



A CITIZEN'S SUMMARY OF THE 2013-2017 CONSOLIDATED PLAN

Prioritizing HOME and Community Development Block Grant Resources

July 2013

What are our priorities?

We are pleased to present the draft *Citizen's Summary* to the 2013-2017 Consolidated Plan. Once finalized, the Consolidated Plan serves as the blueprint for the region's Community Development Block Grant (CDBG) and HOME programs for the next five years.

The plan is the result of a six-month planning process during which we examined the needs and resources of unincorporated Thurston County and its cities and consulted with our community partners and members of the public. The planning process brought together citizens, social service organizations, businesses, faith communities, and elected officials to review the region's current and future housing and community development needs and develop updated priorities.

The CDBG program, administered by the federal Department of Housing and Urban Development (HUD), provides funding to state and local governments for projects and activities that principally benefit low- to moderate-income people. CDBG helps local governments develop viable urban communities by providing adequate supplies of affordable housing, a healthy living environment, and economic opportunities.



CDBG funds are some of the most flexible resources available to local governments. Communities can use CDBG funds for a wide range of activities such as rehabilitating single-family homes and apartment buildings, building community centers and public facilities, constructing water and sewer lines, supporting economic development, and providing vital social services. The fundamental philosophy of CDBG is the belief that local elected officials are best positioned to identify and prioritize local needs and to effectively allocate funding to address those needs.



HOME is a HUD program that provides formula grants to build, buy, and/or rehabilitate affordable rental or owner-occupied housing, or provide direct rental assistance to low-income people. Communities can use HOME funds for new construction, rental assistance, and homeowner assistance.



For the first time, we've produced a single consolidated plan that includes the needs and resources of all of Thurston County. This regional Consolidated Plan describes:

- Regional urban county CDBG needs and funding (unincorporated Thurston County and the cities of Tenino, Bucoda, Yelm, Rainier, Lacey, and Tumwater).
- City of Olympia CDBG needs and funding.
- HOME needs and funding for all of Thurston County.



We extend our gratitude to the many stakeholders and citizens who participated in the consolidated planning process. We invite you to share your views and become involved in prioritizing CDBG and HOME funds. Please see the "[Public Process](#)" section on page 23 to learn how to participate.

Regards,



Cathy Wolfe, County Commissioner
Sanda Romero, County Commissioner, Chair
Karen Valenzuela, County Commissioner
Alan Carr, Mayor, City of Bucoda
Virgil Clarkson, Mayor, City of Lacey

Stephen H. Buxbaum, Mayor, City of Olympia
Randy Schleis, Mayor, City of Rainier
Eric Strawn, Mayor, City of Tenino
Pete Kmet, Mayor, City of Tumwater
Ron Harding, Mayor, City of Yelm





Overview

This *Citizen's Summary* provides an overview of the draft Consolidated Plan. It analyzes the region's current and future housing and community development needs, and presents the strategic goals and objectives for the use of CDBG and HOME funds over the next five years.

Four sections are devoted to each category of funding and attempt to provide a snapshot of the need and capacity in the region. The four primary categories funded by CDBG and HOME are affordable housing, social services, public facilities and infrastructure, and economic development.

The last two sections of the *Citizen's Summary* describe the 2013 consolidated planning and public participa-

tion process, and invite you to share your views and become involved in making future decisions about CDBG and HOME funds, along with other state and local revenue sources to address the needs of low-income citizens.

How the county is changing

The rest of this section provides an overview of the demographics of the population in Thurston County and highlights a few differences between Olympians and residents of the rest of the county. Thurston County is Washington's sixth most populous county, with 252,264 residents as of the 2010 Census. Between 2000 and 2010, the county's population grew by 22 percent, with Lacey and Yelm showing the highest rates of growth.

For comparison, statewide population growth was only 14 percent during that same period. More than three-quarters of the population increase during the last decade can be attributed to the migration of people into the county.

This rate of growth is expected to continue. The

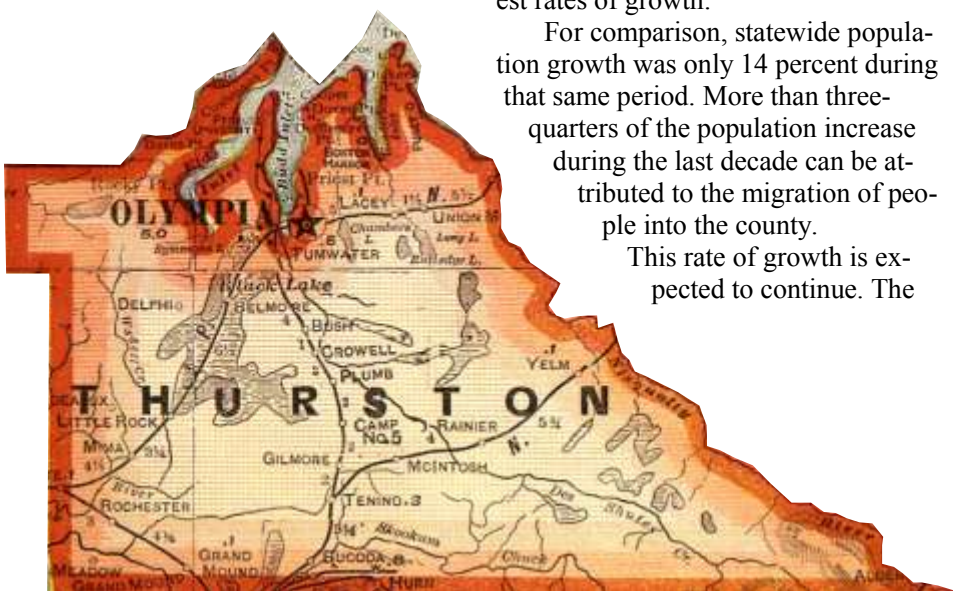
Between 2000 and 2010 the county's population grew by 22 percent, with Lacey and Yelm growing fastest.

state Office of Financial Management forecasts that the county population will increase by almost 30 percent — an additional 74,000 people — by the year 2030.

Figure 1 (next page) provides an overview of who makes up Thurston County today. As with the majority of data in this report, the numbers come from a 2009-2011 estimate from the American Community Survey, which is the primary source of small-area statistics published by the U.S. Census Bureau. In each population category, the bars show the proportion of citizens meeting census definitions in Thurston County as a whole, in Olympia, in the remainder of the county (all jurisdictions except Olympia) and, for comparison, the statewide percentages.

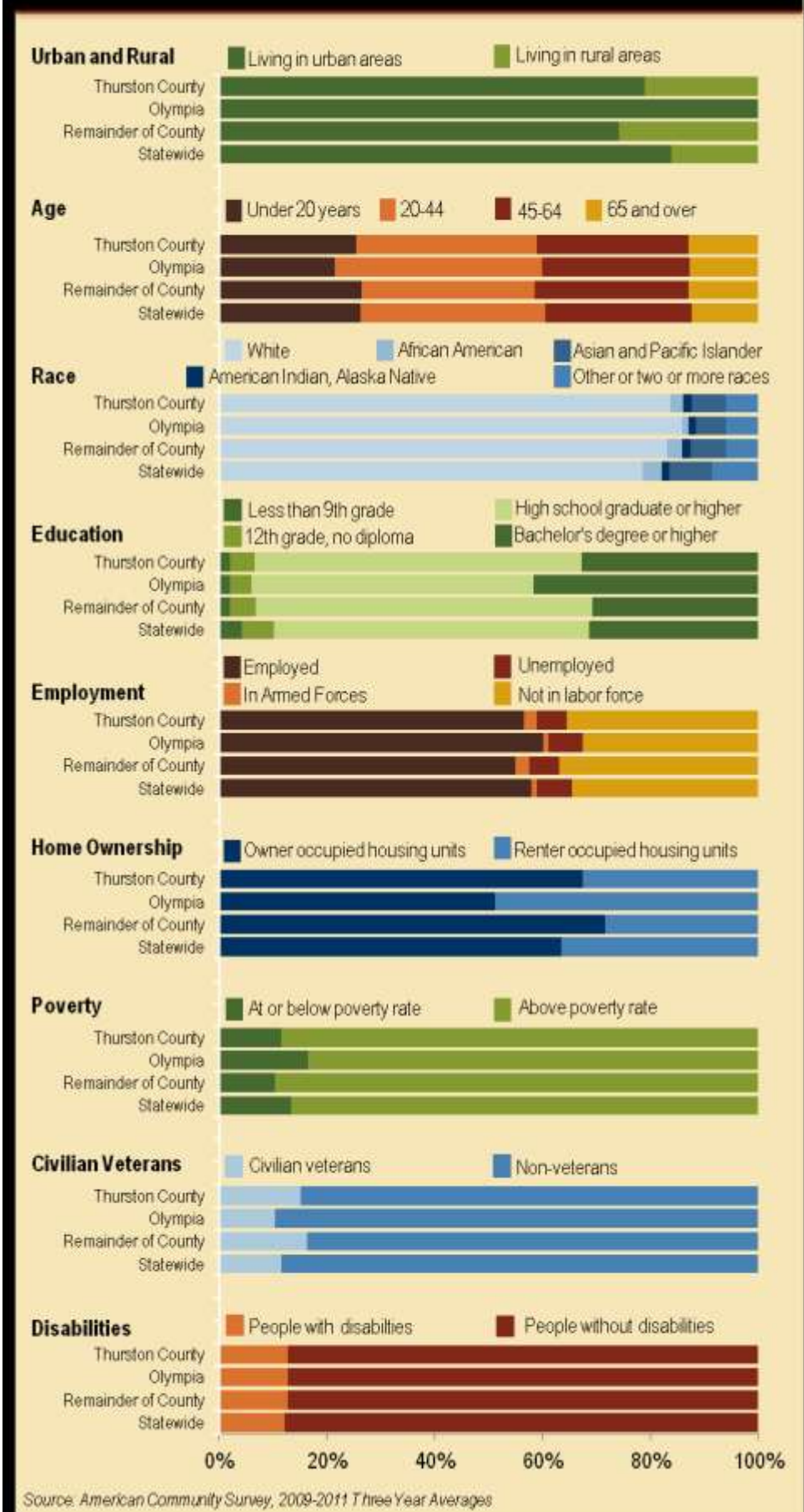
Approximately 26 percent of county residents live in rural areas, which is significantly higher than the statewide average of 16 percent.

