



CITY OF ANACORTES  
CDBG 2020  
DRAFT ACTION PLAN

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# Executive Summary

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

### 1. Introduction

This chapter outlines the City's one-year Action Plan for 2020, which will further the goals and strategies of the Strategic Plan and is the spending plan for the City's Community Development Block Grant (CDBG) funds. The funding received for 2020 will be used to accomplish the activities outlined in this plan. The allocation for this year's funding is approximately \$115,906. The proposed activities must meet the CDBG National Objectives as outlined in the introduction to the Strategic Plan and meet the public benefit standard. The Mayor of Anacortes has designated the Planning, Community & Economic Development Department responsible for the planning, development, and implementation of its CDBG Program.

### 2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

Due to the COVID-19 Pandemic, the goals of this plan include special economic development activities to provide a public benefit to businesses to keep them from closing permanently. Eighty-five percent of the 2020 funding will be provided to applicable businesses with 20 or fewer employees. The remaining portion of the funding will be used for supportive services to help individuals and families from becoming homeless, supporting efforts to reduce poverty, public housing rehabilitation. The City has elected not to utilize the administration portion of the funding and instead apply the 20% allocation to projects. The proposed funding goals for 2020 include:

- Public Service - Anacortes Family Center - Homelessness/assist special needs populations - Create suitable living environs - %15 of total allocation = \$17,385
- Special Economic Development Activity (Section 507.23) – Small Business Stabilization Grant – \$98,521 2020 funding plus \$1,479 from previous unspent funding

In addition to the above goals, the City expects to utilize a Section 108 loan program through HUD. This program provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects. It allows them to transform a small portion of their CDBG funds into federally guaranteed loans large enough to pursue physical and economic revitalization projects that can renew entire neighborhoods. As a CDBG entitlement, the City is eligible to apply for this type of funding.

This program provides the City with the opportunity to borrow up to 5 times the annual allocation. This year's funding amount is \$115,906 which allows the City to borrow a maximum of \$579,530. Principal security includes a pledge of the future CDBG funds along with additional security and the interest is variable.

The loan will fund an off-site infrastructure improvement for the Anacortes Family Center's development of a mixed-use low-income apartment complex on 27<sup>th</sup> Street in Anacortes. This will include improvement of the street, sidewalks, gutters, and water and sewer lines for the new development and will achieve the national objective of public facilities improvements in a predominantly low income area.

### **3. Evaluation of past performance**

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

In reviewing activities accomplished with its federal funding from previous years, the City of Anacortes advanced its goals of improving conditions, creating better housing resources and opportunities, and assisting human service organizations in providing effective support services to priority low-income and homeless populations. The projects selected are based on consultation with local agencies and in response to the area's countywide Continuum of Care Plan. The Anacortes Family Center, recipient of the full public services portion of the annual CDBG, provided that approximately 84% of the 62 households (175 individuals - 105 of which were children) in their program during 2019 successfully graduated from the Family Center program and entered permanent, safe housing with jobs and incomes to support their new lives. In 2019, the City provided funding to the Anacortes Salvation Army for a new commercial refrigeration/freezer that provided a great benefit to approximately 4,500 people in the region.

### **4. Summary of Citizen Participation Process and consultation process**

Summary from citizen participation section of plan.

In deciding the 2020 program year allocations, the City of Anacortes worked with community leaders and the City Council Housing Affordability & Community Services committee to determine the proposed projects. The City held a 5 day public comment period in accordance with the HUD waiver of the 30 day public comment period to expedite the review process during the current emergency caused by the COVID-19 pandemic. The City held 2 virtual public hearings on April 27, 2020 and May 4, 2020). Notice was published on the website and in the local newspaper and encouraged public comment in conjunction with the CDBG program. The notice for the 5 day comment period and meetings was posted on the City's website on April 20, 2020 and published in the local newspaper on April 23, 2020. The public comment period began on April 24, 2020 and ended April 30, 2020.

## **5. Summary of public comments**

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

**\*\*This will be updated when the Public Comment period and Public Hearings conclude.\*\***

## **6. Summary of comments or views not accepted and the reasons for not accepting them**

The City did not reject any views or comments on the development of this Action Plan.

