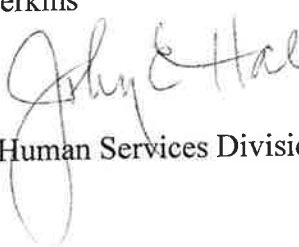


MEMORANDUM

To: Mayor Nadine Woodard
City Administrator Johnnie Perkins

From: Director John E. Hall 
Neighborhood, Housing and Human Services Division

cc: Personnel File

Date: September 30, 2022

Re: Organizational Observations and Recommendations

I am grateful for having served as Neighborhood, Housing and Human Services Division Director. During my time at the City of Spokane, I observed policies and practices that may require your attention to create the opportunity for victory for Spokane residents. The following unsolicited observations and recommendations are aimed to be non-partisan, honest and respectful. I simply want to see a high performing enterprise leading the way, especially in housing affordability and availability, homelessness and self-sufficiency.

The enclosed document consists of observations, Strengths Weaknesses Opportunity Threat (SWOT) analyses. I incorporate hot issues and recommendations throughout that should be addressed continuously by the mayor's executive team.

Enclosures

- CDBG Timeliness letter from HUD
- HUD IDIS PR 56
- CDBG Section 108 Power Point training slides
- CHHS Board Unsolicited Proposal Policy
- HUD HOME IDIS Program Report 35
- PDAS letter from HUD regarding HOME ARP
- ARPA Excel Spreadsheet of obligated initiatives
- City of Spokane Media Release - Affordable Housing Proposals

OBSERVATIONS

The Neighborhood, Housing and Human Services Division (NHHS) consists of three departments: (1) My Spokane/311; (2) Office of Neighborhood Services and; (3) Community Housing and Human Services (CHHS). By the close nature of the names and abbreviations, NHHS and CHHS are confusing and overlapping in many ways. There is a separatist mentality with CHHS that is not collaborative. Having CHHS as a cabinet level division may need to be considered so that the city administrator can hold its leadership accountable. The My Spokane/311 performs well and makes great strides in improving citizens' experience. The ONS structure with 29 neighborhood councils and community assembly is dysfunctional at best and often exposes staff to toxic and intolerable verbal abuse from the public. Staff may be better served reporting directly to the legislative branch.

Interaction among the Executive and Legislative governance branches is blurred. The City's Charter for a strong mayor form of government is being chipped away. The mayor within any party affiliation should be empowered to devise programs, budgets and initiative subject to the Legislative adoption. However, the appearance of subverted and in some cases, aborted implementation of policy only hurts the citizens. The homeless issues and specifically the squatters on the Washington State Department of Transportation right of way site is filled with such overreach by the Legislative. Complicating matters is staff's lack of urgency to be results driven during this homelessness crisis. For instance, City Council awarded \$10 million in affordable housing funding on August 1, 2022, for 11 projects to yield nearly 220-units of housing. These 11 projects along with 15 others have not been executed to date, causing further delivery of units to citizens experiencing housing instability.

The mayor's communications team should consider weekly press conferences to cover not only the housing crisis but all matters related to the city. In this manner, citizens hear directly from Mayor Woodward. All division heads should be required to attend and be responsible for answering the detailed questions. This forum would allow for accurate information to be disseminated. As for Housing, the leader and staff would be held accountable for getting dollars to the required awardees who will be addressing housing availability and housing affordability.

Addressing the homeless crisis in the city of Spokane will require bold and proactive plans. Consider the CDBG Section 108 loan advance program in addition to available HOME and HOME-ARP funding. The CDBG Section 108 loan advance program could be a tool to assist the city in meeting the urgent needs of the community. This feature allows for an advance of five times an entitlement community's allocation, which would be nearly \$15 million with a 20-year repayment from a reduction in the city's annual entitlement allocation.

Part of the challenge in producing results stems from the enterprise's culture. There appears to be a bottoms-up power approach occurring. Within NHHS, staff seem to be focused on a life-work balance which is paradoxical as their career is aimed to help vulnerable populations with urgent situations.

The City of Spokane collectively, meaning both the Executive and Legislative governance bodies, must collaborate to responsibly disburse nearly \$12 million of federal funding for affordable housing. The City failed its annual Community Development Block Grant (CDBG) timeliness standard test on May 2, 2022. Consequently, a minimum of \$3 million must be completely disbursed no later than May 1, 2023; if not, the U.S. Department of Housing and Urban Development (HUD) may require a workout plan reduce the city's entitlement grant to the maximum 1.5x ratio. On May 2, 2022, the City exceeded the 1.5x ratio by \$1.1 million. If this failure persists on May 2, 2023, the City will lose whatever amount is above the 1.5x ratio. The last time the Program Report (PR05) was checked on July 12, 2022, the amount above the 1.5x ratio was \$3 million.

Additionally, HUD provided the city with \$6 million of HOME Investment Partnership in 2021 under the American Rescue Plan Act (ARPA). The required allocation plan has yet to be submitted to HUD, which may also place this funding to preserve or produce affordable housing units throughout the city at-risk of being lost. In the meantime, the city appears to have allocated activities such as affordable housing of \$6 million and down payment assistance of \$2.5 million from separate funding from Treasury's ARPA, while HUD's allocation for these same eligible activities is at risk of being lost. In this case, the city could optimize \$14.5 million in funding but appears to only be using \$6 million and leaving \$8.5 million on the table. Making matters even more disappointing is that the fact that the city has not allocated its annual entitlement HOME Investment Partnership grant. Currently, years, 2020, 2021 and 2022 have yet to committed. The city receives \$1.4 million annually excluding program income. As of April 2022, the city had \$3,972,483.95 available plus another \$1.4 million from this year's allocation. There are no activities in HUD's system other than salaries. This funding can be used to preserve and/or create affordable housing, provide down payment and closing costs assistance to first time homebuyers as well as tenant based rental assistance among other uses. In the last three years, nothing has been done. A missed opportunity was to incorporate this funding with the affordable housing procurement that was completed earlier this year. Federal dollars could have been used while using local dollars to operate the Trent Resource and Assistance Center. The city must retain experienced housing practitioners and move with a sense of urgency to address the housing crisis.

