

# MEMORANDUM

**DATE:** April 27, 2023

**TO:** Eric Holmes, City Manager

**CC:** Patrick Quinton, Director, Economic Prosperity and Housing  
Teresa Brum, Deputy Director, Economic Prosperity and Housing

**FROM:** Samantha Whitley, Housing Programs Manager

**RE:** **2023 Program Year CDBG/HOME/HOME-ARP Funding Recommendations**

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## Key Points

- The City completes an annual Action Plan describing how federal Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) funds will be awarded. This memo is a preview of the Action Plan with the proposed funding recommendations for 2023. A draft Action Plan will be posted and advertised for public review on April 8, 2023, with a public hearing about it is scheduled for May 8, 2023. The Action Plan will be submitted to HUD by May 15, 2023.
- Resources available for the 2023 program year (July 1, 2023 – June 30, 2024) are estimated to include \$1,392,021 in CDBG funds and \$791,895 in HOME funds. Additional HOME ARP funds and local AHF levy funds were also made available in the application process. AHF approval will be sent under a separate resolution.
- A 15-person review committee composed of 7 community representatives and 8 city staff reviewed the applications and application presentations, then scored and ranked the proposals received.
- Recommended CDBG, HOME, and HOME ARP funding would support 21 projects undertaken by community partners and benefiting people with low to moderate income. See Attachment B for a summary of projects and funding.
- Proposed outcomes from these awards include:
  - 4,830 people will benefit from various public services
  - 203 business owners will be assisted
  - 15 households will buy an affordable home
  - 13 new units of affordable housing will be acquired
  - 10 homeowners will have their housing repaired and preserved
  - 46 households will access rental assistance with case management
  - 1,500 people will have improved access to mental health services for children
  - 1,890 people will receive supportive services to resolve or prevent homelessness

## Present Situation

The U.S. Department of Housing and Urban Development (HUD) requires an annual Action Plan that outlines how CDBG and HOME resources will be utilized. This document includes information regarding funds available, the prioritization process, and recommended awards and projects. The draft 2023 Action Plan will be made available 30 days prior to the May 8, 2023, public hearing at [www.cityofvancouver.us/cdbg](http://www.cityofvancouver.us/cdbg). City Council and public feedback on recommended funding is welcomed and encouraged prior to plan finalization and submittal.

CDBG and HOME awards must be consistent with goals and objectives outlined in the City’s 2019-2023 Five-year Consolidated Plan. Goals include:

- Affordable Housing: Increase and preserve affordable housing opportunity for low-income households and people experiencing homelessness.
- Public Services: Reduce poverty, increase stability, and prevent and address homelessness for individuals and families. Where possible, support existing City and community initiatives.
- Economic Development: Increase economic opportunity by supporting small businesses.
- Public Facilities and Infrastructure: Create and preserve buildings and spaces that serve the public.

The City of Vancouver allocates the majority of its annual CDBG and HOME funding to community partners through an annual competitive application process. A public hearing for City Council to adopt the 2023 Action Plan, which includes the proposed projects and award amounts, is scheduled for May 8, 2023.

**2023 Funding Available**

Funds available for program year 2023 are listed below. Available funds are subject to change based on entitlement funds from previous years and program income received.

<b>CDBG funding</b>	
2023 Entitlement Funds	\$1,392,021
Anticipated program income	\$ 120,000
<u>Unspent entitlement (previous years)</u>	<u>\$ 141,337</u>
<b>TOTAL</b>	<b>\$1,653,358</b>
<b>HOME funding</b>	
2023 Entitlement Funds	\$ 791,895
<u>Unspent entitlement (previous years)</u>	<u>\$ 318,251</u>
<b>TOTAL</b>	<b>\$1,110,146</b>
<b>HOME ARP funding</b>	
<u>Entitlement funds (for 6 years)</u>	<u>\$2,496,110</u>
<b>2023 ESTIMATED SPENDING</b>	<b>\$ 727,904</b>

**Application and Prioritization Process**

The annual application process began in October 2022. Staff invited interested parties to attend a workshop explaining the application process. Applicants submitted preapplications online through ZoomGrants. City staff advanced 36 applications with funding requests totaling just over \$6 million.

The review committee, composed of community representatives and City staff (see *Attachment A: 2023 Review Committee Members*), completed the application review process. The committee read applications, viewed applicant presentations, scored and prioritized the projects and suggested funding options. This year, the committee’s awarded points were increased and objective scoring was decreased, giving the committee more influence on which applications were granted funding.