## **7. Summary**

The overall goal of the community planning and development programs available from the City of Anacortes with CDBG funding is to assist in the development of affordable housing for low and moderate income households, reduce poverty in Anacortes, assist in creating better living conditions for low income households and provide funding to assist human service agencies serving low-income populations. A review of the projects and activities implemented in program years 2018 and 2019 demonstrate that the City is making progress in fulfilling its goals. The City intends to continue to work closely with HUD staff to improve performance in timely implementation of identified community development strategies and CDBG administrative activities. The City did not hinder Consolidated Plan implementation by action or willful inaction.

## PR-05 Lead & Responsible Agencies - 91.200(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	ANACORTES	Planning, Community & Economic Development

Table 1 – Responsible Agencies

### Narrative

The city of Anacortes is a member of the Skagit County Home Consortium which is comprised of 20 municipalities. Anacortes is a participating CDBG entitlement jurisdiction that administers its own CDBG programs. The Mayor of Anacortes has designated the Planning, Community & Economic Development Department to perform the planning, development, and implementation of the Anacortes CDBG program.

### Consolidated Plan Public Contact Information

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## **AP-10 Consultation - 91.100, 91.200(b), 91.215(l)**

### **1. Introduction**

The City performed an extensive outreach program to consult and coordinate with non-profit agencies, affordable housing providers, government agencies and other entities.

**Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l)).**

The City held two public hearings to obtain input from all citizens of the community. The first public hearing was April 27, 2020. This meeting provided an opportunity to discuss the objectives of the Action Plan and proposed projects for 2020. The next meeting was held on May 4, 2020.

The City sent inquiries to various organizations and individuals to obtain current information on pressing needs within the community. Input was received from Community Action Agency of Skagit County, the Anacortes Community Health Council (comprised of representatives of churches, private organizations, social service agencies, city departments and community groups who provide support for Anacortes citizens), the Anacortes Family Center, and the City of Anacortes Housing Affordability & Community Services Committee.

The Anacortes Community Health Council member agencies include: Anacortes Family Center; Anacortes Senior Activity Center; Island Hospital Community Health Resource Center; The Salvation Army; St. Vincent de Paul; Anacortes 100 Food Bank; Christ Episcopal Church; Anacortes United Methodist Church; Anacortes/San Juan Island Chapter of the American Red Cross; Anacortes First Baptist Church; Anacortes Christian Church; Anacortes Police Department; Skagit Senior Information and Assistance; Anacortes Noon Kiwanis Club; Anacortes Boys and Girls Club; Skagit County Youth and Family Services; Pilgrim Congregational Church; Anacortes Housing Authority; Christ the King Community Church; Westminster Presbyterian Church/Dinner at the Brick.

**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.**

The City incorporates the Skagit County Continuum of Care plans which prioritizes the use of HOME and CDBG funds toward the goals of ending homelessness.

**Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area 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 City has coordinated with Skagit County Department of Public Health & Community Services, Skagit County Coalition to End Homelessness, and Community Action through the HOME Consortium efforts. These organizations are responsible for using ESG funds and for administering HMIS (Homeless Management Information System) for service providers operating in the Consortium region. Their goals, strategies, activities and outcomes have been incorporated in the Consolidated Plan.

**2. Agencies, groups, organizations and others who participated in the process and consultations**

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**Table 2 – Agencies, groups, organizations who participated**

1	<b>Agency/Group/Organization</b>	Community Action of Skagit County
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Services-Children Services-Persons with Disabilities Services-Victims of Domestic Violence Services-homeless Regional organization
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Anti-poverty 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>	Participated in multi-agency meetings, one-on-one consultation with staff, board meetings, participated in various committees in which CASC provided input. Anticipate increased coordination of homeless activities and public services.

2	<b>Agency/Group/Organization</b>	Anacortes Community Health Council
	<b>Agency/Group/Organization Type</b>	Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Victims of Domestic Violence Services-homeless Services-Health Services-Employment Business and Civic Leaders
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment 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>	City staff is a member of this organization which meets monthly to discuss the current situations of those in need within the community, case-by-case review of needs, solutions to those needs and other services available to help. Roundtable meetings provide information and resources to improve the coordination of services.
3	<b>Agency/Group/Organization</b>	Anacortes Housing Authority
	<b>Agency/Group/Organization Type</b>	PHA
	<b>What section of the Plan was addressed by Consultation?</b>	Public Housing Needs

