

# Executive Summary

## AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

### 1. Introduction

The 2017 Action Plan describes how Washington State will use formula funds from the U.S. Department of Housing and Urban Development (HUD) to meet affordable housing and community development needs in the third year covered by the 2015-2019 Consolidated Plan and is an annual amendment to this Plan. This Action Plan is submitted to HUD for approval and to access federal funding for the state of Washington.

The entire 2015-2019 Consolidated Plan is available on the Washington State Department of Commerce website at [www.commerce.wa.gov](http://www.commerce.wa.gov) or upon request. The Department of Commerce (Commerce) is the lead state agency charged with enhancing and promoting sustainable community and economic vitality in Washington. It is responsible for developing and implementing the 2015-2019 Consolidated Plan including its annual Action Plans, and administering the following state programs:

- Community Development Block Grants (CDBG)
- Emergency Solutions Grant (ESG)
- HOME Investment Partnerships (HOME)
- Housing Trust Fund (NHTF)
- Housing Opportunities for Persons With AIDS (HOPWA)

Commerce endeavors to effectively administer and be good stewards of these funds on behalf of HUD, our partner local governments, organizations that implement the projects funded by these resources in communities across the state, and the citizens of Washington.

### 2. Summarize the Objectives and Outcomes Identified in the Plan

Commerce seeks to strengthen communities in Washington State and further HUD's goals of providing decent housing, a suitable living environment, and expanding economic opportunities for the state's low-and moderate-income residents. Commerce strives to accomplish these goals by maximizing and effectively utilizing all available funding resources for housing and community development activities. Commerce has established three strategic priorities: affordable housing and homelessness, resilient communities, underserved communities. By addressing needs and creating opportunities, Commerce hopes to improve the quality of life for all residents. Activities and outcomes identified in the Plan must meet at least one of HUD's three national goals and one objective. The HUD goals and Commerce's anticipated accomplishments by outcome indicator are as follows:

**Provide Decent Housing:**

- Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 5 Households Assisted
- Rental units constructed: 39 Household Housing Units
- Homeowner and Rental Housing Rehabilitated: 20 Household Housing Units
- Tenant-based rental assistance/Rapid Rehousing: 592 Households Assisted
- Homeless Person Overnight Shelter: 270 Persons Assisted
- Overnight/Emergency Shelter/Transitional Housing Beds added: 50 Beds
- Homelessness Prevention: 220 Persons Assisted
- Housing for People with HIV/AIDS added: 202 Household Housing Units

**Create Suitable Living Environments:**

- Public Facility or Infrastructure Activities: 60,000 Persons Assisted
- Public Service Activities: 150,000 Persons Assisted

**Expand Economic Opportunity:**

- Public Facility or Infrastructure Activities: 50 Persons Assisted
- Businesses assisted: 5 Businesses Assisted (including microenterprises)
- Jobs created/retained: 42

**3. Evaluation of Past Performance**

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

The State's evaluation of its past performance has been documented in its Consolidated Annual Performance Evaluation Report. The report states the objectives and outcomes identified during its program year July 1 to June 30. This document can be found on Commerce's website at [www.commerce.wa.gov/cdbg](http://www.commerce.wa.gov/cdbg) under the Consolidated Plan and Action Plan menu item.

The 2016 program year and performance evaluation report is not yet complete as of this Action Plan. The CDBG, HOME, HOPWA, and ESG programs accomplishments during the 2015 program year are as follows:

- HOME increased the number of affordable rental housing units for low-income households by 13 units.
- CDBG assisted 222,729 persons. Ninety-eight percent of the funded activities principally benefit persons with low- to moderate-incomes.
- CDBG leveraged \$0.88 for every \$1 CDBG.
- CDBG obligated all funds within the required 15-month period.
- TBRA assisted 592 households.
- HOPWA assisted 202 households.
- ESG assisted 9,833 persons.

The state CDBG program assessed the number, type, and level of CDBG funding requests received during the 2016 program year, evaluated the outcomes resulting from CDBG-funded activities completed during the 2016 program year, and consulted with funding partners and other stakeholders to design changes in its method of distribution for 2017.

#### **4. Summary of Citizen Participation Process and Consultation Process**

Summary from citizen participation section of plan.

Commerce conducted the following outreach activities to provide internal and external stakeholders, and the public the opportunity to comment on potential program changes and the draft 2017 Action Plan:

- Sent email notices to low-income housing advocates and organizations, state CDBG-eligible cities and counties, HOME consortiums, community action agencies, economic development agencies, and interested others.
- Conducted two public meetings to solicit input and receive comments from the industry on the National Housing Trust Fund program.
- Published public notices announcing the public hearing, 14-day comment period and availability of the draft 2017 Action Plan in two regional newspapers.
- Conducted a public hearing to receive comment on community development and housing needs and program performance.
- Posted the draft 2017 Action Plan on the Commerce website and made it available upon request in alternate formats.
- Met with and received suggested improvements from internal and external stakeholders throughout the past program year.
- Responded to comments received during the public comment period. HUD has issued a waiver to reduce the public comment period associated with these plans from 30 to 14 days [waiver is available at: 24 CFR 91.105(b)(4) and 24 CFR 91.115(b)(4)].

#### **5. Summary of Public Comments**

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Consolidated Plan.

Comments received and responses will be summarized after the public comment period and public hearing.

**6. Summary of Comments or Views not Accepted and the Reasons for not Accepting Them**

Comments received and responses will be summarized after the public comment period and public hearing.

**7. Summary**

## PR-05 Lead & Responsible Agencies - 91.300(b)

### 1. Agency/Entity Responsible for Preparing/Administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	WASHINGTON	Washington State Dept. of Commerce
HOPWA Administrator	WASHINGTON	Washington State Dept. of Commerce
HOME Administrator	WASHINGTON	Washington State Dept. of Commerce
ESG Administrator	WASHINGTON	Washington State Dept. of Commerce
NHTF Administrator	WASHINGTON	Washington State Dept. of Commerce

Table 1 – Responsible Agencies

### Narrative

The Washington State Department of Commerce administers all five of the HUD formula funds covered by the Consolidated Plan and is responsible for its preparation. The program managers of each of the five programs were involved in the preparation of the 2015-2019 Consolidated Plan and 2017 Action Plan.

### Consolidated Plan Public Contact Information

Kaaren Roe, Local Government Division  
Washington State Dept. of Commerce  
PO Box 425251101 Plum Street SE  
Olympia, WA 98504-2525  
Phone: (360) 725 3018

## **AP-10 Consultation - 91.110, 91.300(b); 91.315(l)**

### **1. Introduction**

The Washington State Department of Commerce (Commerce), which administers the HOME, National Housing Trust Fund (NHTF), Housing Opportunities for People with AIDS (HOPWA), Emergency Solutions Grant (ESG), and Community Development Block Grant (CDBG) programs, works closely every year with a variety of individuals and organizations to identify gaps in services and identify solutions to fill those gaps. To supplement this ongoing stakeholder engagement, Commerce conducted a public hearing and made the draft 2017 Action Plan available for a 30-day public comment period.

Commerce created a multi-faceted public involvement process to develop the state of Washington 2015-2019 Consolidated Plan. This public involvement process included integrated outreach to update the state's Analysis of Impediments to Fair Housing Choice. The primary goal of the consultation process was to receive information and perspectives from a broad range of stakeholders, including city officials, service providers, public housing authorities, advocacy groups, nonprofit agencies, for-profit developers, and the public. There were two key components of the public involvement process: two web-based surveys and two public hearings. Due to limitation in the IDIS template, please see the Consolidated Plan's Appendix K for further response to this question.

#### **Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies.**

Each year, Commerce coordinates with the variety of service providers addressing the housing, health, and public service needs of citizens throughout the state. These service providers include numerous local governments, state agencies, grant administrators, nonprofit organizations, advocacy groups, housing providers, and for-profit developers. This continuous effort identified gaps in services, clarified priorities, and identified solutions for serving the needs of individuals and businesses throughout the state.

One key example of Commerce's efforts to promote coordination is the Affordable Housing Advisory Board (AHAB), which advises the department on housing and housing-related issues. AHAB is composed of members representing a variety of interests related to the provision of affordable housing including cities, counties housing authorities, mortgage lenders, apartment managers, housing builders (both for-profit and nonprofit), special needs service providers, consumers, homeless individuals, and the general public. Commerce and AHAB are required to prepare and update a five-year housing advisory plan to document the need for affordable housing in the state, examine the extent to which that need is met through public- and private-sector programs, facilitate planning to meet state affordable housing needs, and enable the development of strategies and programs for affordable housing and homelessness.

Another example of ongoing departmental efforts is the Interagency Council on Homelessness (ICH), which works to create greater levels of interagency coordination and to coordinate state agency efforts with the efforts of state and local entities addressing homelessness. The council is comprised of policy-level representatives of the Department of Commerce, the Department of Corrections (DOC), the Department of Social and Health Services (DSHS), the Department of Veterans Affairs, the Department of Health (DOH), and the Office of Superintendent of Public Instruction (OSPI). The ICH works to:

- Align homeless-related housing and supportive service policies among state agencies.
- Identify ways in which providing housing with appropriate services can contribute to cost savings for state agencies.
- Identify policies, and actions that may contribute to homelessness or interfere with its reduction.
- Review and improve strategies for discharge from state institutions that contribute to homelessness.
- Recommend policies to either improve practices or align resources, or both.
- Ensure that the housing status of people served by state programs is collected in consistent formats available for analysis.

Due to limitation in the IDIS template, please see the Consolidated Plan's Appendix K for further response to this question.

**Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.**

Commerce is the Collaborative Applicant for the Balance of State Continuum of Care (BoS CoC) which comprises the 33 smallest counties in the state, none of which receive direct ESG allocations. The direct ESG allocation to Commerce also covers counties and jurisdiction not a part of the BoS CoC. The BoS CoC Homelessness Steering Committee, staffed and supported by Commerce, provides guidance and coordination for CoC and statewide efforts to provide affordable, accessible, and integrated permanent housing and homeless services. The BoS CoC has four subpopulation committees that meet monthly and report to the Steering Committee. The four committees are Veterans, Unaccompanied Youth, Families with Children and Individuals/Chronically Homeless. The BoS CoC Homelessness Steering Committee regularly consults with the Statewide Homelessness Advisory Committee (HAC) to coordinate CoC efforts with the rest of the state, including ESG funding decisions and allocations. Further coordination is achieved through the Consolidated Homeless Grants that combine state homeless resources into a single grant opportunity in support of an integrated system of assistance for the homeless or those at risk of homelessness.

**Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS.**

The Washington Balance of State Continuum of Care is one of seven CoCs that the Commerce ESG award serves. When the HEARTH Act was implemented, the Balance of State CoC Homeless Steering Committee and Statewide Homeless Coordinating Committee (which comprises all seven Continuums of Care in Washington state), in consultation with HPRP sub-recipients, determined the format for selecting ESG sub-recipients in the geographic area. In subsequent years all ESG recipients and sub-recipients participate in discussions related to ESG guideline development, identification of gaps in ESG service coverage and funding decisions. Further efforts to ensure coordination include participation in the Washington State Interagency Council on Homelessness, the State Advisory Council on Homelessness, the Affordable Housing Advisory Board, and development of a Ten-Year Plan to End Homelessness by each county.