To qualify as an urban area, an area must encompass at least 2,500 people, at least 1,500 of whom must reside out-



Above: Children learn about pond ecosystems at a CDBG-funded Yelm day camp.

Figure 1: Demographics of General Population of Thurston County



side institutions. Fourteen percent of the land area in Thurston County is incorporated in cities. The census considers all residents of Olympia to reside in urban areas.

Ninety-three percent of county residents age 25 and older are high school graduates, a rate higher than the statewide average of 89.7 percent. Those with a bachelor's degree or higher made up nearly 33 percent of the county's population, compared to 31 percent of state residents. Olympians have the highest percentage of college and advanced degrees, with almost 42 percent reporting that level of educational attainment.

Unemployment starting to fall

The unemployment rate fluctuates seasonally and from month to month, but there's no question that the recession of 2008-2009 is continuing to impact Thurston County residents' ability to find and retain jobs. The three-year average for 2009-2011 was 5.7 percent unemployment in Thurston County.

The proportion of Olympians looking for work was higher, at 6.3 percent, and closer to the state average of 6.5 percent. The most recent data from the state Employment Security Department (Nov. 2012) paints a bleaker picture: The county unemployment rate is 6.9 percent compared to the statewide rate of 7.8 percent.

Nevertheless, these numbers are an improvement from early 2010, when the unemployment rate reached a high of more than 9.5 percent. The economic outlook continues to slowly improve, but many people with low and moderate incomes continue to struggle to make ends meet.

Population older, more diverse

The county's population is getting older, which mirrors state and national trends.

The median age of the county's population was 38.5 years in 2010, an increase from 36.5 years in 2000 and 33.6 years in 1990. In 2010, persons age 65 and older constituted 13 percent of the total county population, and seniors' numbers are anticipated to reach 23 percent of the population

by 2030. Yelm has the youngest population among Thurston County cities, with an average age of 29 years.

The census defines disability as a condition that limits activities and participation in school, work, home, or the community. Fewer than 13 percent of Thurston County residents reported having a disability in 2010, a number slightly higher than the statewide average of 12.1 percent. Of these disabled individuals, 36.5 percent were 65 years of age or over, and 17.5 percent had an income that was below the poverty level. Within the disabled population, 42 percent of individuals were employed.

Thurston County had less racial diversity in 2010 than the state as a whole. Caucasians composed nearly 84 percent of the population, compared to 79 percent of the state's population. African-Americans represented 2.5 percent of the population, and Asians made up 6.4 percent. The county's population had slightly more native Hawaiian and other Pacific Islanders (0.8 percent) than the state as a whole (0.6 percent).

CDBG and HOME priorities

The CDBG and HOME programs primarily benefit low-income people and families. HUD defines "low-income" based on a formula that applies the average area income level for various family sizes.

These income limits range from \$15,750 for a one-person household, to \$79,200 for an eight-person household. A family with two parents and two children would be considered low income if its household earnings were at or below \$60,000 per year. The same family would be considered very low income at \$33,750 per year, and extremely low income at or below \$22,500 annually.

CDBG is a flexible funding source that can be used for affordable housing projects, social services, infrastructure (including sewer and water system improvements), public facilities, economic development, and other community development needs.

HOME funds are targeted to affordable housing projects, including new construction, rental assistance, and homeowner assistance.

The strategies employed by the CDBG and HOME programs

historically include:

- **Preserving homes and neighborhoods** with housing rehabilitation.
- **Expanding housing stock** with land acquisition for affordable housing development.
- **Social service funding** for local nonprofits to support vulnerable populations, including homeless.
- **Providing public facilities** through infrastructure and community center projects.
- **Business training** for low income entrepreneurs to support economic development.

CDBG and HOME projects

Over the past three years, half of combined CDBG and HOME funds have supported rehabilitation of low-income rental and owner-occupied housing units.

The majority of these funds have been distributed in the form of low-

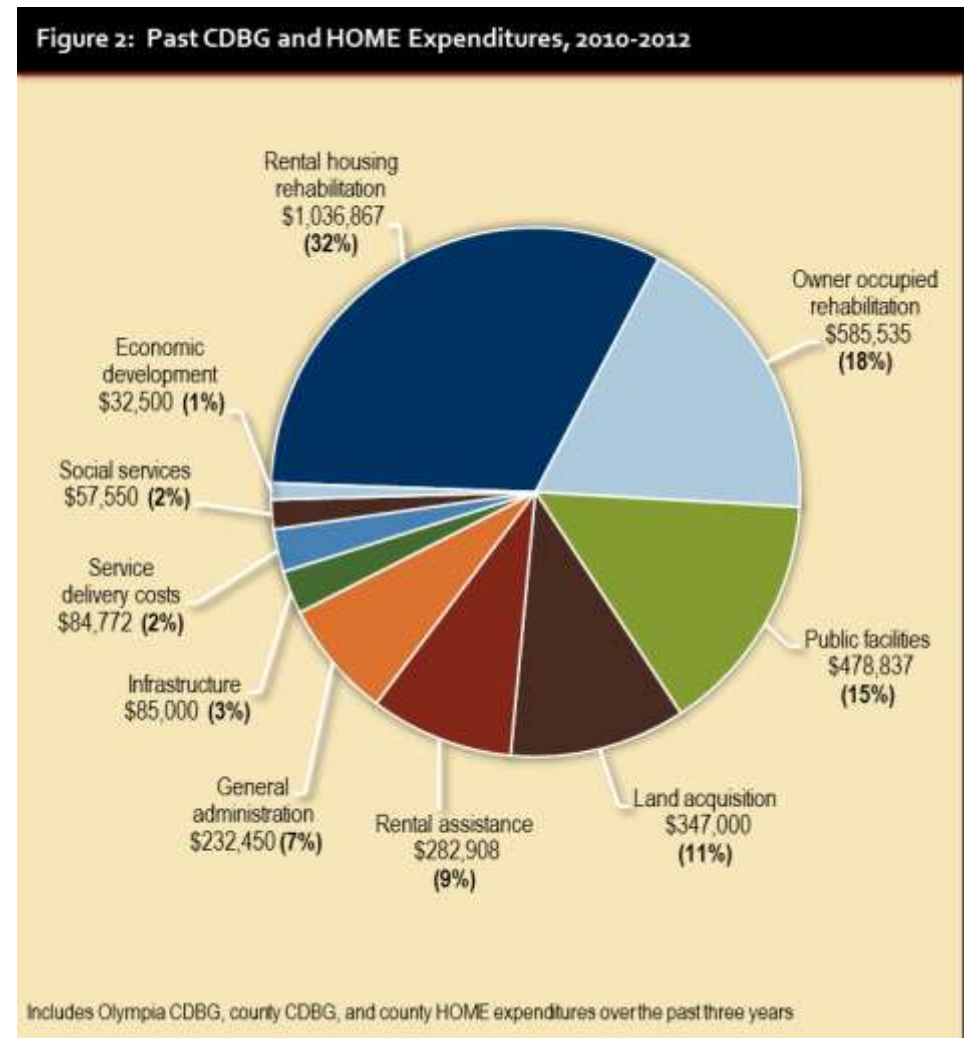
The CDBG and HOME programs primarily benefit low-income people.

interest loans. As the loans are repaid, the monies are recycled into other rehabilitation loans and other eligible activities to benefit the community.

