</b>	
<i>*Estimated CDBG allocation (2021 allocation was \$581,801).</i> <i>**Reprogrammed funding \$66,417.67 (FY 2020 Administration).</i>				

Table 11 lists HOME funding priority recommendations consistent with the current 5-YR 2020-24 Consolidated Plan:

<b>TABLE 11 HOME FUNDING RECOMMENDATIONS – FY 2022</b>				
	<b>HOME</b>	<b>Reprogrammed HOME</b>	<b>TOTAL</b>	<b>Consistent With 5-YR Goal</b>
Affordable Housing Fund	\$292,452	\$35,890.58	\$328,342.58	#2 – Affordable rental and homeowner opportunities (LASA Project)
Down Payment Assistance	\$0	\$0	\$0	#2 – Affordable rental and homeowner opportunities (1-2 households)
Administration (Tacoma 10%)	\$32,495	\$0	\$32,495	Administration
<b>Total Funding</b>	<b>\$324,947*</b>	<b>\$35,890.58**</b>	<b>\$360,837.58</b>	
<i>*Estimated HOME allocation (2021 allocation was \$321,730).  **Reprogrammed funding \$35,890.58 (FY 2021 Emergency Tenant-Based Rental Assistance).</i>				

**What is the CDBG Emergency Payments Program and why is it being proposed?** CDBG regulations do allow for payments to be made to an individual or family, for which the payments are used to provide basic services such as food, shelter or clothing, provided the payments are made directly to the provider of such services and the payments do not exceed three consecutive months. Activities of this sort are categorized as eligible under Public Service-type activities for low- and moderate-income individuals.

When receiving public input on the Plan in October 2021, staff noted the recurring theme of the need to fund services like moving expenses, screening fees, utility expenses and liens, transportation expenses, childcare expenses, clothing expenses for families moving from homelessness, and related rental move-in or program related housing fees. These same concerns were echoed during implementation of the City’s rental and mortgage assistance program. While many jurisdictions and organizations have extensive funding for rental and mortgage assistance programs, many of these related expenses have gone unnoticed, unfunded, and difficult for many low-income households to afford. There continues to be the need to fund these services for low-income households, especially for those minority households disproportionately impacted by the coronavirus pandemic.

The CDBG Emergency Payments Program would focus funding on serving low-income populations (30-50% AMI), with emphasis place on serving the elderly, disabled and minority populations disproportionately impacted by the coronavirus pandemic. The program would target assistance to no more than \$4,000 per household assistance on average. Payments would be made directly to providers with City-staff managing program implementation and daily operations. Staff will look to coordinate services implementation with local non-profit organizations, including LASA.

**What does the FY 2022 calendar look like?** Table 12 provides a timeline of activities to be undertaken by Lakewood and Tacoma to allocate CDBG and HOME funding for FY 2022:



<b>TABLE 12 CDBG/HOME FUNDING TIMELINE – FY 2022</b>	
<b>Date</b>	<b>Action</b>
<i>February 28, 2022</i>	<i>Council review of proposed CDBG/HOME funding priorities for FY 2022 Annual Action Plan.</i>
March 2, 2022	CSAB review and approval of proposed CDBG/HOME funding priorities for FY 2022 Annual Action Plan.
March 21, 2022 - Study Session	Council review of Draft FY 2022 Annual Action Plan.
April 1 – April 30, 2022	Citizen 30-day review and comment period of Draft FY 2022 Annual Action Plan.
April 18, 2022 - Council Meeting	Lakewood City Council Public Hearing on Draft FY 2022 Annual Action Plan.
April 12 or 19, 2022	Tacoma City Council Public Hearing on Draft FY 2022 Annual Action Plan.
May 2, 2022 - Council Meeting	Lakewood City Council adoption of FY 2022 Annual Action Plan.
May 3 or 10, 2022	Tacoma City Council adoption of FY 2022 Annual Action Plan.
May 13, 2022	Submittal of FY 2022 Annual Action Plan to HUD.

**Recap of recommendations moving forward:**

- 1) Staff is proposing to focus FY 2022 CDBG and HOME funding on primarily housing related activities, including the funding of Pierce County Housing Authority's exterior rehabilitation of Oakleaf and Village Square Apartments;
- 2) Review of proposed funding priorities for FY 2022 CDBG and HOME expenditures is scheduled to be reviewed by the Community Services Advisory Board at their March 2, 2022 meeting;
- 3) Council may wish to fund alter CDBG or HOME funding recommendations provided in Tables 10 and 11 when funding recommendations are proposed at Council's March 21<sup>st</sup> Regular Meeting;
- 4) Conduct a 30-day public comment period (April 1 – 30) and public hearing before Council on April 18<sup>th</sup> regarding the proposed FY 2022 Annual Action Plan;
- 5) Evaluate public input received during the 30-day comment period and April 18<sup>th</sup> public hearing; update recommendations to Council, if necessary;
- 6) Submit FY 2022 Annual Action Plan to HUD on May 13, 2022.