

City of Mount Vernon

Community Development Block Grant  
DRAFT Annual Action Plan for Program Year 2020  
July 1, 2020 – June 30, 2021

Incorporating Amendments to the  
Annual Action Plans for  
Program Years 2015, 2018, and 2019,  
Amendments to the 2018-2022 Consolidated Plan,  
and Amendments to Citizen Participation Plan

Draft

May 5, 2020

## Executive Summary

The Executive Summary presents the principal recommendations concerning funding, priorities, and related policy matters covered in the body of the submittals that the City of Mount Vernon will submit to the US Department of Housing and Urban Development to describe how the City proposes to use HUD Community Development Block Grant (CDBG) funding. This Summary is provided for the convenience of individuals who wish to review the Public Comment Draft and will not be included in the final document submitted to the HUD.

### Annual Action Plan for Program Year 2020

The US Department of Housing and Urban Development notified the City of Mount Vernon in March 2020 that the City will receive a CDBG allocation of \$383,922 for the Program Year beginning July 1, 2020. The City proposes allocating its \$383,922 allocation as follows, consistent with the City’s 2018-2022 Consolidated Plan previously submitted to and approved by HUD and as proposed to be amended below:

2020 Annual Action Plan Program Areas and Projects	Program Areas		Projects
Increase supply of affordable rental housing	14.0%	\$53,834	
Friendship House property acquisition			\$53,834
Microenterprise assistance activities	3.3%	\$12,500	
Mount Vernon Downtown Association			\$12,500
Support public facilities for revitalization	28.7%	\$110,000	
Mount Vernon floodwall project loan repayment			\$110,000
Increase supply of affordable owner-occupied housing	26.0%	\$100,000	
Skagit Habitat for Humanity homebuyer assistance			\$100,000
Supportive efforts to reduce poverty	15.0%	\$57,588	
Community Action of Skagit County public services			\$57,588
Administration and planning	13.0%	\$50,000	
City of Mount Vernon administrative costs			\$50,000
<b>Total allocation for Program Year 2020</b>	<b>100%</b>	<b>\$383,922</b>	<b>\$383,922</b>

## **2020 Annual Action Plan Program Areas and Project Descriptions:**

1. **Increase supply of affordable rental housing:** Friendship House will use CDBG and other funds to acquire real property to expand Friendship House’s existing program, offering permanent housing for people with low income.
2. **Microenterprise assistance activities:** Mount Vernon Downtown Association will assist the City with implementation of CDBG microenterprise assistance activities that directly benefit downtown Mount Vernon businesses that qualify as CDBG-eligible microenterprises (no more than five employees with an owner whose household income is at or below 80 percent of the area median income).
3. **Support public facilities for revitalization:** The City of Mount Vernon used a CDBG Section 108 loan from HUD for a portion of the construction costs of the Skagit River floodway project, and the City is making annual payments to repay the loan.
4. **Increase supply of affordable owner-occupied housing:** Skagit Habitat for Humanity will use CDBG for homeownership assistance activities, using CDBG as a direct benefit for CDBG-eligible homebuyers who need downpayment assistance to afford the purchase of a home.
5. **Supportive efforts to reduce poverty:** Community Action of Skagit County will use CDBG to provide CDBG-eligible public services for people with low-income through activities at Community Action’s housing resource center.
6. **Administration and planning:** The City of Mount Vernon will use CDBG funding for planning and administration to implement the 2018-2022 Consolidated Plan and the 2020 Annual Action Plan, and to comply with applicable regulations.

### **Amendment of the Annual Action Plan for Program Year 2019**

The US Department of Housing and Urban Development notified the City of Mount Vernon that the City has been offered an additional allocation of CDBG funding, \$225,849, from the CARES Act for CDBG-eligible, COVID-19-related activities that “prevent, prepare for, and respond to coronavirus” impacts. This offer of additional CDBG funding requires the City to amend its 2019 Annual Action Plan for the Program Year that began July 1, 2019 and ends on June 30, 2020. The City proposes allocating this CDBG-CV \$225,849 allocation as follows, consistent with the City’s 2018-2022 Consolidated Plan as previously approved by HUD and as proposed to be amended, below:

2019 Annual Action Plan Amendment Program Areas and Project Descriptions			
Additional \$225,849 CDBG-CV funding as per CARES Act, added to earlier \$390,166 CDBG			
Must be used to "prevent, prepare for, and respond to coronavirus"			
	Program Areas		Projects
Microenterprise assistance activities	48.7%	\$110,000	
Economic Development Alliance of Skagit County			\$110,000
Direct emergency payments for rent, utilities, public services	48.7%	\$110,000	
Community Action of Skagit County			\$110,000
Administration and planning	2.6%	\$5,849	
City of Mount Vernon administrative costs			\$5,849
Total allocation of CDBG-CV	100%	\$225,849	\$225,849

**2019 Annual Action Plan Amendment Program Areas and Project Descriptions:**

1. **Microenterprise assistance activities:** The Economic Development Alliance of Skagit County will assist the City with implementation of CDBG microenterprise assistance activities that directly benefit Mount Vernon businesses that have suffered a loss of income as a result of the COVID-19 disaster and qualify as CDBG-eligible microenterprises (no more than five employees with an owner whose household income is at or below 80 percent of the area median income).
2. **Direct emergency payments for rent, utilities, public services:** Community Action of Skagit County will assist the City with the distribution of direct emergency payments for rent and utility costs on behalf of CDBG-eligible households whose loss of income causes an imminent risk of homelessness. Eligible households must be Mount Vernon residents, have incomes at or below 80 percent of the area median income, and have suffered a loss of income as a result of the COVID-19 disaster.

### **Amendment of the Annual Action Plan for Program Year 2018**

The City will amend the Annual Action Plan for Program Year 2018 to adjust the outcome for the activity, Increase supply of affordable owner-occupied housing, to decrease the number of CDBG-eligible households assisted from four households to two households.

### **Amendment of the Annual Action Plan for Program Year 2015**

The City will amend the Annual Action Plan for Program Year 2015 to redirect \$30,761.44 to activities that increase supply of affordable rental housing; specifically, property acquisition for the supportive housing project being developed by Catholic Housing Services.

### **Amendment of the Consolidated Plan for Program Years 2018-2022**

The City will amend the HUD-approved Consolidated Plan for Program Years 2018-2022 to add a new activity, microenterprise assistance activities, to the activities that the City may choose to fund during the term of the Consolidated Plan and to add COVID-19 disaster-related activities that may use CARES Act CDBG funding to prevent, prepare for, and respond to coronavirus.

### **Amendment of the Citizen Participation Plan**

The City will amend its Citizen Participation Plan to allow for a five-day public comment period as permitted by the U.S. Department of Housing and Urban Development in light of the public health emergency caused by the COVID-19 outbreak.