An investment in land (11 percent of the total) has laid the groundwork for 36 homes for families and individuals. Rental assistance, in the form of temporary vouchers, has allowed families at risk from homelessness to stay in their homes.

The following sections explain the primary areas of funding and the current need in Thurston County. The section, "Past Projects," provides greater detail about how the funds have been used over the last three years.

Figure 2: Past CDBG and HOME Expenditures, 2010-2012





Affordable Housing

Thurston County’s housing market continues to be affected by the recession. Housing starts and home values declined during the past five years, resulting in improved affordability for buyers but fewer multifamily units being built.

Home prices are impacted by many factors, including the incomes of potential buyers, the demand for rental units, and the ability to borrow money. Home prices in Thurston County accelerated by 74 percent from 2002 through 2007, an average of \$126,930. This rapid increase in value mirrored national trends and became known as the “housing bubble.” After the bubble burst in 2007, home prices lost 22 percent of their peak value over the next three years (Figure 3).

As the housing stock starts to recover from the recession, single-family housing is approximately 85 percent owner-

occupied, while multifamily housing (primarily townhomes and condominiums) is around 89 percent renter-occupied. In general, there is much more multifamily housing in the cities of Lacey, Olympia, and Tumwater (35-40 percent) compared to the remainder of the county.

Seniors may drive changes in housing

Housing will grow and change along with the county’s population. Larger families may still choose single-family suburban homes. However, single people and empty-nesters, as well as low-income and disabled residents, may prefer apartments and homes on small city lots close to stores, parks, bus stops, and jobs. Projected population growth among senior citizens, in particular, may help drive demand for smaller, lower-maintenance housing near medical services.

The rental market – representing about one-third of all housing – has outpaced the rate of inflation. The median rent of a two-bedroom unit rose 34 percent, to \$806 in 2011 from \$601 in 2002 (Figure 4). In March 2012, the Washington Center for Real Estate Research reported that the average rent in Thurston County was \$845, with a vacancy rate of just more than 6 percent. In general, a vacancy rate of 5 percent indicates that demand matches supply. Thurston County’s higher vacancy rates indicate that rental prices may decrease slightly, at least in the short term.

Even after the housing bubble burst incomes have not kept pace with housing costs. Housing is considered affordable when it accounts for 30 percent or less of

Above: The playground at the Salmon Run Apartments, a development funded through HOME and other state and federal grants.



monthly household income. Today, 32 percent of homeowners and 47 percent of renters are “cost burdened,” meaning that they spend more than 30 percent of their income on housing costs (Figure 5), according to data from the Census Bureau. Fifteen percent of all households are “severely cost burdened,” and spend more than 50 percent of their income on housing costs.

‘Severely cost-burdened’ owners up 57 percent

The numbers of cost-burdened renters and owners in Thurston County have both increased since 2011. The total number of households experiencing a severe cost burden has increased 35 percent over the last decade. The greatest single increase has been for severely cost-burdened homeowners – a category which has increased by 57 percent in the last 10 years.

The principal intended beneficiaries of CDBG and HOME are households with incomes less than 80 percent of area median income (AMI), a number that equated to \$49,617 in 2010. More than two-thirds of these households are cost burdened. For the poorest households, those with incomes less than 30 percent of AMI, more than 80 percent are cost burdened.

Many cost-burdened home owners cannot afford to make basic repairs to their houses and therefore face a higher risk of experiencing dangerous housing conditions, such as mold and roof damage. The CDBG and HOME programs can help by providing rehabilitation loans that benefit low-income homeowners and tenants.

These loans can be used to eliminate hazards, such as failing electrical systems and lead-based paint. The loans can also reduce utility costs by upgrading insulation and heating systems. Rehabilitation loans provide less expen-



The Salmon Run Apartments are a 40-unit affordable housing complex in Yelm, completed in 2012. The apartments are designed to serve families making 40 to 50 percent of area median income.

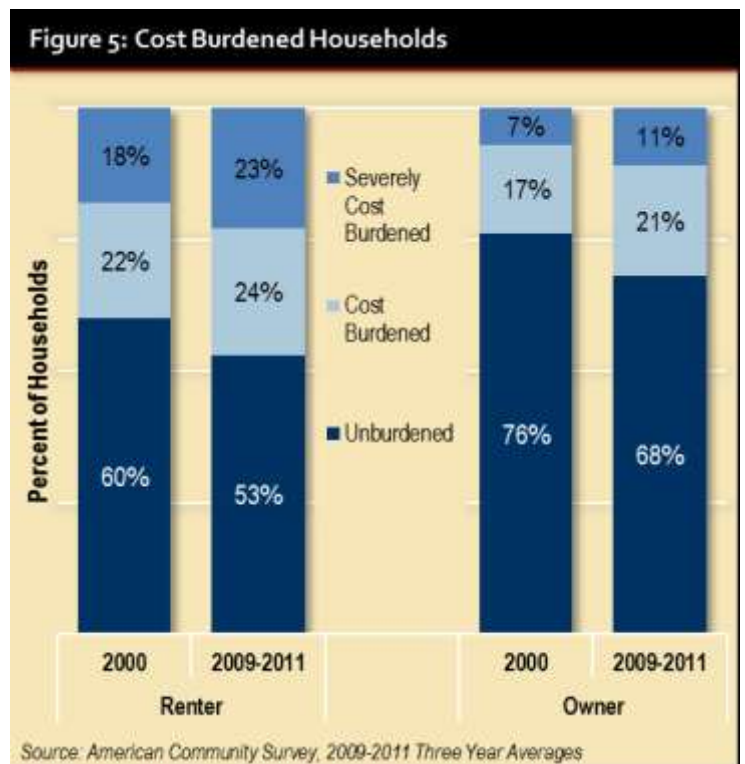
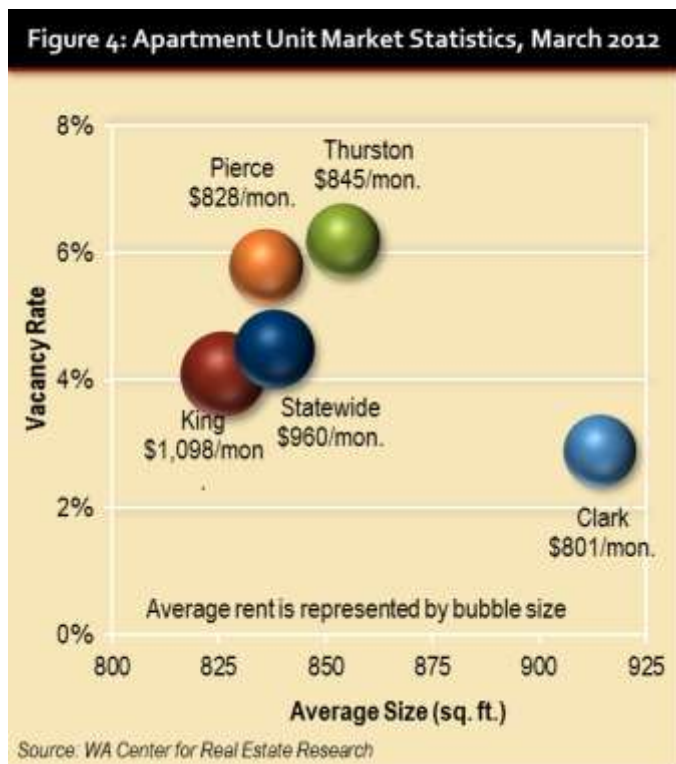


Figure 6: Owner and Renter Households, by Income and Cost Burden



Olympia Mayor Stephen Buxbaum and Tumwater City Councilmember and HOME Consortium Chair Neil McClanahan participate in a HOME Consortium meeting in December, 2012.

sive way to support low-income housing than alternatives such as new construction.

Note that rehabilitation loans are repaid in most cases. This allows funds to be “reused” for other eligible activities.