	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	One-on-one consultation and board meetings; outcomes include city/HA working in collaboration to locate property to develop more housing units.
4	<b>Agency/Group/Organization</b>	Anacortes Family Center
	<b>Agency/Group/Organization Type</b>	Housing Services-Victims of Domestic Violence Services-homeless
	<b>What section of the Plan was addressed by Consultation?</b>	Homeless Needs - Families with children
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	One-on-one consultation and group meetings; working closely with Family Center staff to determine funding, develop transitional housing and locating additional funding options to achieve success.
5	<b>Agency/Group/Organization</b>	City of Anacortes
	<b>Agency/Group/Organization Type</b>	Other government - Local
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homelessness Strategy Economic Development Lead-based Paint 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>	Monthly meetings with local groups to determine strategies to address lack of affordable housing within community, job security

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

All major community agencies were consulted either directly or indirectly. The local CBDO, Home Trust of Skagit, actively works with the multi-county/city HOME Consortium. This agency utilizes HOME resources to support their housing efforts.

**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	Skagit County Community Services	The Strategic Plan has adopted the major strategies of the 10 year plan
2016 Comprehensive Plan update	City of Anacortes	Creating a better, coordinated strategy for LMI affordable homes and related issues
North/West Basin Concept Plan	Port of Anacortes	Creating a better, coordinated strategy for public facilities improvements
2019 Affordable Housing Strategic Plan	City of Anacortes	Creating a coordinated strategy for the development of affordable homes & community services within the community
Skagit County Natural Hazards Mitigation Plan	Skagit County	Creating a coordinated strategy for the community in the event of a natural or man-made disaster
Fiber Optics Installation	City of Anacortes	Creating opportunities to help low income residents connect to broadband services to narrow the digital divide

**Table 3 - Other local / regional / federal planning efforts**

**Narrative**

The City coordinated efforts with the County, the Anacortes Housing Authority, the Anacortes Family Center, the Anacortes Community Health Council and the City of Anacortes Affordable Housing & Community Services Committee to share concerns, determine the needs and routes to follow to address the needs.

**AP-12 Participation - 91.401, 91.105, 91.200(c)**

**1. Summary of citizen participation process/Efforts made to broaden citizen participation  
Summarize citizen participation process and how it impacted goal-setting**

In deciding the 2020 program year funding allocations, the City of Anacortes conducted two public hearings (April 27, 2020 and May 4, 2020) and encouraged public comment on the development of the City’s CDBG Action Plan. The notice for the public hearings was advertised in the Anacortes American and posted on the City’s website. The notice for the revised 5 day comment period and meetings were posted on the City’s CDBG website on April 20, 2020 and published on April 22 2020. The public comment period began on April 24 and ended April 30, 2020.

In addition to the hearings, the City also consulted with local housing and human service providers to obtain input on the Action Plan.

The impact this had on the goal setting was the need for more affordable housing and living wage jobs. The City plans to work toward achieving these goals utilizing CDBG funding and other funding sources

**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 outreach  Small business owners; residents of Public and Assisted Housing			There were no comments that were not accepted.	

**Table 4 – Citizen Participation Outreach**

## Expected Resources

### AP-15 Expected Resources - 91.420(b), 91.220(c)(1,2)

#### Introduction

The City expects to utilize the entire allocation of \$115,906 for program year 2020. The City will also apply left over funding from previous years to cover the requested amount for the roof project at the Anacortes Housing Authority. This funding will advance the goals of this plan to create better access to services, and fund supportive services to help individuals and families from becoming homeless and support efforts to reduce poverty.

#### Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Special Economic Development activities; Public Services	\$115,906	0	\$1,479	117,385	0	The City will utilize the entire allocation for program year 2020. The City expects to use \$100,000 (\$98,521 2020 funding plus \$1,479 from previous years) to assist small businesses (maximum 20 employees) to help retain jobs. This funding will work to keep businesses from closing due to the Covid-19 pandemic and advance the goals of this plan to retain jobs, support efforts to reduce poverty, create better access to services and fund supportive services to help individuals and families from becoming homeless. The remaining amount will be applied to public 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**

Federal funds the City receives through the Community Development Block Grant (CDBG) are used to leverage other federal, state, local and private resources to meet housing and community development needs. While matching funds are not currently required for the City's CDBG program, the City anticipates that most major projects will be funded primarily through non-CDBG resources. On February 11, 2020, the citizens of Anacortes approved a 1/10<sup>th</sup> of 1% sales tax increase to fund affordable and supportive housing within the community. This, along with a corresponding sales tax credit from the state, will contribute up to an estimated \$17 million over 20 years to development of affordable housing.

