

2006 Annual Performance Report Narrative

Assessment of Three to Five Year Goals and Objectives

The Kitsap County Community Development Block Grant Program funded activities in 2006 which met HUD Objectives and Outcomes as well as the Specific Objectives of our Consolidated Plan. This information is summarized in the attached **Summary of Specific Annual Objectives Table (T-1)**.

Affirmatively Furthering Fair Housing

Actions Taken to affirmatively further fair housing, including actions taken regarding completion of an analysis of impediments to fair housing, a summary of impediments identified in the analysis, and actions taken to overcome the effects of impediments identified through that analysis.

In 2005 the County completed the *Analysis of Impediments to Fair Housing*. This analysis concluded that the major impediments to fair housing opportunities in Kitsap County included the lack or referrals of housing complaints to appropriate agencies; a likely pattern of discrimination against people with disabilities; a likely pattern of mortgage lending discrimination against people of color; a sharp increase in the cost of housing in Kitsap County and lack of multi-family housing.

One of the recommendations of the *Analysis of Impediments to Fair Housing* is to raise awareness of the meaning of discrimination, impacted groups and protected classes, and Fair Housing Choice, in particular through expanded training opportunities, outreach to landlords, and outreach to the broader community and to continue outreach activities to members of protected classes. The Kitsap County Consolidated Housing Authority plans to enhance and strengthen its existing Housing Counseling program by incorporating a comprehensive educational and outreach plan to inform consumers about their housing rights and responsibilities under the Fair Housing Act. The goal of the program is to reduce housing discrimination through education, initiate an advertising campaign to build awareness surrounding Fair Housing and identify and refer housing complaints to HUD. Populations specifically targeted will be Low to Moderate income persons, persons with disabilities, minorities and persons with limited English proficiency.

The Kitsap County Block Grant Program continues to participate in the Kitsap Housing Coalition, which includes members of financial institutions, nonprofit housing organizations, real estate professionals, businesses, homebuilders, government agencies, and the community at large. The mission of this group is to develop, educate and advocate affordable housing in Kitsap County. This includes outreach and support for first time homebuyers and consumer education concerning predatory lending. Expansion of these activities is a recommendation of the Analysis of Impediments to Fair Housing and something the Block Grant Program will continue to advocate and support.

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The Kitsap Housing Coalition once again sponsored an affordable/fair housing event called “Home Ownership Expo” at the Kitsap Mall on May 6, 2006. The event provided the community with information about free first-time homebuyer seminars, budget and credit counseling services, mortgage loan program opportunities for lower interest rate programs, down payment assistance, predatory lending, home inspections, real estate contracts, title and escrow. Resources from the Fair Housing Center of South Puget Sound and HUD were made available as well as information about home rehabilitation and weatherization programs for low-moderate income households and the disabled.

Affordable Housing

Evaluation of progress in meeting the specific objective of providing affordable housing, including the number of extremely low-income, low income, and moderate-income renter and owner households assisted during the reporting period.

Kitsap County continues to fund projects and participate in activities which seek to ensure access to affordable, decent, safe and appropriate transitional and permanent housing for all individuals and families in our community. The attached **Summary of Specific Annual Objectives Table (T-1)** includes specific projects and the goals and objectives they meet. A comparison of actual accomplishments with proposed goals for the reporting period are included in the attached **Priority Housing Needs Table (T-2)**.

Priority Housing Needs Table (T-2)

Priority Need	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	5-Year Plan Goal
CDBG and/or HOME						
Production of new rental units or preservation of existing rental units <i>Includes REHAB</i>						
0 - 30 of MFI	9					40
31 - 50 of MFI	4					50
51 - 80% of MFI						30
Elderly						
Rehabilitation of existing single family owner units <i>includes weatherization</i>						200
0 - 30 of MFI	16					
31 - 50 of MFI	16					
51 - 80% of MFI	66					
Elderly						
Production of new owner units <i>Includes self-help single family units</i>						50
0 - 30 of MFI						
31 - 50 of MFI	2					
51 - 80% of MFI						
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Priority Need	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	5-Year Plan Goal
CDBG and/or HOME						
Homeownership assistance <i>Includes down payment</i>						75
0 - 30 of MFI						
31 - 50 of MFI	5					
51 - 80% of MFI	9					
Special Needs – ADA						5
Homeless – Transitional permanent housing units <i>(i.e., Opal Courts – no shelter nights)</i>						

A number of projects, funded through CDBG and HOME were undertaken in 2006 to address housing needs as reflected in Table T-2, they include:

