

KITSAP COUNTY

ANNUAL REPORT

Block Grant Program

Community Investments in Affordable Housing

2023



Introduction

Combined Report

Kitsap County Human Service Department has many programs that work to support the community in a wide variety of ways. Many of these programs coordinate to effectively deliver programs and share expertise and experience to ultimately serve more people in ways that lead to positive outcomes.

This combined annual report looks at two of the County's largest programs that prioritize affordable housing development: the Block Grant and CIAH Programs. This report will provide program overviews and then quickly provide a snapshot of annual activity from each Program.

Federal HUD Funds

Through the Human Services Department of Kitsap County, the Block Grant Program manages the Kitsap County CDBG Entitlement and HOME Consortium. The Block Grant Program staff administer the following funds:

Community Development Block Grant – CDBG

HOME Investments Partnership – HOME

HOME American Rescue Plan – HOME-ARP

CDBG CARES Act – CDBG-CV

HOME-ARP and CDBG-CV funds were a one-time grant made to the County in response to the coronavirus pandemic. The CDBG and HOME funds are annual allocations that fluctuate slightly based on the federal budget and a formula designed by the Department of Housing and Urban Development (HUD).

Kitsap County administers HUD funds for the County, including all cities, and all funds are eligible to be spent throughout the County. The City of Bremerton is its own entitlement for CDBG funds, meaning they receive their own CDBG allocation of funds directly from HUD which they manage. The City and County together form a HOME consortium, with 33% of the funds designated for projects in the City. Kitsap County manages all HOME Consortium funds.

The Block Grant Program is guided by several planning documents.

Consolidated Plan: Every five years the Block Grant Program goes through a community and stakeholder engagement process to develop goals and strategies that will meet the current needs of the community. The [2021-2025 Kitsap County/City of Bremerton Consolidated Plan](#) is the current active plan.

Annual Action Plan: The [Annual Action Plan](#) is due every year to HUD in November, except in years where the federal budget is delayed. This plan takes several of the goals from the Consolidated Plan, and funds projects and activities that work to achieve those goals.

Policy Plan: The Block Grant Program staff publish a [policy plan](#) every year to the benefit of the community and applicants. The Policy Plan describes program rules, requirements, and expectations of applicants and their planned projects and includes a citizen participation plan.

CAPER: The Consolidated Annual Performance Evaluation Report ([CAPER](#)) is submitted every March to HUD. The CAPER looks at one program year, describing what resources were made available, what projects were completed, and discusses progress towards the goals outlined in both the *Consolidated Plan* and the *Annual Action Plan*.

County CIAH Funds

The CIAH Program is administered by the Kitsap County Human Services Division, funded through sales and use taxes. CIAH funds are generally able to be spent on projects throughout the County.

CIAH – Community Investments in Affordable Housing

The City of Poulsbo and Bainbridge Island have both opted to collect the sales and use taxes produced in their jurisdictions. Because of this, the CIAH Program will not prioritize funding to projects in Poulsbo or Bainbridge Island.

The CIAH Program publishes a [Policy Plan](#) each year, which provides program priorities, guidelines, and requirements.

Coordination Efforts

The Block Grant and CIAH programs overlap in many key areas, specifically in types of populations that funds serve and the types of projects that each program can fund. Because of this, County staff from each program coordinate many planning and implementation components. Both programs utilize a competitive Request for Proposal (RFP) process to distribute funds annually. The programs share a decision-making body for the funds, using a Grant Recommendation Committee, comprised of community members that support staff in scoring and fulfilling fund requests. Please see the [Coordinated Grant Application Process \(CGAP\) website](#) for program schedules and additional program information.



Goals & Priorities

Block Grant Program

The Kitsap County Block Grant program has five goals identified in the five-year Consolidated Plan:

1. Preserve and increase affordable housing in Kitsap County
2. Provide supportive services
3. Increase economic opportunities
4. Provide essential public facilities and/or infrastructure
5. Preserve and increase affordable housing in the City of Bremerton

Each year the Block Grant Program publishes a Request for Proposals for CDBG and HOME funds. For the 2023 program year, the priorities for each program were:

CDBG

1. Rehabilitation and weatherization of homeownership housing
2. Rehabilitation of rental housing
3. Economic development programs including micro-enterprise assistance (businesses with 5 or fewer employees)
4. Public facilities and infrastructure projects linked to affordable housing, provision of high priority public services, or located in HUD designated Low-Mod Areas.

HOME

1. Rental housing, including construction of new units, acquisition and rehabilitation
2. Homebuyer assistance (downpayment assistance)
3. New construction of homeowner housing

CIAH Program

The CIAH program has two goals and four priorities.

The two primary goals are:

1. Provide supportive and affordable housing options for Kitsap County residents.
2. Reduce homelessness for Kitsap County residents.