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

The City identified core areas where infrastructure improvements would allow better access for all individuals and in particular, disabled residents and visitors. Community participation on the 2016 Comprehensive Plan update also identified areas in the core downtown that are being considered for development of a central hub. Proposals include residential development, retail, public services, restaurant, grocery and entertainment establishments that will be easily and safely accessible.

**Discussion**

The 2016 Comprehensive Plan provides a unique vision to create a cohesive, well-laid out community with affordable housing and pedestrian mobility key factors in determining the paths to the central hub as described above. Zoning regulations are now in place that encourage development of multi-family mixed-use complexes, increased density in neighborhoods previously zoned single detached homes, and allow easier routes to access services other than vehicle use (more bicycle lanes and less space needed for parking). This will help create more affordable living space within the central hub of downtown.

In addition, the City has received an Opportunity Zone designation. City Planning staff is working to encourage development within this zone that will accommodate and enhance opportunities for the lower income population residing in this OZ as well as throughout the entire community.

## Annual Goals and Objectives

### AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)

#### Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Homelessness/Assist Special Needs Populations	2020	2021	Homeless	Tracts 940600 & 940500	Homelessness/Assist special needs population	CDBG: \$17,385	Public service activities other than Low/Moderate Income Housing Benefit: 200 Persons Assisted - GOI 3
2	Special Economic Development – job retention – Small Business Stabilization Grant	2020	2021	Special Economic Development - 24 CFR Part 570.203	Tracts 940600 & 940500	Retention of jobs	CDBG: \$100,000	LMJ – Special Econ Dev to provided assistance to small businesses affected by COVID-19 - GOI 16

**Table 6 – Goals Summary**

#### Goal Descriptions

1	<b>Goal Name</b>	Homelessness/Assist Special Needs Populations
	<b>Goal Description</b>	GOI 3 - Public Services Non-Housing
2	<b>Goal Name</b>	Special Economic Development – Job Retention
	<b>Goal Description</b>	GOI 16 – Job Retention

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## AP-35 Projects - 91.420, 91.220(d)

### Introduction

The projects chosen are based on HUD criteria that the activity meet at least one of the national objectives (benefit to low and moderately low income persons, aid in the prevention or elimination of slums or blight, and meet a need having a particular urgency) and they meet the criteria established in the City's Strategic Plan. The City determined that the public services funding be provided to the Anacortes Family Shelter as the Center meets a need of particular urgency by assisting families and women who would otherwise end up living on the streets.

Due to the emergency created by the Covid-19 pandemic and the shelter in place restrictions mandated by the Governor, many local businesses face closing their doors permanently. Many employees are faced with the immense probability they will lose their jobs entirely if their place of employment closes permanently. Because of the immediate threat of business closure, the City has determined the best use of the funding is to provide economic support to small businesses (maximum 20 employees) within the city – the Small Business Stabilization Grant.

#	Project Name
1	Public Services – supportive services costs for clients
2	Small Business Stabilization Grant - Special Economic Development Assistance – grant assistance to small businesses affected by COVID-19

**Table 7 – Project Information**

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

The City established priorities for allocating resources and long range strategies following a careful assessment of the needs and demographics of the community. A clear priority identified in the analysis is a response to the needs of low to moderately low income families and individuals within the City for safe and affordable housing and basic services such as medical, dental and home energy assistance. Families and individuals in crisis situations need significant services and housing to be able to reach self-sufficiency. Included in this population are the homeless and others with special needs that generally are either priced out of housing or are unable to maintain stable housing.

Improving conditions, creating new housing resources and opportunities, retaining jobs, and reducing housing costs to affordable levels represent major means of responding to the needs of the targeted population. The strategies and objectives outlined in the 2018-2022 Strategic Plan reflect these priorities and outline activities designed to alleviate these needs.

The primary basis for allocation of resources is to serve the needs of the low and moderately low income households. Consolidated Plan strategies developed through the community planning process reflect that a significant amount of funds are targeted to projects that benefit the low to moderately low

income households. The public services portion provides services and resources to the households in need while the remaining resources are directed to projects that provide safe and stable transitional and permanent housing for families and individuals in need.

A major obstacle to address underserved needs is lack of funding.