Examples of recent affordable housing projects

The following projects were funded, at least in part, through CDBG and HOME grants during the last three years:

- The HOME program leveraged funds from the Housing Trust Fund and federal housing tax credits to construct Yelm’s Salmon Run apartments, providing affordable housing to 40 low-income households.
- The City of Olympia provided a CDBG grant to Homes First! to acquire and rehabilitate a single-family property for use as housing for up to four developmentally disabled adults. Homes First! is a Lacey-based nonprofit that has renovated and preserved affordable renting housing for low-income families and people with special needs since 1990.
- Tenant Based Rental Assistance (TBRA) is a program that has helped several hundred families avoid homelessness by providing short-term rent money. This program is partly funded by HOME grants that were provided by the Community Action Council and the Housing Authority of Thurston County.

Building a Future

Habitat For Humanity — The Burns Family

The Burns family is one of five now enjoying a new home in the Shepherd's Grove complex in Tumwater. Completed in June 2012, Shepherd's Grove is the latest housing project from South Puget Sound Habitat for Humanity.

The homes are in a low-impact development cluster with shared community spaces, native landscaping, and rain gardens. Each home is 1,250 square feet on a 2,500-square-foot lot, and completely ADA compliant.

The homes were built with the help of hundreds of volunteers donating thousands of hours of labor, students from New Market School's Construction Trades Department, donations of money and material, and the sweat equity of the future homeowners themselves. The partner families purchase the homes with a no-profit loan. The mortgage payments will be used to build more Habitat homes in the future.

For Aaron and Trisha Burns, sons Aiden and Emry, and daughter Makayla, home ownership has meant the end of shuffling between cramped apartments.

"If you're renting it's like throwing your money away because you don't

own anything," Aaron says.

Each adult in the family is required to spend 250 hours working to build their home. Aaron spent much more time than that on the construction while also going to college. In fact, he worked on all five houses — and in the process learned a lot.

"He was like a kid in the candy store," says Trisha. "Every week we came, he couldn't sit still he was so excited. And it was neat, too, to be able to work with our neighbors so that we got to know them before we moved in and we had a bond. I think that made a big difference."

Trisha is now in college studying early childhood development, and Aaron is an IT specialist.

"It gives our kids stability," says Trisha. "In the apartments, we were constantly moving.

To have your own place, you have so much more pride in what you have, especially since we built it."



Above: The Burns family on the porch of their new home. Below: Emry, Aiden, and Makayla enjoy a space of their own.





Social Services

As the national economic downturn has increased levels of cost burden, the poverty rate has also risen. The federal Census Bureau establishes the poverty rate annually based on family size, ages of the members, and income. Within Thurston County, the overall poverty rate is 11.5 percent, and 6 percent of the population had incomes below 50 percent of the poverty level (Figure 7).

More African-American, Latino, American Indian, and Alaskan Native residents are poor. Residents without a high school diploma had nearly double the average rate of poverty, and more than one-quarter of those unemployed reported living in poverty.

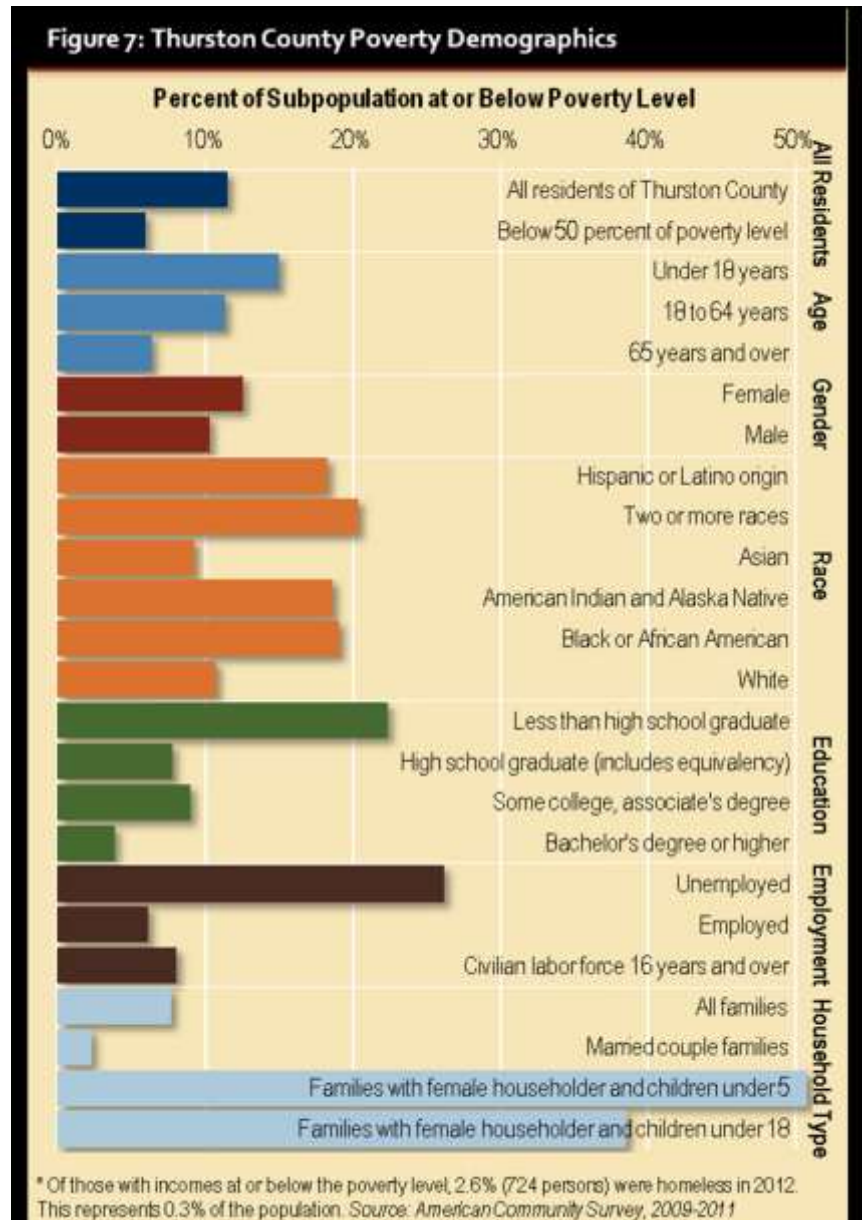
Poverty rate is higher for children

The poverty rate is higher than average for children in the county under age 18, of whom 8,130 are poor. Of these, 3,396 are in extreme poverty, meaning that they live in families with incomes less than 50 percent of the federal poverty rate.

One quarter of families with children are headed by single mothers. More than 50 percent of female-headed families with children under five years old are in poverty. More than 60 percent of single mothers in Thurston County are between 20 and 30 years old, while an additional 16 percent are under age 20. These numbers indicate that many single mothers face the challenges of trying to graduate from high school and college and enter the job market while raising young children.

Another useful source of information on poverty among children is the number of children enrolled in the National School Lunch Program, which provides free and reduced-price meals in public

Above: A staff member at Rosie's Place, a center for homeless and low-income youth, distributes socks.



Enrollment in the National School Lunch Program grew by 31 percent over the last six years.

schools. The county’s enrollment growth outpaced the state’s over the last six years — 31 percent vs. 27 percent. All eight of the county’s districts have saw significant increases (Figure 8).

Olympia School District showed the biggest jump during that period, with the number of enrolled students growing 42 percent. However, Rochester, Tenino, and Rainier have the highest percentages overall, which hover around 50 percent. The number at the top of each column is the total number of students in each school district receiving a free or reduced price lunch.