Meeting programmatic compliance requires leadership with knowledge of federal regulations. Once you recruit seasoned leadership, you should lean on your investment as a subject matter expert and hold accountable. The housing and homeless crises occurring throughout the city is not the time to have staff and advisory committees empowered to thwart implementation of public policies.

Finally, the anticipated Commerce funds of \$24 million to the City of Spokane appears to now be reduced to \$3 million. Circa September 8, 2022, Commerce staff sent a draft template contract to be completed. Part of the e-dialogue revealed Commerce's acceptance to fund only 30 unsheltered individuals who self-certify as coming from the Washington State Department of Transportation's Right of Way location, commonly referred as Camp Hope. Commerce also indicated funding 30 pallets. Either way, only \$3 million is available. As of now, staff endeavors to respond by September 30, 2022, to the template contract. The response will include

\$1,354,362 for the Trent Resource and Assistance Center to provide 12-months of service for 30 unsheltered individuals from Camp Hope. At an appropriate time, the City may want to negotiate a higher number of unsheltered individuals coming from Camp Hope, however, Commerce staff have been adamant recently of this limit. City staff will now need to devise a response for the 30 pallet homes at Commerce's provided rate of \$50,788 per unit, totaling \$1,523,640. The grand total of potential Commerce funding at this point is \$2,878,002.

My Spokane 311 SWOT Analysis

Strengths:

- The My Spokane 311 team is passionate and eager to serve our internal and external customers. They are willing to learn and want to be able to provide solutions, even when it is outside of the scope of their role. They work hard to consistently improve their abilities and be part of the solution as a team.
- Flexibility is another strength of the My Spokane 311 team. They adapt quickly, share information and sources they find, and adjust in real time to minimize customer experience impacts.

Weaknesses:

- Content Management is one of our current weaknesses, as we have many places to access the required information to service customers. Additionally, information can frequently change without advanced notice or awareness, which can lead to miss information being shared or not all sources being updated.
- The lack of effective content management also leads to expecting Specialists to retain a large amount of knowledge in a short window. Lengthening that ramp-up time for new hires and their ability to come out of training fully prepared to service all scenarios they may encounter.

Opportunities:

- Staffing stability. In October of 2022 will be the first time (since at least 2019) that My Spokane 311 has been fully staffed (agent level). With the My Spokane team being one of the few entry-level positions in the City, we are seeing more candidates interested in joining, knowing they will have the opportunity to grow in the City. Making our staffing stability both an opportunity and a risk for the team. Great opportunity for the City, as we are helping to bring in strong talent that will grow across the City. However, this can also present challenges in our operations, as after 1-1.5 years of service in My Spokane, team members are starting to explore other opportunities.
 - We're also working to change the leadership team's mindset, knowing we are hiring not just for our team needs but also for the longer-term needs of the City to promote within.
 - Staffing stability also then impacts our Key Performance Indicators (KPIs) and the type of services we can offer.
- Engage in more self-directed citizen requests. Make our website/app more user-friendly and help drive more contacts to these channels. It's not a bad tool today; it needs further enhancements so citizens can more quickly find what they need and quickly complete the request. This applies to citizen requests/complaints and our online bill pay solutions.
- Internal Tools/CRM – We have a very robust tool; however, we did not purchase service maintenance with our package or budget for it in years prior. Which led to the lack of improvements to improve the customer experience.

Threats/Risks:

- Resources and services being provided by the groups My Spokane 311 supports. Without adequate staffing and follow-up across the groups we service, it is difficult to move the needle on our overall Customer Service and client experience. Citizens often complain about the timeliness of responding to their complaints; however, this is not a direct reflection of the My Spokane 311 results but of the departments we service (Parking, Code, etc.). We are consistently working with departments we service to reduce this risk and change the perceived perception of the value My Spokane 311 provides.

Office of Neighborhood Services S.W.O.T. Analysis**Strengths:**

- Two seasoned staff are committed to the 29 neighborhood councils. One was previously a neighborhood council representative to Community Assembly so she has great insight.
- Both staff are independent and fulfill assignments with little oversight from leadership.
- City Council, in particular CM Stratton, voices commitment to having this group be successful.

Weaknesses:

- The two staff caseloads are enormous due to attrition and probable understaffing.
- Lack of executive leadership oversight and intercession causes greater staff independence while simultaneously missing opportunities to fulfill strategic objectives.

Opportunities:

- One new staff entered on duty effective September 19, 2022. Another vacant position was re-classified and an offer for a fourth Community Program Coordinator (CPC) will be offered on September 30, 2022. Having four CPCs should build team camaraderie, lessen caseloads and promote workload sharing so that everyone knows how to perform all functions and initiatives.
- The Community Assembly (CA) will conduct a retreat on October 10, 2022 at The Hive. This forum would be an opportune time to re-set the relationship and level of expectation between CA representatives and City staff. Some CA representative conduct has been unacceptable, toxic and hostile toward staff who are caught in the middle of the executive and legislative branches.
- Recruiting and onboarding a new department director for ONS is needed by the end of this fiscal year. Nineteen candidates met minimum qualifications and should be given serious consideration for the appointment.

Threats:

- Without permanent leadership, staff will become even more independent and potentially disregard leadership directives.
- Continued hostile treatment from some CA representatives may lead to grievances.

