

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

1

PUBLIC HEARING 2016 ANNUAL ACTION PLAN *PROPOSED AMENDMENTS*

FEBRUARY 28, 2017

PRESENTER:

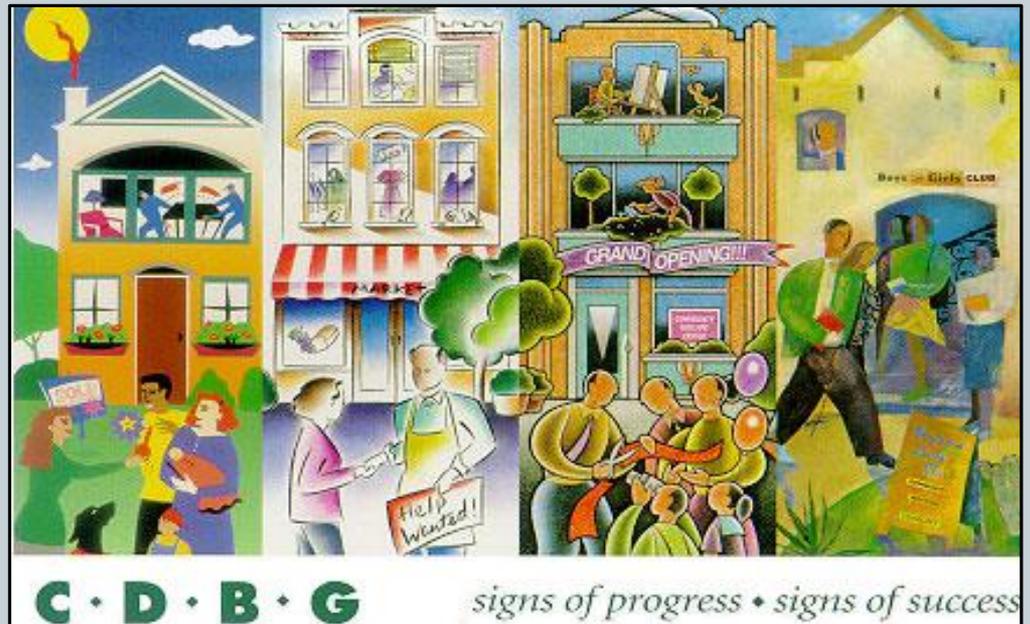
M. ANNA SCHLECHT, HOUSING PROGRAM MANAGER

CDBG: Program Year 2016 ACTION PLAN GOALS

5-Year Strategic Plan

2

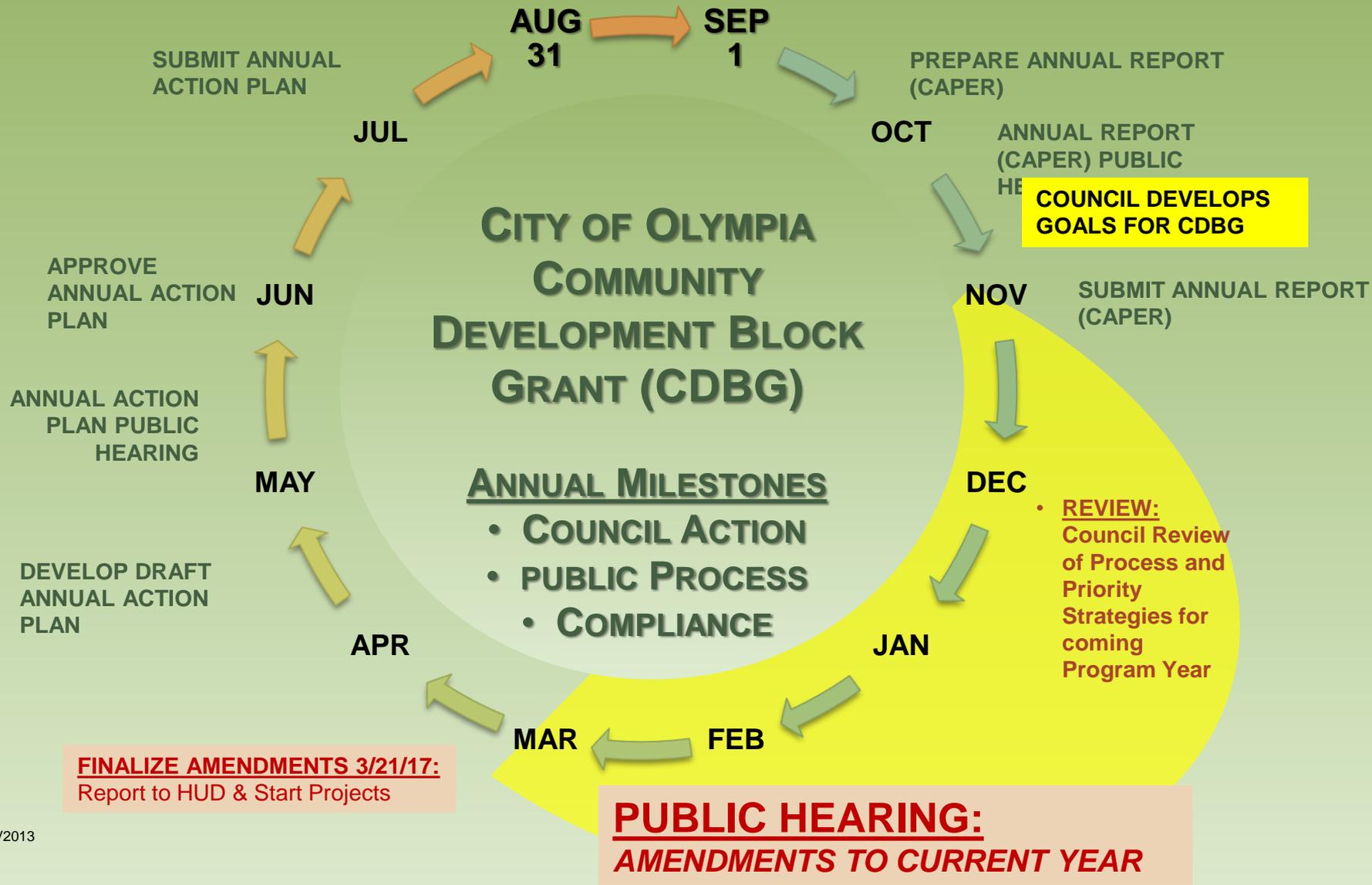
- **Housing - *PRIORITY***
 - Rehabilitation or Acquisition of Housing for Low & Moderate income People
 - **Social Services - *PRIORITY***
 - Direct assistance to Low & Moderate-income People
 - **Public Facilities**
 - Community Centers
 - Public Infrastructure
 - **Economic Development**
 - Business Training Programs
 - Business Loans
 - **Land Acquisition**
 - Any Purpose that Supports CDBG-eligible Activities
- ➔ ***MUST*** Principally benefits ***low- and moderate-income*** people.



OLYMPIA CDBG PROGRAM – ANNUAL CYCLE

PROGRAM YEAR ENDS

PROGRAM YEAR STARTS



PY 2016 – Proposed CDBG Amendments (September 1, 2016 – August 31, 2017)

4

- Recommendations for PY 2016 Amendments

Fund Sources:

\$210,000 – Re-allocated Past Year Funds

\$105,000 – Anticipated Program Income

\$315,000 – Funds to Amend PY 2016

Fund Uses:

\$225,000 Housing Rehabilitation

\$ 90,000 Portland Loo Equipment Purchase

\$315,000 – Activities to Amend PY 2016



PROPOSED CDBG AMENDMENTS

ACTIVITY	Options / Comments	Current PY 2016 Allocation	Proposed PY 2016 Amendments	TOTAL – Current & Proposed CDBG Activities
Planning & Administrative Costs	Staffing required to run a compliant program	\$98,178	\$0.00	\$98,178
