

Section 1 – Introduction

The City of Seattle 2009 – 2012 Consolidated Plan for Housing and Community Development was submitted to the U.S. Department of Housing and Urban Development in November of 2008 to guide the use of funds from four federal programs:

- Community Development Block Grant
- HOME Investment Partnership
- Emergency Shelter Grant Program
- Housing Opportunities for Persons with AIDS

This 2010 Update to the City of Seattle's 2009 – 2012 Consolidated Plan for Housing and Community Development ("Plan") takes into consideration revenue forecast estimates and changes in the social and economic climate since the Plan was developed and considers their effect on the strategic direction of that Plan. Fundamentally our strategic direction has not changed. The 2010 Update continues the overall strategies described in the 2009 – 2012 Consolidated Plan: continuing to implement the Ten Year Plan to End Homelessness, developing and preserving affordable housing, and fulfilling our commitment to the Rainier Valley Community Development Fund (RVCDF).

Changes in the Environment

Reports are appearing in the national media that offer the perspective that the worst of the national (and worldwide) recession is behind us. If the recovery has begun, it will take time to reach the homeless and low-income communities that the Consolidated Plan funds target. The 2009 – 2012 Plan as developed last year contains extensive sections analyzing the social, economic, and housing needs of Seattle residents. In preparing this 2010 Update, we make the assumption that economic, environmental, and social data derived last summer has not changed sufficiently to change any of our newly-implemented strategies. New funds from the federal government via the American Recovery and Reinvestment Act of 2009 will be in place to supplement and enhance our existing strategies and allow us to undertake additional efforts to support job retention and creation.

Locally, the City's current Housing Levy began in 2002 and expires at the end of 2009. This levy provided \$86 million to create affordable housing, assist first-time homebuyers, and provide for emergency rental assistance to prevent homelessness. A new seven year Housing Levy (2010 – 2016) has been placed on the ballot in the November 2009 General Election in the City. Given that the outcome of the election will not be known until after the 2010 Update is submitted to HUD, the strategies and outcomes in this Update do not include any potential funds from this new proposed levy.

Revenue Outlook

Our expectations for the 2010 regular allocations from HUD are based on proposals coming out of the U.S. House and U.S. Senate in early August 2009 indicating that funding for the HOME Investment Partnership and Community Development Block Grant ("CDBG") programs will be increased over the FY2009 adopted budget levels.

Economic Stimulus Funding

The American Recovery and Reinvestment Act of 2009 (“ARRA”) has provided Seattle with several grants, including one-time funding under the Homelessness Prevention and Rapid Re-Housing Program (“HPRP”) and a one-time special allocation to the CDBG program. These programs awarded approximately \$8 million of HUD funding to Seattle to help homeless persons and low- to moderate-income persons over the next two to three years. Additional funds were made available to the City via the first round of Neighborhood Stabilization Program funding (Housing and Economic Recovery Act of 2008) to assist in the redevelopment of abandoned and foreclosed homes.

Community Development Block Grant – Recovery

ARRA provides \$3.3 million in one-time Community Development Block Grant – Recovery (CDBG-R) funds to Seattle. Of that money, \$1.8 million is targeted for one-time capital improvements to community facilities and affordable housing projects, providing for construction jobs, improved services to low- and moderate-income clients, and preservation of the City’s affordable housing stock. Beneficiaries of this \$1.8 million include a child care center in the downtown core, a hot meal program, and a food bank. Two senior housing buildings will also benefit from needed renovations and energy upgrades with these funds. Another \$1.4 million is being invested in a small business program to create access to capital for small businesses and microenterprises. With the resources from these business loans, jobs will be created and / or preserved for the benefit of low-income employees or neighborhoods. This allocation of CDBG-R funds was provided to HUD and the public in a substantial amendment to the 2008 Annual Action Plan in the spring of 2009. HUD approved the proposed allocation in August of 2009.

Homelessness Prevention & Rapid Re-housing Program (HPRP)

The City of Seattle will receive \$4,933,052 in ARRA funds through the Homelessness Prevention and Rapid Re-Housing Program (HPRP). The Seattle Human Services Department is administering the award of the HPRP funds and contracting with community based non-profit organizations to provide financial assistance and housing stabilization services to low-income individuals and families who are homeless or at risk of becoming homeless.

Seattle’s proposed use of HPRP funding is consistent with the City’s Consolidated Plan Homelessness Response Strategy. Our community’s strategies to prevent and end homelessness are guided by the priorities of the King County Ten-Year Plan to End Homelessness. City investment and service delivery strategies are aligned with regional priorities identified in the Ten-Year Plan:

- Prevent people from becoming homeless;
- Building or acquire more affordable housing units and move people rapidly from homelessness to housing with integrated services;
- Increase the efficiency of the existing system that serves homeless people;
- Build and sustain the public and political will to end homelessness; and
- Measure and report outcomes.

Status of Needs Assessment Data

The 2010 Update is based on needs assessment data for homeless and special needs populations as published in December 2008 under the 2009-2012 Consolidated Plan. The demographic profile and needs assessment sections of the Plan contain extensive analysis based on the American Community Survey (ACS), state and local economic and growth forecasts and a variety of other recent local strategic plans. These constitute the best available data while waiting for the results of the 2010 U.S. Census now in progress. The City anticipates updating the housing and populations needs data as information is released from the 2010 Census over the next two years leading up to the next major survey of needs done in preparation for the 2013-2017 Consolidated Plan. To view the 2009-2012 Consolidated Plan Demographic Profile and Needs Assessment in detail online, visit:

http://www.seattle.gov/humanservices/community_development/conplan/plan/CP_2009_final_Sec2.pdf and;

http://www.seattle.gov/humanservices/community_development/conplan/plan/CP_2009_final_Sec3.pdf.

Revised Income Guidelines

Subsequent to the publication of the 2009 – 2012 Plan, HUD has provided an updated table (below) to define low-income and moderate-income households and individuals.

Gross Annual Income by Family Size

2009 HUD Income Limits

	Household Size (number of persons)							
	1	2	3	4	5	6	7	8
Very Low Income (30% median)	\$17,700	\$20,250	\$22,750	\$25,300	\$27,300	\$29,350	\$31,350	\$33,400
Low Income (50% median)	\$29,500	\$33,700	\$37,950	\$42,150	\$45,500	\$48,900	\$52,250	\$55,650
Moderate Income (80% median)	\$44,800	\$51,200	\$57,600	\$64,000	\$69,100	\$74,250	\$79,350	\$84,500

2009 Seattle-Bellevue PMSA median family income = \$84,300

Public Participation

The public was first able to view this proposed draft on September 1, 2009. A public hearing was held on this 2010 Update on September 16, followed by public comment on the 2010 budget during the course of the City Council's budget discussions during the months of October and November. A summary of public comments appears in Section 7 of this document.