Community Housing and Human Services S.W.O.T. Analysis

Strengths:

- Abundant federal resources provided to address housing affordability, availability and instability.
- Fresh staff that appear eager.
- The City is the lead agency for the Continuum of Care homeless dollars that are received from the federal government. Staff appear entrenched in this program that includes the Point-In-Time Count.

Weaknesses:

- Inexperienced staff not having proficient knowledge of Title 24, Part 570 for the Community Development Block Grant (CDBG) as well as Title 24, Part 92 for HOME Investment Partnerships. Currently, there is one subject matter expert for the CDBG program. The HOME subject matter expert retired and was recalled but will be leaving for a permanent separation in less than 40 hours.
- Program compliance suffers with failed CDBG timeliness standard and uncommitted HOME activities spanning more than two years.

Opportunities:

- Yield results for vulnerable citizens with the available resources.
- To promote mayoral strategic goals and objectives aligning with abundant federal resources.
- The recruitment of an experienced HOME specialist may be possible.

Threats:

- Using CHHS as a homeless department. Truth is that the department is a gap financier to promote preservation and development of affordable housing as well as spur neighborhood revitalization and community economic development in low- and moderate-income census tracts across the city.
- Program non-compliance threatens recapture of federal dollars.
- Organizational culture that disregards leadership.
- Staff failure or willful delay in carrying out instructions in a reasonable time



U.S. Department of Housing and Urban Development

Seattle Regional Office
Seattle Federal Office Building
Office of Community Planning & Development
909 First Avenue, Suite 300
Seattle, WA 98104-1000
www.hud.gov/washington.html

May 12, 2022

Jenn Cerecedes, Director
Community, Housing, and Human Services
City of Spokane
808 W. Spokane Falls Blvd.
Spokane, WA 99201

Dear Ms. Cerecedes:

**SUBJECT: Noncompliance with Timely Expenditure Requirements;
Community Development Block Grant (CDBG) Program**

The purpose of this letter is to advise you that the City of Spokane is not carrying out its Community Development Block Grant (CDBG) program in a timely manner and that continued noncompliance may result in sanctions, including the loss of funds and other corrective actions. As required by 24 CFR 570.902 of the CDBG regulations, this office reviewed Spokane for compliance with requirements for carrying out a CDBG Program in a timely manner. A grantee is considered to be in compliance if, 60 days prior to the end of its program year, the balance in the grantee's line of credit, plus the balance of program income on hand, is not more than 1.5 times the most recent entitlement grant. Program income includes funds that a grantee may have in one or more revolving loan funds (RLF), referenced as "RL" funds in the Integrated Disbursement and Information System (IDIS). Collectively, these fund balances are referred to as the adjusted line of credit balance.

Spokane has a July 1 Program Year Start Date. When the 60-day test was conducted on May 2, 2022, it was calculated that your community had an adjusted line of credit balance of 1.73 times its annual grant. Accordingly, HUD has determined that your community is in non-compliance with the CDBG program timely performance requirements.

In accordance with the Department's October 21, 2021, memo, *Restarting the Corrective Actions Process for Untimely Expenditure*, Spokane has 12 months, until its next 60-day test, to reach the 1.5 timeliness standard. Failure to meet the standard by that date will require Spokane to submit a workout plan. The Seattle Field Office looks forward to working with you to ensure that you will meet the next timeliness test. Please note the following four resources, a technical assistance video along with three brochures located on the HUD Exchange website, that are available to assist you in your efforts to comply with HUD's timeliness standards:

- ***"CDBG Timeliness and Best Practices to Achieve Timely Performance,"***
<https://www.youtube.com/watch?v=6z4wdiKJPG8&feature=youtu.be>
- ***"Developing and Implementing a CDBG Workout Plan,"***
<https://www.hudexchange.info/resources/documents/developing-and-implementing-a-cdbg-workout-plan.pdf>

- **“Keeping Your CDBG Funds Moving.”** and
<https://www.hudexchange.info/resources/documents/Keeping-Your-CDBG-Funds-Moving-Guide.pdf>
- **“Ensuring CDBG Subrecipient Timeliness.”**
<https://www.hudexchange.info/resources/documents/Ensuring-CDBG-Subrecipient-Timelines.pdf>

These resources provide guidance for keeping your CDBG program timely and will strengthen your community’s program management capacity. The IDIS PR56 - CDBG Timeliness Report is a helpful tool for keeping track of your drawdown progress. IDIS will calculate a current drawdown ratio and the exact dollar amount you will need to draw down to reach the 1.5 standard.

HUD appreciates the many efforts made by our grantees to continue carrying out their programs during this challenging time. My staff and I remain available to assist you in any way possible to help you achieve compliance. Should you have any questions pertaining to this matter, please feel free to contact Aaron Luce at Aaron.B.Luce@HUD.gov.

Sincerely,



Carma E. Reed
Acting Director
Office of Community Planning
and Development

Digitally signed by: CARMA

REED

Date: 2022.05.12 14:57:59
-08'00'



U.S. Department of Housing and Urban Development
 Office of Community Planning and Development
 Integrated Disbursement and Information System

Current CDBG Timeliness Report
 Grantee : SPOKANE, WA

DATE: 07-12-22
 TIME: 17:46
 PAGE: 1

PR 56

PGM YEAR	PGM START DATE	TIMELINESS TEST DATE	CDBG GRANT AMT	--- LETTER OF CREDIT BALANCE ---		DRAW RATIO		MINIMUM DISBURSEMENT TO MEET TEST	
				UNADJUSTED	ADJUSTED FOR PI	UNADJ	ADJ	UNADJUSTED	ADJUSTED
2021	07-01-21	05-02-22	3,328,739.00	5,134,705.52	5,767,549.24	1.54	1.73		
2022	07-01-22	05-02-23	UNAVAILABLE	5,134,705.52	6,170,820.90	*****	*****	GRANT UNAVAILABLE FOR CALCULATION	

3,110,310.00

1.62

1.95

NOTE: If ***** appears in place of ratio, then ratio cannot be calculated because either the grantee's current year grant has not been obligated in LOCCS or the current program year start and end dates have not been entered in IDIS.

