

Community Development Block Grant (CDBG)

Funding Source Overview

In 2017, as part of the implementation of a new enterprise-wide financial management system, the Community Development Block Grant (CDBG) Fund (17810) was dissolved and budget was distributed to various other funds in alignment with the direct fund model. The Human Services Department is the City department which acts as custodian for all grants from the U.S. Department of Housing and Urban Development, including CDBG funding. However, CDBG is a relatively flexible funding source and is used by many City departments.

Budget Overview

In the 2019 Adopted and 2020 Endorsed Budget, the funds are distributed to departments and projects as detailed below. All projects are subject to federal CDBG eligibility requirements, and, for some projects, final eligibility has not yet been determined:

Department	Title	Project Description	2018 Adopted	2019 Adopted	2020 Endorsed
HSD	Community Facilities	Community facility capital improvements.		1,933,449	217,000
	Homeless Services	Provides emergency shelter, day center / outreach activities, and homelessness prevention services. Note that the City is allocating all CDBG services funding to homelessness shelters and programs.	3,311,628	3,151,628	3,151,628
	Human Services Admin & Planning	Provide internal staffing capacity to adequately and effectively manage and administer all Consolidated Plan funds; ensure programmatic compliance with applicable federal regulations.	1,047,706	1,122,621	1,122,621
	Minor Home Repair	Provide minor home repairs to low- and moderate-income homeowners for safety and health-related repairs to their homes.	449,917	449,917	449,917
OED	Alpha Cine	Annual repayment of CDBG-backed Section 108 loan for Alpha Cine project.	74,597	-	-
	King Street Station Planning & Project Development	Provide financial assistance to conduct a feasibility analysis and to begin implementation of projects development of King Street Station as determined by the feasibility analysis and community.		262,500	-
	Neighborhood Business District - Only In Seattle	Provide grants and services to foster inclusive neighborhood business districts that allow small businesses to thrive.	679,675	679,675	679,675
	Neighborhood Business District Planning, Technical Assistance & Staff Support	Provide staffing, technical assistance, planning and administration to support the Only in Seattle Initiative.	172,000	172,000	172,000
	Over/Under Programmed	N/A	3,183	-	-
	Small Business Support	Provide financial assistance to qualifying small businesses and microenterprises. Delivery of business marketing and technical assistance to existing small business entrepreneurs serving low-income neighborhoods.	512,000	512,000	512,000
OH	Home Repair Program	Provide major home repair financial assistance to low- and moderate-income homeowners. Assisted households typically include seniors and others on low, fixed incomes. The Home Repair Loan Program helps prevent displacement of low-income homeowners by helping them remain safely in their homes.	350,000	350,000	350,000
	Home Repair Staffing	Provide administrative and management staff support to the home repair program.	255,462	255,462	255,462
	Homebuyer Education and Counseling	Provide education for first-time low- and moderate-income homebuyers.	217,000	217,000	217,000
	Office of Housing Admin & Planning	Support OH costs associated with CDBG and HOME program planning, administration, and contracted services.	235,887	160,972	160,972
	Rental Housing Preservation and Development	Provide financial assistance for the preservation and development of multifamily rental affordable housing.	490,278	490,278	490,278

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Department	Title	Project Description	2018 Adopted	2019 Adopted	2020 Endorsed
OIRA	ESL for Work (Ready to Work)	Provide ESL and job skills training for persons with limited English proficiency.	400,000	400,000	400,000
OPCD	Equitable Development Initiative	Provide support for community-based organizations pursuing investment strategies that will mitigate displacement within high-risk neighborhoods.	430,000	1,430,000	430,000
Parks	Seattle Conservation Corp Park Upgrades	Provide funding to the Seattle Conservation Corps for capital improvements and renovation in neighborhood parks serving qualifying low- and moderate-income neighborhoods and ADA	808,000	808,000	808,000
Total			9,437,333	12,395,502	9,416,553
<i>Program Income</i>			<i>(400,000)</i>	<i>(400,000)</i>	<i>(400,000)</i>
<i>Carryforward</i>	<i>Unspent balances from prior years</i>			<i>(2,716,499)</i>	<i>-</i>
Annual Entitlement			9,037,333	9,279,003	9,016,553

Carryforward:

In 2018, the Human Services Department reviewed all CDBG projects dating back twenty years and accumulated unspent CDBG entitlements from a variety of projects for a carryforward balance of \$2.7 million. Carryforward funds must be spent on project costs by 2021. The 2019 Adopted and 2020 Endorsed Budget includes a variety of projects to expend the carryforward on community facilities. All projects are subject to federal CDBG eligibility requirements, and while those listed below are included in the budget, their eligibility has not yet been finalized. Below are descriptions of each project.

The largest provider of Medication Assisted Treatment in Seattle, which had over 1300 clients enrolled in service in 2017, has an opportunity to purchase the building in which they operate in the SODO neighborhood. The agency has already secured \$3 million funding from the Washington State Department of Commerce, is requesting \$1 million from the City of Seattle, and is able to finance the remainder of the purchase price.