Economic Development	Economic Development Council – Business Training	\$25,864*	\$0.00	\$25,864*
Micro Enterprise	Enterprise for Equity – Micro Business Assistance	\$18,953*	\$0.00	\$18,953*
Public Facility	Providence - Community Care Center	\$200,000	\$0.00	\$200,000
Social Services	Capital Recovery – Downtown Ambassador Program	\$55,397*	\$0.00	\$55,397*
Economic Development	Crime Prevention Through Environmental Design	\$27,500*	\$0.00	\$27,500*
Housing Rehabilitation* <i>(Loan Program to rehab housing for low income tenants)</i>	<ul style="list-style-type: none"> • Candlewood Manor – Water supply 104 units Very low income mobile home tenants \$47,000 • Homes First! Oxford House repairs: \$68,000 • Sewer Connections: 1111 Lilly Rd NE: 6 units Very low income tenants \$105,000 • Sewer Connections: 2620 5th Avenue NE: 6 units Very low income tenants: \$70,000 	\$65,000*	\$225,000** <i>(\$210,00 - unspent prior year funds, \$105,000 - anticipated Program Income)</i>	\$290,000** <i>(Includes newly allocated funds)</i>
Portland Loo – Equipment Purchase <i>(Purchase of stainless steel bathroom facility – part of the downtown 24/7 restroom project)</i>	City funding options include several fund sources; equipment purchase would be most timely for CDBG regulatory compliance .	\$0.00	\$90,000*	\$90,000* <i>(Newly allocated funds)</i>
	TOTAL FOR AMENDMENT OPTIONS <i>Please Note: Amendments allow the City to meet the spend-down target of \$315,000</i>	\$490,892	\$315,000	\$805,892