SECTION 108 LOAN

- Method of leveraging available CDBG funds to access additional financing for projects
- Section 108 process basics:
 1. Community applies to HUD
 2. Based on community's pledge of CDBG funding as collateral, HUD issues a federal guarantee on the community's promissory note(s)
 3. Community uses \$\$\$ from sale of note(s) used for Section 108 eligible project
 4. Community repays note(s), often using revenue generated by project

Slide 151



ADVANTAGES OF

- Leverages limited grant funds
- Not a general obligation
- Access funds immediately (versus pay as you go)
- Ability to structure repayment based on specific project
- Long-term, fixed-rate financing at favorable rates

Slide 152



SECTION 108

- Amount
 - Up to five times most recent grant amount
- Term
 - Up to 20 years
- Rates
 - Permanent financing
 - Interim financing
- Fees
 - Section 108 financing fee
 - Permanent financing underwriting fees

Slide 153



ELIGIBLE ACTIVITIES

- Real property acquisition
- Rehabilitation of publicly owned real property
- Relocation
- Clearance/demolition
- Site preparation
- Housing rehabilitation
- Economic development
- Public facilities/improvements
- Issuance costs
- Capitalized interest
- Reserves

Slide 134



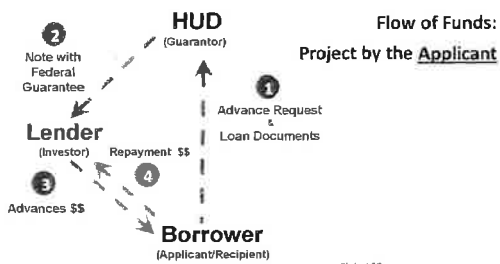
APPLICABLE RULES

- Section 108 must comply with all key CDBG rules
 - Eligible Activity
 - Meet a National objective
 - 70% LMI-benefit targeting
 - Other federal requirements
 - Environmental review
 - Davis Bacon
 - URA
 - Omniscircular (2 CFR Part 200)
 - Fair housing/equal opportunity
 - Lead Based Paint
 - HUD Reform Act

Slide 135

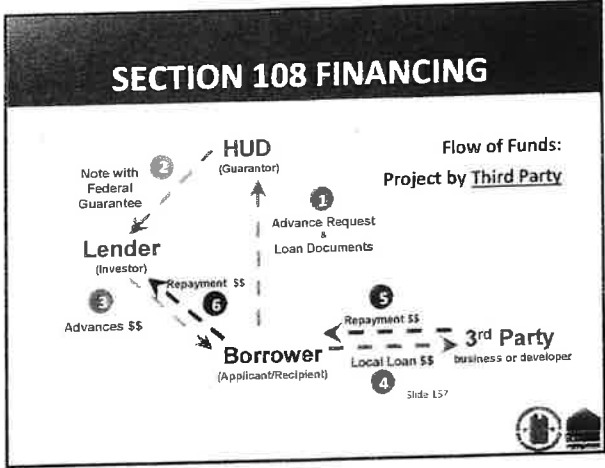


SECTION 108 FINANCING



Slide 155





INTERIM LOANS

- Public offering usually once every 12-18 months
- Interim loan available until public offering
- Fiscal Agent arranges interim loan
 - Interest rate: 90 day LIBOR + 20 basis points

Slide 158

PERMANENT LOANS

- Public offering provides long-term, fixed-rate financing
- "Public offering" conducted by Sec. 108 underwriting team
- For most recent public offering (May 2015), all-in interest rate for a 20-year loan with equal installments was 2.85%
- Fees
- Loans serviced by trustee

Slide 159

SECTION 108

- Identifies risks involved in a particular loan
- Establishes suitable loan terms and conditions designed to mitigate those risks
- Minimizes risk to grant funds (both for CDBG & Section 108 projects)
- For Section 108 loans, underwriting is also essential to ensure HUD's acceptance of the grantee's loan to a 3rd party (business/developer) as collateral on the loan guarantee
- Currently, the underwriting guidelines at 24 CFR Appendix A to Part 570 are required for all 'special economic development' projects

Slide 153



SECTION 108

- Credit Reform Act required communities to pledge collateral in addition to CDBG
- Communities must pledge this additional collateral prior to HUD's guarantee of promissory note(s)/prior to receiving funds
- New rules now require borrowers to pay fees to reduce costs of government subsidies
 - 2.59% financing fee for 2017 (fee set annually).
 - Fee is based on the principal amount and can be amortized; fees associated with public offering

Slide 161



SOURCES OF REPAYMENT OF SECTION 108 LOANS

- Program income (repayment from third party, i.e., business or developer)
- Other repayment sources, negotiated on a case by case basis
 - For example: revenues generated by special taxing districts (e.g., TIFs and single purpose districts), other loan portfolios, or other types of revenue available (e.g., parking or casino revenues)
- CDBG funds


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FORMS OF ADDITIONAL SECURITY

- Examples include:
 - Real Property (often the assets created from use of Sec. 108 funds)
 - Portfolio Income
 - Full Faith & Credit Pledge
 - Debt Service Reserve
 - Other Revenue Streams (e.g., taxing district revenues, parking revenues)

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OTHER ELIGIBLE ACTIVITIES

Slide 164

OTHER ELIGIBLE ACTIVITIES

- There are other CDBG eligible activity options, including:
 - Interim assistance
 - Relocation
 - Loss of rental income
 - Technical assistance
 - Assistance to institutions of higher learning
 - Payment of non-federal share
 - Urban renewal completion