The average score for each application guided the prioritization of awards. Scoring factors included:

- Clearly defined scope, goals and outcomes
- Community needs
- Community impact
- Readiness to move forward
- Long-term financial viability
- Demonstrated equitable practices and outcomes
- Community partnerships and collaboration
- Cost benefit – people/households served and committed match funding
- Objective risk assessment score
- Additional points for projects that address homelessness needs

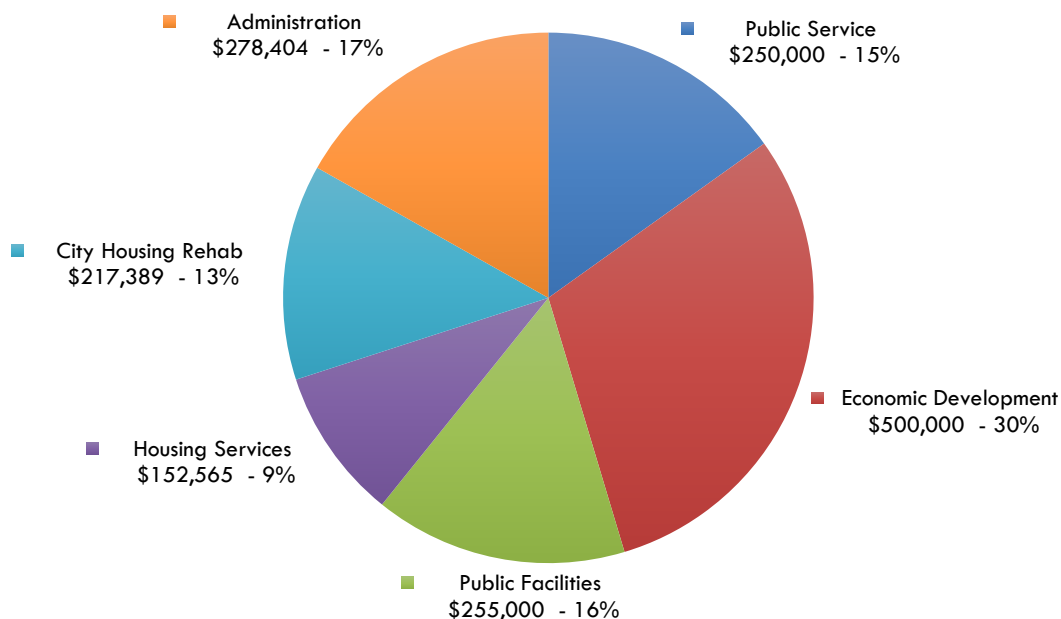
Staff then met with committee to go over funding proposals. A full list of recommended projects and proposed funding, along with a brief description of each project is included in *Attachment B*.

### 2023 Funding Recommendations – CDBG

Funding recommendations support the following priorities. The chart below describes the amount and share of CDBG funds allocated to each priority.

- **Public services:** Programs serving youth programs, youth who are experiencing homelessness, transitional housing services, community outreach events and eviction mediation services.
- **Public facilities:** Construction and rehabilitation of a behavioral health care facility.
- **Economic development:** Technical assistance for microenterprises and people starting new businesses.
- **Housing services:** Case management to help households find or maintain rental housing; paired with HOME-funded rental assistance.
- **City Housing Rehab Set-aside:** Low-interest loans to homeowners to assist with home repairs that address health, safety and livability issues.
- **Administration:** Staff and administrative costs to carry out the CDBG program and projects. The amount of CDBG funding that may be used for administration is capped by federal guidelines.