Commerce is not only the HMIS lead agency in the BoS CoC, but also integrates HMIS data from all CoCs in the state into a single, statewide database. This allows for performance measurement and evaluation on a state level in accordance with standards derived through consultation with the groups listed above. Commerce supplements HMIS data with data from other state agencies through a partnership with the state Department of Social and Health Services to ensure a comprehensive framework of analysis on issues relating to homeless populations and their housing and service needs. Commerce continues to provide assistance to HMIS system users to ensure accurate and timely reporting. HMIS administration is paid for by the Continuum of Care Program as well as state-generating funds.

**2. Agencies, Groups, Organizations, and Others who Participated in the Process and Consultations**

<b>Agency/Group/Organization</b>	Balance of State Continuum of Care
<b>Agency/Group/Organization Type</b>	Services-homeless
<b>What section of the Plan was addressed by Consultation?</b>	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy
<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	During in-person meetings prior to allocation of funds. Affected stakeholders have also been consulted via telephone. Potential grantees agree consolidated of ESG grantees and alignment with state Consolidated Homeless Grant will simplify and improve service delivery.

**Table 2 – Agencies, Groups, Organizations who Participated**

**Identify any Agency Types not consulted and provide rationale for not consulting.**

**Other local/regional/state/federal planning efforts considered when preparing the Plan**

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Washington State Department of Commerce	Washington State Ten-Year Homeless Plan sets the framework for addressing homelessness and risk of homelessness throughout the state.
Housing Needs Assessment 2015	State Affordable Housing Advisory Board (AHAB)	The Housing Needs Assessment provides an accounting of housing affordability in Washington State.
Ten-Year Homeless Plan	County Governments	Each county plan sets the framework for addressing homelessness and risk of homelessness locally.
AHAB Housing Advisory Plan	State Affordable Housing Advisory Board (AHAB)	Facilitate planning to meet affordable housing needs and enable the development of strategies and programs for affordable housing.
Results Commerce	Washington State Department of Commerce	Commerce Results goals include vibrant communities, reliable and sustainable infrastructure, growing economies, and strong partnerships.
Talent & Prosperity for All: Strategic Plan (WIOA)	Washington State Workforce Training & Education Coordinating Board	CDBG supports workforce development to expand economic opportunity for low- and moderate-income persons.

**Table 3 - Other Local/Regional/Federal Planning Efforts**

**Narrative**

## AP-12 Participation - 91.115, 91.300(c)

### 1. Summary of Citizen Participation Process/Efforts Made to Broaden Citizen Participation

#### Summarize citizen participation process and how it impacted goal-setting.

Washington used many approaches to gain input on the development of the 2015-2019 Consolidated Plan and 2017 Action Plan including consultation, newspaper notices, public hearings, and web-based surveys.

Commerce sought to broaden its public participation by:

- Use of communications software from GovDelivery.com to send notices of the public hearing to all parties of interest on record with Commerce (instead of reliance on the individual lists maintained by the four grant programs).
- Issuance of public notices and survey announcements through social media outlets including Facebook, Twitter, and RSS.
- Use of virtual meeting tools through GoToMeeting.com to allow interested individuals and organizations to participate remotely in the public hearings, ask questions, and provide comments.
- Consultation with stakeholders prior to the official public process.

Input on housing and community development needs impacted funding priorities and methods of distribution.

#### Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of Response/ Attendance	Summary of Comments Received	Summary of Comments NOT Accepted and Reasons	URL (If Applicable)
1	Public Hearing	Non-targeted/broad community	Will be summarized after the public hearing	Will be summarized after the public hearing	Will be summarized after the public hearing	
2	Newspaper Ad	Non-targeted/broad community	Will be summarized after the public comment period	Will be summarized after the public comment period	Will be summarized after the public comment period	

Sort Order	Mode of Outreach	Target of Outreach	Summary of Response/ Attendance	Summary of Comments Received	Summary of Comments NOT Accepted and Reasons	URL (If Applicable)
3	Internet Outreach	Non-targeted/broad community Program stakeholders and interested parties	Will be summarized after the public comment period	Will be summarized after the public comment period	Will be summarized after the public comment period	
4	Webpage with links to relevant documents and detailed program information	Non-targeted/broad community	Will be summarized after the public comment period	Will be summarized after the public comment period	Will be summarized after the public comment period	
5	Public Meetings	National Housing Trust Fund Stakeholders	Two stakeholder meetings were held in Olympia and Spokane, WA, in January and February 2017, which were attended by about 50 people in person or via teleconference.	The vast majority of stakeholders were highly supportive of implementing an Operating & Maintenance Subsidy. They provided mixed responses regarding investing NHTF funds in home-ownership, especially given that NHTF only subsidizes 30% AMI households, and the fact that the state funds home-ownership with its State HTF program.	N/A – comments were not formally accepted as these were two general meetings intended to receive feedback and suggestions for the 2017 allocation plan.	

**Table 4 – Citizen Participation Outreach**

## Expected Resources

### AP-15 Expected Resources – 91.320(c)(1,2)

#### Introduction

Assuming funding levels remain largely constant through 2019, over the course of the five-year Consolidated Plan the state of Washington through the state Department of Commerce will make available approximately \$103 million in HUD funds through the CDBG, HOME, NHTF, HOPWA, and ESG programs to:

- Increase the number of affordable rental housing units for extremely low-, low- and moderate- income households.
- Increase the number of affordable rental housing units for special needs populations.
- Decrease numbers experiencing homelessness.
- Create vibrant and sustainable communities.

This 2017 Action Plan lists actual 2017 annual allocations for the HUD formula funded programs.

HUD funds will be used in conjunction with additional resources from other federal, state, and local funding sources to maximize investments in affordable housing and community development activities.

Primary funding sources allocated by the state are included in the table below. These programs are the:

- Consolidated Homeless Grant;
- Washington State Housing Trust Fund (HTF);
- Section 811 Grants; and
- Continuum of Care Program Competitive Grants\*

\*Note that Commerce is the Balance of State Continuum of Care Collaborative Applicant for the Continuum of Care Program. After consulting with the Continuum of Care Homelessness Steering Committee, Commerce selects projects and applies for funding on behalf of grantees. HUD administered the grant agreements.

Due to limitation in the IDIS template, please see the response for SP-35 in Appendix K for further response to this question.

**Anticipated Resources**

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 3				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources:\$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	11,372,604	3,120,250	952,806	15,445,660	22,745,208	Distributed to five CDBG subfunds: General Purpose Grants, Economic Opportunity Grants, Housing Enhancement Grants, Public Services Grants, and Supplemental Grants. Program income and prior year resources are estimates, since the 2016 program year is still underway as of the Action Plan's publication date.
HOME	public - federal	Multifamily rental new construction TBRA	4,319,147	0	3,000,000	7,319,147	11,638,294	Grants and loans to eligible nonprofits for new construction of rental units and tenant based rental assistance vouchers for rent assistance and security deposits
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	843,936	0	300,000	1,143,936	1,943,936	Funds are used for housing assistance and supportive services

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 3				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources:\$	Total: \$		
ESG	public - federal	Financial assistance Overnight shelter Rental assistance Homeless Management Information System costs Outreach Case management	2,554,041	0	1,504,200	4,058,241	9,166,200	Funds are used for homelessness prevention, rapid re-housing, emergency shelter operations, case management, HMIS and outreach services.
Continuum of Care	public - federal	Permanent housing in facilities Permanent housing placement Rapid re-housing (rental assistance) Supportive services Transitional housing Other	6,191,535	0	0	6,191,535	18,574,605	The Washington Balance of State Continuum of Care receives about \$6.2 million each year for permanent supportive housing, transitional housing, rapid re-housing and supportive service projects.
Housing Trust Fund	public - federal	Admin and Planning Multifamily rental new construction	4,129,304	0	3,246,662	7,375,966	12,975,104	Grants and loans to eligible nonprofits for new construction of rental units.
Section 811	public - federal	Project-based vouchers for low-income persons with a disability	1,060,000	0	0	1,060,000	2,120,000	Funds are used for project-based rental assistance vouchers
Other	public - state	Acquisition Housing Multifamily rental new construction	TBD	0	0	TBD	80,940,000	Funds are used to support development of affordable housing projects

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 3				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources:\$	Total: \$		
Other	public - state	Overnight shelter Permanent housing in facilities Permanent housing placement Rapid re-housing (rental assistance) Supportive services Transitional housing Other	7,600,000	0	0	7,600,000	22,800,000	The Consolidated Homeless Grant (CHG) provides resources to assist people who are experiencing homelessness obtain and maintain housing stability. Grantees and subgrantees must prioritize unsheltered homeless households for assistance and services.

Table 5 - Expected Resources – Priority Table

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied.**

The HOME, NHTF, ESG, HOPWA, and CDBG programs only partially fund the many different activities and services listed above. Each program takes a unique approach to leverage multiple funding sources to expand the reach of services. This leveraged funding from other partners is critical. As federal funds continue to diminish, developers, communities, and service providers must be creative and have partnerships and other resources to successfully complete the proposed projects.

CDBG-funded projects historically leverage \$1.5 (other resources) to every \$1 (CDBG funds). CDBG seeks to maximize its limited grant funds by partnering with state, federal, and private loan partners, including the state Housing Trust Fund, EPA-funded state revolving funds for clean and drinking water, USDA Rural Development, and local bond financing to fund local projects. The CDBG applications for assistance that leverage other resources and demonstrate local financial commitment generally are more competitive. Leveraging high levels of additional local resources can be challenging given CDBG applicants are lower income, rural communities with limited resources and debt capacity. CDBG funds will leverage state administration funds of at least two percent of the annual CDBG allocation.

HOME-funded Rental Development projects typically leverage other funds at a ratio of 4:1 using a variety of public and private resources, including the federal Low Income Housing Tax Credit program, the State’s Housing Trust Fund (HTF), and locally-funded housing programs. The

HOME Program 25 percent match requirement will be met with funding to HOME-eligible projects through the State HTF.

NHTF – based on our experience with HOME funds, funded new construction rental projects typically leverage other funds at a ratio of 4:1 using a variety of public and private resources, including the federal Low Income Housing Tax Credit program, the State’s Housing Trust Fund (HTF), and locally-funded housing programs.

ESG will leverage additional funding for activities that prevent and end homelessness. Funds will be spent on services such as case management, coordinated entry, outreach, emergency shelter operations, rental assistance, and other financial assistance to prevent a household from becoming homeless or move them out of their homeless situation and into a permanent unit. It will also be used to cover costs of entering ESG participants in the local Continuum of Care homeless management information system. ESG funds are primarily matched at the county level by funding collected through a document recording fee authorized by RCW 43.185C in 2006.