Slide 165



570 201 various


ELIGIBLE INTERIM ASSISTANCE ACTIVITIES

- Interim assistance is a short term program typically related to essential services or repairs
- These activities are usually coupled with an Urgent Need
- CDBG may be used to pay for interim assistance under two circumstances:
 - Immediate action is necessary until something permanent is done
 - Emergency conditions threaten health/safety

 HUD-104


INTERIM ASSISTANCE NATIONAL OBJECTIVES


- Low/Mod Area Benefit
- Slum/Blight Area Basis
- Urgent Need
 - Activity must alleviate existing threatening conditions
 - Activity must address a recent condition
 - Recipient must be unable to finance activity and no other funds are available

 HUD-104

RELOCATION

- Must comply with the URA and 104(d)
- May pay for:
 - Temporary relocation
 - Permanent relocation
- May be related to CDBG-assisted project or other activity



 HUD-104

BRIEFING PAPER
Community, Housing and Human Services Board
Alternatives to Traditional RFP Process: CDBG Capital
October 2, 2019

SUBJECT:

Discuss alternatives to traditional CHHS Request for Proposal (RFP) methods for allocating unobligated CDBG capital funds.

BACKGROUND:

CHHS has traditionally relied on a formal Request for Proposals (RFP) process to allocate CDBG capital funds. This process provides an excellent opportunity to solicit a broad range of applications from the community. The primary drawback to this approach is the length of time it takes to develop and administer the RFP. The following outline provides an overview of the current RFP process:

- CHHS drafts and releases RFP to Public (3-4 weeks)
- CHHS provides technical assistance workshops for perspective applicants
- RFP closes (typically 5-6 weeks)
- CHHS reviews applications for project eligibility and organizational risk (2-4 weeks)
- CHHS provides the Evaluation & Review, or Affordable Housing Committee with application resources
- Committee members review and score applications (2-3 weeks)
- Staff assembles Committee scores (1 week)
- Committee meets to deliberate application scores and make funding recommendations to CHHS Board
- CHHS Board reviews and approves Committee funding recommendations
- CHHS drafts and executes contractual agreements (4-6 weeks)
- CHHS works with subrecipient to procure contractor for project (1-3 months)
- Contract executed between subrecipient and contractor (1-3 weeks)
- Subrecipient/CHHS issues notice to proceed to contractor (1-4 weeks)
- Work begins
- CHHS provides ongoing compliance oversight throughout the projects duration
- Project closeout

The life cycle of a typical CHHS RFP is approximately 5-6 months from start to contract execution. While this process allows for broad participation, it significantly reduces the ability for CHHS to respond to rapidly changing community need.

PROPOSAL:

CHHS seeks Board support for the following proposal:

Allocate 90% of unencumber CDBG capital funds to priority community projects. These funds will be exempted from the traditional CHHS RFP process outlined above. The proposed process for allocating funds will follow the outline below:

- Applicant will submit a basic application for funding
 - *Project Scope*
 - *Detailed Budget (with other leveraged funding sources)*
 - *Project Timeline*
- CHHS will present application to Board for review and approval
- CHHS will enter into contract with applicant

In response to the need for capital investments related to ongoing repair (flooring, windows, HVAC, etc.) CHHS will reserve 10% of all unencumbered funds for a traditional RFP process as outlined above.

The example below is intended to illustrate how this alternative would work if CHHS had \$1,000,000 of unencumbered CDBG capital funds.

	90% Unencumbered Example (\$900k)	10% Unencumbered Example (\$100k)
Project Examples	<ul style="list-style-type: none"> • Land Acquisition • Affordable Housing Acquisition/rehab • Child Care Facilities • Homeless Shelter Facilities 	<ul style="list-style-type: none"> • Flooring Repairs • Window Replacements • HVAC Repairs • Priority Security Systems • Roof Repairs
Award Size	<ul style="list-style-type: none"> • Minimum award \$50k • Max award limited to amount of available unencumbered funds 	<ul style="list-style-type: none"> • Minimum award \$10k • Max award limited to <50% of available unencumbered funds
RFP Process	<ul style="list-style-type: none"> • Simple application submitted to CHHS and approved by Board 	<ul style="list-style-type: none"> • Traditional CHHS RFP process (see above)
Timeline	<ul style="list-style-type: none"> • 2-3 months 	<ul style="list-style-type: none"> • 5-6 months

TIMELINE:

CHHS would like to make this adjustment to the traditional RFP process as soon as possible to address immediate community need for low/moderate income individuals.

IMPACT:

The alternative outlined above would allow CHHS to be more responsive to changing community need and rapidly respond to CDBG timeliness requirements.

ACTION:

CHHS is seeking Board discussion regarding the recommendation to explore alternative methods for allocating CDBG capital funds.

Available HOME funds based on PR35 - Grant, Subfund, and Subgrant Report of 4/19/22

