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Title: A Resolution approving a substantial amendment to the 2015-2019 Consolidated Plan for submittal to the U.S. Department of Housing and Urban Development (HUD)

Presenter:
Catherine Duarte, Senior Analyst, Community Development Division

Sponsors:

Indexes:

Code sections:

Attachments: 1. Council resolution for 2018 Substantial Amendment_May2018, 2. 2015-2019 Consolidated Plan_2018 substantial amendment, 3. Summary of Changes 2018 Substantial Amendment to the Consolidated Plan, 4. 2018 ConPlan Amendment - Presentation May21, 5. Catholic Charities_HOME TBRA Amendment 2018, 6. CHAP Official Comment 5-10-2018, 7. Housing Instability Rental Assistance Program, 8. Signed Resolution 56-18

| Date | Ver. | Action By | Action | Result |
|-----------|------|----------------------|----------|--------|
| 6/12/2018 | 2 | City Council | adopted | Pass |
| 5/21/2018 | 2 | Council Work Session | referred | |

Resolution approving a substantial amendment to the 2015-2019 Consolidated Plan for submittal to the U.S. Department of Housing and Urban Development (HUD)

Presenter:
Catherine Duarte, Senior Analyst, Community Development Division

Summary:
To create a new rental assistance program serving low-income households at risk of losing their housing, the Community Development Division must amend its 2015-2019 Consolidated Plan, previously approved by City Council in 2015. Council must approve the proposed changes for the request to be submitted to HUD for their consideration. This modification will affect the remaining two program years (Apr 1, 2018 through Mar 31, 2020) before the next five-year plan (Consolidated Plan) is created.

Previous Council Action:
Council passed the resolution approving the 2018 Action Plan on February 13, 2018 and the resolution approving the 2015-2019 Consolidated Plan on May 26, 2015.

Background:
To receive its annual Community Development Block Grant (CDBG) entitlement funding, a grantee

must develop and submit to HUD its Consolidated Plan, which is a jurisdiction's comprehensive planning document and application for funding for CDBG, Home Investment Partnerships (HOME), and Emergency Solutions Grants (ESG) entitlement funding. A substantial amendment to the Community Development Division five-year Consolidated Plan is triggered by a change of purpose, scope, location, or beneficiaries to a jurisdiction's entitlement spending plans. The following changes are considered substantial amendments:

1. Changes in funding by at least 20% of the amount allocated to the City's entitlement grant programs.
2. Changes in projects proposed, beneficiaries or persons served.
3. The proposed amendment deletes a project described in the Consolidated Plan.
4. The proposed amendment adds a project not described in the Consolidated Plan.

The amendment proposed by the City of Colorado Springs Community Development Division (CDD) falls under the aforementioned criteria #2. The CDD proposes a change (expansion) in beneficiaries of our Tenant Based Rental Assistance (TBRA) funds in the HOME program.

The current TBRA program serves people experiencing homelessness by placing them in permanent housing via rental assistance. The proposed modification is a separate TBRA program to serve low-income households who are at risk of losing their existing housing. This expands the TBRA program beneficiary definition and count.

In order to accommodate this new program, the following changes will be made to the Consolidated Plan:

1. SP-25 - Priority Needs (pg. 141): Added strategy "Minimize involuntary displacement by supporting low-income households in market-rate housing at risk of losing their housing due to circumstances beyond their control" under "Increase and preserve the supply of affordable housing."
2. SP-45 - Goals Summary (pg. 154): Added Displacement Prevention program to the Tenant Based Rental Assistance (TBRA) activity and added projected outcomes (20 households/50 individuals over next two years) under the "Increase and preserve the supply of affordable housing" goal.
3. SP-45 - Goals Summary (pg. 157): Clarified description of use of HOME TBRA funds. Additions highlighted. "HOME TBRA subsidies will be made available to homeless individuals who are referred through a community assessment process, as well as to very low-income renter households at risk of losing their non-subsidized affordable housing for non-eviction causes. Veterans will be given a priority through 2015."

The City of Colorado Springs is collaborating with multiple community partners to address displacement-a major aspect of the affordable housing shortage-by establishing a fund to assist low-to moderate-income community members at risk of losing their current, non-subsidized rental homes.

When properties change hands and/or undergo improvements, many low- to moderate-income renters face housing instability by being priced out of their existing unit. Due to circumstances beyond the tenants' control, many long-time residents are faced with the need to find a new residence and many end up in apartments with higher rents, reducing their ability to manage other critical expenses, such as healthcare and transportation. Involuntary displacement overwhelms household budgets, disrupts communities, and creates instability.

The Tenant Based Rental Assistance program is flexible enough to address this problem. With

moderate changes to the original program parameters, the anti-displacement program can begin operating quickly and the CDD can begin collecting data to measure success and effectiveness.

Financial Implications:

The approval of this substantial amendment to the 2015-2019 Consolidated Plan will allow the Community Development Division to use \$50,000 of its HOME funds to create a new TBRA program. With approval of the amendment, the CDD expects to assist at least 10 low-income households regain housing stability in this first year.

Board/Commission Recommendation:

N/A

Stakeholder Process:

The proposed changes have been posted for public review and comment. The 30-day public comment period will end on May 29th. Upon Council approval of the resolution on June 12, CDD staff will compile all request materials and public commentary and submit them to HUD for their consideration. Upon HUD's acceptance of the changes, the Division can proceed with entering into contract with the agency that will administer the new TBRA program.

Alternatives:

If the Division does not obtain Council approval of the amendment, the request cannot be submitted to HUD. Without explicit approval to change the beneficiaries of the TBRA program, the community cannot use these funds to provide direct rental assistance to low-income households who are priced out of their homes.

Proposed Motion:

Approve the proposed substantial amendment to the 2015-2019 Consolidated Plan for submittal to the U.S. Department of Housing and Urban Development

N/A