HOPWA leverages funding from Ryan White (case management), state agencies, local governments, nonprofit agencies, and private donations. These leveraged funds provide case management, food assistance, operating and maintenance assistance, rent assistance, and hotel vouchers.

**If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan.**

Not Applicable.

### **Discussion**

While leveraged funds and support from outside partners broadens the accomplishments of each program, the historical trend of funding reductions significantly impacts the CDBG and HOME programs. Reduced federal funding makes it more difficult to leverage supplemental resources and provide technical assistance on other resource opportunities. So instead of expanding the work to be funded, the federal reductions become further magnified.

## Annual Goals and Objectives

### AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

#### Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Provide Decent Housing	2015	2019	Affordable Housing Homeless			CDBG: \$1,200,000 HOPWA: \$843,936 HOME: \$4,319,147 ESG: \$2,554,041 Continuum of Care: \$6,191,535 Housing Trust Fund: \$4,129,304 Section 811: \$1,060,000 Consolidated Homeless Grant: \$7,600,000	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 5 Households Assisted Rental units constructed: 39 Household Housing Unit Homeowner Housing Rehabilitated: 20 Household Housing Unit Tenant-based rental assistance / Rapid Rehousing: 592 Households Assisted Homeless Person Overnight Shelter: 270 Persons Assisted Overnight/Emergency Shelter/Transitional Housing Beds added: 50 Beds Homelessness Prevention: 220 Persons Assisted Housing for People with HIV/AIDS added: 202 Household Housing Unit

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
2	Create Suitable Living Environments	2015	2019	Non-Housing Community Development		Comm Dev Rural Infrastr Non housing Community Development Rural Planning Non housing Community Development Rural Public S Non housing Community Development Urgent Need	CDBG: \$11,895,660	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 60,000 Persons Assisted Public service activities other than Low/Moderate Income Housing Benefit: 150,000 Persons Assisted
3	Expand Economic Opportunity	2015	2019	Non-Housing Community Development		Non housing Community Development Rural Economic	CDBG: \$2,350,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 50 Persons Assisted Jobs created/retained: 42 Jobs Businesses assisted: 5 Businesses Assisted

**Table 6 – Goals Summary**

### Goal Descriptions

1	<b>Goal Name</b>	Provide Decent Housing
	<b>Goal Description</b>	The listed housing goal outcome indicators are the anticipated outcomes to be accomplished in the 2017 and following program year(s) resulting from the award of 2017 funds for affordable housing and homeless activities.
2	<b>Goal Name</b>	Create Suitable Living Environments
	<b>Goal Description</b>	The listed suitable living environment goal outcome indicators are the anticipated outcomes to be accomplished in the 2017 and following program year(s) resulting from the award of 2017 funds for public facility, planning-only, and public service activities.

<b>3</b>	<b>Goal Name</b>	Expand Economic Opportunity
	<b>Goal Description</b>	The listed economic development goal outcome indicators are the anticipated outcomes to be accomplished in the 2017 and following program year(s) resulting from the award of 2017 CDBG funds for economic development activities such as microenterprise assistance and infrastructure in support of economic development.

**Table 7 – Goal Descriptions**

## AP-25 Allocation Priorities – 91.320(d)

### Introduction

This table assigns a percentage for each state HUD funded program under each goal.

### Funding Allocation Priorities

	Provide Decent Housing (%)	Create Suitable Living Environments (%)	Expand Economic Opportunity (%)	Total (%)
CDBG	8	77	15	100
HOME	100	0	0	100
HOPWA	100	0	0	100
ESG	100	0	0	100
Continuum of Care	100	0	0	100
National Housing Trust Fund	100	0	0	100
LIHTC	100	0	0	100
Section 811	100	0	0	100
Other Consolidated Homeless Grant	100	0	0	100
Other State Housing Trust Fund	100	0	0	100

Table 8 – Funding Allocation Priorities

### Reason for Allocation Priorities

**CDBG:** The CDBG allocation is based on the assessment of rural community needs identified by the CDBG nonentitlement local governments through needs surveys, stakeholder consultation, application technical assistance, and historic application data. The allocation also considers state goals, availability of other funding sources, and CDBG national objectives. Based on consultation with stakeholders and a review of fund performance, the CDBG program is reducing the amount set aside for the Economic Opportunity Grant partnership with its Community Based Development Organization from up to \$3 million to \$2.1 million. This adjustment supports the CDBG program’s objective to fully obligate its remaining Economic Opportunity funds during the 2017 program year.

**HOPWA:** HOPWA's goal is to provide housing opportunities for persons living with HIV/AIDS, according to their housing needs. These housing opportunities include long-term rental assistance, short-term rental assistance, mortgage and utility assistance, facility operating assistance, and housing stability services. HOPWA also leverages other funding from state, local, and private sources that further helps meet the housing needs of people living with HIV/AIDS.

**811:** 811 funding provides 20-year project-based vouchers to non-elderly disabled adults. The program is a partnership between the Department of Commerce, which provides the housing services, and DSHS, which provides the client referrals to the housing.

**HOME:** The allocation is based on the assessment of housing needs identified by a broad array of affordable housing providers and other stakeholders through needs surveys, stakeholder consultation, and historic application trends. The allocation also considers state goals and availability of other funding sources.

**NHTF:** The allocation is based on the assessment of housing needs identified by a broad array of affordable housing providers and other stakeholders through needs surveys, stakeholder consultation, and historic application trends. The allocation also considers state goals and availability of other funding sources.

**ESG:** Commerce chose to use ESG funds for Rapid Re-Housing, Prevention, Emergency Shelter, HMIS, and Street Outreach components after consulting with the Balance of State Continuum of Care Homelessness Steering Committee and other the other Continuums of Care in Washington State. Discussion included references to the corresponding need in our Action Plan to reduce homelessness, CoC strategies and goals, county-level data, performance standards, state resources, rural needs, and obstacles to addressing underserved needs. With improved flexibility subrecipients are able to spend more of their ESG funds on HMIS, street outreach and coordinated entry.

**Continuum of Care:** Allocation priorities were chosen by the Balance of Washington State Continuum of Care Homeless Steering Committee, which placed an emphasis on serving chronically homeless individuals and families as well as homeless unaccompanied youth. The Committee chose to adopt the goals established in the USICH Opening Doors strategic plan.

**Consolidated Homeless Grant (CHG):** CHG funds are used for Rental Assistance, Shelter Operations, Permanent Supportive Housing and Outreach services. The grant is primarily funded by a document recording fee generated through RCW 43.185C which charges Commerce to allocate funding to counties to be spent on activities that will assist homeless individuals and families and end homelessness. Funding is allocated to counties using a formula that includes population, poverty levels and past grant spending.

**How will the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan?**

**CDBG:** The CDBG program offers five funds with varying methods of distribution to respond to priority needs, timing needs, and CDBG national objectives. The annual General Purpose Grants fund a wide range of local government priority needs including sewer, water, transportation, community facilities, housing, and economic development utilizing an annual competition. Housing Enhancement Grants fill the infrastructure in support of housing need prioritized by the state Housing Trust Fund and local governments. Planning-Only Grants are available on an ongoing basis to support local strategic and feasibility planning to promote activities towards implementation. Public Services Grants target lower-

income persons and support regional services throughout the rural areas of the state. Supplemental Grants are available on an ongoing basis to ensure previously-funded activities facing unanticipated costs reach successful outcomes. Using CDBG revolving loan program income, Economic Opportunity Grants are available on a funds available basis to address a wide range of economic development projects, energy-related priorities, and emerging economic opportunities/needs.

**HOME:** HOME funds will be used to leverage a variety of other public and private resources to address locally identified affordable housing priorities. Specifically, HOME Rental Development funds will be competitively awarded to nonprofit organizations to create new affordable housing units in areas with an identified need for additional rental housing for extremely low, low-income and special needs households. HOME TBRA funds will continue to provide rent and utility assistance and utility and security deposits to households at or below 50 percent of median income, including those who are homeless and have special needs.

**NHTF:** NHTF funds will be used to leverage a variety of other public and private resources to address state and locally identified affordable housing priorities. Specifically, NHTF funds will be competitively awarded to eligible nonprofit organizations to construct new affordable housing units in areas with an identified need for additional rental housing for extremely low-income (at or below 30 percent of area median income) and special needs households. A portion of the NHTF funds (per HUD guidelines) will be used to provide operating and maintenance assistance to these households, including those who are homeless and have special needs.

**HOPWA:** HOPWA will continue to provide long-term rent assistance, short-term rent, mortgage and utility assistance, facility operating assistance, and services that support housing stability and access to care of persons living with HIV/AIDS. HOPWA will also leverage other funding, including other state, local, and private funding, which will provide additional case management, support services, and emergency rent assistance.

**ESG:** The funding priority of ESG supports the state and national priorities to respond quickly and move homeless households into permanent housing. Rapid Re-housing with minimal barriers addresses the need to both reduce the length of time a person is homeless as well as the total number of homeless persons in the state. The ESG priorities also support assisting the most at-risk households with prevention assistance requiring assessments of supportive networks and risk factors for homelessness. By only providing assistance to the most vulnerable households that exhibit the same characteristics of households that ultimately lose housing without assistance, ESG can be more effective at reducing the number of newly homeless persons.

## AP-30 Methods of Distribution – 91.320(d)&(k)

### Introduction

The Methods of Distribution identify the process each state HUD-funded program will follow to distribute funds. This Method of Distribution is supplemented by more detailed program-specific resources available on each program’s website at [www.commerce.wa.gov](http://www.commerce.wa.gov) or upon request.

### Distribution Methods

**Table 9 - Distribution Methods by State Program**

<b>State Program Name:</b>	<b>CDBG Contingency Fund</b>
<b>Funding Sources:</b>	CDBG
<b>Describe the state program addressed by the Method of Distribution.</b>	The Contingency Fund includes remaining funds still unobligated from the prior program year, program income received by the state, and recaptured/de-obligated funds. These funds are tracked separately and made available for new grant awards as described in the methods of distribution for each CDBG fund.
<b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b>	There is not a separate application process for accessing Contingency Funds. Rather, the application requirements are outlined in the methods of distribution for each CDBG fund.
<b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b>	There is not a separate application process for accessing Contingency Funds. Rather, the application requirements are outlined in the methods of distribution for each CDBG fund and in the application materials for each CDBG fund available at <a href="http://www.commerce.wa.gov/cdbg">www.commerce.wa.gov/cdbg</a> or upon request.