Homelessness surpasses local shelter capacity

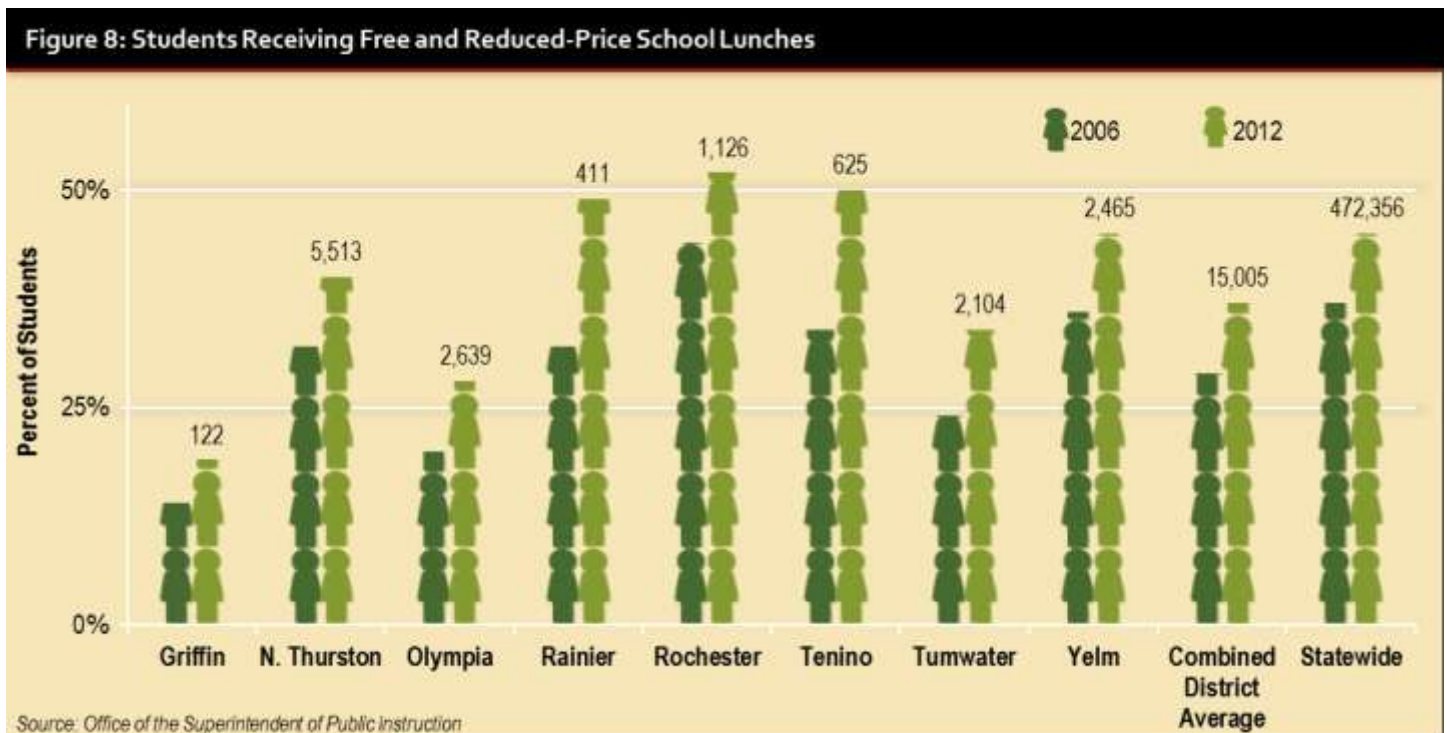
Thurston County participates in a statewide annual count of homeless persons, known as the Point in Time count. This census helps determine the number of homeless people in the county, as well as the causes of their homelessness, and assists in developing a comprehensive strategic response to the issue.

As housing costs and unemployment rates have risen, the number of people without a place to live has grown significantly — 64 percent since 2006. The 2012 count found that 724 individuals were homeless or lived in emergency or transitional housing. In addition, 162 people were counted as temporarily living with friends or family, bringing the total number of individuals without a stable place to live to 886. Nearly one-quarter of the homeless people counted were unsheltered.

Sixty-three percent of those counted had been homeless for more than one year or had experienced four or more episodes of



Camp Quixote was founded in 2007 to provide a safe, warm, and dry community of homeless adults. The nonprofit Panza mobilizes financial support and acts as a liaison with city and county officials. Above, Jill Severn (in front), the President of Panza, stands with members of the Camp Resident Council Dale Starkweather, Don Hutchings, and Lynette Schaeffer.





Housing all of those currently homeless in Thurston County, would require an additional 288 shelter beds.

The 2012 Point-in-Time count found 724 homeless individuals, of whom 171 were unsheltered. An additional 156 people were "couch-surfing" or staying with friends or family. Photo by Alicia Crowley.

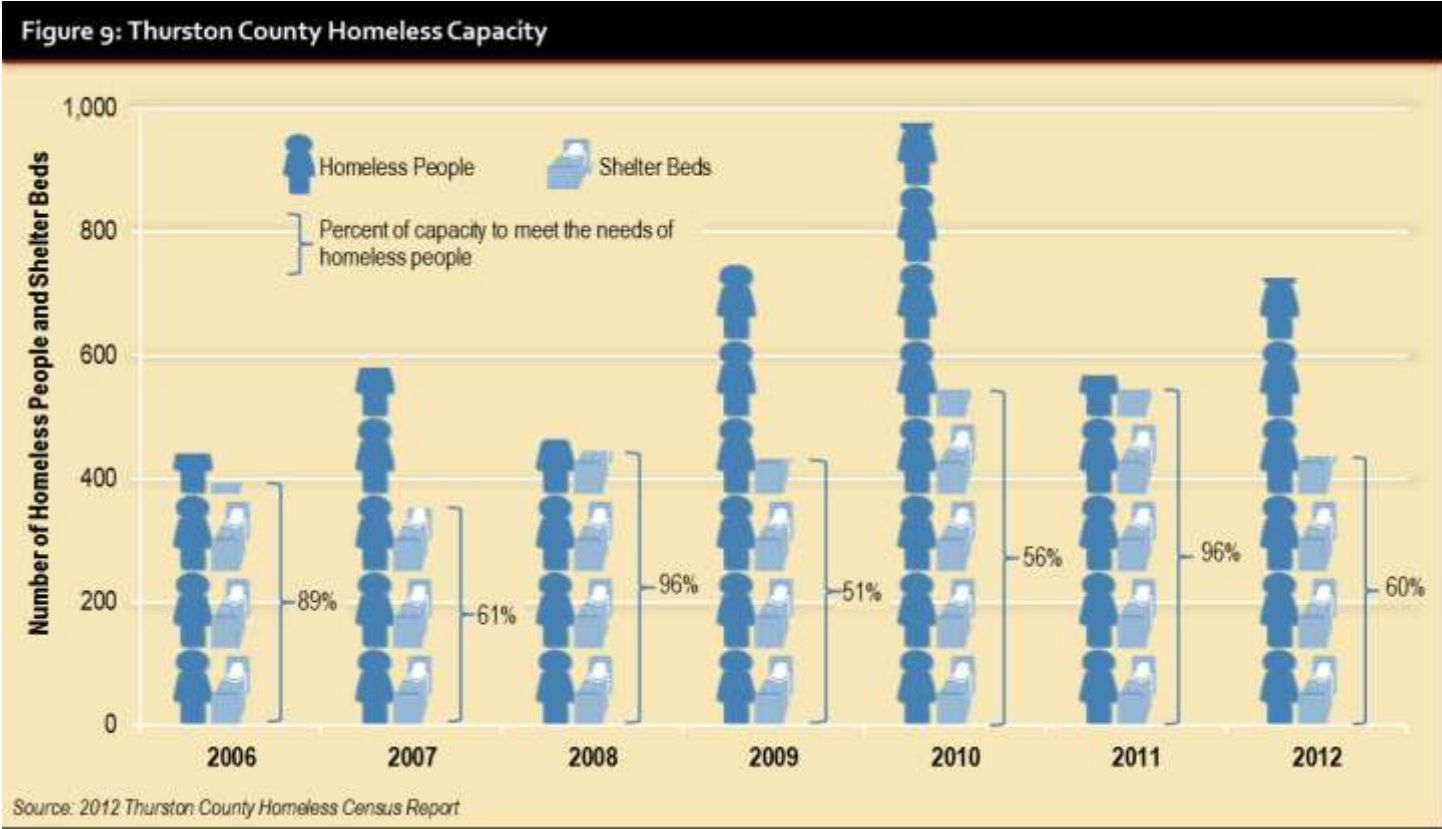
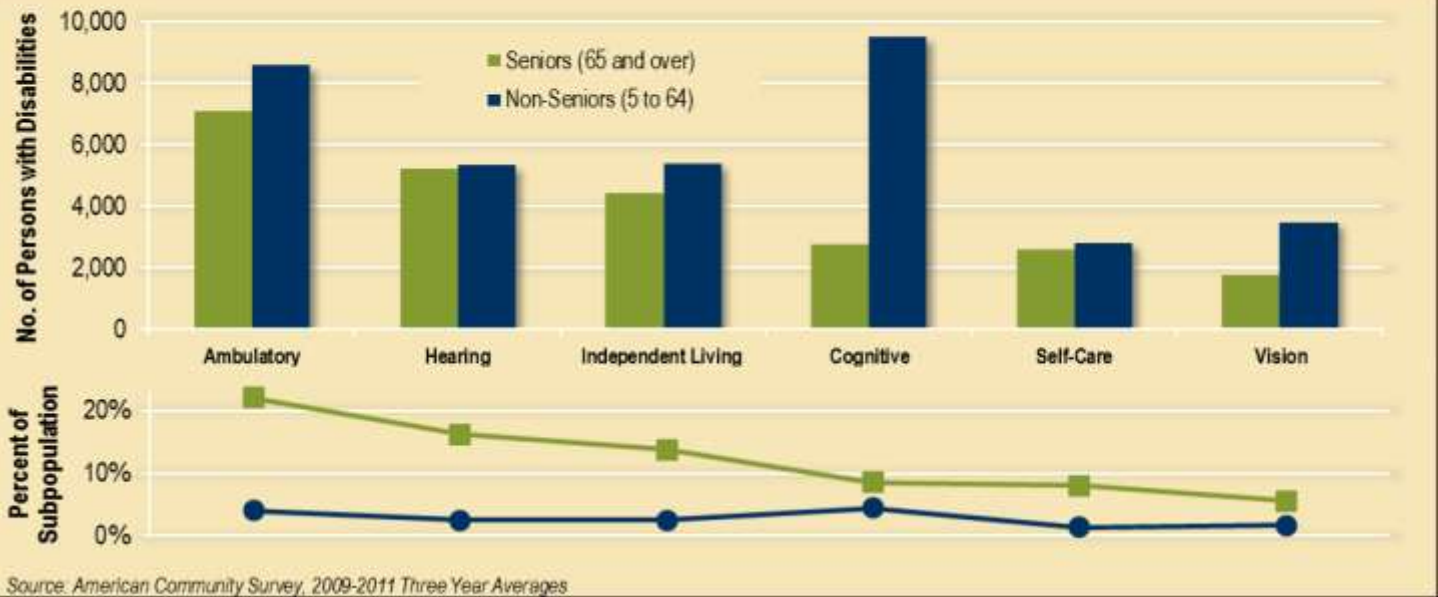