**Figure 1. Recommended 2023 CDBG Award**

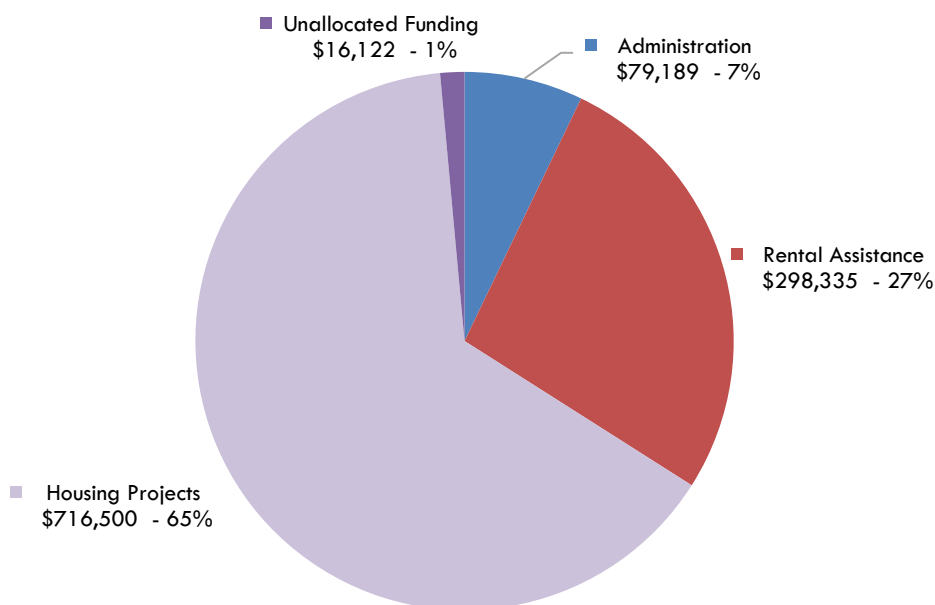


## 2023 Funding Recommendations – HOME

Funding recommendations for HOME awards support the following priorities. The chart that follows describes the amount and share of HOME funds allocated to each priority.

- **Rental assistance:** Assistance with security deposits, rent and utilities to help households experiencing, or at risk of, homelessness afford housing. Paired with CDBG-funded housing services.
- **Housing projects:** Single-family home acquisition assistance for first-time buyers and new affordable rental housing. HUD requires 15% of each year’s HOME entitlement to be set aside for an eligible Community Housing Development Organization (CHDO). No CHDO applications were submitted in 2022, so this was carried forward. One 2023 CHDO application was received for multifamily acquisitions, this was recommended for funding with both 2022 and 2023 CHDO set-aside.
- **Unallocated Funding:** These funds will be awarded as needed. If funds are unspent in 2023, they will be allocated to future funding.
- **Administration:** Staff and administrative costs to carry out the HOME program and projects. The amount of HOME funding that may be used for administration is capped by federal guidelines.

**Figure 2. Recommended 2023 HOME Award**

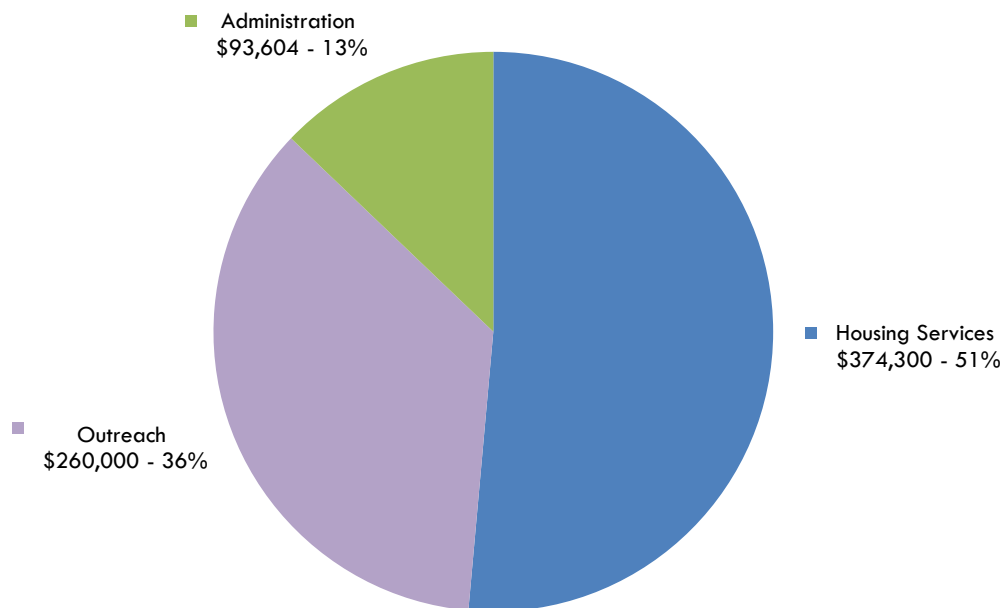


### 2023 Funding recommendations - HOME-ARP

The HOME-ARP Plan was reviewed by the public and City Council but has not yet been approved by HUD. When approved, HOME-ARP funding will need to be expended within 6 years. HOME-ARP applications were accepted as part of the 2023 process in anticipation of the HOME-ARP Plan approval. Funding recommendations for HOME-ARP awards support the following services for people who are homeless or at risk of homelessness, per HOME-ARP rules. The chart that follows describes the amount of HOME-ARP funds allocated to each priority.