updated 2022May2

Fiscal Year	Source Type	Fund Type	Recipient TIN	Organization Name	Authorized Amount	Subgranted Amount	Amount Committed to Activities	Amount Available to Commit to Activities	Amount Available to Subgrant/Commit to Activities	Net Drawn Amount	Committed, not drawn	CR min (15%)	reserved	difference
2016	MC METRO CITY	EN	916001280	SPOKANE	\$930,239.00	\$232,559.75	\$697,679.25	\$0.00	\$697,679.25	\$0.00	\$0.00			
		AD	916001280	SPOKANE	\$93,023.90	\$0.00	\$93,023.90	\$0.00	\$93,023.90	\$0.00	\$0.00			
		CO	916001280	SPOKANE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			
		CR	916001280	SPOKANE	\$139,535.85	\$139,535.85	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$139,535.85	\$139,535.85	\$0.00
		PI	911311127	SNAP	\$96,636.01	\$0.00	\$96,636.01	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		
		PI	91143596	ECCO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		
2017	MC METRO CITY	EN	916001280	SPOKANE	\$264,367.70	\$26,436.77	\$237,930.93	\$0.00	\$237,930.93	\$0.00	\$0.00			
		AD	916001280	SPOKANE	\$891,721.10	\$222,930.25	\$668,790.75	\$0.00	\$668,790.75	\$0.00	\$0.00			
		CR	916001280	SPOKANE	\$99,172.10	\$0.00	\$99,172.10	\$0.00	\$99,172.10	\$0.00	\$0.00			
		PI	911311127	SNAP	\$133,758.15	\$133,758.15	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$133,758.15	\$133,758.15	\$0.00
		PI	916001280	SPOKANE	\$869,507.93	\$0.00	\$869,507.93	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		
		PA	911311127	SNAP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		
2018	MC METRO CITY	EN	916001280	SPOKANE	\$86,950.79	\$0.00	\$86,950.79	\$0.00	\$86,950.79	\$0.00	\$0.00			
		AD	916001280	SPOKANE	\$1,269,887.00	\$460,375.95	\$809,732.41	\$218,778.64	\$577,742.22	\$12,990.19	\$0.00			
		CR	916001280	SPOKANE	\$126,988.70	\$0.00	\$126,988.70	\$0.00	\$126,988.70	\$0.00	\$0.00			
		PI	911311127	SNAP	\$19,605.84	\$19,605.84	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$19,605.84	\$19,605.84	\$0.00
		PI	916001280	SPOKANE	\$304,428.55	\$30,442.86	\$273,985.69	\$0.00	\$245,312.87	\$28,672.82	\$0.00	\$0.00		
		PA	916001280	SPOKANE	\$30,442.86	\$0.00	\$30,442.86	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		
2019	MC METRO CITY	EN	460684743	SAWDC	\$313,781.41	\$313,781.41	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			
		AD	916001280	SPOKANE	\$100,000.00	\$0.00	\$100,000.00	\$0.00	\$32,588.52	\$67,411.48	\$0.00			
		CR	916001280	SPOKANE	\$213,781.41	\$0.00	\$213,781.41	\$0.00	\$213,781.41	\$0.00	\$0.00			
		PI	916001280	SPOKANE	\$1,181,603.00	\$293,764.43	\$0.00	\$887,838.57	\$0.00	\$0.00	\$0.00			
		PI	916001280	SPOKANE	\$118,160.30	\$0.00	\$118,160.30	\$0.00	\$118,160.30	\$0.00	\$0.00			
		SU	916001280	SPOKANE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			



OFFICE OF COMMUNITY PLANNING
AND DEVELOPMENT

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

September 15, 2022

The Honorable Nadine A. Woodward
Mayor of Spokane
808 W Spokane Falls Boulevard
Spokane, WA 99201-3333

Dear Mayor Woodward:

As the new Principal Deputy Assistant Secretary for HUD's Office of Community Planning and Development, I'm writing to thank you for your public service and to ask you to develop and submit a plan for your share of the \$5 billion provided by the American Rescue Plan Act of 2021 for the HOME Program, called HOME-ARP.

These one-time funds are not the same as annual HOME Program appropriations. They are intended to provide housing, shelter, and supportive services for persons experiencing or at risk of homelessness, fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking, and other vulnerable populations at greatest risk of housing instability. One year ago this month, HUD issued implementing guidance for this new program, obligated HOME-ARP grant funds to state and local governments and insular areas that are HOME participating jurisdictions (PJs), and provided jurisdictions immediate access to 5 percent of their grants to pay for administrative and planning costs associated with developing a HOME-ARP allocation plan.

As you well know, the affordable housing shortage our country has experienced for many years has worsened significantly due to the ongoing effects of the COVID-19 pandemic. HOME-ARP funding provides your community an opportunity to increase the supply of affordable housing, upgrade or expand the stock of shelter for people experiencing homelessness and other populations by creating non-congregate shelter. You can also enhance or expand supportive services for households that are homeless or experiencing housing instability.

Your HOME-ARP allocation is 3.6 times the size of your recent annual allocations of HOME funds. This one-time funding provides additional flexibility and new eligible activities to help you meet the needs of qualifying populations and make significant, long-term investments in your community.

Specifically, your jurisdiction can use HOME-ARP funding for:

- Acquisition, rehabilitation, adaptive reuse, or construction of affordable rental housing, including permanent supportive housing for qualifying populations.
- Tenant-based rental assistance (TBRA) to help qualifying populations pay rent, security deposits, and utility deposits and payments.

- A broad range of supportive services to prevent homelessness and foster housing stability such as emergency assistance, job training, childcare, and educational services.
- Acquisition and development of non-congregate shelter to create private temporary units/rooms for households experiencing homelessness or fleeing abusive situations.
- Capacity Building & Nonprofit Operating to build capacity and financial stability in local nonprofit organizations serving your community with HOME-ARP activities.
- Administration and planning to hire, train, and support new staff to select, manage, monitor, and evaluate HOME-ARP projects and activities.

To access HOME-ARP funds for projects or activities, you must develop an allocation plan assessing the needs of qualifying populations in your area and gaps in your housing and service delivery systems, allocating funds among eligible uses, and establishing preferences among qualifying populations, if applicable.

HUD is committed to providing guidance, training, best practices, tools, and templates to assist you in making your HOME-ARP projects and programs successful. These resources are available through the HUD Exchange at www.hudexchange.info/programs/home-arp/. HUD will also offer direct technical assistance to jurisdictions that seek additional help in designing programs or projects. If you would like this assistance, please contact your local HUD Field Office.