*Allocated amounts include Activity Delivery (ADC) costs

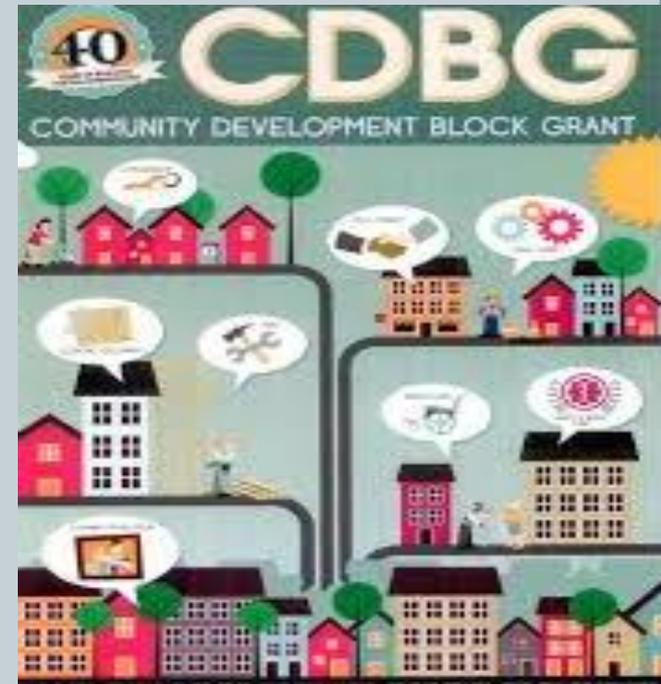
**Housing Rehab sub-total to be indexed to actual program income receipts

CDBG Amendment Public Process

6

• **Confirm Public Process:**

- **February 7th:** *Recommendations approved by Council*
- **February 10 – March 13th:** *Set 30 day public comment period*
- **February 28th:** *Public hearing*
- **March 13th:** *Public comment period closes*
- **March 21st:** *Council Final Decision*
- **March 22nd:** *Report to HUD*



PY 2016 Amendment – Public Comments

7

- **Testimony:** Public Hearing February 28th
- **Letters:** Olympia City Council,
PO Box 1967, Olympia WA 98507
- **Emails:** Citycouncil@ci.olympia.wa.us

PUBLIC COMMENT PERIOD ENDS 5pm March 13th







COMMUNITY DEVELOPMENT BLOCK GRANT - PY 2016 Options for Funding Amendments

ACTIVITY	Options / Comments	70% LMI	Current PY 2016 Allocation	Proposed PY 2016 Amendments
Planning & Administrative Costs	Staffing required to run a compliant program	N/A	\$98,178	\$0.00
Economic Development	EDC – Business Training	Yes	\$25,864	\$0.00
Micro Enterprise	Enterprise for Equity – Micro Business Assistance	Yes	\$18,953	\$0.00
Public Facility	Providence Community Care Center	Yes	\$200,000	\$0.00
Social Services	Capital Recovery – Downtown Ambassador Program	Yes	\$55,397	\$0.00
Economic Development	Crime Prevention Through Environmental Design	Yes	\$27,500	\$0.00
Housing Rehabilitation*	<ul style="list-style-type: none"> • Candlewood Manor – Water Supply \$47,000 • Homes First! Oxford House repairs: \$68,000 • Sewer Connections: 1111 Lilly Rd NE: 6 units very low income housing: \$105,000 • Sewer Connections: 5th Avenue NE: 6 units for very low income residents: \$70,000 <p>HOUSING REHAB SUB-TOTAL = \$290,000**</p>	Yes	\$65,000	\$120,000 <i>(Please Note: This portion of funding to come from re-allocated prior year funds)</i>
Portland Loo – Equipment Purchase	Equipment purchase of actual Portland Loo facility	YES	\$0.00	\$90,000
SUB-TOTAL	RE-ALLOCATED PRIOR YEAR CDBG FUNDS <i>(\$149,900 – PY 2014 NDC Contract to support Grow Olympia Fund & \$60,100 from unexpended Program Income = \$210,000)</i>			\$210,000
Housing Rehabilitation	ADDITIONAL FUNDS FROM NEW PROGRAM INCOME	Yes	See above	\$105,000***
	TOTAL FOR AMENDMENT OPTIONS <i>Please Note: These optional amendments allow the City to meet the spend-down target of \$315,000</i>	TOTAL	\$490,892 <i>(Current PY 2016 Action Plan)</i>	\$315,000 <i>(To be added to PY 2016 Action Plan)</i>