- **Housing Services:** Supporting households who are experiencing homelessness or at risk of becoming homeless through navigating the criminal justice system, outreach, and rental assistance.
- **Outreach:** Supporting households who are experiencing homelessness and other vulnerable populations through outreach in the community.
- **Administration:** Staff and administrative costs to carry out the HOME-ARP program and projects. The HOME-ARP funding used for administration is capped by federal guidelines at 15% over 6 years. The admin costs are estimated to be spent in four years.

Figure 3. Recommended 2023 HOME-ARP Award



## **Advantages**

Projected outcomes of the recommended 2023 projects are shown in the table below. Project awards will serve Vancouver residents with low to moderate income (LMI), build or preserve housing that will remain affordable, and assist small businesses that are new or struggling. The recommended awards would allow the city to continue making progress toward meeting the five-year projected outcomes identified in the 2019-2023 Consolidated Plan. (Projects funded in one program year may be implemented and/or completed in subsequent program years.)

**Table 1: Progress toward 2019-2023 Consolidated Plan outcomes**

<b>Consolidated Plan Goal</b>	<b>Tracked Outcomes</b>	<b>5-Yr Plan Projected Outcomes</b>	<b>2019 Outcomes</b>	<b>2020 Outcomes</b>	<b>2021 Outcomes</b>	<b>2022 Anticipated Outcomes*</b>	<b>2023 Projected Outcomes</b>	<b>% Complete</b>
<b>Affordable Housing</b>	New rental units	165 units	0 units	0 units	107 units	6 units	13 units	76.36%
	Rental rehab units**	100 units	0 units	25 units	0 units	0 units	0 units	25%**
	Homeowner rehab units	35 units	9 units	13 units	5 units	10 units	10 units	134.28%
	New homeowner housing units	10 units	0 units	0 units	0 units	0 units	9 units***	90.00%
	Homebuyer assistance units	8 units	0 units	0 units	1 unit	4 units	15 units	250.00%
	Rental assistance households served	250 households	45 households	49 households	48 households	95 households	46 households	113.20%
<b>Public Services</b>	LMI people served	29,715 people	5,028 people	1,952 people	1,282 people	1,219 people	4,830 people	48.16%
<b>Economic Development</b>	Businesses assisted	150 businesses	50 businesses	323 businesses	107 businesses	255 businesses	203 businesses	625.33%
<b>Public Facilities and Infrastructure</b>	LMI people served	21,375 people	144 people	0 people	0 people	2,158 people	1,500 people	17.79%

\*The 2022 program year ends June 30, 2023; 2022 outcomes will be reported in the Consolidated Annual Performance and Evaluation Report.

\*\*Rental rehab has been undertaken using AHF rather than federal funds.

\*\*\*Projected outcomes are from a previous funding year with Evergreen Habitat for Humanity.

### **Disadvantages**

None of note.

### **Budget impact**

Proposed funding is through the city's federal CDBG and HOME entitlements and program income.

### **Next steps**

April 8, 2023	Advertise Action Plan draft for public comment
May 8, 2023	Public hearing to adopt 2023 Action Plan
May 15, 2023	Deadline to submit final 2023 Action Plan to HUD

### **Attachments**

- A. 2023 CDBG/HOME/HOME-ARP Review Committee Members (below)
- B. 2023 CDBG/HOME/HOME-ARP Funding Recommendations (below)
- C. 2023-CDBG/HOME/HOME-ARP Unfunded Applicants (below)
- D. Draft of 2023 Action Plan
- E. 2023 Action Plan infographic
- F. Resolution adopting 2023-CDBG and HOME Action Plan