If your jurisdiction is still in the process of developing your HOME-ARP allocation plan, I urge you to prioritize development of your plan and completion of the required consultation and public participation processes and to expeditiously submit your plan to HUD for review. The need for HOME-ARP services, shelter, and housing in communities across the country is urgent and growing, and it is critical for HOME-ARP resources to be deployed expeditiously. Enclosed in this letter is a list of guidance, tips, templates, trainings, and other resources available at to assist your jurisdiction in developing and submitting a complete and compliant HOME-ARP allocation plan so that you can be making these vital investments in your community. If your jurisdiction has already developed and submitted a plan to HUD, thank you for your work.

If you or your staff have any questions about HOME-ARP or would like to share feedback on this process, you may contact your local HUD Field Office or HUD's Office of Affordable Housing Programs at HOMEARP@hud.gov.

Sincerely,



Marion Mollegen McFadden

Principal Deputy Secretary for Community Planning and
Development

PJ Resources for HOME-ARP Allocation Plans

Guidance:

Notice CPD-21-10: Requirements for the Use of Funds in the HOME-ARP Program (HOME-ARP Notice) – The HOME-ARP Notice establishes requirements for the use of HOME-ARP funds, including allocation plan requirements. Appendix to the notice describes waivers and alternative requirements applicable to HOME-ARP grants.

HOME-ARP Policy Brief: Preferences, Methods of Prioritization, and Limitations – Explains and clarifies the HOME-ARP requirements for establishing preferences and limitations in HOME-ARP allocation plans and how preferences and limitations affect permissible client referral methods.

HOME-ARP Allocation Plan Common PJ Issues – Provides an overview of common issues found in HOME-ARP allocation plans, including consultation, public participation process, needs and gaps analysis, and other components of the plan.

HOME-ARP FAQs – Assist PJs with understanding allocation plan requirements.

HOME-ARP Program Fact Sheet: HOME-ARP Allocation Plan – Provides a concise overview of the HOME-ARP allocation plan requirements and the submission and HUD review processes.

Templates/Tools:

HOME-ARP Allocation Plan Template – This optional form may be used by PJs to submit their HOME-ARP allocation plans.

Tips for Using the HOME-ARP Allocation Plan Template – This document is an annotated version of the HOME-ARP allocation plan template providing tips and guidance to clarify allocation plan requirements and flag certain common mistakes.

HOME-ARP Allocation Plan Checklist – HUD uses this checklist to review submitted HOME-ARP allocation plans. Checklist includes an overview of requirements governing HOME-ARP and the processes for plan submission and HUD Office review.

HOME-ARP Housing Production Goal Calculation Worksheet and FAQ – This worksheet assists PJs to estimate the number of affordable rental housing units for qualifying populations it will produce or support with its HOME-ARP allocation.

Webinars, Video FAQs, and e-Tutorials:

Understanding HOME-ARP Preferences, Referral Methods, and Allocation Plan Requirements Webinar (May 17, 2022) – This webinar explains the HOME-ARP requirements related to establishing preferences, limitations and referral methods for HOME-ARP projects or activities and the required elements of a HOME-ARP allocation plan.

HOME-ARP Notice Webinar: Notice CPD-21-10, Qualifying Populations, and Allocation Plan Requirements (September 27, 2021) – This webinar provides PJs and their partners with a general overview of the HOME-ARP Notice, reviews the HOME-ARP qualifying populations, and explains the requirements for developing the HOME-ARP allocation plan.

HOME-ARP Webinar Series: Planning Process (November 17, 2021) – This webinar reviews the requirements for the consultation process and public participation processes in the development of the needs assessment, gaps analysis, priority needs, and HOME-ARP activities.

HOME-ARP Public Participation Video FAQ – This video FAQ provides a detailed summary of the public participation requirements for the HOME-ARP allocation plan, as outlined in the HOME-ARP Notice.

Submitting Your HOME-ARP Allocation Plan in IDIS Tutorial – This e-tutorial demonstrates how to upload and submit an allocation plan as an amendment to the 2021 Annual Action Plan through the eCon Planning Suite in the Integrated Disbursement and Information System (IDIS).

Questions and Direct Technical Assistance:

Direct Technical Assistance – PJs may submit a request for direct technical assistance with the development of its HOME-ARP allocation plan or HOME-ARP policies and procedures, or administration and implementation of the HOME-ARP program at <https://www.hudexchange.info/program-support/technical-assistance/> for.

HOME-ARP Allocation Plan Ask a Question (AAQ) Portal – PJs and other program partners may submit questions about HOME-ARP allocation plan requirements and IDIS through the AAQ portal at <https://www.hudexchange.info/program-support/my-question/> and receive responses to those questions.