*Allocated amounts include Activity Delivery (ADC) costs

**Housing Rehab sub-total contingent upon actual costs and subject to change

***Program Income may exceed staff estimates - this yet unknown total receivable PI can be allocated to Housing Rehabilitation as received

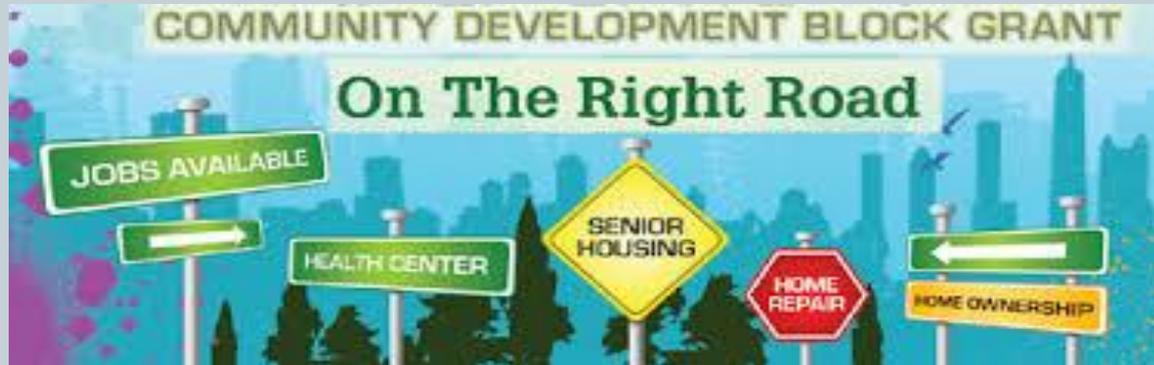
SPEND-DOWN: CDBG 2016 Program Year

11

- **Federal requirement for timely use of tax dollars**
- **Target: Spend Down to 1 ½ times last CDBG grant:**

Current Year Grant	*1.5	Total	Unexpended To Date	\$ Needing to Spend by 6/30/2016
\$340,892	1.5	\$511,338	\$821,641	\$310,303

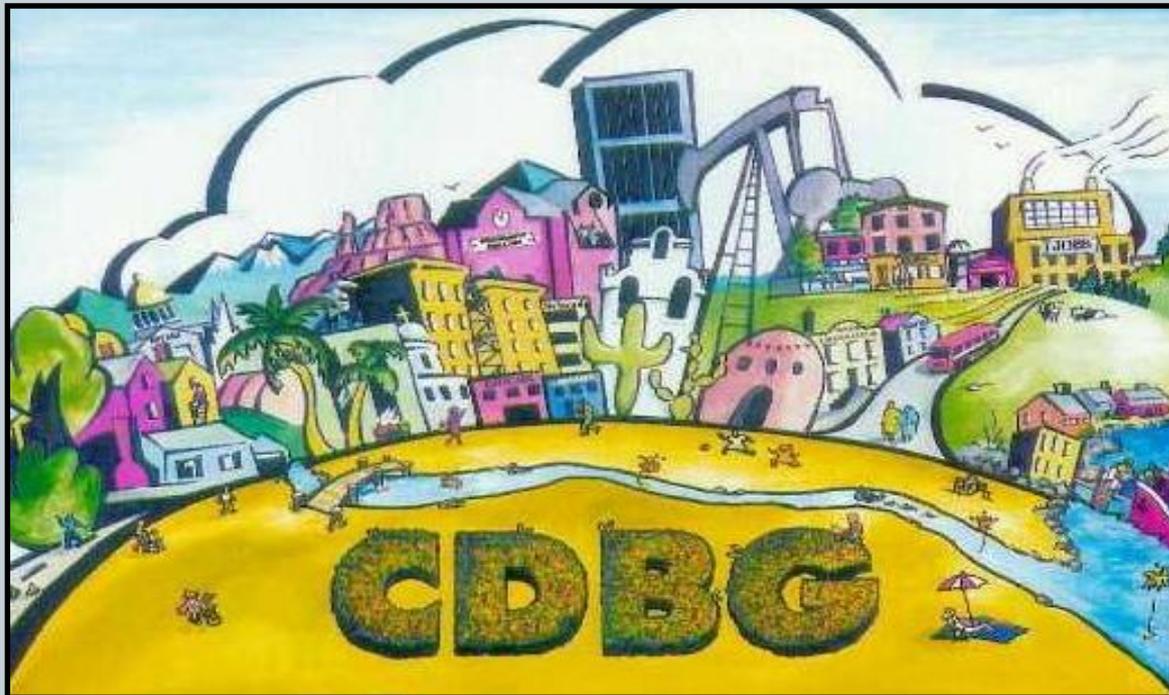
Action Required **NOW** to meet Spend-Down Target