In addition, \$500,000 of CDBG carryforward is proposed to assist a large and active food bank in relocating to a new site in the SODO neighborhood. This will contribute to capital costs associated with the relocation.

As part of the Council deliberative process, \$1 million of the CDBG carryforward was allocated to the Office of Planning and Community Development Equitable Development Initiative.

The remaining balance of \$216,449 in carryforward CDBG and \$217,000 in 2019 CDBG is for a roof replacement project at a family support center.

If any of the detailed projects above cannot meet the timeliness requirements for CDBG carryforward, or are not otherwise eligible for CDBG funding, the funds can be used to grow the available resources as part of a competitive RFP process. HSD will facilitate the process and award funding based on competitiveness of proposals in an RFP process in 2019.

2019-2020 CDBG Allocations for all Departments and Change from 2018 Adopted Budget:

- Office of Housing: \$1,473,712 in 2019, \$1,473,712 in 2020
 - Changes from 2018 Adopted Budget: Reduce CDBG Administrative support by \$74,915 and use HOME grant administrative support instead.
- Human Services Department: \$4,941,166 in 2019 and \$4,941,166 in 2020
 - Changes from 2018 Adopted Budget: Technical changes to reduce CDBG public services by \$160,000 to remain with Public Service cap, increase CDBG Administrative support by \$74,915.
- Office of Economic Development: \$1,626,175 in 2019 and \$1,363,675 in 2020
 - Changes from 2018 Adopted Budget: Reduce by \$74,000 for annual Alpha Cine Loan payment which is being made in a lump sum, additional \$262,500 for King Street Station redevelopment project.

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- Office of Immigrant and Refugee Affairs: \$400,000 in 2019 and \$400,000 in 2020
 - Changes from 2018 Budget: None
- Department of Parks and Recreation: \$808,000 in 2019 and \$808,000 in 2020
 - Changes from 2018 Budget: None
- Office of Planning and Community Development: \$1,430,000 in 2019 and \$430,000 in 2020
 - Changes from 2018 Budget: Council allocated \$1m of carryforward CDBG entitlement to OPCD for the Equitable Development Initiative.

Fund Tables:

Carryforward Appropriations

Fund Code	Fund Name	2018 Adopted Budget	2018 Amended Budget	2019 Adopted	2020 Endorsed	2021 Projected	2022 Projected
16200	Human Services Fund	-	1,055,000	1,716,449	-	-	-
16400	Low Income Housing Fund	-	1,429,800	-	-	-	-
16600	Office of Housing Fund	-	-	-	-	-	-
00100	General Fund	-	1,498,079	1,000,000	-	-	-
10200	Park and Recreation Fund	-	599,806	-	-	-	-
Total		-	4,582,685	2,716,449	-	-	-

CDBG Current Year

Fund Code	Fund Name	2018 Adopted Budget	2018 Amended Budget	2019 Adopted	2020 Endorsed	2021 Projected	2022 Projected
16200	Human Services Fund	4,809,251	5,228,251	4,941,166	4,941,166	4,941,166	4,941,166
16400	Low Income Housing Fund	707,278	707,278	707,278	707,278	707,278	707,278
16600	Office of Housing Fund	441,349	441,349	366,434	366,434	366,434	366,434
00100	General Fund	2,271,455	2,303,455	2,456,175	2,193,675	2,193,675	2,193,675
10200	Park and Recreation Fund	808,000	808,000	808,000	808,000	808,000	808,000
Total		9,037,333	9,488,333	9,279,053	9,016,553	9,016,553	9,016,553

Total CDBG Appropriation by Fund

Fund Code	Fund Name	2018 Adopted Budget	2018 Amended Budget	2019 Adopted	2020 Endorsed	2021 Projected	2022 Projected
16200	Human Services Fund	4,809,251	6,283,251	6,657,615	4,941,166	4,941,166	4,941,166
16400	Low Income Housing Fund	707,278	2,137,078	707,278	707,278	707,278	707,278
16600	Office of Housing Fund	441,349	441,349	366,434	366,434	366,434	366,434
00100	General Fund	2,271,455	3,801,534	3,456,175	2,193,675	2,193,675	2,193,675
10200	Park and Recreation Fund	808,000	1,407,806	808,000	808,000	808,000	808,000
Total CDBG Appropriation by Fund		9,037,333	14,071,018	11,995,502	9,016,553	9,016,553	9,016,553

Program Income

Fund Code	Fund Name	2018 Adopted Budget	2018 Amended Budget	2019 Adopted	2020 Endorsed	2021 Projected	2022 Projected
16400	Low Income Housing Fund	350,000	350,000	350,000	350,000	350,000	350,000
16600	Office of Housing Fund	50,000	50,000	50,000	50,000	50,000	50,000
Total Program Income		400,000	400,000	400,000	400,000	400,000	400,000

Grand Total		9,437,333	14,471,018	12,395,502	9,416,553	9,416,553	9,416,553
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