<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>N/A</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>N/A</p>

<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>The Contingency Fund balance changes throughout the year as current CDBG contracts end and de-obligate funds into the Contingency Fund, and as new CDBG awards are made out of the Contingency Fund following the application/award processes of the CDBG funding programs. Approximately \$952,806 is currently available in the Contingency Fund at the date of the Action Plan.</p> <p>The unobligated prior year funds and unrestricted program income will be awarded first for a high ranking 2017 General Purpose Grant(s) to offset any federal award reductions. Secondly, available recaptured/de-obligated funds will then be used to ensure funding for each CDBG grant fund at the proposed 2017 funding level. Finally, if Contingency Funds remain, they are available to fund additional priority projects identified through the individual CDBG funds application/award processes on a funds available basis. This could include funds necessary to cover unanticipated CDBG Section 108 loan guarantee defaults.</p> <p>2017 Contingency Funds can be used for awards made after the CDBG allocations are announced but before the state funding agreement with HUD is executed. This process supports the timely expenditure of CDBG resources and ensures that the immediate funding needs of a priority local project can be met. Funds remaining in the Contingency Fund at the end of the program year will be carried over into the next program year Contingency Fund and are distributed in a manner consistent with the overall goals, objectives and guidelines of the CDBG Action Plan.</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>See above criteria.</p>
<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>Number of Persons Assisted, Household/Housing Units, Overnight/Emergency Shelter/Transitional Housing Beds/Businesses (including microenterprises) Assisted, Jobs.</p>
<p><b>State Program Name:</b></p>	<p><b>CDBG Economic Opportunity Grant</b></p>
<p><b>Funding Sources:</b></p>	<p>CDBG</p>
<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>Grants to nonentitlement local governments for state and local priority activities resulting in economic resilience and development including job creation, microenterprise assistance, energy-related, and disaster recovery activities that promote vibrant communities and principally benefit low- and moderate-income persons.</p>

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>Applications can be submitted beginning July 1, 2017 and are awarded through June 30, 2018, on a funds available basis. Applications submitted late in the previous program year when the state budget is not yet passed, may be held for award after the state budget is passed. Eligible local governments may apply and be awarded only one Economic Opportunity Grant per program year, except if one of the applications is for microenterprise assistance or disaster recovery services.</p> <p>The selection process consists of three stages: threshold review, rating and selection, and award. To be selected for funding, the application must pass the CDBG threshold criteria and meet the high score standard:</p> <ul style="list-style-type: none"> <li>• The project is a feasible solution for addressing a state and local priority need</li> <li>• The project is ready to proceed</li> <li>• Project partners have the administrative and financial capacity to successfully implement the project.</li> <li>• The project will result in measureable and meaningful outcomes specific to economic resilience and development, clean energy or energy efficiency.</li> </ul>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>Detailed instructions and requirements for developing a proposal, documenting CDBG eligibility, and submitting an application are in the CDBG Economic Opportunity Grant application handbook and the CDBG Economic Development Grant Application Supplement for disaster recovery services.</p> <p>All application materials are available at <a href="http://www.commerce.wa.gov/cdbg">www.commerce.wa.gov/cdbg</a> or upon request.</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>N/A</p>

<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>N/A</p>
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>Approximately \$3.1 million in revolving loan program income may be available for Economic Opportunity Grants during the 2017 program year.</p> <p>Of this, up to \$2.1 million is set aside as CDBG Economic Opportunity Grants to fund business development and nonprofit capacity building loans through the state's designated Community Based Development Organization, Craft3. And up to \$1 million is available for a range of activities in support of economic development and resilience/disaster recovery. Any monies remaining unobligated in this Economic Opportunity Grant fund by the end of the 2017 program year will become available for eligible Economic Opportunity Grants or General Purpose Grants early in the 2018 program year. Additional program income or other available monies from the Contingency Fund may be used to ensure funding for priority Economic Opportunity Grant projects at the proposed 2017 funding level.</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>Activities must be eligible under Section 105(a) of Title I of the Housing and Community Development Act of 1974, as amended. Assistance to CBDOs is an eligible CDBG activity under [Section 105(a)(15) of the Act].</p> <p>Each applicant must demonstrate how each proposed activity principally benefits low and moderate-income persons with the exception that an activity eliminating slum or blight may be accepted for meeting a CDBG national objective.</p> <p>Individual applications may be funded up to \$35,000 per FTE job created/retained or household benefited, with the exception of job creation activities which allows up to \$50,000 per FTE job created/retained in high poverty areas meeting the Aggregate Public Benefit Standard exclusion.</p>
<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>Number of Persons Assisted, Businesses Assisted (including Microenterprises), Jobs.</p>

<b>State Program Name:</b>	<b>CDBG General Purpose Grants</b>
<b>Funding Sources:</b>	CDBG
<b>Describe the state program addressed by the Method of Distribution.</b>	General Purpose Grants available annually to assist nonentitlement jurisdictions carry out construction/acquisition, planning-only, microenterprise assistance, and housing rehabilitation activities that principally benefit low- and moderate-income (LMI) persons.
<b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b>	<p>Grants are available to eligible local governments on an annual, competitive basis. Applications must be submitted or postmarked on or before June 1, 2017. Under limited circumstances, a local government could submit up to four unrelated General Purpose Grant applications: one for construction/acquisition, one for planning-only, one for microenterprise assistance, and one for housing rehabilitation activities.</p> <p>Applications will be ranked based on rating criteria detailed in the 2017 General Purpose Grant Application Handbook. The selection process consists of three stages: threshold review, rating and selection, and award. Up to 100 points are given under the following five rating criteria: Financial Review (20 points), Need (20 points), Capacity (20 points), Readiness/Feasibility (20 points), and Results (20 points).</p> <p>Projects will be rated based on their compelling need for public assistance; feasible technical solution to the problem or opportunity identified and agreed to by affected citizens, the local government and appropriate regulatory agencies; local government capacity; project readiness; clear and feasible plan for implementation and maintaining operations; and that results are commensurate to the amount of funds requested.</p> <p>The highest ranking application for each of the prioritized project categories (sewer, water, transportation, community facility, housing, economic development, and planning-only) that receives at least 65 points will be funded. Then highest ranking applications meeting the 65 point minimum will be funded in order, on a funds-available basis. Commerce may consult with informed third parties and may conduct interviews or make site visits to assist in the rating process.</p>

<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>Detailed instructions and requirements for developing a proposal, documenting CDBG eligibility, and submitting an application in the CDBG General Purpose Grant application handbook.</p> <p>All application materials are available at <a href="http://www.commerce.wa.gov/cdbg">www.commerce.wa.gov/cdbg</a> or upon request.</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>N/A</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>N/A</p>
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>\$9.2 million is set aside from the state's CDBG expected 2017 resources. Monies in the Contingency Fund may be used to offset any federal award reductions, to ensure funding for General Purpose Grants at the proposed 2017 funding level, and to fund additional priority projects on a funds available basis. Up to \$800,000 from CDBG revolving loan program income may be transferred from the Economic Opportunity Grant fund for priority General Purpose Grant applications that accomplish economic development objectives. If an award is declined or additional funds become available by December 2017, Commerce may offer an award to the next most highly ranked and fundable project. Remaining funds, if any, will be distributed among CDBG funding categories based on priority need.</p>

<p><b>Describe threshold factors and grant size limits.</b></p>	<p>Activities must be eligible under Section 105(a) of Title I of the Housing and Community Development Act of 1974, as amended. Each applicant must demonstrate how each proposed activity principally benefits low-and moderate-income persons with the exception that an activity eliminating slum or blight may be accepted for meeting a CDBG national objective.</p> <p>Applications must include required forms, documentation requirements, certifications and narrative as detailed in the 2016 General Purpose Grant Application Handbook. Incomplete applications could result in lower scoring or elimination from funding.</p> <p>The maximum grant is \$750,000 for acquisition/construction; \$500,000 for housing rehabilitation; \$250,000 for microenterprise assistance; and \$24,000 for planning-only activities.</p> <p>The CDBG investment limit is \$25,000 per household or direct job created/retained. For housing rehabilitation activities that include lead based paint mitigation the limit is \$35,000 per household.</p>
<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>Number of Persons Assisted, Household/Housing Units, Overnight/Emergency Shelter/Transitional Housing Beds, Businesses (including microenterprises) Assisted, Jobs.</p>
<p><b>State Program Name:</b></p>	<p><b>CDBG Housing Enhancement Grants</b></p>
<p><b>Funding Sources:</b></p>	<p>CDBG</p>
<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>CDBG Housing Enhancement Grants are available to provide flexible companion funding for competitive Housing Trust Fund (HTF) affordable housing applications in CDBG nonentitlement areas. This funding collaboration streamlines the financing of eligible HTF housing projects and prevents the need to wait for the annual General Purpose Grant funding cycle to receive CDBG assistance.</p>
<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>The application must first meet the HTF affordable housing selection criteria and identify the need for CDBG assistance. Once an application is selected for HTF funding, the CDBG applicant must submit documentation to meet CDBG eligibility and threshold requirements, documentation of the funding gap for a CDBG eligible activity, and signed certifications and forms demonstrating local commitment and compliance.</p>

<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>Detailed instructions and requirements for developing a proposal and submitting an application are in the HTF and CDBG Housing Enhancement Grant application materials.</p> <p>All CDBG application handbooks are available at <a href="http://www.commerce.wa.gov/cdbg">www.commerce.wa.gov/cdbg</a> and upon request.</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>N/A</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>N/A</p>
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>Up to \$200,000 is set aside for Housing Enhancement Grants. Monies in the Contingency Fund may be used to ensure funding for Housing Enhancement Grants at the proposed 2017 funding level, and to fund additional priority projects on a funds available basis. CDBG and HTF staff determine the level of available 2017 funding in the HTF and potential, eligible projects in CDBG nonentitlement communities. If the legislature has not approved HTF and there are no potential, eligible projects in CDBG nonentitlement communities, then the amount of CDBG funds set aside for the Housing Enhancement Grants may be decreased accordingly and these CDBG funds would be available for 2017 General Purpose Grants or Supplemental Grants.</p>

<p><b>Describe threshold factors and grant size limits.</b></p>	<p>Program funds will be available for those projects located in eligible CDBG nonentitlement local governments, and when the local government agrees to support the project. CDBG eligible activities can be found in Section 105(a) of Title 1 of the Housing and Community Development Act of 1974, as amended. Funds are intended to cover CDBG eligible costs not eligible for HTF assistance, but essential to the overall project success. For example, funds may be used for off-site infrastructure essential to affordable housing projects, or to pay for non-housing costs of projects integral to a comprehensive project such as a day care facility incorporated into the design of a HTF project.</p>
<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>Number of Persons Assisted, Housing/Housing Units, Overnight/Emergency Shelter/Transitional Housing Beds.</p>
<p><b>State Program Name:</b></p>	<p><b>CDBG Public Services Grants</b></p>
<p><b>Funding Sources:</b></p>	<p>CDBG</p>
<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>CDBG Public Services Grants are available for new or expanded public services that principally benefit low- and moderate-income persons and address regional priority needs through county supported partnerships with community action programs as the preferred service provider.</p>