- Catholic Community Services – CDBG funds were used to construct a 10,000 s.f. homeless men’s shelter known as Benedict House which will provide housing and support services for up to 25 homeless men, one with children.
- Habitat for Humanity – HOME funds were used for the acquisition and site development of 16 lots around Kitsap County. Homes will be constructed on the lots by the low-income families who will occupy them upon completion.
- Kitsap County Consolidated Housing Authority – HOME funds and American Dream Downpayment Initiative funds are used to provide downpayment assistance to qualified persons with incomes at or below 80% of HUD median income.
- City of Bremerton Set-Aside Funds – HOME funds are set-aside for use by the City of Bremerton to fund qualified projects. Projects include land acquisition for housing and down payment assistance.
- The Housing Resources Board – HOME funds will be used towards the acquisition costs of an existing apartment complex on Bainbridge Island. This project preserves existing affordable housing; all units will serve households below 60% of median income.
- Kitsap Community Resources – CDBG funds are used for home weatherization to assist low income households in maintaining their homes.
- Low Income Housing Institute – HOME funds will be used for the development and construction of Serenity Court, a 22-unit special care housing facility on Bainbridge Island for seniors and developmentally disabled.
- Kitsap County Consolidated Housing Authority – HOME funds will be used for the acquisition of an existing 29-unit apartment complex located on Bainbridge Island. This project preserves housing for very low and extremely low income seniors.
- Kitsap County Consolidated Housing Authority – CDBG funds are used to provide housing rehabilitation loans to low and very low income and special needs homeowners, and home repair grants to very low income homeowners.
- Kitsap County Consolidated Housing Authority – HOME funds were used for the acquisition of an existing 13-unit apartment complex on Bainbridge Island. All units are for households at or below 60% of median income.

Barriers to Affordable Housing

The primary factor negatively affecting the provision of affordable housing in Kitsap County is the sharp inflation in housing prices. Regulatory barriers and a tight supply of housing have also contributed to a lack of affordable housing. The primary local strategy to address these pressures is to develop a set of incentives to encourage development within Urban Growth Areas where higher densities can support the urban infrastructure and amenities needed to support affordable housing. Implementation of these incentives will be undertaken by the Kitsap Regional Coordinating Council (KRCC) whose members include the County, Cities, Tribes and Port of Bremerton. Through County-wide Planning Policies as well as implementation of the Kitsap County Comprehensive Plan various regulations and incentives will be used to reduce barriers to affordable housing.

Continuum of Care

Actions taken to address the needs of homeless persons and the special needs of persons that are not homeless but require supportive housing, including persons with HIV/AIDS and their families.

In 2006 the Kitsap Continuum of Care (COC) continued to maintain an active network of housing and service providers. The COC met monthly with the purpose of increasing the number of affordable housing options and housing services available to low income families and individuals in the community who have been homeless. Another important aspect of the COC's mission is to promote community awareness of homelessness issues through education, legislative advocacy, mutual support and the sharing of resources.

In 2006 the Kitsap Continuum of Care conducted a 24-hour point-in-time homeless count. The count identified 583 households consisting of 921 homeless individuals. The entire results of the survey including income and demographics data were reported to the State using the Homeless Management Information System. The COC also began planning for the 2007 count.

The COC finalized the Draft *Kitsap County 10 Year Plan to End Homelessness* and it was submitted to the State in June 2006. This plan seeks to reduce homelessness by 50% by 2015. The plan was reviewed for consistency with our Consolidated Plan and will be an agenda item for implementation by the Continuum of Care in 2007.

The COC collaborated to complete several McKinney grant applications which were successfully submitted to the State for funding in 2006. Funding was awarded for the following projects:

- Bremerton Housing Authority/Kitsap Community Resources (KCR) – \$132,450 for Supportive Housing Rental Assistance program
- Kitsap County Consolidated Housing Authority/KCR/YWCA – \$24,939 for Rental Assistance Program

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- City of Bremerton/Sisyphus II Housing Project Agape Unlimited - \$92,208 for Tenant Based Rental Assistance
- City of Bremerton/Sisyphus II Housing Project Agape Unlimited - \$41,748 for Sponsor Based Rental Assistance
- City of Bremerton/Sisyphus II Housing Project Agape Unlimited - \$33,720 for Project Based Rental Assistance

The COC also continues to act in an advisory capacity for State 2060 funds to the Kitsap Regional Coordinating Council (KRCC). In 2006 the COC also acted as the technical advisory body to the KRCC for the State 2163 Homeless Housing Grant Program. As the technical advisory body for these two programs the COC:

- Participates in the annual Washington Homeless Census (24 hour Point-in Time count) and reports results to the KRCC Board as well as the State;
- Prepares and recommends a 10-Year Homeless Housing Plan to the KRCC Board for adoption and submit it for inclusion in the statewide 10-Year Plan.
- Develops and recommends to the KRCC Board specific annual priorities for the use of that year's 2163 funds and 2060 funds.