CDBG Program –

2

Consider Options to Amend CURRENT 2016 Action Plan (September 1, 2016 – August 31, 2017)



Amend Current CDBG 2016 Program Year (September 1, 2016 – August 31, 2017)

5

Un-expended CDBG Funds:

\$210,000 – Unexpended Prior Years Funds

\$105,000 – Additional Expected Program Income

\$315,000 – Available to re-allocate



Mural on the façade of the Griswold's Building, an abandoned building considered for CDBG funding

CDBG Program - Regulatory Issues



- Program Administration Costs – Capped at 20%
 - **Supplemented by Activity Delivery Costs**
- Social Service *Options* – Up to 15%
 - **Optional – NOT Required**
- Overall Benefit to Low-moderate Income People
 - **70% Beneficiaries Over a “Rolling” 3-year Period**
- Spend-down – Program Performance
 - **June 30, 2017 target: no more than \$503,144 left unspent**

CDBG Program Income: PY 2010 thru PY 2016 Year to Date



Program Year	CDBG Grant	Program Income
PY 2010	\$423,283	\$107,600
PY 2011	\$353,426	\$107,527
PY 2012	\$325,612	\$201,622
PY 2013	\$357,512	\$146,568
PY 2014	\$342,375	\$287,281
PY 2015	\$338,265	\$216,250
PY 2016	\$340,892	\$82,796 (9/1/16 – 2/3/17)



CDBG Program Year 2017

11

- **Commence the Public Process**
 - ***Priority Activities?***
 - ✦ ***Community Proposal Process?***
 - ✦ ***Council Direct-Select Process?***
 - ***Timeline?***
 - ✦ ***Council Action to Commence PY 2017 Process***
 - ✦ ***Identify Proposed Activities for Action Plan***
 - ✦ ***Set 30-Day Public Comment Period***
 - ***Schedule a CDBG PY 2017 Public Hearing***
 - ***Confirm PY 2017 Annual Action Plan***
 - ***JULY 2017: Submit to HUD***

OLYMPIA CDBG PROGRAM – ANNUAL CYCLE

PROGRAM YEAR ENDS

PROGRAM YEAR STARTS

AUG 31 → **SEP 1**

**CITY OF OLYMPIA
COMMUNITY
DEVELOPMENT BLOCK
GRANT (CDBG)**

ANNUAL MILESTONES

- COUNCIL ACTION
- PUBLIC PROCESS
- COMPLIANCE

SUBMIT ANNUAL ACTION PLAN

JUL

PREPARE ANNUAL REPORT (CAPER)

OCT

ANNUAL REPORT (CAPER) PUBLIC HEARING

COUNCIL DEVELOPS GOALS FOR CDBG

APPROVE ANNUAL ACTION PLAN

JUN

SUBMIT ANNUAL REPORT (CAPER)

NOV

ANNUAL ACTION PLAN PUBLIC HEARING

MAY

DEC

REVIEW: Council Review of Process and Priority Strategies for coming Program Year

DEVELOP DRAFT ANNUAL ACTION PLAN

APR

JAN

LAUNCH PY 2017 PUBLIC PROCESS

- * Community Proposals
- * Direct Select

MAR

FEB

AMENDMENTS

Amend PY 2016 Action Plan

CDBG Program Year 2017 - Options

13

PY 2017 Options for Annual Community Development Block Grant (CDBG) Action Plan			
<i>PY 2017 – September 1, 2017 – August 31, 2018</i>		<i>Estimated CDBG Program funds for PY 2017 = \$450,000</i>	
ACTIVITY	OPTIONS / COMMENTS	70% LMI	ESTIMATED COST
General Administration	<i>Planning & Administrative Activity: Minimum staff level to run compliant program</i>	N/A	\$98,000
Downtown Strategy Implementation	<i>Planning – Homeless Action Plan (Limited funds)</i>	YES	\$5,000 - \$10,000
Downtown Strategy Implementation*	<i>Housing Rehab: Low Moderate Income (LMI) housing rehab/Acquisition; Accessibility Improvements</i>	YES	\$100,000 - \$200,000
Housing Rehab: Fire Sprinklers*	<i>Housing Rehab: Sprinklers for existing LMI housing</i>	YES	\$50,000 - \$100,000
Commercial Rehab: Fire Sprinklers*	<i>Commercial Rehab - creating LMI job creation</i>		\$50,000 - \$100,000
Section 108 Debt Service	<i>Repayment - Section 108 Loan payment</i>	N/A	\$65,000
CRC Ambassadors – Street Outreach Only*	<i>Social Services: Continued Funding for the Street Outreach services for homeless, mentally and other street dependent people.</i>	YES	\$56,000
Crime Prevention Through Environmental Design (CPTED)*	<i>Commercial Rehab or Community Centers: Safety projects to reduce crime in the downtown core.</i>	Potentially	\$28,000
Public Restrooms*	<i>Public Facilities: Funding part or all of facility that serves homeless / LMI (Potentially Contingent upon PY 2016 Amendment actions)</i>	YES	\$100,000 - \$200,000
Business Training Programs*	<i>Economic Technical Assistance: Tune-up & Micro-businesses</i>	YES	\$50,000
		TOTALS	\$602,000 - \$907,000 **