Figure 10: Thurston County Residents with Disabilities by Type



homelessness in three years. The definition of chronic homelessness – a HUD designation that attempts to identify which individuals are most in need of permanent supportive housing – includes having a disability as well as experiencing multiple episodes of homelessness.

A family crisis or relationship break-up was the number one cause self-reported for homelessness, followed closely by economic reasons. The next top three reasons listed for an individual becoming homeless were domestic violence, job loss, and mental illness, respectively.

Thurston County’s homeless shelter capacity has increased by 11 percent since 2006, but that has not kept pace with the need. To house all of those homeless in the county as of 2012, an additional 288 beds would have been needed. Table 9 illustrates the gap between homeless people and shelter capacity over the last seven years.

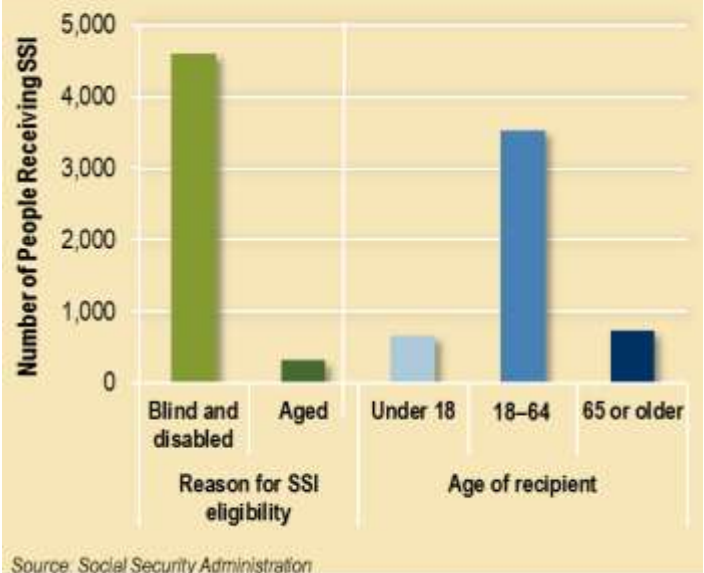
Over the last year, county and city staff worked with social service providers to conduct an in-depth analysis of the homeless housing service delivery system. That effort has identified gaps that, if filled, would result in more effective and efficient programs to reduce and ultimately end homelessness. The analysis concluded that the region needs more programs that provide rapid rehousing for families and permanent supportive housing for adults with special needs.

Service providers indicated that increased “low-barrier” shelter capacity is needed for adults — particularly men — who are underserved and may resist or be ineligible for existing shelter options. Lastly, with more than one-third of the homeless under age 21, the area needs more youth-specific shelters and programs to connect young people to services.

Social services, seniors, and the disabled

More than 30 percent of Thurston County residents received services from the state Department of Social and Health Services (DSHS) in 2009, the most recent year for which complete data are available (Figure 10). The largest

Figure 11: Thurston County Residents Receiving SSI

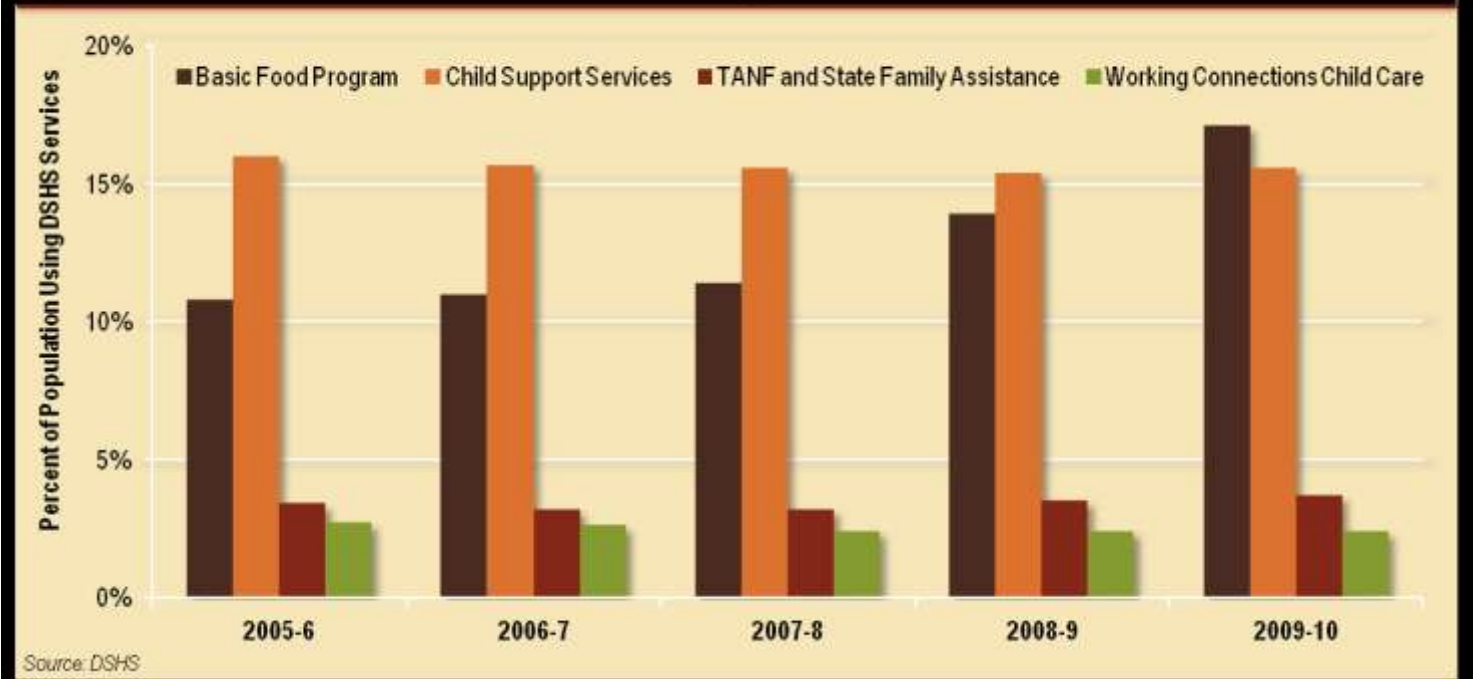


service category was the Basic Food Program, known commonly as food stamps. The number of people receiving food stamps has increased by 58 percent since 2005, and now includes more than 17 percent of the county. Temporary Aid for Needy Families, or cash grants that help families for short periods of time, were utilized by 3.7 percent of the population.