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**AP-38 Project Summary**  
**Project Summary Information**

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1	<b>Project Name</b>	Anacortes Family Center
	<b>Target Area</b>	Tract 940600
	<b>Goals Supported</b>	Public Services – Non-Housing
	<b>Needs Addressed</b>	Non-Housing Community Development
	<b>Funding</b>	CDBG: \$17,385
	<b>Description</b>	Public Services Allocation – Support Family Center staff who provide case management services to homeless families and single women staying at shelter
	<b>Target Date</b>	6/30/2021
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	The Anacortes Family Center estimates service for approximately 200 individuals consisting of families with children and single women. The program provides intensive self-sufficiency based services and shelter for homeless single women, children and families with children in crisis, most often due to domestic violence. Approximately 60% of the clients will be children. Nearly all of the clients have complex issues involving generational violence, poverty and mental illness
	<b>Location Description</b>	1011 27 <sup>th</sup> Street, Anacortes, WA The facility is a secure complex; entry is via electronic passcode and visual acceptance.
<b>Planned Activities</b>	The Center provides housing for 60-90 days and intensive case management and life skills education to assist the household with gaining the skills and resources needed to become fully self-sufficient. In 2019, the Center provided successful transition to stable living/working environments to approximately 84% of their clients.	
2	<b>Project Name</b>	Small Business Stabilization Grant - Special Economic Development Activity - (maximum 20 employees) to retain jobs
	<b>Target Area</b>	City of Anacortes
	<b>Goals Supported</b>	Special Economic Development – Jobs Retained for low/mod income employees
	<b>Needs Addressed</b>	Keeping businesses from closing with resultant job loss
	<b>Funding</b>	CDBG: \$100,000
	<b>Description</b>	Providing grant assistance to eligible small businesses to retain business and employees; maximum \$10,000 per eligible business
	<b>Target Date</b>	6/30/2021

<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Estimated 40 businesses will be screened for eligibility.
<b>Location Description</b>	Anacortes, WA
<b>Planned Activities</b>	Provide grant assistance to eligible small businesses (max 20 employees) to keep doors open and retain jobs.

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## **AP-50 Geographic Distribution - 91.420, 91.220(f)**

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

Anacortes is located on Fidalgo Island in Skagit County with 12.5 miles of saltwater shoreline, four freshwater lakes, and 3000 plus acres of city-owned forestlands and city-owned parks. Anacortes is approximately 20 miles from the county seat in Mount Vernon, Washington. A majority of public services to Skagit County citizens are available primarily in the Mount Vernon area.

The current population of Anacortes is approximately 17,283 citizens (US 2018 Census estimates). Anacortes has two areas with a concentration of moderately low to low income households, Census Tracts 940500 and 940600 with 64% LMI households. The overall low, to moderately low, income households in Anacortes is approximately 34%.

While Anacortes has two census tracts with the highest concentration of persons living below the poverty level, there are smaller concentrations of low income households interspersed throughout the City. The City establishes priorities for allocating resources and long-range strategies following a careful assessment of the needs and demographics of the community. A clear priority identified in the analysis is a response to the needs of low to moderately low income families and individuals within the City for safe and affordable housing and basic services such as medical, dental and home energy assistance. Families and individuals in crisis situations need significant services and housing to be able to reach self-sufficiency. Included in this population are the homeless and others with special needs who are generally either priced out of housing or are unable to maintain stable housing.

In addition, the City has been designated an Opportunity Zone, a portion of which lies within these census tracts. City Planning staff is working to encourage development within this zone that will accommodate and enhance opportunities for the lower income population within this zone as well as throughout the entire community.

Improving conditions, creating new housing resources and opportunities, and reducing housing costs to affordable levels represent major means of responding to the needs of the targeted population. The strategies and objectives listed in the Strategic Plan reflect these priorities and outline activities designed to alleviate these needs.

The primary basis for allocation of resources is to serve the needs of the low and moderately low income households. Consolidated Plan strategies developed through the community planning process reflect that a significant amount of funds are targeted to projects that benefit the low to moderately low income households. The public services portion is allocated to services that provide multiple benefits to households in dire situations and the remaining resources are directed to projects that provide safe and

stable environments, transitional and permanent housing for families and individuals in need.

### **Geographic Distribution**

<b>Target Area</b>	<b>Percentage of Funds</b>
Tracts 940600 & 940500	100%

**Table 8 - Geographic Distribution**

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

These areas contain the highest concentration of low to moderately low households. The majority of small businesses are also located in these areas.