Within those two goals, the County has identified four priorities, ordered by importance:

1. Develop new units of supportive housing, affordable housing, transitional housing, and shelter beds.
2. Acquire land for the development of supportive housing, transitional housing, or shelter beds.
3. Provide housing or behavioral-health related services in relation to supportive housing. These services may include rental assistance.
4. Provide operations and maintenance support for new units of supportive housing.

2023 Accomplishments

The program year for Kitsap County's CDBG, HOME, and CIAH programs is Jan. 1 – Dec. 31st. Projects completed during the program year are reported as accomplishments for that year. This may include projects funded in previous program years initially, with projects being completed in 2023.

Affordable Housing

Both the Block Grant and CIAH Programs prioritize the need to increase access to affordable housing of all types.

Block Grant Program

There are three programs with housing accomplishments in 2023.

Agency & Program	Description	Outcomes	Funded
Kitsap Community Resources Weatherization Program	Provides weatherization and minor home repairs for low-income homeowners.	18 homes repaired	\$186,799 CDBG
Housing Kitsap Rehabilitation Program	Provides rehabilitation loans and emergency grants to low-income homeowners to perform needed rehabilitation.	12 homes rehabilitated	\$308,504 CDBG
Community Frameworks Down Payment Assistance Program	Provides low-income households with funds to complete the necessary down payment to purchase a home.	2 households supported	\$196,701 HOME

Services

The Block Grant Program sets aside 15% of the annual allocation from HUD to provide needed services to the community.

Block Grant Program

There are five programs with service accomplishments in 2023.

Agency	Description	Outcomes	Funded
Boys & Girls Club of South Puget Sound	Provides staff costs for the after-school program held at Cedar Heights Middle School for low-income youth ages 11-13.	159 individuals provided services	\$25,000 CDBG

YMCA	Provides low-income families with scholarships to fund their children's participation in the YMCA's before and after school Childcare Programs in South and Central Kitsap.	33 individuals provided scholarships	\$30,000 CDBG
Helpline House	Provides operations funding for the foodbank which provides food, free of cost, to low- and very-low income residents of Bainbridge Island.	2,865 individuals provided services	\$30,000 CDBG
Bremerton Foodline	Provides operations funding for the foodbank which provides emergency food assistance to low- and very-low-income households within the Bremerton School District.	2,139 individuals provided services	\$30,000 CDBG
South Kitsap Helpline	Provides operations funding for the foodbank which provides food distribution and deliveries to low-income and very-low-income residents of South Kitsap.	5,128 individuals provided services	\$30,000 CDBG

Public Facility and Infrastructure

Block Grant Program

There is one project with infrastructure accomplishments in 2023.

Agency	Description	Outcomes	Funded
City of Port Orchard	The Port Orchard Public Works Department completed sidewalk improvements to improve accessibility and provide ADA compliance along Lippert Drive, between Sidney Avenue and Pottery Avenue.	800 people in the neighborhood provided improved access annually	\$220,137 CDBG

Economic Development

Block Grant Program

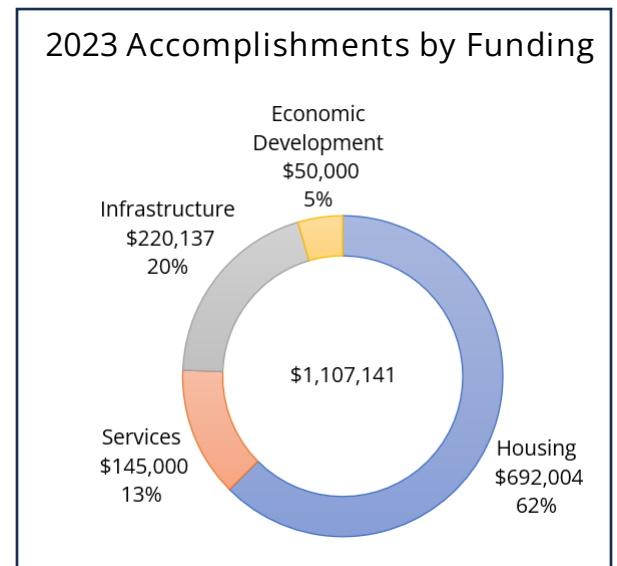
There is one program with economic development micro-enterprise accomplishments in 2023.

Agency & Program	Description	Outcomes	Funded
Kitsap Community Resources BE\$T	Provides staff funding for the BE\$T Program which is a micro-enterprise program that trains and offers on-going supports to assist low-income micro-enterprise business owners in their business venture.	48 individuals provided training and/or ongoing support.	\$50,000 CDBG

2023 Accomplishment Funding Summary

Project accomplishments are not always recorded in the same year the project is funded. It is important to note that accomplishments from projects, and their associated costs vary from year to year based on what types of projects are completed.

10 projects had accomplishments in 2023, those projects receiving a total of \$1,107,141 in Block Grant Program funding. Housing development is a priority for both the Block Grant and CIAH Programs, and this is reflected in the breakout of funding by accomplishment in the 2023 program year.