**Attachment A**  
**2023 CDBG/HOME Review Committee Members**

<b>NAME</b>	<b>AFFILIATION</b>
Angelica Martinez	City of Vancouver – Community Development
Ann Hawkins	City of Vancouver – Housing
Anna Vogel	City of Vancouver – Finance and Management
Brenda Schallberger	Camas School District
Esra Khalil	Community Foundation for SW Washington
Fred Dockweiler	Berkadia
Jamie Spinelli	City of Vancouver – Homeless Coordinator
Joan Caley	Vancouver Housing Authority Board
Julie Arnez	City of Vancouver – Small Business
Kyle Roslund	Vancouver Bee Project
Michael Walker	Vancouver Downtown Association
Sean Philbrook	Identity Clark County
Shannon Williams	City of Vancouver – Community Development
Tyler Chavers	City of Vancouver – Police



**Attachment B  
2023 CDBG/HOME/HOME-ARP Funding Recommendation**

<b>Agency</b>	<b>Project Name</b>	<b>Recommended funding</b>	<b>Outcomes</b>	<b>Funding Source</b>	<b>Project Description</b>
<b>Public Services</b>					
Boys and Girls Club of SW WA	Youth Violence Prevention and Intervention	\$50,000	150 youth	CDBG	Targeted outreach to youth to help them re-engage in a community where they learn, grow, connect and make healthy and safe life choices.
Community Mediation Services	Eviction Mediation Program	\$50,000	600 people at risk of eviction	CDBG	Eviction Mediation Program encouraging landlords and tenants to engage in mediation and come to a sustainable agreement outside the court system.
Council for the Homeless	Dynamic Diversion	\$50,000	90 at risk of homelessness	CDBG	Diversion assistance for clients who are experiencing homelessness to move into stable and safe housing.
Janus Youth	Oak Bridge Case Management	\$25,000	80 youth who are homeless	CDBG	Safe shelter, food, clothing, showers, laundry, crisis intervention, resource connection, and life-skills training for youth ages 9-17 experiencing homelessness.
New Life Friend's Church	Homeless to Home	\$25,000	20 people in transitional recovery housing	CDBG	An addiction recovery and reentry program that educates and encourages residents in recovery while providing limited housing.
Thrive 2 Survive	Outreach Events	\$50,000	2,000 residents experiencing homelessness	CDBG	Community events, hosted by agency, to bring resources to and meet the needs of people experiencing or at risk of homelessness.
<b>Totals</b>		<b>\$250,000</b>	<b>2,940 people</b>		
<b>Public Facilities</b>					
Family Solutions	New Integrated Health Center	\$250,000	1,500 people annually	CDBG	Fund tenant improvements to update space for the provision of healthcare services to low/mod income individuals.
<b>Housing Preservation</b>					
City of Vancouver	Rehabilitation Program	\$192,338	10 households	CDBG	Low-interest loans for homeowners with low-income to repair their single-family residence.

**Attachment B  
2023 CDBG/HOME/HOME-ARP Funding Recommendation**

<b>Agency</b>	<b>Project Name</b>	<b>Recommended funding*</b>	<b>Outcomes</b>	<b>Funding Source</b>	<b>Project Description</b>
<b>Business Assistance</b>					
Fourth Plain Forward	Fourth Plain Forward Business Incubator	\$230,000	54 microenterprises	CDBG	Small business education and technical assistance providing startups and existing businesses with access to services and networking.
Hispanic Metropolitan Chamber	Latino Small Business Assistance Program	\$104,000	45 microenterprises	CDBG	Outreach, one-on-one bilingual/bicultural technical assistance and business education workshops to increase revenue and family income.
Mercy Corps NW	Vancouver Small Business Assistance	\$50,500	56 microenterprises	CDBG	Small business education and technical assistance with activities dedicated to business growth, which creates pathways to financial opportunity.
Micro Enterprise Services of Oregon	Vancouver Small Business Assistance	\$100,500	48 microenterprises	CDBG	Small business education and technical assistance with a focus on businesses in the fourth plain area, as well as expanded outreach, programs and services to new entrepreneurs and small businesses.
<b>Totals</b>		<b>\$485,000</b>	<b>203 businesses</b>		

*\*All agencies were funded at less than their full request, because of the limited amount of CDBG funding available for business assistance.*