A number of projects, funded through CDBG and HOME, were undertaken in 2006 to prevent homelessness, address emergency shelter and transitional housing needs and help homeless persons make the transition to permanent housing and independent living. These include:

- Kitsap Community Resources – Emergency and Transitional Housing services for the county's low income citizens in need of emergency housing.
- Catholic Community Services – Completion of a homeless men's shelter known as Benedict House which provides housing and support services for up to 25 homeless men.
- Kitsap Community Resources – Home Weatherization to assist low income households in maintaining their homes and prevent possible loss of housing.
- Kitsap County Consolidated Housing Authority – Rehabilitation loans which assist low income persons with loans to maintain their homes and prevent homelessness.

There were also several programs funded which provide support services to the homeless or those in danger of becoming homeless. These include:

- Bremerton Foodline - Provided homeless and low income individuals/families with food.
- Helpline House – Provided a coordinated system of community services to meet the needs of the homeless and low income.
- West Sound Treatment Center – Provide chemical dependency services to working poor clients and help prevent homelessness.

Other Actions

Other actions were indicated in the strategic and action plans. These include actions to address obstacles to meet underserved needs, foster and maintain affordable housing, eliminate barriers to affordable housing, overcome gaps in institutional structures and enhance coordination, improve public housing and resident initiatives, evaluate and reduce lead based paint hazards, ensure compliance with program and comprehensive planning requirements, and to reduce the number of persons living below the poverty level.

Institutional Structure and Coordination

Kitsap County has combined HOME resources with the City of Bremerton through an inter-local agreement which extends through 2007. This allows both entities to increase the security of HUD funding in future budgets. Kitsap County works closely with the City of Bremerton during the application and funding process to ensure a coordinated effort in selection and funding of projects. The County has continued to develop an application and allocation process in coordination with the City of Bremerton's program. In 2006 the County and City conducted a combined Technical Assistance Session for applicants and revised the application to include many of the same forms and information.

The County continues to utilize Citizen Advisory Boards (CAB) for the selection of projects. Citizen Advisory Boards are comprised of interested citizens who apply to the County and are approved by the Kitsap Regional Coordinating Council to serve on the Public Service CAB, Capital Projects CAB or Economic Development CAB. The Kitsap Regional Coordinating Council also gives final approval on our annual Application and Action Plan.

In 2006 the Kitsap County Block Program participated in Kitsap County's revision of its Comprehensive Plan and Zoning. The County is required under the State's Growth Management Act to update the plan every ten years. The Housing element of the plan contains Goals and Policies that address the provision of housing including affordability and availability of housing for all residents. Staff provided review and comment throughout the process as well as participation in an Affordable Housing Focus Group discussion.

Public Housing Improvements

Kitsap County will continue to support KCCHA to improve the management and operation of public housing and improve the living environment of the residents. The Kitsap County Consolidated Housing Authority intends to continue to encourage residents to become involved in the operation and management of their housing environment through the Resident Advisory Board.

KCCHA continues to operate programs that help our public housing youth and adults develop the necessary skills to achieve economic self sufficiency. Youth programs include the Homework Club, Teen Challenge and Summer Smiles. In addition, the recently developed Walk to Work program helps public housing youth obtain jobs at businesses within walking distance of where they live. Programs for adults include Family Self Sufficiency and Homeownership Counseling, which includes budgeting training, credit counseling and information about predatory lending.

Kitsap County Block Grant Staff continues to perform Housing Quality Standards inspections free of charge for agencies that require inspections but have no certified staff to perform them.

Lead Based Paint Hazard Reduction

In Kitsap County, Kitsap Community Resources (KCR) has become a lead agency on Lead Based Paint Regulations. Their staff has taken the lead in our community in those areas. Their contractors and crews are all trained in safe work practices and attend refresher courses. KCR staff is trained in the use of the Niton Gun, which assesses the level of lead in surfaces and does readings for other agencies. All rehabilitation and weatherization are performed by trained contractors.

Anti-Poverty Strategy

The maximum amount of CDBG funds allowable was allocated to non-profit organizations which provide service for low and very low income persons, the homeless, and those at risk of becoming homeless. Funding was provided to agencies who provide counseling, food, emergency & transitional housing, adult reading skills and childcare to low and very low income individuals and families. CDBG and HOME funds were committed to activities to maintain and expand the supply of decent, safe, and affordable housing. All of the set-aside Economic Development Funds have been allocated to agencies to provide jobs to low and very low income persons.

Nature of and reasons for any changes in program objectives and indications of how the county would change its programs as a result of its experiences.

Kitsap County proposed some changes in program objectives and priorities as identified in the 2006-2010 Consolidated Plan. The goals and strategies identified in the plan continue to guide the selection of projects awarded funding as well as our participation in activities which further the overall goal of the Block Grant Program.

For the HOME program, the results of on-site inspections of affordable rental housing assisted under HOME and an assessment of affirmative marketing actions and outreach to minority and women owned businesses.