In 2010, residents age 65 and older made up less than 14 percent of the total county population. The number of seniors is expected to grow to approximately 23 percent of the population by 2030. The first of the “baby boomers” – those born between 1946 and 1964 – turned 65 in 2011.

A disability is defined by federal law as the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment(s) that can be expected to result in death, or which has lasted for at

Figure 12: Rates of DSHS Service Utilization in Thurston County



After-school tutoring programs by the nonprofit called Together! provide economically disadvantaged youth with a safe place, caring adults, and constructive activities that encourage positive social, emotional, and cognitive outcomes.

least one year. Seniors have more disabilities than the county’s overall population, but experience less poverty and use fewer DSHS services. More than 43 percent of seniors experience one or more disabilities compared to 12 percent of non-seniors (Figure 11).

Many physically disabled people depend at least in part upon the federal government’s Supplemental Security Income (SSI) program to meet their basic living needs. SSI provides financial support for people with significant and long-term disabilities who have no other means of support. Washington State supplements the federal SSI payment with a state-funded monthly reimbursement. Fewer than 2 percent of Thurston County residents receive SSI payments.

Examples of recent social services projects

The following projects were funded, at least in part, through CDBG and HOME grants during the last three years:

- Together!, an organization dedicated to preventing youth violence and substance abuse, received a CDBG grant to provide an after-school and summer program in 2010. The activities, based at a low-income housing project on Olympia’s west side, benefited 95 very low-income youth.
- CDBG funds in 2010 and 2011 went to support Rosie’s Place, operated by Community Youth Services. Meals, clothing, and hygiene products were provided for up to 45 homeless youth each day. In addition, the center allows young people to use computers, join workshops and activities, and get help with job searches from on-site advocates.
- The Family Support Center provides an emergency shelter, counseling, employment assistance, and other needed services to homeless and low-income families in Thurston County. In 2010, a CDBG grant provided staffing for homeless prevention and case management for 592 families at high risk for homelessness.

A Door to Stability

Community Action Council — Shannon Wood

When Shannon Wood walked into the Community Action Council's (CAC) Family Resource Center in 2012 she was out of options.

The single mother of two was working as a cashier. She was also living in her car behind the store while her children stayed with family. "The CAC was the last place I came to and the first place where I was able to get the information I needed," she says.

The Community Action Council of Lewis, Mason and Thurston Counties was able to get Shannon and her children into a foreclosed home it had acquired in 2012 and assist her with rent. CAC is also helping Shannon apply for energy assistance. And the nonprofit agency has acted as a referral agency for everything from school supplies to assistance for Shannon's autistic son.

"We try to connect them to every possible resource that's out there," says CAC Family Service and Development Director Jan Naughton of the people who walk into their Family Resource Center. "We had an internal rental assistance program that we were able to

qualify Shannon for, and we connected her to the Section 8 voucher program. She can stay in that house as long as she needs to."

Shannon served in the U.S. Army with a promising military career. She attended George Washington University, served on staff of the Fort Lewis base commander, traveled extensively overseas, served in Egypt, and was shot in Afghanistan.

But in 2005, days before her scheduled deployment to Iraq, she was viciously attacked with a butcher's knife while having her hair done in a Lacey beauty salon. The attack by a mentally ill woman was completely random. Shannon spent the next seven months in hospitals, had more than 30 surgeries, and was left disabled. She was discharged from the military and because her injury was not service-related, was denied VA medical or disability benefits.

"The resources that I was accustomed to for 15 years are just not there," she said of her post-military life. "I've

been gainfully employed since I was 15 years old. This is an entirely new situation for me."

Shannon says she fell through all of the cracks — "literally every loophole that you could possibly think of for someone in my situation. I wondered, what am I going to do?"

Today, with the help of CAC, Shannon has been able to get her life back on track and provide a stable environment for her children. She is currently pursuing a nursing degree at South Puget Sound Community College.

Shannon's story is an example of how CAC provides services directly, and through partnerships, to empower and strengthen families, and promote self-sufficiency.

Jan Naughton says that the CAC is "committed to improving the quality of life for those in our community by helping meet the basic needs of housing, heating, safety, mental health, and food and nutrition for families and individuals, and to lessen the impact of poverty."

Funding comes from a variety of sources, including HOME and CDBG grants. In many cases, one funding source will help leverage another.

Shannon Wood, at right, speaks with Cheryl Huffman, the Lead Client Service Representative for the Community Action Council.





CDBG is a flexible funding source that can be used for the construction and improvement of public facilities and infrastructure projects. There’s only one caveat. To be eligible a project must benefit all residents of an area where at least 51 percent of the residents are low or moderate income.

Public facilities can include libraries, recreational facilities, homeless or domestic violence shelters, nursing homes, youth facilities, or group homes for the disabled. Meanwhile, potential infrastructure projects might involve streets, curbs, and water and sewer lines.

CDBG funds can also be used to improvements to a building’s energy efficiency or to make it accessible to those with disabilities.

A major benefit of many of these projects is that they help low- or moderate-income residents make ends meet in a com-

munity whose living costs tend to be above the national average (Figure 13). For example, the cost of utilities in Olympia is more than 110 percent of the average for U.S. cities.

Rural areas benefit from infrastructure funding

Public facilities and infrastructure projects are often expensive and require multi-year financing by multiple stakeholders. However, these projects can have a direct impact on the economic and community development of an area. In many cases, infrastructure improvements are necessary before financing can be secured for other projects that benefit low-income residents.

For instance, many funding sources for affordable housing projects require that they have access to a sewer system. Rural communities that only have septic systems (such as Bucoda and Rainier) may thus be less likely to undertake affordable housing projects.

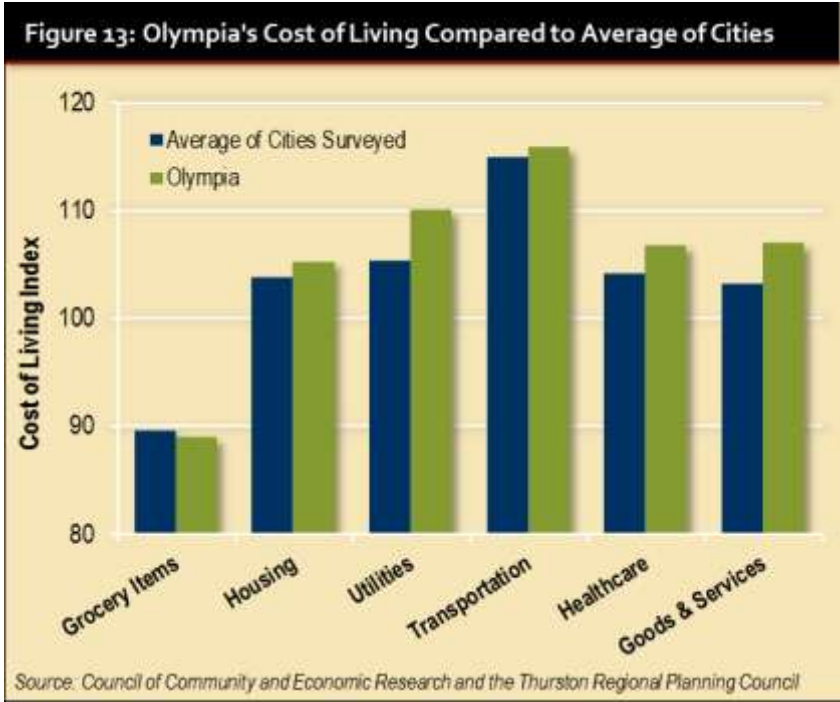
For rural communities, CDBG can be a crucial funding source to enable the municipality to leverage other sources of financial support to invest in large sewer and drinking water projects.

This is because smaller cities and towns often have limited access to much-needed debt and equity capital that would allow them to invest in expensive infrastructure upgrades.

Capital facilities plans and CDBG

Thurston County is one of 29 counties in the state that follow the requirements of the state’s Growth Management Act (GMA), passed in 1990. The state’s fastest growing counties and the cities within those counties must plan for growth in accordance with the GMA. Thurston

Above: A City of Lacey sewer serves the public restrooms at the Woodland Creek Community Park. The 72-acre park is also home to the Lacey Community Center and Lacey Senior Center.



A Solid Foundation of Service

Yelm Community Services

Cindy Marchand-Cecil, Executive Director of Yelm Community Services, calls herself the biggest fan of the CDBG program. In the more than 40 years since the nonprofit agency was formed, its facilities and services have greatly expanded due in large part to CDBG.