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>To provide equitable access to public services funding for all 32 CDBG nonentitlement counties of the state, Commerce coordinates with CDBG nonentitlement counties to determine the lead county applicants for Public Services Grants. Funds are distributed among the eligible counties following a stakeholder approved formula based on the poverty rate and population of each service area.</p> <p>The community action program network covers the entire state through local and regional community action agencies certified by the U.S. Department of Health and Human Services. Of the state's 31 community action programs, 17 community action programs serve CDBG nonentitlement counties. By allocating public services funding to the 17 lead counties and their regional community action programs, all CDBG nonentitlement areas of the state have access to public services funding. Commerce will consider an alternative service provider only if the county adequately documents unsatisfactory CAP performance and identifies an alternate provider meeting CDBG subrecipient requirements for the service area.</p> <p>Each county and service provider must submit an application identifying the prioritized services to be funded and its budget, to be reviewed for Commerce approval prior to grant contracting.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>Detailed instructions and requirements for developing a proposal, documenting CDBG eligibility, and submitting an application are in the CDBG Public Services Grant application handbook.</p> <p>All CDBG application materials are available at <a href="http://www.commerce.wa.gov/cdbg">www.commerce.wa.gov/cdbg</a> or upon request.</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>N/A</p>

<b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b>	N/A
<b>Describe how resources will be allocated among funding categories.</b>	<p>Up to \$1.5 million and no more than 15 percent is set aside from the state allocation. Commerce allocates the available Public Services Grant funds among the 17 counties using a formula based on current population and poverty data. To ensure a foundation of funding for rural areas, a base allocation is provided with adjustments for areas with access to CDBG entitlement or other state CDBG resources.</p> <p>For service providers in CDBG entitlement city within a nonentitlement county, state CDBG funds will be used for only eligible programs that target and benefit residents of the nonentitlement service areas of the county.</p>
<b>Describe threshold factors and grant size limits.</b>	Activities must be eligible under Section 105(a)(8) of Title I of the Housing and Community Development Act of 1974, as amended, which allows CDBG to fund public services for new or expanded services including but not limited to: employment, crime prevention, child care, health, drug abuse, education, energy conservation, welfare and recreational programs.
<b>What are the outcome measures expected as a result of the method of distribution?</b>	Number of Persons Assisted.
<b>State Program Name:</b>	<b>CDBG Supplemental Grants</b>
<b>Funding Sources:</b>	CDBG
<b>Describe the state program addressed by the Method of Distribution.</b>	Supplemental Grants are intended as a last resort funding option for grantees whose approved project have encountered unanticipated costs overruns beyond the reasonable control of the grantee. Once a Supplemental Grant is awarded, the supplemental funds are incorporated into the grant contact through an amendment process.

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>Applications may be submitted anytime during the 2017 program year and are awarded on a funds available basis. Grantee requests will be reviewed for merit and urgency. Commerce will consider the applicant's request for amendment and written responses to questions on maximum limits, current project scope and goals, need for additional funds, and alternate courses of action and funding.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>The application process for a Supplement Grant is outlined in the CDBG Management Handbook section on contract amendments and supplemental funds, provided to each CDBG local government grant recipient.</p> <p>All CDBG application materials are available at <a href="http://www.commerce.wa.gov/cdbg">www.commerce.wa.gov/cdbg</a> or upon request.</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>N/A</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>N/A</p>
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>Initially, up to \$250,000 of recaptured/deobligated funds is set aside within the Contingency Fund to be made available for Supplemental Grants on a funds available basis. If additional funds are recaptured/deobligated, these funds may be available for Supplemental Grants based on the merit and urgency of the application.</p>

<b>Describe threshold factors and grant size limits.</b>	Supplemental Grant requests are awarded to existing CDBG recipients that have already documented meeting threshold factors with their original application. Supplemental Grants cannot result in the CDBG amended total grant exceeding the original maximum grant limit. Reimbursement of supplemental funded activities must first obtain Commerce approval.
<b>What are the outcome measures expected as a result of the method of distribution?</b>	Number of Persons Assisted, Household/Housing Units, Overnight/Emergency Shelter/Transitional Housing Beds, Businesses (including microenterprises) Assisted, Jobs.
<b>State Program Name:</b>	<b>Continuum of Care Program</b>
<b>Funding Sources:</b>	Continuum of Care
<b>Describe the state program addressed by the Method of Distribution.</b>	The CoC Program provides housing and supportive services to homeless individuals and families. Temporary housing is provided through Transitional Housing grants, permanent housing is provided through Rapid Re-housing or Permanent Supportive Housing grants and supportive services are provided through Supportive Services Only grants or as a component to one of the housing grants. Eligible expenditures include rental assistance, leasing costs, services costs, operations costs and construction costs.
<b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b>	Applications for new projects are selected based on greatest need, housing first characteristics, access to mainstream resources, leveraging of other funds in the community, project readiness, capacity, effectiveness of the use of funds, soundness of approach and whether or not there is already a CoC Program project in that county. The most important criteria (the criteria that receive the most points) are greatest need, housing first and access to mainstream resources. The three factors for ranking renewal projects include past performance, program utilization and expenditure of all funds. Past performance is weighted most heavily among the three criteria.
<b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b>	N/A

<b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b>	N/A
<b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b>	N/A
<b>Describe how resources will be allocated among funding categories.</b>	Grantees choose which funding categories are most appropriate for their project and will lead to the best, most efficient outcomes.
<b>Describe threshold factors and grant size limits.</b>	There are no minimum or maximum grant amount restrictions. However, effectiveness of the use of funds is a rating criterion in the application for new projects and for ranking projects up for renewal.
<b>What are the outcome measures expected as a result of the method of distribution?</b>	Reduced term of homelessness, increased permanent housing placement, increased term in permanent housing, reduced return to homelessness rate, increased employment income, increased overall income and increased access to mainstream benefits.
<b>State Program Name:</b>	<b>Emergency Solutions Grant</b>
<b>Funding Sources:</b>	ESG
<b>Describe the state program addressed by the Method of Distribution.</b>	The purpose of the ESG program is to provide homelessness prevention assistance to persons who would otherwise become homeless, and to provide emergency assistance to temporarily or permanently re-house persons who are experiencing homelessness. The funds will provide for a variety of services, including: Short-Term or Medium-Term Rental Assistance, Utility Assistance, Housing Search and Placement, Outreach Services, Housing Stability Case Management and HMIS. Please see Consolidated Plan Appendix F for more information.

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>Commerce adds ESG funding to state Consolidated Homeless Grant (CHG) funding and uses a formula based on population and poverty level to determine how much homelessness assistance funding to provide each county biennially. If they have no unresolved monitoring or audit findings related to Commerce housing assistance programs, the largest counties in the state that are able to spend \$1 million in the Washington portion of ESG funding biennially will be offered an ESG allocation to expend in combination with their CHG allocation. The sum of those counties' ESG and CHG allocations will equal the total homelessness assistance amount identified by the funding formula. Other counties that don't receive a Washington ESG allocation will instead receive CHG funding equal to their share.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>N/A</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>As described above, the largest counties in the state that are able to spend \$1 million in the Washington portion of ESG funding biennially will be offered an ESG allocation to expend in combination with their CHG allocation. The sum of those counties' ESG and CHG allocations will equal the total homelessness assistance amount identified by the funding formula. Other counties that don't receive a Washington ESG allocation will instead receive CHG funding equal to their share. The ESG grantee of Commerce then enters into subagreements with non-profit organizations including community and faith-based organization. This is done on either a competitive or formula basis. Each subagreement is required to uphold all requirements in the Commerce ESG Guidelines and ESG Rule.</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>N/A</p>

<b>Describe how resources will be allocated among funding categories.</b>	Each grantee is imposed limits on how much they can spend from each program component: Administrative Activities: 7.5% of grant limit Emergency Shelter or Street Outreach: 60% of grant limit Homelessness Prevention: 40% of grant limit Rapid Re-housing or HMIS: no limit (100% of grant)
<b>Describe threshold factors and grant size limits.</b>	All grants are equal to or greater than the \$1 million a biennium threshold. Grant sizes are determined by a formula based on county population and poverty.
<b>What are the outcome measures expected as a result of the method of distribution?</b>	Reduced number of literally homeless households and terms of homelessness through street outreach and rapid re-housing, reduced number of new homeless households through homelessness prevention, exiting program participants to permanent destinations and reduced returns to homelessness.
<b>State Program Name:</b>	<b>HOME Rental Development</b>
<b>Funding Sources:</b>	HOME
<b>Describe the state program addressed by the Method of Distribution.</b>	HOME Rental Development funds will be utilized for new construction of rental housing and awarded to projects annually through a competitive application process simultaneously run with the State's Housing Trust Fund (HTF) and the National Housing Trust Fund (NHTF) programs. Department of Commerce will publish its annual Notice of Funding Available (NOFA) and application instructions on the program website, which will also be broadly distributed via email: <a href="http://www.commerce.wa.gov/htf/">http://www.commerce.wa.gov/htf/</a> .

**Describe all of the criteria that will be used to select applications and the relative importance of these criteria.**

Department of Commerce will use an application evaluation tool that is comprised of three phases representing the three main decision points in the evaluation process:

**Decision Point #1** applies a series of thresholds, or “must haves”, that each application must meet in order to be eligible for funding and move forward in the evaluation process: Timely & Complete Submittal, Eligible Activities, Eligible Applicant (incl. relevant experience, good standing, capacity), Amount Requested, Project Readiness (incl. site, zoning, services, operations and long-term sustainability), Minimum Evergreen Sustainable Development Standard (ESDS).

Not meeting these thresholds may mean that an application will not be reviewed for funding. In rare and extraordinary circumstances, Department of Commerce will exercise its discretion in issuing threshold waivers and will make all waivers public.

**Decision Point #2** applies a series of priorities, each with a set of scoring weights assigned to the criteria applicable to multi-family projects. This will result in three ranked lists of projects, one for each of the following three geographic categories: King County, Other Urban, Rural. Projects can receive a maximum of 100 base points, plus another 1-2 bonus points for projects exceeding the minimum ESDS, as shown below.

Priorities	Min Score	Max Score
1. Populations Served (AMI & special needs)	0	40
2. Privately Owned Housing Stock (increase affordable housing stock in our state)	0	10
3. Need & Local Priority (county and local)	0	15
4. Development Costs	0	10
5. Level of State Investment (leverage)	0	15
6. Project Scope & Housing Model	0	10
7. Opportunity-Rich Communities (proximity to transportation, employment, collaboration with schools)	-10	0
8. ESDS Bonus Points	0	2
<b>Total Maximum Score</b>		<b>102</b>

**Decision Point #3** serves as a final threshold, or filter, to determine the viability of a project, such as being fully funded, or in the case of tax credit projects, having a high chance for receiving

	<p>an allocation in the current tax credit round. This decision point may include other special requirements or circumstances, such as meeting federal requirements, funding special proviso projects, local government prioritization of projects, and availability of funds.</p> <p>At the time of updating this Action Plan, the state's 2017-19 Capital Budget has not yet been passed by the Legislature. The Capital Budget funds the State HTF program and will include priorities for affordable housing set by the Washington State Legislature. The full details of the above listed priorities will be established in our Notice of Funding Availability (NOFA) which will be made available on our program website: <a href="http://www.commerce.wa.gov/htf/">http://www.commerce.wa.gov/htf/</a></p>
<b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b>	N/A
<b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b>	N/A
<b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b>	N/A
<b>Describe how resources will be allocated among funding categories.</b>	Approximately \$2,900,000 in HOME resources will be utilized for rental housing development.

