

SECTION 2 – ALLOCATION OF CONSOLIDATED PLAN FUNDS

Summary of Revenue Estimates & Allocation Plan

As this 2010 Update is being prepared (in the summer of 2009), we are planning for increases in the allocations from HUD in two of the Consolidated Plan funds. The following numbers are based on reviews of action taken various committees of the US House of Representatives and the US Senate in late July and early August 2009 as well as the President's proposed 2010 budget. When the actual allocations for the programs are finalized and announced in the first quarter of 2010, we will adjust our plans as necessary and submit a substantial amendment to HUD to reflect those adjustments.

This section outlines our allocations of funds in broad terms. Detailed allocations are found in Section 4 of this update. The City's overall allocation strategies for these funds are unchanged from the 2009 – 2012 Plan adopted in November 2008. Allocation guidelines may be found in Section 4.3.1 of that Plan.

Community Development Block Grant (CDBG)

The purpose of CDBG funds is to help local governments develop viable urban communities by providing decent housing and suitable living environments and by expanding economic opportunities, principally for low- and moderate-income persons. This 2010 Update anticipates that the City's CDBG entitlement will be \$13,000,000, an increase of \$900,000 over the 2009 allocation (or a 7.7% increase). Program income is expected to be lower due to the slowed economy and lackluster housing market, which results in less homebuyer, home repair, and multifamily development loan repayments. Total anticipated program income is \$600,000, compared to over \$1.3 million in the 2009 Adopted budget. Other anticipated funding includes under- expended funds from prior years' projects, a prior year loan repayment, and miscellaneous income. In total, our 2010 proposed CDBG budget equals \$14,000,014.

HOME Investment Partnerships (HOME)

The HOME Investment Partnerships program is intended to help local governments create affordable housing for low-income households. The program's flexibility allows States and local governments to use HOME funds for grants, direct loans, loan guarantees or other forms of credit enhancement, or rental assistance or security deposits. In 2009, Seattle received an appropriation of \$4,615,512 from HUD for the Home Investment Partnership program. We are planning for the same amount in 2010. Program income from the HOME Program is expected to remain stable at \$1 million.

Housing Opportunities for Persons with AIDS (HOPWA)

Seattle is the regional administrator for HOPWA funding for Seattle, King County and Snohomish County. In 2009, Seattle's portion of the HOPWA programs was \$1,705,852. Conservatively, we are estimating a small increase in HOPWA of about 3.2% based on figures coming out of relevant US House and US Senate committees. That assumption results in an allocation estimate of \$1,760,439.

HOPWA funds are allocated for the purpose of supporting persons with HIV and AIDS and their family members in individual living situations. HOPWA activities include tenant-based rental assistance, project based rental assistance and facility operating costs, housing stability, search and placement services, and supportive services that promote housing stability and prevent homelessness. HOPWA funding is awarded to nonprofit agencies through competitive, open processes. Investment priorities are developed based on discussions among HIV Housing Committee members, key stakeholders, and review of current housing continuum needs.

HSD investments focus on programs that: provide or increase housing access for persons with multiple barriers to housing; and effectively and efficiently provide program services that are part of coordinated system(s) or assessment, referral, placement and support.

Household eligibility guidelines for HOPWA-funded housing and services include: medical diagnosis of HIV-positive status, or HIV/AIDS or AIDS, or disabled by AIDS; and household income not to exceed 50% of area median income.

Emergency Shelter Grant (ESG)

For ESG, a conservative assumption is made that the 2010 allocation will remain the same as the 2009 allocation of \$535,274, based on information available at the time the estimate was developed.

All estimates are based on our assessment of Congressional action on the 2010 federal budget as of late July and early August 2009. Estimates are subject to change as summer closes and Congress wraps up work on the 2010 budget. Changes in revenues, and their effects on program allocations, will be reflected in a substantial amendment to the 2010 Update, compiled in the spring of 2010. Generally, HUD formally informs jurisdictions of their current fiscal year allocations during the spring of any given year.

The allocation of these funds is highlighted in the chart to the right below. Specific activity detail is provided by the 2010 Annual Allocation Plan (AAP), included as Section 4 of this document. The allocation of Consolidated Plan funds is made in accordance with the stated policies and strategies contained in the Plan. Funds are appropriated to the following City departments for the identified purposes:

Human Services Department

(HSD): activities are focused on supporting services that assist homeless persons and families out of homelessness and into appropriate housing, and CDBG Administration.

Office of Housing (OH): funds are used to create affordable housing options for low- and moderate-income Seattle residents including rental housing and owner-occupied housing.

Office of Economic Development

(OED): provides support for the economic development of low-income neighborhoods and businesses with a variety of business development products, and support for the neighborhood revitalization activities of the Southeast Seattle Neighborhood Revitalization Strategy Area.

**2010 Proposed Allocation by Departments
All Funds**