<b>Housing Services (CDBG)/Rental Assistance (HOME)</b>					
Janus Youth	The Nest TBRA and Housing Services	\$202,500	30 households	CDBG/ HOME	Rental assistance with intensive case management focused on life skills and connection to mental health/substance use treatment.
Lifeline Connections	TBRA for Recovery	\$79,200	6 households	CDBG/ HOME	Case management and rent/utility assistance for households who are homeless and struggling with substance use and/or mental health disorders.
Second Step Housing	Transitional Housing	\$154,200	10 households	CDBG/ HOME	Transitional housing program that includes rental subsidies, coordinated support, and referral to community resources.
<b>Totals</b>		<b>\$435,900</b>	<b>46 households</b>		

**Attachment B  
2023 CDBG/HOME/HOME-ARP Funding Recommendation**

Agency	Project Name	Recommended funding	Outcomes	Funding Source	Project Description
<b>Housing Projects</b>					
Evergreen Habitat for Humanity	Scattered Site Home Trust	\$294,000	14 households	HOME	Down payment assistance for homebuyers, subsidizing each mortgage to make mortgage more affordable.
Proud Ground	Permanently Affordable Housing	\$100,000*	1 household	HOME	Creating homeownership affordability using a Community Land Trust model to administer assistance to first-time homebuyers.
Second Step Housing	Affordable Housing Acquisition	\$300,000	13 households	HOME	Purchase existing market rate rental units to be preserved as affordable housing units for households with children experiencing homelessness.
<b>Totals</b>		<b>\$694,000</b>	<b>28 households</b>		

*\*One agency was funded at less than their full request, because of the limited amount of HOME funding available for Housing Projects. Awards were reduced based on review committee scoring and it was recommended agency also apply for AHF.*

<b>HOME ARP Supportive Services</b>					
Clark County Volunteer Lawyers Program	Housing Justice Project	\$125,000	1,240 people	HOME ARP	Provide supportive services and address the basic needs of people charged with “crimes of homelessness.”
Council for the Homeless	Coordinated Outreach	\$185,000	50 people	HOME ARP	Supporting households who are experiencing homelessness through community outreach.
Xchange Recovery	Outreach & Rental Assistance	\$249,300	450 people	HOME ARP	Supporting households who are experiencing homelessness through community outreach and providing rental assistance as a supportive service to housing.
Xchange Recovery	Medical Team Outreach	\$75,000	150 people	HOME ARP	Providing medical treatment to individuals experiencing homelessness through community outreach.
<b>Totals</b>		<b>\$634,300</b>	<b>1,890 people</b>		

**Attachment C  
2023 CDBG/HOME/HOME-ARP Unfunded Applicants**

<b>Agency</b>	<b>Project Name</b>	<b>Amount Requested</b>	<b>Project Category</b>	<b>Project Description</b>
ADU Foundation	New ADU Construction	\$300,000	Housing Projects	Accessory dwelling units (ADU) for low-income homeowners living in the City of Vancouver to provide low-income rental homes.
Datepark Condominium INC	Datepark Residence	\$300,000	Housing Projects	Affordable housing for individuals who have barriers that prevent them from meeting common rental qualifications to obtain housing.
Educational Service District 112	Renovation of Central Park Early Learning Center	\$121,282	Public Facilities	Renovate and address repairs needed at two early learning centers; Central Park and Park Crest Early Learning Centers.
Clark County Food Bank	Vision Center Best Practices Food Pantry Services	\$50,000	Public Service	Food distribution, nutrition education, cooking demonstrations, free lunches, and client-run pantry operations for food-insecure individuals.
Community Roots Collaborative	Village Coordinator	\$50,000	Public Service	Affordable housing solutions, through small cottage home communities, with integrated support services.
Lord's Gym Vancouver	USA After School Programming	\$50,000	Public Service	Wages of kitchen staff and increased utility costs associated with commercial kitchen use for after school programming.
Restored and Revived	Peer Support & Mentorship Program	\$50,000	Public Service	Substance use prevention, therapeutic workshops, and case management for individuals who have experienced addiction, homelessness, or institutions.
Restored and Revived	Peer Support & Mentorship Rental Assistance Program	\$100,619	Rental Assistance	Case management and direct services assisting youth and adult community members who have been affected by addiction, houselessness, and incarceration or are the most vulnerable.
The Salvation Army	Pathway of Hope	\$150,000	Rental Assistance	Case management and direct services to support families with housing needs.
X Change Recovery	Staffing for Expanded Behavioral Health Services	\$75,000	Supportive Services HOME ARP	Expand the behavioral health agency (BHA) services by using funds to support staffing costs.