<p><b>Describe threshold factors and grant size limits.</b></p>	<p>Only eligible HOME applicants can apply for HOME resources within the application cycles. Eligible applicants include local governments, local housing authorities, nonprofit community or neighborhood based organizations, CHDOs, federally recognized Indian tribes in Washington State, regional support networks established under RCW Chapter 71.24, and regional or statewide nonprofit housing assistance organizations.</p> <p>All applicants must meet the thresholds described above. Department of Commerce will exercise its discretion in issuing threshold waivers only in rare and extraordinary circumstances. Applicants should note that waivers are the exception, rather than the rule. All waiver approvals will be made public.</p>
<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>HOME resources, combined with the State HTF funds, Low Income Housing Tax Credit allocations, and other funding sources will create additional rental housing throughout the state. These additional units will primarily serve very low-income persons at or below 50% of the Area Median Income.</p>
<p><b>State Program Name:</b></p>	<p><b>HOME TBRA</b></p>
<p><b>Funding Sources:</b></p>	<p>HOME</p>
<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>HOME TBRA provides rent, utility and security and utility deposit assistance to low income households.</p>
<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>The HOME TBRA program is renewed each year with the current housing authorities, local governments and community action councils that provide the TBRA assistance. If a provider decides to no longer provide services, a process of finding another provider is undertaken. Criteria for a new provider may include capacity, experience with housing programs, and community support.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>N/A</p>

<b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b>	N/A
<b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b>	N/A
<b>Describe how resources will be allocated among funding categories.</b>	The resources are allocated between rent and utility assistance and security and utility deposits based on the need as assessed by the provider.
<b>Describe threshold factors and grant size limits.</b>	N/A
<b>What are the outcome measures expected as a result of the method of distribution?</b>	Continued affordable housing for low income households.
<b>State Program Name:</b>	<b>HOPWA</b>
<b>Funding Sources:</b>	HOPWA
<b>Describe the state program addressed by the Method of Distribution.</b>	HOPWA provides housing assistance and supportive services to moderate and low-income people with HIV/AIDS and related diseases, and their families. This support helps persons living with HIV/AIDS secure stable housing.

<b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b>	The HOPWA program is renewed each year with the current providers. If a provider decides to not continue providing services, a process of finding another provider is undertaken. Criteria for a new provider may include capacity experience with housing programs, and community support.
<b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b>	N/A
<b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b>	N/A
<b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b>	Project sponsors are selected based on their capacity, experience with housing programs, experience serving people with HIV/AIDS, organizational effectiveness, and community support.
<b>Describe how resources will be allocated among funding categories.</b>	The Project Sponsors allocate the funds among the funding categories based on their assessment of need identified through their own data including HMIS, waiting lists for assistance or other assessments of need.
<b>Describe threshold factors and grant size limits.</b>	The grant amounts are based on surviving HIV/AIDS cases as they are reported to the Washington State Department of Health.

<b>What are the outcome measures expected as a result of the method of distribution?</b>	Continued housing assistance, housing stability and access to care.
<b>State Program Name:</b>	<b>National Housing Trust Fund</b>
<b>Funding Sources:</b>	National Housing Trust Fund (NHTF)
<b>Describe the state program addressed by the Method of Distribution.</b>	NHTF funds will be utilized for new construction of rental housing and awarded to projects annually through a competitive application process simultaneously run with the State's Housing Trust Fund (HTF) and HOME programs. Department of Commerce will publish its annual Notice of Funding Available (NOFA) and application instructions on the program website, which will also be broadly distributed via email: <a href="http://www.commerce.wa.gov/htf/">http://www.commerce.wa.gov/htf/</a> .

**Describe all of the criteria that will be used to select applications and the relative importance of these criteria.**

Department of Commerce will use an application evaluation tool that is comprised of three phases representing the three main decision points in the evaluation process:

**Decision Point #1** applies a series of thresholds, or “must haves”, that each application must meet in order to be eligible for funding and move forward in the evaluation process: Timely & Complete Submittal, Eligible Activities, Eligible Applicant (incl. relevant experience, good standing, capacity), Amount Requested, Project Readiness (incl. site, zoning, services, operations and long-term sustainability), Minimum Evergreen Sustainable Development Standard (ESDS).

Not meeting these thresholds may mean that an application will not be reviewed for funding. In rare and extraordinary circumstances, Department of Commerce will exercise its discretion in issuing threshold waivers and will make all waivers public.

**Decision Point #2** applies a series of priorities, each with a set of scoring weights assigned to the criteria applicable to multi-family projects. This will result in three ranked lists of projects, one for each of the following three geographic categories: King County, Other Urban, Rural. Projects can receive a maximum of 100 base points, plus another 1-2 bonus points for projects exceeding the minimum ESDS, as shown below.

Priorities	Min Score	Max Score
1. Populations Served (AMI & special needs)	0	40
2. Privately Owned Housing Stock (increase affordable housing stock in our state)	0	10
3. Need & Local Priority (county and local)	0	15
4. Development Costs	0	10
5. Level of State Investment (leverage)	0	15
6. Project Scope & Housing Model	0	10
7. Opportunity-Rich Communities (proximity to transportation, employment, collaboration with schools)	-10	0
8. ESDS Bonus Points	0	2
<b>Total Maximum Score</b>		<b>102</b>

**Decision Point #3** serves as a final threshold, or filter, to determine the viability of a project, such as being fully funded, or in the case of tax credit projects, having a high chance for receiving

	<p>an allocation in the current tax credit round. This decision point may include other special requirements or circumstances, such as meeting federal requirements, funding special proviso projects, local government prioritization of projects, and availability of funds.</p> <p>At the time of updating this Action Plan, the state's 2017-19 Capital Budget has not yet been passed by the Legislature. The Capital Budget funds the State HTF program and will include priorities for affordable housing set by the Washington State Legislature. The full details of the above listed priorities will be established in our Notice of Funding Availability (NOFA) which will be made available on our program website: <a href="http://www.commerce.wa.gov/htf/">http://www.commerce.wa.gov/htf/</a></p>
<b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b>	N/A
<b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b>	N/A
<b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b>	N/A
<b>Describe how resources will be allocated among funding categories.</b>	Approximately \$2,500,000 in NHTF resources will be utilized for new rental housing development and \$1,200,000 for operating and maintenance subsidy support.

<p><b>Describe threshold factors and grant size limits.</b></p>	<p>Only eligible NHTF applicants can apply for NHTF resources within the application cycles. Eligible applicants include local governments, local housing authorities, nonprofit community or neighborhood based organizations, federally recognized Indian tribes in Washington State, regional support networks established under RCW Chapter 71.24, and regional or statewide nonprofit housing assistance organizations.</p> <p>All applicants must meet the thresholds described above. Department of Commerce will exercise its discretion in issuing threshold waivers only in rare and extraordinary circumstances. Applicants should note that waivers are the exception, rather than the rule. All waiver approvals will be made public.</p>
<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>NHTF resources, combined with the State HTF funds, Low Income Housing Tax Credit allocations, and other funding sources will create additional rental housing throughout the state. These additional units will primarily serve very low-income persons at or below 30% of the Area Median Income.</p>
<p><b>State Program Name:</b></p>	<p><b>Section 811</b></p>
<p><b>Funding Sources:</b></p>	<p>Section 811</p>
<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>The 811 program provides project-based vouchers for non-elderly disabled adults.</p>
<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>Projects will be selected based upon the number of eligible 811 clients in the community, proximity to services and amenities (i.e. hospitals, transportation, social services, etc.), number of units provided, organizational capacity, organizational history, and the timeline for when the units will become available. All of these criteria are important, but especially important are finding projects located in areas with eligible 811 clients.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>N/A</p>

<b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b>	N/A
<b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b>	N/A
<b>Describe how resources will be allocated among funding categories.</b>	All resources will be allocated to project-based rental assistance vouchers.
<b>Describe threshold factors and grant size limits.</b>	Each project receives an award based upon the number of units awarded for 811 funding. The number of units awarded for 811 depends on the number of units the project wants to dedicate to 811 and the number of eligible 811 clients in the community.
<b>What are the outcome measures expected as a result of the method of distribution?</b>	Housing stability.

## Discussion

## AP-35 Projects – (Optional)

### Introduction

There are currently no 2017 projects to report, as the 2017 Program Year for the state's HUD formula funds does not begin until July 1, 2017. Funding contracts for CDBG, HOME, NHTF, ESG, and HOPWA projects will not be executed until program-specific applications are received and evaluated, and the funding agreement between HUD and Commerce is executed.

#	Project Name

Table 10 – Project Information

### Describe the reasons for allocation priorities and any obstacles to addressing underserved needs.

There are currently no 2017 projects to report. For this reason, this section has been left blank.

# AP-38 Project Summary

## Project Summary Information

#	Project Name

Table 11 – Project Summar

**AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)**

**Will the state help nonentitlement units of general local government to apply for Section 108 loan funds?**

No

**Available Grant Amounts**

N/A

**Acceptance Process of Applications**

N/A

## **AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)**

**Will the state allow units of general local government to carry out community revitalization strategies?**

Yes

### **State's Process and Criteria for approving local government revitalization strategies**

The state will allow units of general local government to carry out community revitalization strategies after consultation with the state CDBG program and HUD's authorization of a state process and criteria for approving revitalization strategies. Washington has not chosen to target particular geographical areas for special set aside assistance under the CDBG Program. The state does not have a process and criteria for community revitalization strategy at this time.

## **AP-50 Geographic Distribution – 91.320(f)**

### **Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed**

**CDBG:** The state Community Development Block Grant program awards funding to rural areas of Washington State not entitled to receive a direct CDBG allocation from HUD or a part of a CDBG urban county consortium. A map and list of those areas is on the CDBG website at [www.commerce.wa.gov/cdbg](http://www.commerce.wa.gov/cdbg) and in Appendix D of the Consolidated Plan. The state CDBG program can fund projects benefiting both entitlement and nonentitlement area residents only when at least 51 percent of the project beneficiaries are documented as being full-time residents of the nonentitlement areas, the applicant clearly documents how the state CDBG program does not fund a disproportionate level of the project costs, the nonentitlement applicant certifies the project is consistent with their community development plans, and other conditions are met as outlined in the state CDBG program's Entitlement/Nonentitlement Policy. Cities that reach the CDBG entitlement population threshold and are eligible to participate in a CDBG urban county consortium will not be prioritized for state CDBG funding without the jurisdiction first receiving a state waiver. The state CDBG program cannot award grants directly to tribes, since they are eligible to apply for Indian CDBG funding directly from HUD. The state CDBG program will prioritize funding for activities that principally benefit low- and moderate-income persons.