### **Discussion**

This is where a majority of the small businesses are located and the projects put forth for this year's funding are located in this area. This area is also located between Highway 20 and the downtown business core and is adjacent to the marine industrial zoning where many jobs and recreation opportunities are located.

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## **AP-75 Barriers to affordable housing -91.420, 91.220(j)**

### **Introduction**

The City of Anacortes is committed to promoting safe, affordable housing and reducing homelessness through the City's funding, partnership, and policy efforts.

The City of Anacortes developed an affordable housing action plan to create strategies to work toward the development of affordable housing within our community. The Strategic Plan sets forth the goals, strategies and action items to guide the City in implementing its affordable housing policy and ultimately reduce the barriers to affordable housing.

### **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**

Actions planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing include the current amendments to the City's Development Regulations:

- Simplifying standards for accessory dwelling units (ADUs) to encourage production (increasing housing supply for renters and income for homeowners);
- Encouraging small-lot single family development with a variety of lot design options (which may have lower purchase prices compared to typical large lot homes);
- Explicitly allowing cottage housing in most zones as a small-scale detached living option;
- Explicitly allowing townhouses as a small-scale attached living option;
- Explicitly defining duplex and triplex as attached living options and allowing a variety of configurations on a single site;
- Providing design standards to these new housing types to ensure livability and neighborhood compatibility;
- Providing flexibility for landscaping and lot coverage standards for multifamily and townhouse development in high-density zones to

increase their economic feasibility;

- Explicitly allowing live-work development to support home-based business owners;
- Expanding allowance of multifamily development to the MS zone and MMU zone (previously CM and CM1);
- Raising base height limits in the CBD and C zones to increase residential (and non-residential) development capacity;
- Establishing a new height bonus for the R4 zone related to small and/or affordable units;
- Adjusting parking requirements for multifamily uses to reduce the costs of construction (often passed on to tenants);
- Providing new bike parking standards to support residents who cannot afford or choose not to own a car;
- Providing new standards for group living developments to encourage their development and support seniors and people with disabilities who are often on fixed incomes;
- Updating and streamlining permitting and processing provisions to shorten development timelines and increase predictability for builders.
- Waivers and reductions in impact fees and general facilities charges for new units that will be reserved for specified lower income levels.

## **Discussion**

The City is continuing efforts to develop incentives to creative affordable housing. An example of these efforts include the AFC multi-family apartment complex (20 units) built within a single family housing zone. The conditions for this development include the complex must remain affordable for 50 years, all rental units developed must be affordable to and occupied by households with an income of 50 percent or less of the area median income (determined by HUD) as adjusted by family size for Skagit County. The project applicant was also able to request a waiver or exemption for the requirements to pay impact fees for traffic, parks and fire services, permit application fees and general facilities charges for sewer, water, and stormwater. This project was completed in late October 2019. The 20 apartments were filled immediately with families and there is a current wait list of approximately 10 families.

## **AP-85 Other Actions - 91.420, 91.220(k)**

### **Introduction**

Because the City of Anacortes's annual CDBG grant is minimal, it is difficult to use CDBG for many other purposes than those already identified. However, the City does intend to invest other resources and effort toward the following actions: implementing a human services strategic plan to help low income individuals and families, establishing a community services center to provide services to low income residents, developing strategies to assist the chronically homeless with shelter. The City is actively engaged in reviewing and developing strategies to assist the most vulnerable in our community.

The City received an Opportunity Zone designation that encompasses portions of the aforementioned census tracts and is working to encourage development opportunities that will accommodate and enhance opportunities for the lower income population within this zone as well as throughout the entire community. The City has been working with HUD to determine opportunities that will encourage investors in the new Opportunity Zone.

The City is now focusing on providing assistance to small businesses within the community that face imminent shut down due to the Covid-19 pandemic. Many small businesses such as restaurants and retail spaces may end up closing without grant assistance. Businesses closing will result in job losses for the employees of those small businesses. With CDBG assistance, these businesses will continue operating and retain their valuable employees. This will help lessen the burden of people facing unemployment when the restrictions are lifted in response to the pandemic.