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As per HOME monitoring guidelines, household income and Housing Quality Standards were checked during our annual monitoring visits.

Each application for funding under the HOME program must submit a description of the methods of affirmative marketing that will be undertaken as part of the HOME assisted project. Potential recipients are required to include methods of proactive marketing which can include fliers, newspaper, radio or television advertisements. Applicants who receive HOME funds are required to report yearly concerning the actions taken to affirmatively market the housing units and efforts to solicit applications for vacant units from persons in the housing market who are not likely to apply without special outreach.

Applicants who receive HOME funds are required to report concerning the firms contacted, bids received, contracts let, jobs created and dollars provided to minority and women owned businesses. All bid documents include information on minority and women owned businesses and encourage these businesses to respond. We also encourage agencies to contact trade associations for information on minority contractors.

Describe progress in obtaining “other” public and private resources that address needs identified in the plan. Discuss how Federal resources made available from HUD leveraged “other” public and private resources, including how any matching requirements were satisfied.

The following table lists Kitsap County’s progress in obtaining public and private resources that address needs identified in the Consolidated Plan:

Public and Private Resources 2006 (T-3)		
FEDERAL	FUNDING AMOUNT	PROJECTS SERVED
USDA	\$7,764,749	2
FEMA	\$11,507	2
HUD (Not CDBG or HOME)	\$3,086,250	4
Dept. of Energy	\$116,361	1
Dept. of Health & Human Services	\$157,166	1
Other	\$1,232,382	6
Total	\$12,368,415	16
STATE		
Energy Matchmaker	\$400,000	1
Housing Trust Fund	\$2,114,492	3
Other	\$1,385,243	4
Total	\$3,899,735	8
LOCAL		
2060 Funds	\$177,500	3
City Governments	\$319,000	3
United Way	\$171,281	7
County Government	\$12,000	3

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Kitsap Consolidated Housing Authority	\$100,000	1
Other	\$287,000	1
Total	\$1,066,781	18
Total All Federal, State & Local Funds	\$17,334,931	42
PRIVATE SOURCES		
Program Service Fees	\$1,033,413	4
Individual Contributions	\$929,957	7
Private Foundation/Grant	\$314,440	2
Applicant	\$434,700	6
Puget Sound Energy	\$121,075	1
Private Lender Mortgages	\$2,462,014	1
Other	\$20,000	1
Total	\$5,315,599	22
Total All Public & Private Resources	\$22,650,530	64

During the reporting period, the County received their annual grant in the amount of \$1,192,905 CDBG funds and \$1,09,412 HOME funds (including ADDI), totaling \$2,202,317 HUD dollars. Through a subrecipient agreement, 43% (\$425,547) of the HOME funds go directly to the City of Bremerton, leaving \$583,865 for the County to allocate.

Matching Funds

The Energy Matchmaker Weatherization Program administered by KCR provides for a dollar for dollar match of CDBG funds using State Energy Matchmaker funds which are General Revenue Dollars. During the reporting period CDBG matched \$176,107 from State Energy Matchmaker.

HOME Match

The required HOME match is provided on a project by project basis through volunteer labor, cash contributions, local funds and state appropriations. Between January 1, 2006 and December 31, 2006, HOME match was provided totaling \$ 1,043,053. The match contribution is monitored by Kitsap County CDBG staff.

Assessment of the county's efforts in carrying out the planned actions described in its action plan as part of the county's certification that it is following a current HUD approved Consolidated Plan.

Kitsap County pursued all available resources outlined in the Consolidated Plan. Agency contracts are composed and administered pursuant to the certifications written in accordance with the applicable statutes and the regulations governing the consolidated

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plan regulations. Kitsap County did not hinder implementation of the Consolidated Plan by action or willful inaction.

Summary of citizen comments received in regard to the program.

The overall response of applicants has been positive. Applicant's comments at the Public Hearing have indicated they feel the overall process is good. In particular they have provided very positive feedback on the County and City's efforts to work together to streamline the process. In 2006 we received no public comment on the Annual Report (CAPER). The Application was approved by the KRCC on May 2, 2006 and no citizen comments were received.

The 2007 Action Plan was approved by the KRCC on November 7, 2006. Written comments were received from three agencies not funded expressing concern over potential geographic disparity in funding. The comments were addressed at the Public Hearing and the Action Plan modified to include one of the agencies if funding levels increased beyond what was projected and funds were available to fund at the program minimum of \$12,000. Applicant comment at the Public Hearing was very positive with the majority of agencies expressing they thought the process was fair and unbiased.

The 2006 Annual Report (CAPER) has been made available on the County's website and copies made available to the public by request. Notice of Availability was published in the newspaper starting the 15-day comment period. No comments were received

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(HUD form not available electronically, for hard copy call 337-4606)
- Match Log - HUD Form 40107-A
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