**HOME:** The Department of Commerce will conduct a funding round for the State HTF, National HTF, and HOME Rental Development programs simultaneously via a release of a Notice of Funding Availability (NOFA) and will award these funds through a competitive application process. Given the small HOME allocation in 2017, it may not be possible to spread the HOME funds to several projects, but in combination with the State HTF, the Department of Commerce will prioritize statewide distribution among all its affordable housing project awards. HOME TBRA funds are currently being distributed on a renewal basis. Currently there is a \$30,000 minimum grant amount for HOME TBRA.

**NHTF:** The Department of Commerce will conduct a funding round for the State HTF, NHTF, and HOME Rental Development programs simultaneously via a release of a Notice of Funding Availability (NOFA) and will award these funds through a competitive application process. Given the small NHTF allocation in 2017, it may not be possible to spread the NHTF funds to several projects, but in combination with the State HTF, the Department of Commerce will prioritize statewide distribution among all its affordable housing project awards.

**ESG:** Emergency Solutions Grant funds are allocated using on the same formula as the state's own Consolidated Homeless Grant program which is based on population and poverty levels in each county. Those counties with allocation amounts less than \$1 million a biennium will not receive ESG funding, but will instead receive an increase in state funding in an amount equal to their ESG share.

**HOPWA:** Housing Opportunities for Persons with AIDS does not have geographic priority areas. Funding is allocated on an annual renewal based

on surviving HIV/AIDS cases as reported to the Washington State Department of Health.

Except for the restrictions noted above, Washington does not have any pre-identified geographic target area priorities. However, the state does encourage investments to be targeted in areas of high level of need for all grant programs. The state also encourages communities to develop projects that respond to these needs, especially through outreach and technical assistance, as well as by allocating funds in a manner that emphasizes these priority needs consistent with established program guidelines.

**Geographic Distribution**

Target Area	Percentage of Funds

**Table 12 - Geographic Distribution**

**Rationale for the priorities for allocating investments geographically.**

N/A

**Discussion**

Each program has a distinct focus and the eligibility for funding is targeted to maximize achievement of program goals.

## Affordable Housing

### AP-55 Affordable Housing – 24 CFR 91.320(g)

#### Introduction

The one year goals for affordable housing vary by program and the population to be served. Some of the data in the following tables may overlap since some programs assist households in addition to individuals. Those served by the Tenant Based Rental Assistance (TBRA) program, for instance, may be homeless receiving rental assistance, in addition to those receiving TBRA who are not homeless.

For NHTF, since this is its second allocation--and the State plans to use the small award to fund capital new construction projects--actual units of affordable housing will be placed in service in 2018 at the earliest.

<b>One Year Goals for the Number of Households to be Supported</b>	
Homeless	249
Non-Homeless	545
Special-Needs	0
Total	794

**Table 13 - One Year Goals for Affordable Housing by Support Requirement**

<b>One Year Goals for the Number of Households Supported Through</b>	
Rental Assistance	682
The Production of New Units	33
Rehab of Existing Units	20
Acquisition of Existing Units	0
Total	735

**Table 14 - One Year Goals for Affordable Housing by Support Type**

#### Discussion

Homeless households are assisted by ESG funds, but not under the Affordable Housing category and so these goals and outcomes are not listed here.

CDBG can fund infrastructure in support of affordable housing and housing rehabilitation, so the CDBG goals of supporting at least five new units and rehabilitating at least 20 existing units are included here. CDBG can also fund transitional housing and homeless shelters as public facilities, so these goals are not listed here. CDBG funding of activities in support of affordable housing is contingent on a CDBG nonentitlement local government first prioritizing these activities and submitting a CDBG application to Commerce.

## **AP-60 Public Housing - 24 CFR 91.320(j)**

### **Introduction**

The state is able to provide support and technical assistance to PHAs upon local request. Specific financial assistance to PHAs under any of the Consolidated Plan formula grant programs will be considered as any other application competing for those funds, unless the administering state agency determines that both cause and authority exist to prioritize such funding under the current Consolidated Plan and the individual program's guidelines.

### **Actions planned during the next year to address the needs to public housing.**

See above.

### **Actions to encourage public housing residents to become more involved in management and participate in homeownership.**

See above.

### **If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance.**

See above.

### **Discussion**

See above.

## **AP-65 Homeless and Other Special Needs Activities – 91.320(h)**

### **Introduction**

Washington State will continue working to reduce and end homelessness with the Balance of State Continuum of Care, State Advisory Council on Homelessness, the Affordable Housing Advisory Board, and the Interagency Council on Homelessness. The state will identify priority needs and inform Emergency Shelter Grant (ESG) allocations. Commerce, as the State ESG grantee, will continue to award funds to sub-grantees at the local level to deliver housing and non-housing homeless services to persons in need.

The CDBG program can fund homeless shelters and transitional housing as public facilities, and services for the homeless, contingent on these activities being first prioritized with applications submitted by CDBG nonentitlement local governments.

For NHTF, since this is its second annual allocation--and the State plans to use the small NHTF allocation to fund capital new construction projects--actual units of affordable housing will be placed in service in 2018-2019 at the earliest. In distributing the 2017 NHTF funds, the State will evaluate projects based on multiple criteria (as presented in AP-30 in this Plan). One of the evaluation criteria is the type of population served, such that the State will prioritize special needs and homeless populations over “general low income” populations (in alignment with the State’s current priorities) which include individuals, families, and youth affected by homelessness, as well as homeless individuals with chronic mental illness and veterans.

### **Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including:**

#### **Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs.**

Commerce contracts with local providers who direct their outreach efforts to the most vulnerable persons in their services areas. Each county prepares a Ten-Year Plan for serving persons who are homeless. Part of this plan is an inventory of services available within the county. With this information, providers coordinate outreach activities and direct persons who are homeless to services using coordinated assessment where such a system has been developed within the county or geographic area. The assessment is used to determine a household’s initial needs. If further intervention or assistance is needed, the household is directed to the appropriate services with the goal of moving the household into a permanent housing situation with no later return to homelessness.

#### **Addressing the emergency shelter and transitional housing needs of homeless persons.**

In the 2017 program year counties will receive ESG or Consolidated Homeless Grant funding to meet the emergency shelter needs of residents.

The federal Continuum of Care Program and state Consolidated Homeless Grant will provide funding for transitional housing for all 39 counties in the state. Commerce approximates there will be over 4,400 emergency shelter beds in the state in 2017.

**Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.**

Local providers in collaboration with the Balance of State Continuum of Care and the State Advisory Council on Homelessness are working to shorten periods of homeless and prevent recurrences of homelessness through a number of measures. They include utilization of the Homeless Management Information System to track these performance measures. The state has prioritized access to affordable housing through rapid re-housing. Commerce, in addition to other state agencies, works to regularly follow-up with clients upon exit from homeless housing programs.

**Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.**

Counties may use state, local, and a portion of their federal ESG funds on homelessness prevention. Commerce recommends grantees use a targeted prevention approach to identify low-income and extremely low-income households at the most risk of becoming homeless. An evaluation of the household's risk status will allow service providers to identify those households most at-risk of actually becoming homeless instead of those who may avoid homelessness even without financial assistance. Prevention assistance and case management is then provided to those most at-risk households.

Commerce works with other state agencies to coordinate policies and protocols for the discharge of persons from state institutions or systems of care to prevent those persons from exiting to homelessness. Some of the agencies in collaboration with Commerce and its grantees are the state Departments of Social and Health Services (DSHS), Corrections (DOC), Veteran Affairs (VA), and ESD. DSHS and DOC are two state agencies that discharge or release people from systems of care/incarceration. They both have policies and programs in place that aim to prevent clients from exiting into homelessness. Counties within the Balance of State Continuum have also implemented such policies to varying degrees.

The state Consolidated Homeless Grant added incentive payments to the program that encourage providers to house specific populations, including people discharged from psychiatric hospitals, jails, prisons, and regular hospitals.

The state Balance of State Continuum of Care and state Consolidated Homeless Grant encourages providers to have agreements in place to directly house people discharged from psychiatric hospitals, jails, prisons, and regular hospitals.

**Discussion**

**AP-70 HOPWA Goals – 91.320(k)(4)**

<b>One year goals for the number of households to be provided housing through the use of HOPWA for:</b>	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	69
Tenant-based rental assistance	70
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	6
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	0
Total	145

## **AP-75 Barriers to Affordable Housing – 91.320(i)**

### **Introduction**

An extensive discussion of barriers to housing affordability and actions to address those constraints is included in the 2015-2019 Consolidated Plan sections MA-40 and SP-55. In addition to taking action to ameliorating barriers to affordable housing, the state is also dedicated to ensuring fair access to housing not only in affordable units but throughout the entire housing market.

For NHTF, since this is its second annual allocation--and the State plans to use the small NHTF allocation to fund capital new construction projects--actual units of affordable housing will be placed in service in 2018-2019 at the earliest. In distributing the 2017 NHTF funds, the State will evaluate projects based on multiple criteria (as presented in AP-30 in this Plan). For example, a higher ranking will be given to applications demonstrating that their service plans are sustainable long-term and aligned with State and Federal recognized best practices (i.e., are consistent with State and Federal requirements, are evidence-based, and follow statewide established models such as low-barrier or “housing first” models).

**Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment.**

The Affordable Housing Advisory Board convened a work group to update the Growth Management/Housing Task Force report of 2006. This report identifies a broad range of measures that would promote affordable housing. Many of the items noted in the report respond to public policies that serve as barriers to affordable housing. While this report will not result in any specific actions, it will support efforts to be undertaken by state and local government.

It is important to note that the state’s framework of planning is decentralized with a high level of responsibility and latitude in zoning, permitting and building code requirements given to cities and counties. The state, other than providing the framework for local authority through the Growth Management Act and the Planning Enabling Act, does not control land use or development review. Therefore, the state’s role becomes one of providing assistance to local governments in their efforts to reduce or eliminate barriers to housing affordability. This can be done through technical assistance or facilitation of discussions or through the administration of grants or programs. However, reductions in state financial resources since 2007 have significantly reduced the support that Commerce and other state agencies can provide, especially through grants that assist with the development or revision of municipal plans or regulations.

The state remains committed to ensuring fair access to housing and has completed an update of the Analysis of Impediments to Fair Housing

Choice (AI) in conjunction with development of the Consolidated Plan. The AI identifies the major impediments to fair housing and makes a number of recommendations to lower these barriers.

**Discussion**

## **AP-85 Other Actions – 91.320(j)**

### **Introduction**

The following are actions planned throughout the course of the Consolidated Plan period (2015-2019).

### **Actions planned to address obstacles to meeting underserved needs**

The primary obstacles to meeting underserved needs are lack of financial and human resources, and a growing gap between housing costs and incomes. The state will continue to advocate for more resources and to use its resources carefully and strategically as evidenced in this plan to reduce the effects of the cost/income gap. The state's recently completed statewide Housing Needs Assessment will serve to inform policies and enable programs to better target resources to address underserved needs.