9/7/2022

DETL Code	DETL Long Description	BN - NET BUDGET FFF 00/2022 13/2022
97204	MOBILE MEDICAL1.6	1,200,000.00
97225	EVICION DEF & EDUCTN 2.5/2.2	300,000.00
97231	EMPLOYMENT SUPPORT 2.7/2.1	1,000,000.00
97232	EQUITY NAVIGATOR 2.13/2.37	300,000.00
97233	ATTAIN HOUSNG PERMITS 3.1/2.15	1,500,000.00
97234	CULTURAL EVENTS 2.22	900,000.00
97235	HOMLESSNESS CAPITAL 2.13/2.37	3,500,000.00
97237	AT RISK YOUTH SVCS 2.13/2.37	3,000,000.00
97238	CITYWIDE SIGNICNCE 3.10/2.15	2,000,000.00
97239	NEIGHBORHOOD BUSINESS DISTRICT	2,660,000.00
97241	NE COMMUNITY CTR CAPITAL	500,000.00
97242	MLK CENTER CAPITAL	500,000.00
97243	EAST CENTRAL CAPITAL	500,000.00
97245	APPRENTICESHIP EDUC 2.7/2.10	400,000.00
97246	CHILDCARE NEEDS OPS 3.6/2.11	3,500,000.00
97248	PARKS UPGRADES 2.13/2.37	1,120,000.00
97249	AFFORDABLE HOUSING 3.1/2.15	6,000,000.00
97250	NOT-FOR-PROFIT ENTITIES	5,000,000.00
97251	DOWN PAYMENT ASSIST 3.1/2.15	2,000,000.00
97252	SUB-AREA PLANNING 3.12/2.15	1,000,000.00
97253	SMALL BUSINESS ENTITIES	5,000,000.00
97254	MULTICULTURAL CENTERS	1,000,000.00
97306	ADMINISTRATIVE NEEDS 7.1	655,000.00
97307	LEGAL SUPPORT 7.1	120,000.00
97308	COMM ENG/PRJCT COORDNTR 7.1	120,000.00
97312	DON KARDON 3.3	2,950,000.00
97313	POLICE CAPITAL	2,374,000.00
97314	FIRE CAPITAL	3,707,869.00
97315	FLEET POLICE STUDY	100,000.00
97316	EV STATIONS	90,000.00
97317	CBA-ADD TO PAY	2,400,000.00
97318	HIGHER EDUCATION	5,000,000.00
97319	MUNICIPAL JUSTTICE CENTER	5,000,000.00
97320	EXTREME WEATHER SHELTERING	120,000.00
	Grand total	65,516,869.00



City of Spokane—Media Release

www.spokanecity.org

FOR IMMEDIATE RELEASE

Aug. 2, 2022

Contacts: Brian Walker, Neighborhood, Housing and Human Services
Communications Manager, bbwalker@spokanecity.org
Lisa Gardner, Communications Director, City Council,
lgardner@spokanecity.org

AFFORDABLE HOUSING PROPOSALS APPROVED CITY COUNCIL

The City’s Community Housing and Human Services Board received approval on Monday night from the City Council to provide \$10 million in funding for 11 projects that would be leveraged by three different sources to help address the housing crisis for low- to moderate-income individuals in Spokane.

The funding will support the construction of new affordable housing units, rehabilitation of existing affordable housing units, and supportive services to maintain housing stability.

Increasing availability of housing of all types, regardless of income level, and addressing homelessness are among Mayor Nadine Woodward’s main administrative priorities.

“You cannot look at homelessness without addressing housing,” Woodward said.

The request for proposals, which was open from May 9 to June 10, combined funding from the federal American Rescue Plan Act (ARPA), the local Sales and Use Tax for Affordable and Supportive Housing, and the local and state Sales and Use Tax for Housing and Housing-Related Supportive Services. Of the total amount, \$6 million is ARPA funds that provide governments resources to respond to the pandemic and its economic effects.

From that request, the CHHS Board recommended the following proposals, applicants, amounts and new units, if applicable:

- Liberty Park Phase II Expansion, Proclaim Liberty, \$4 million, 54 new units;
- Permanently Affordable Homeownership, Habitat for Humanity, \$1.8 million, 10 new units;
- Canterbury Court Renovation Phase III Completion, St. John’s Properties, \$1.2 million, rehabilitation of 54 existing units;

- Thrive Center International Transitional Housing, Thrive International, \$835,000, 123 new units;
- St. John's Two Senior Housing, St. John's Two, \$720,000, 40 new units;
- Volunteers of America Permanent Supportive Housing, Volunteers of America, \$621,000;
- Multilingual Supportive Housing Services for Low-Income Tenants, Tenants Union of Washington State, \$324,000;
- Supportive Services for Survivors of Domestic Violence, Transitions, \$151,562;
- Increasing Emergency Shelter Capacity to Serve Homeless Youth and Families, Family Promise of Spokane, \$150,000;
- Housing Placement and Services for Domestic Violence Survivors, YWCA, \$139,699; and
- Social Services Coordination for Residents of Subsidized Housing, Liberty Park Community Development Center, \$46,800.

Per the RFP, all award recipients must at least match the award amount to receive the funding.

"Today we are investing in affordable housing to meet a critical need that has been many years in the making," Woodward said. "This funding will help individuals and families find a home and the stability it affords and will infuse dollars into our local economy at the same time."

CHHS Housing Manager George Dahl said the City is pleased with the response on affordable housing project proposals for these funds.

"Everyone deserves safe and adequate housing, and these projects will subsequently go a long way toward reducing homelessness," he said.

City Council President Breean Beggs added: "Two years ago, City Council authorized a new revenue stream for affordable housing in Spokane. Today the City is proudly announcing the substantial benefits of that decision in millions of dollars in affordable housing and hundreds of units that will be built in Spokane for those who need them most."

Target populations for the funding include persons with behavioral health disabilities, veterans, senior citizens, homeless or at-risk of being homeless, persons with disabilities, and domestic violence survivors.

The recommendations were presented to the Council's Finance and Administration Committee on July 18 and during the Council's Briefing Session on July 25. They received final approval during the Council's Legislative Meeting on Monday night.

For more information on Council agenda items, visit <https://my.spokanecity.org/citycouncil/meetings/>.

The Council meeting can be viewed at <https://my.spokanecity.org/citycable5/live/> and <https://www.facebook.com/spokanecitycouncil>.

About the City of Spokane

The City of Spokane, home to more than 220,000 people, is located in the heart of the Inland Northwest. Our 2,000 employees strive to deliver efficient and effective services that facilitate economic opportunity and enhance the quality of life for all our citizens. For more information, visit www.spokanecity.org and follow us @spokanecity on [Facebook](#), [Twitter](#) and [Instagram](#).