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

The City, through the appointment of the Housing Affordability & Community Services Committee ("HACS"), a City Council committee, established a strategic plan to outline what the needs are and how to address those needs to eliminate the barriers to attaining affordable housing. This plan coordinates the goals of the 2016 Comprehensive Plan with incentives to develop affordable housing and provides a beginning for the City to create a more equitable and healthy community. The City also provides information to housing loan lenders, property managers, and the public about fair housing laws and includes current state and federal information with links to this information on its Planning, Community & Economic Development CDBG website (<https://www.anacorteswa.gov/181/Fair-Housing>). The City will work in collaboration with the County and the Anacortes Housing Authority in developing fair housing guidelines according to the Affirmatively Furthering Fair Housing rule. The AFFH rule provides a new approach for planning and implementing locally-developed housing goals, actions and strategies to increase choice, mobility, preservation, community revitalization and other collaborative or outreach efforts designed to reduce disparities in access to opportunity and improve fair housing outcomes. This will assist in meeting our statutory obligation to affirmatively further fair housing as required by the Fair

Housing Act and will be an immense help for the City in addressing underserved needs.

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

The City will work in partnership with the Anacortes Housing Authority to secure the resources necessary to rehabilitate the various HA complexes, an important low-income housing resource in Anacortes. The City will also work with the Housing Authority to promote development of more complexes to accommodate the growing wait list for affordable housing. The City appointed HACS Committee will continue to collaborate efforts to work on strategies to eliminate barriers to affordable housing and services within the City. The City is also working to encourage development of affordable housing in the recently designated Opportunity Zone in Anacortes.

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

Code enforcement will address any and all lead based paint issues that may arise; additionally the City will include lead based paint hazard information in community education and outreach.

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

The Public Services funding to the Anacortes Family Center provides intensive case management and life skills education to assist the households with gaining the skills and resources needed to become fully self-sufficient. The outlook of the community through the work on the 2016 Comprehensive Plan promises to promote more living wage jobs and create a community that would support lower priced housing. This will be accomplished through zoning changes and building incentives which are now included in the Anacortes Municipal Code.

The Special Economic Development activity implemented in this Action Plan will help keep families from becoming poverty bound by helping their employers from losing their place of business and shutting down permanently.

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

The City is a partner with adjacent and regional jurisdictions in a regional HOME Consortium. The regional HOME Consortium will enhance the resource base for developing more affordable housing and for addressing institutional barriers to creating more affordable housing.

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

The City will support the efforts of the Anacortes Community Health Council and participate regularly in their multi-agency meetings. Active participation in the Council will improve the coordination of the City's Consolidated Plan goals and the efforts to reduce instability in the lower income community. The

Housing Affordability & Community Services committee will work with the public and private housing and social service agencies to develop a strategy to eliminate barriers to affordable housing and services. The HACS Committee completed the Affordable Housing Strategic Plan in 2017 (<https://www.anacorteswa.gov/DocumentCenter/View/6370/Affordable-Housing-Strategic-Plan-AdoptedPDF?bidId=>) and is designed to provide pathways to development of affordable housing within our community. The City is also very committed to working with agencies to develop a community services center to help people find basic services at affordable rates. The HACS Committee is now working on a human services strategic plan to address the lack of services available to the lower income community as well as updating the affordable housing strategic plan.

## **Discussion**

Funding continues to be the main obstacle to meeting underserved need. Obstacles include lack of sufficient financial resources to address large projects such as permanent housing and shelters. The limit on the public services prohibits the City from adequately providing a greater service to households in need. In addition, not knowing how to access services or not knowing where they are located is a barrier to anyone looking for specific services; the HACS Committee expects to eliminate those issues by providing a one stop shopping for services within the City.

# Program Specific Requirements

## AP-90 Program Specific Requirements - 91.420, 91.220(I)(1,2,4)

### Introduction

The primary basis for allocation of resources is to serve the needs of the low and moderately low income households. The 2020 Action Plan allocates the majority of the funding to projects that benefit the low to moderately low income households. The public services portion provides services and resources to the households in need while the remaining resources fund projects that provide better access to services or improved living conditions for individuals and families in need.

### Community Development Block Grant Program (CDBG) Reference 24 CFR 91.220(I)(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.

This City does not receive Program Income.

- |  |          |
|--|----------|
| 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  | 0        |
| 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>0</b> |

### Other CDBG Requirements

- |   |         |
|---|---------|
| 1. The amount of urgent need activities   | 0       |
| 2. The estimated percentage of CDBG funds 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. | 100.00% |

## **Discussion**

100% of the 2020 funding will be allocated to benefit low to moderately low income persons.

DRAFT

## Attachments

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**Grantee SF-424's and Certification(s)**

**To be attached prior to submission to HUD**

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