*Up to 10% Activity Delivery Cost to be included within overall project costs.

**Cumulative costs of options are greater than available PY 2017 funds

PY 2017 General Administration and Planning Cap



2017 Year Grant	+ Estimated Program Income	Estimated Total Funds for Calculation	*20%	Admin \$ Available to Date
\$350,000	\$100,000*	\$450,000	20%	\$90,000*

PY 2017 Public Service Cap

Current Year Grant	+ Previous Year Program Income	Estimated Total Funds for Calculation	**15%	Public Service Total
\$350,000	\$255,000	\$605,000	15%	\$90,750

*General Administration capped at **20%** of total current grant award plus *estimated* Program Income

Social Services funding can be allocated for up to **15% of current grant award plus *last year's* Program Income

PY 2017 CDBG BUDGET WORKSHEET

CDBG PY 2017 BUDGET WORKSHEET	
PY2016 CDBG Entitlement Award	\$350,000
Projected PY 2016 CDBG Program Income	\$100,000*
TOTAL ANTICIPATED PY 2017 CDBG Funds	\$450,000
*Estimated Program Income based on recent collections & improved real estate market	

CDBG Program Year 2017 – Decision Points

17

- ***Strategic Goals***
- ***Community Proposals or Direct Select***
- ***Timeline***
 - ✦ ***DIRECT STAFF TO BEGIN PY 2017 PROCESS***





PROPOSED PY 2017 – BUDGET WORKSHEET



Project	Meets 70% LMI Benefit	Allocation
General Administration	N/A	\$ 90,000
Section 108 Debt Service (<i>Repayment of Downtown Safety Program Loan - \$325,000</i>)	No	\$ 64,000
CRC Downtown Ambassador Program*** (\$55,397)	Yes	\$???
Land Acquisition?	Potentially	\$???
Business Loans?	Yes: If low-mod income	\$???
Business Training ?	Yes: If low-mod income	\$???
Housing Rehabilitation	Yes	\$???
Total CDBG funds available for PY 2017 CDBG Activities		\$ 296,000
* Includes estimated 10% activity delivery costs	Totals	\$450,000