Projects Underway

Accomplishments are most often highlighted in year-end reports, but it's also important to highlight all the work being done on projects, especially capital projects, that often take a large amount of coordination and work to come to fruition. Capital projects, especially those capital projects braiding several different funding streams from different sources, may take several years from funding to lease-up.

Pacific Building

Kitsap County purchased the 20,000 square foot Olympic Fitness building and property for \$1.5 million in 2021 with the intention of repurposing the building to become an emergency shelter. Kitsap County plans to continually own and maintain the building and property, while signing a contract with a non-profit to operate the emergency shelter.



The Block Grant Program has allocated \$894,346 in CDBG-CV funds to the project. These funds will fund rehabilitation activities needed to change the building from a fitness center to one that provides shelter and services for up to 75 people (including couples and families).

Block Grant Program staff will conduct environmental reviews to ensure the process satisfies federal requirements, as well as wage interviews to ensure the laborers working on the renovations are being paid their fair wage as required by federal labor standards.

The Pacific Building is expected to be fully operational and ready for occupancy by November 2, 2024.

Looking Forward

In the Summer and Fall of 2023, applications were received, and awards were made for 2024 funds.

Block Grant and CIAH Program funds for the 2024 program year were made available through a Request for Proposal (RFP) process. Eligible projects submitted applications that were scored by a recommendation committee, staffed by community residents and County staff. Awards for three types of projects were made with 2024 funds:

Capital	Projects that result in new units of housing. Housing in this use ranges from emergency shelter beds, transitional housing, permanent supportive housing, and subsidized affordable housing. Some examples include: <ul style="list-style-type: none"> • Acquisition • New construction • Rehabilitation
Facility	Projects may include infrastructure (water, sewer, sidewalks, etc.) and neighborhood facilities that provide services (foodbanks, childcare centers, nursing homes, etc.).
Service	Projects that result in direct support to low- and moderate-income households (including rental assistance).

A total of \$11,010,769 of CIAH and Block Grant Program funds were awarded to 21 projects in the Fall of 2023.

Agency	Project Name	CIAH	KC CDBG	KC HOME	KC HOME-ARP	COB HOME
Housing Kitsap	Almira Affordable Housing	\$ 350,000				
Kitsap Mental Health Services	ADU Project	\$ 730,415				
Housing Resources Bainbridge	Ericksen Affordable Housing			\$ 409,761	\$ 1,537,781	
Bremerton Housing Authority	Evergreen Bright Start Property	\$ 3,424,697				\$ 575,303
Foundation for the Challenged	FFC Home XIII	\$ 150,000				
Housing Kitsap	Home Rehabilitation Program		\$ 160,000			
Housing Kitsap	Madrona Manor Roof Replacement		\$ 100,000			
Peninsula Community Health Services	Medical Respite Facility	\$ 1,500,000				
Housing Kitsap	Southern Cross Affordable Housing			\$ 400,000		
Kitsap Community Resources	Weatherization		\$ 130,000			
Kitsap Community Resources	BE\$T		\$ 30,000			
Housing Kitsap	Housing Stabilization Program	\$ 149,810				
Kitsap Mental Health Services	Pendleton Place O&M	\$ 699,522				
Eagle's Wings Coordinated Care	Supportive Housing	\$ 245,556				
Boys and Girls Club of South Puget	Operations Support		\$ 25,000			
Bremerton Foodline	Food Bank Operations		\$ 30,000			
Helpline House Bainbridge Island	Food Bank Operations		\$ 30,000			
South Kitsap Helpline	Food Bank Operations		\$ 30,000			
YMCA	Child Care Scholarships		\$ 30,000			
Helpline House	Helpline House Capital		\$ 50,000			
South Kitsap Helpline	Expanded Food Distribution Site		\$ 222,924			
	TOTALS ->	\$7,250,000	\$ 837,924	\$ 809,761	\$1,537,781	\$ 575,303
Capital - Housing	Services	Capital - Facility				

* The HUD programs are estimates. Federal funding amounts are not typically known until May, and may vary based on the federal budget and the formula HUD uses.

Project Highlights

After awards were announced in October 2023, staff began working through the contracting process for each award. This involves collaborating with each agency awarded funds and working through federal, state, and county requirements such as prevailing wage, environmental reviews, public hearing presentations, documenting leverage commitments, among other processes.

There are several projects from the table above that have made significant progress since awards were made in October 2023.

Evergreen Bright Start

Bremerton Housing Authority (BHA) was provided with a total of \$4 million of Kitsap County funds to acquire a newly built 30-unit apartment complex which will include 24 affordable units that include wrap around service for vulnerable young adults ages 18-24, at or below 30% of the area median income. Two of the 30 units will be reserved for live-in managers and four units will be utilized as office space for service providers. Rental Assistance and Section 8 vouchers will be used to keep the rents affordable, and BHA will formally partner with community organizations to provide all needed wrap around, on-site services.



The building is expected to be completed by Q2 of 2024, and ready for lease-up soon after.