### **Actions planned to foster and maintain affordable housing**

In addition to using CDBG, HOME, NHTF, ESG, and HOPWA, the state undertakes numerous other actions to foster and maintain affordable housing. Coordinating the use of all available resources, and particularly the Low Income Housing Tax Credit (LIHTC) program to develop new affordable housing is a critical component of the state's affordable housing strategy. Information on the LIHTC program can be found through the Washington Housing Finance Commission at <http://www.wshfc.org>.

Commerce and AHAB are required by RCW 43.185B.040 to prepare and update a five-year plan. The purpose of the 2010-2015 Housing Advisory Plan (five-year plan) is to:

- Document the need for affordable housing in the state.
- Examine the extent to which that need is met through public and private sector programs.
- Facilitate planning to meet state affordable housing needs.
- Enable the development of strategies and programs for affordable housing.

The Washington State Housing Needs Assessment 2015 can be found on [www.commerce.wa.gov](http://www.commerce.wa.gov).

### **Actions planned to reduce lead-based paint hazards**

Washington's housing stock continues to age, the incidence of hazards from deteriorating lead paint will likely increase in homes built before

1978 without remediation or abatement. As paint deteriorates over time through peeling, chipping, chalking, cracking, or damage, the lead is released into the home environment and becomes a significant hazard, especially for young children.

The prevalence of lead-based paint may be used to develop measures of potential risk from LBP hazards, even if the hazards are not yet present. In general, the higher likelihood that homes built before 1950 contain lead-based paint, combined with possible physical deterioration associated with their age, puts these pre-1950 homes in a "high-risk" category for exposure to LBP hazards. Many homes built between 1950 and 1978 also contain lead-based paint. However, their relatively newer condition puts them in a category of "moderate risk" for exposure to LBP hazards.

Washington will continue to pursue the actions, strategies and requirements identified in SP-65. Through the efforts of Commerce and DOH, there will be: increased recognition of lead-based paint hazards; improved identification of structures where these hazards are present; higher rates of remediation of LBP; and testing, medical intervention, and case management for children at risk. The state will follow and monitor grantees to ensure compliance with the HUD lead-based paint regulations implementing Title X of the Housing and Community Development Act of 1992. These regulations cover the CDBG, HOME, NHTF, ESG, and HOPWA programs, and identify the appropriate type of activity to control lead paint hazards, in projects using federal funds.

The \$25,000 abatement threshold in Title X has not been adjusted since it was established, while construction/rehabilitation costs have escalated. This can preclude a number of homes from being rehabilitated because abatement costs make it financially unfeasible. The state will further comply with LBP regulations of the EPA. CDBG allows additional funds per unit if housing rehabilitation activities include lead-based paint mitigation.

Washington will coordinate for training, education and other resources related to lead-based paint hazards, and will require that grantees and sub grantees utilize staff and contractors that have the appropriate training and certification.

### **Actions planned to reduce the number of poverty-level families**

A summary of Washington's existing efforts to reduce poverty is detailed in the 2015-2019 Consolidated Plan section SP-70. New or emerging actions intended to address poverty have been significantly limited by ongoing reductions in the state budget. Between 2007 and 2014, per capita state revenue allocations through the Omnibus and Transportation operating budgets dropped from \$6,824 to \$5,818 (in 2014 dollars). This means there is now 15 percent less revenue available to meet needs funded through state resources when compared to the period at the start of the recession. <http://www.fiscal.wa.gov/BudgetACurr.aspx>

In 2007, the state convened a Poverty Advisory Committee to provide recommendations on possible new actions to reduce poverty. Reductions to state resources (occurring after the committee completed its report) limited the amount of actions taken by the state to implement the

Committee's recommendations and enact new measures to reduce poverty. In addition, these budget cuts resulted in cutbacks in the provision of many services and funds aimed at assisting households in poverty.

Most new efforts begun during the past few years have been in conjunction with federal measures such as implementation of the affordable health care act. The state has been focused on reducing cuts or renewing existing resources where possible. For example, in 2014 the state Legislature passed an extension of the document recording fee dedicated to serving the homeless which was due to expire.

As the economy continues to improve and more financial resources become available, the state will likely move to reinvigorate previous efforts aimed at addressing poverty. New efforts will be considered to the greatest extent feasible. To better empower individuals and families toward self-sufficiency and independence the following strategies will be put to work:

- Promote sustainable economic development through affordable housing and other community development activities;
- Maintain a strong relationship with the Continuum of Care system to enhance and promote the stabilization of homeless families and encourage transition to stable households and housing situations;
- Explore additional partnership opportunities with other agencies that provide a range of services and activities with measurable, and potentially major impact, on the causes of poverty in their communities; and
- Enhance efforts to educate the public and interested persons about available supportive services that foster self-sufficiency and independent living arrangements.

### **Actions planned to develop institutional structure**

Commerce will continue to support efforts such as the Interagency Council on Homelessness, the Balance of State Continuum of Care, the Affordable Housing Advisory Board, and the state's Workforce Training and Education Coordinating Board to strengthen partnerships, facilitate program delivery and improve the institutional structure.

### **Actions planned to enhance coordination between public and private housing and social service agencies**

Public agencies, for-profit and nonprofit private organizations all play a part in the provision of affordable housing, social services, capital improvements, and economic development. The state will continue to work to provide strong coordination between agencies, local organizations, and private housing and service providers.

### **Discussion**

Through the above identified actions the State will continue to address these various issues and is committed to addressing these issues

throughout the implementation of the 2015-2019 Consolidated Plan.

## Program Specific Requirements

### AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

#### Introduction

The following identifies state revolving loan program income available for use for state CDBG-funded activities. The state allows nonentitlement local governments to use their program income for CDBG eligible activities if the local government has a Program Income Re-Use Plan approved by Commerce. The state requires any local government that has since joined a CDBG urban county consortium either to transfer the program income oversight to the county CDBG program or to return to the state any program income earned from a previous state CDBG funded activity, as appropriate. Projects planned with all state CDBG funds are not identified in the Project Table as stated in the pre-set IDIS introduction below, since listing CDBG projects in the Project Table is a HUD Action Plan requirement for CDBG entitlement programs and not state CDBG programs.

#### Community Development Block Grant Program (CDBG) Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	3,120,250
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
<b>Total Program Income:</b>	<b>3,120,250</b>

## Other CDBG Requirements

- |   |        |
|---|--------|
| 1. The amount of urgent need activities   | 0      |
| 2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan. | 98.00% |

### HOME Investment Partnership Program (HOME) Reference 24 CFR 91.320(k)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:  

Commerce utilizes only forms of investment included in Section 92.205.
2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:  

Commerce does not have plans to use HOME funds for homebuyer activities.
3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:  

Commerce does not have plans to use HOME funds for homeownership activities.
4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:  

Commerce does not have any plans to use HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds.

**Emergency Solutions Grant (ESG)**  
**Reference 24 CFR 91.320(k)(3)**

1. Include written standards for providing ESG assistance (may include as attachment)

Commerce developed ESG Program Guidelines for sub-recipients that identify detailed documentation requirements to ensure program success and grant compliance. Commerce developed most of the written standards for provision of ESG assistance and requires some standards to be developed by the ESG sub-recipient.

Commerce developed the standards for the following:

- Standard policies and procedures for evaluating and documenting a household's eligibility for rapid re-housing or prevention assistance with ESG funds.
- Standard policies and procedures for documenting Rent Reasonableness and Fair Market Rent, inspections, and HMIS consent. These standards are included in the ESG Guidelines and eligibility forms posted at [www.commerce.wa.gov/esg](http://www.commerce.wa.gov/esg).

ESG sub recipients are required to have written policies and/or procedures for the following topics. Commerce will review these as part of grant monitoring.

- Policies and procedures for coordination among homeless housing and assistance providers and mainstream providers in their service area.
- For admission, diversion, referral, and discharge by emergency shelters including length of stay, special needs populations, and individuals and families with high barriers to housing.
- Policies and procedures for determining and prioritizing which households will receive rapid rehousing and prevention assistance.
- Standards for determining the amount of rent assistance, length of assistance, and if there will be any adjustments over time.
- Standards for determining type, amount, and duration of housing relocation and stabilization services.
- Termination of Participation and Grievance, including provisions for dealing with client fraud.
- Applicant Denial and Grievance.
- Confidentiality of Client records.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

Each county must maintain a coordinated assessment system for their geographic area in which people experiencing homelessness are assessed and referred to the services that will help them obtain and maintain housing stability. The system must follow the guidelines established by Commerce, Balance of State Continuum of Care and HUD Notice CPD-17-01. Because of the variety of population densities, geography, and housing needs, each assessment system will have different characteristics. However, each will follow a series of common parameters and guidelines. All state, CoC Program and ESG-funded projects must participate in the coordinated assessment system. At a minimum, each system must:

- Have a lead agency or governing body.
- Identify and advertise access point(s) and partner agencies.
- Use a standardized assessment tool that matches households with services that will help them exit homelessness and prioritizes households with the greatest need. The assessment tool must be used at all access points.  
Note: Different subpopulations may be assessed differently.
- Maintain up-to-date information on program capacities, vacancies, and eligibility criteria. Coordinated assessment policies and procedures must address the following topics outlined in HUD CPD-17-01.
- The uniform decision making process for using the assessment to prioritize households for programs.
- A protocol for rejecting referrals that ensures rejections are justified and rejected households are referred to appropriate services whenever possible. CoC Program-funded Permanent Supportive Housing projects must follow the order of priority established in HUD CPD-16-11.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

The Balance of State CoC Homelessness Steering Committee, in consultation with other Continuums of Care in the state, agreed that to allow for better coordination of funding for homeless services at the local level Commerce will offer the state allocation of the ESG grant to current eligible Consolidated Homeless Grant (CHG) recipients. Eligible applicants in each county will be nonprofit organizations (including community and faith-based organizations) or local governments that received CHG contracts from Commerce and remained in compliance during the grant period.

Funds will be allocated using the State’s CHG formula. Counties with allocation amounts less than \$1 million a biennium will not receive ESG funding, but will instead receive an increase in CHG funding in an amount equal to their ESG share.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding

decisions regarding facilities and services funded under ESG.

The Balance of State CoC Homelessness Steering Committee has maintained a position for a homeless person or formerly homeless person as a representative for more than 10 years. This is an active membership role (currently serving as co-chair of the Balance of State CoC Homelessness Steering Committee and chair of the Veterans Committee) and Commerce is committed to ensuring that a representative is able to attend and participate in meetings.

5. Describe performance standards for evaluating ESG.

Commerce uses HEARTH performance standards through the Homeless Management Information System to evaluate all housing and homelessness assistance grantees. This includes ESG, Continuum of Care Program and state and local grants. ESG performance data is reviewed monthly. In addition, rate of spending, risk assessment and monitoring results are used to evaluate ESG program success. HEARTH HMIS performance indicators were reviewed by the Balance of State Continuum of Care Homelessness Steering Committee and recognized as valuable in maintaining competitiveness for federal funding.

**Discussion**