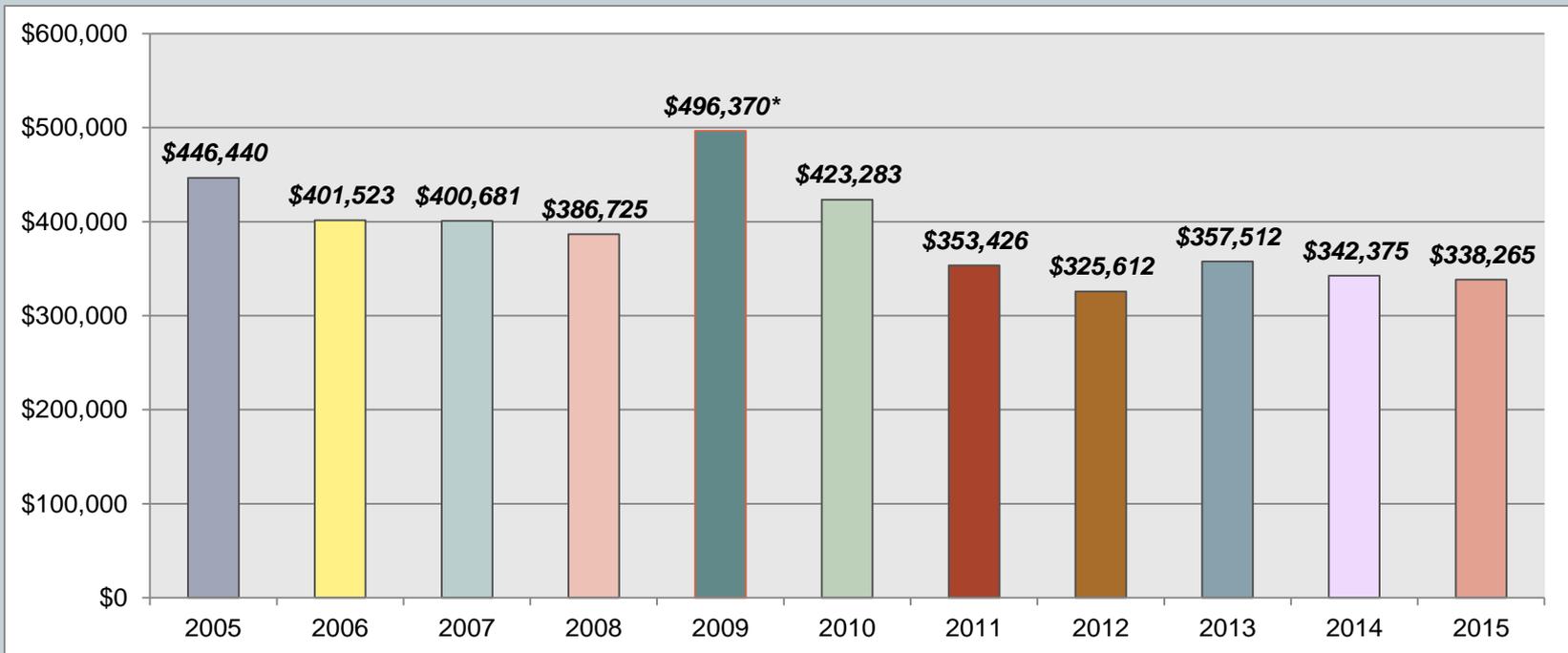
CDBG FUND SOURCES – FIX THIS

26

- CDBG Annual Entitlement Grants

- Federal Funds Received Each Year (*PY 2014: \$342,375*)

This chart presents the City's Community Development Block Grant (CDBG) annual grant awards from 2005-2014. The City has received \$12,939,947 in annual CDBG awards since 1982. Grant award amounts have varied over the years starting with \$322,000 in 1982, with the lowest award of \$258,000 in 1990 and an all-time high of \$496,370 in 2009.

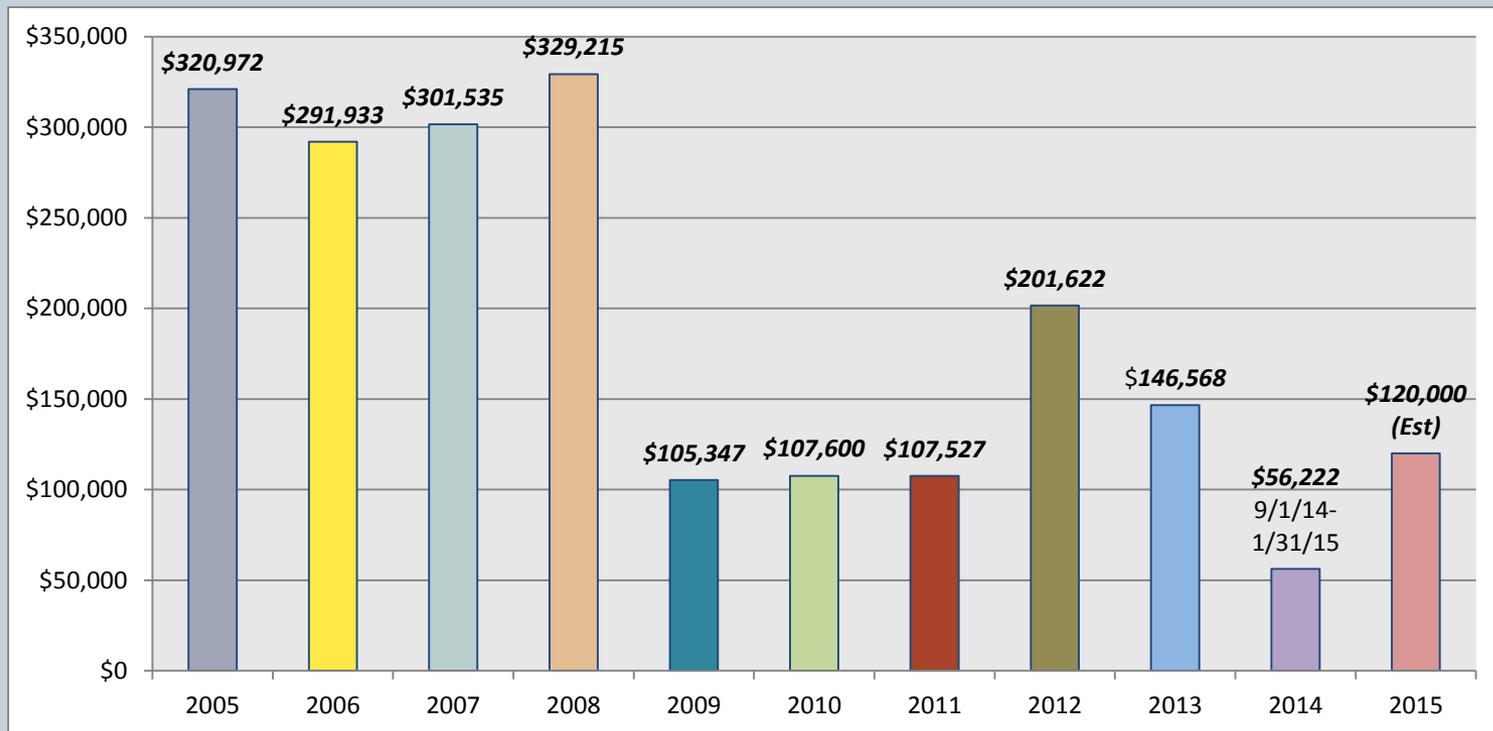


* Includes \$104,985 ARRA Funds

CDBG FUND SOURCES **FIX THIS**



- CDBG Program Income
 - Repayments On Prior CDBG Housing Rehabilitation Loans
(PY 2013: \$146,568)



PY 2015 Activities – NEEDS TO INCLUDE AMENDMENTS

ACTIVITY	ALLOCATION
Debt Service - Section 108 Downtown Improvements Project	\$64,000
Potential Continued Funding - Downtown Ambassador Program	\$55,397
CPTED* Safety and Façade Improvements Loan Program	\$27,500
Grow Olympia Fund	\$219,714**
Program Administration – 15% of total funds <i>(based on PY2013 Budget)</i> <i>Minimum staffing level required to run a compliant CDBG Program</i>	\$91,654
TOTAL RECOMMENDED CDBG ALLOCATIONS OF PY 2014 CDBG FUNDS	\$458,265
<p><i>*Crime Prevention Through Environmental Design - CPTED</i> <i>**Final amount contingent upon program income revenues</i></p>	

PY 2014 Activities

ACTIVITIES	ALLOCATION
Debt Service - Section 108 Downtown Improvements Project	\$64,000
Potential Continued Funding - Downtown Ambassador Program	\$51,270
Potential Re-Fund to Isthmus Park Project from PY2013 Downtown Ambassador Funding	\$25,650
CPTED* Safety and Façade Improvements Pilot Project	\$25,000
Small Business Revolving Loan Fund Pilot Project	\$250,000
Isthmus Project (<i>dedicated remainder of projected program income</i>)**	\$126,455
Program Administration – 15% of total funds (<i>based on PY2013 Budget</i>) Minimum staffing level required to run a compliant CDBG Program	\$100,000
TOTAL RECOMMENDED CDBG ALLOCATIONS OF PY 2014 CDBG FUNDS	\$642,375
<p>*<i>Crime Prevention Through Environmental Design - CPTED</i></p> <p>**<i>Program Year 2013 CDBG Action Plan dedicated all remaining program income to the Isthmus Park Project.</i></p>	

PY 2013 Activities

30

Activity	Allocation
General Administration	\$ 60,000
Rehabilitation Projects Delivery Costs (Admin)	\$ 65,000
Panza-Quixote Village Community Center	\$ 55,000
CYS-Rosie's Drop-in Young Adult Center	\$ 144,000
FSC-Smith Bldg Family Shelter & Affordable Housing	\$ 158,000
Panza-Quixote Village Social Services	\$ 40,500
CYS-Transitional Housing for Youth	\$ 10,000
Out of the Woods Family Shelter	\$ 12,000
Together! Evergreen Villages Youth Program	\$ 13,627
CRC-Downtown Ambassador Program*	\$ 7,743
Enterprise for Equity-Microenterprise Training	\$ 25,500
Total	\$ 591,370
Section 108 Loan: Downtown Safety Improvements	\$ 325,000

PY 2012 Activities

31

Activity	Allocation
General Administration	\$ 61,130
Rehabilitation Projects Delivery Costs (Admin)	\$ 60,000
FSC-Housing Rehabilitation (convert former office building to new housing units)	\$ 101,000
FSC-Emergency Shelter (Public Facilities)	\$ 404,653
FSC-Social Services	\$ 45,847
Total	\$ 672,630