When Marchand-Cecil began working at Yelm Community Services in 1986 its facilities were limited. A few years before, the organization lost its home to a fire on New Year's Eve.

The result: "We used to hold day camp at Yelm City Park, and that was before they put the sewer project in. We had to quit meeting there because you could only flush the toilet so many times," Marchand-Cecil recalls.

The bottom line, she says, is that "you have to have the facilities to serve people."

Since Yelm Community Services began the City of Yelm has grown from a population of less than 700 to an estimated 7,000 residents in 2011. In order to meet the needs of a rapidly expanding community, Yelm Community Services has looked to assistance from the CDBG program for a new facility and expansion.

Beginning in 1991, the agency obtained a series of CDBG grants, which were used to leverage other funds to create a Community Services Center on five acres. The most recent grant, for \$750,000, completed the third phase of an expansion that included construction of a Child Care and Youth Center, and expansion of a thrift shop and food bank. CDBG funds also helped with the development of a separate 24-unit apartment complex for low-income seniors and people with developmental disabilities.

Today, the \$2 million Community Services Center complex consists of the food and clothing banks in a 6,000-square-foot building, a 1,088-square-foot home with six beds for a homeless family to stay in for up to three months, a central 16,000-square-foot center with a reception area for requesting assistance, classrooms and kitchens for Head Start and Summer Day Camp, and a large gymnasium.

Yelm Community Services continues to expand the facilities and services.



"We just got a grant from the county to put in a bathroom, a laundry facility, and a shower so that people who are homeless but don't want to stay at the shelter, they can come in, wash their clothes and take a shower," Marchand-Cecil says. "That's a good way that CDBG funds leverages other money to make other services available."

Cindy Marchand-Cecil, above. Luis Morales, below, delivers 1,000 pounds of food to the Food Bank three times a week.



County and its cities and towns are required to issue comprehensive plans that include plans for land use, housing, utilities, shoreline policies, and transportation.

The capital facilities plan is one requirement of the comprehensive plan, and describes capital projects necessary to support the county's forecast population growth and how they will be financed. The GMA requires each city's capital facilities plan to identify specific facilities, include a realistic financing plan, and adjust the plan if funding is inadequate. Comprehensive plans and capital facilities plans can be found at the websites of Thurston County and its cities.

As a case in point, the county's recently adopted 2013-2018 capital facilities plan identifies \$491,334,500 in total costs over the next 20 years. Thirty-seven percent of those costs are due to transportation improvements, mainly to prepare for additional capacity as the population grows. However, also included are costs for parks, solid waste and sewer projects, stormwater improvements, and the construction and rehabilitation of county buildings.

Sources of funding in capital facilities plans may include local taxes, municipal bonds, and development-mitigation fees. An additional — and often crucial — source of potential funding may come from federal and state grant and loan programs. CDBG dollars can be used to leverage these sources.

Examples of recent CDBG projects

Following are some examples of public facilities and infrastructure projects funded, at least in part, through CDBG grants during the last three years.

- The City of Olympia used CDBG funds in 2011 to install audible traffic signals at 14 high-traffic intersections. These signals issue a series of beeps and an automated voice to let sight-impaired residents know when it's safe to cross the street.

CDBG allows rural and urban areas to prioritize needs for funding based on the conditions in their communities.

- The City of Olympia's former Smith Office Building has been slated for redevelopment into an emergency shelter to assist homeless families with children, using CDBG funds. This 12,000-square-foot building on the eastside of Olympia had previously housed the city's public works and planning departments and now sat vacant. Under an agreement with the city, the Family Support Center will develop the facility to provide 28 beds of emergency shelter and 34 beds of permanent affordable housing. The families will receive supportive services to help them work toward independence.

The state CDBG program, managed by the state Department of Commerce, has also made grants to benefit low and moderate income residents of Thurston County:

- A state-funded CDBG grant provided vital sewer system improvements in the Woodland Creek Estates and Covington Place neighborhoods in Lacey. The 2011 project converted on-site septic systems to a public sewer system, thereby reducing fecal coliform bacteria and nitrate pollution into Henderson Inlet.
- In 2012, another state-funded CDBG grant supported the development of a community center at Camp Quixote. Camp Quixote is a self-governed community of homeless individuals whose council and supporters are currently planning for a permanent location for the camp.



Photo by Robert Whitlock

Audible Signals Improve Accessibility

Curb Cuts and Walk Signals — Larry Watkinson

Larry Watkinson, a manager at the Department of Licensing in Olympia, is blind and takes his independence seriously. "I am only truly disabled if I'm not independent."

That's what he told the Olympia City Council at a meeting in early 2012. The Council was considering, and eventually approved, installing audible traffic signals at 14 intersections to improve pedestrian safety at crosswalks. The signals, located at busy intersections throughout the city, issue a series of beeps and an automated voice to let sight-impaired pedestrians know when it's safe to enter a crosswalk.

The project was funded in part with CDBG funds. Before the 2012 project, the city had audible signals at only four intersections, and no new signals had been installed during the prior 10 years.

Larry works on the state Capitol

Campus, about a mile away from his home in the Eastside neighborhood. With assistance from his guide dog, Huey, Larry walks to and from his home through a gauntlet of low-hanging branches, uneven sidewalks, street crossings, and a host of challenges most of us take in stride. In the fall of 2011, he shared those challenges with city leaders directly.

"I went with Steve Hall, City Manager of Olympia, on a walk and I showed him how difficult it was for me to get across those intersections," Larry explains. "Steve experienced life with me from the new City Hall up to Plum Street, down Plum Street to Union, and we ended up here at my house and then walked back to City Hall. At Plum and Union, I asked him to shut his eyes and experience crossing that street with me. He used that as a launching pad to pro-



pose to the City Council that we improve some intersections."

The changes to the large Plum and Union intersection, the most dangerous on Larry's route, have helped. Traffic flowing off Interstate 5 merges with city traffic from downtown and the Capitol Campus at the busy intersection. Before the audible signals were installed, Larry would have to judge traffic by sound of vehicles alone, often waiting through several cycles of light changes before feeling confident enough to cross.

"I really appreciate the city's effort to move some funds in the block grants to demonstrate their commitment to an inclusive city," said Larry. "There's good value in having these audible lights. Olympia's an historic town, and it's kind of unique. We can still maintain that character, though, and make it accessible at the same time."

Larry Watkinson and his guide dog Huey navigate a downtown intersection on his daily commute. Above photo: One of 56 audible traffic signals installed at 14 intersections using CDBG funds.





Economic Development

Over the last two years as the county has begun to pull out of the recession. Consumer confidence is up, unemployment rates have declined, and household incomes have stabilized, according to the Economic Vitality Index published annually by the Thurston Economic Development Council

The county’s economy continues to be driven by government employment – more than one-third of all nonfarm employment can be attributed to state and local government jobs. During the recession, decreased tax revenues resulted in government budget cuts. In 2011 the county lost more than 500 government jobs. While the worst of the recession is over, state and local governments are still trying to “do more with less” in order to meet the needs of a growing population without significant revenue increases.

Figure 14 shows employment by industry in the county. Government is by far the largest employer, with about 36,000

people employed and an average annual wage of \$53,014. The government category does not include public school teachers, who are counted in the category of educational services and total 1,271 in the county. Health care, retail trade, accommodation, and food services are the next highest categories.

With relatively low employment, wholesale trade and utilities had the highest annual wages, at \$83,700 and \$75,435 respectively. Accommodation and food services had the fourth highest employment numbers, with more than 7,500 finding work in these industries. However, this category had the lowest annual wage of any category, at just \$15,665. For many residents without high school and college degrees, these jobs represent available work but do not provide adequate

Above: The Yelm water tower overlooks the city’s downtown. Yelm has seen the county’s fastest rate of growth since 2000.



In 2011, the county lost more than 500 government jobs.

wages to keep a family out of poverty status.

Median income higher, joblessness lower than state

In 2011, Thurston County's median household income of \$60,621 was higher than that of the state (\$57,244). This level was below the 10-year peak for 2008 (\$63,009), but slightly above the median household income for 2010 (\$60,038). The median household income in unincorporated portions of the county was higher than in the incorporated communities.

Trends in the local unemployment rate tend to mirror patterns in the state and nation (Figure 15). Thurston County's rate reached 8.9 percent in 2010, but may have not reached the statewide high rates due to high levels of government employment. Since patterns in government employment, which are funded through tax revenue, tend to lag behind other sectors, the government sector may take longer to fully recover from the effects of the recession. Nevertheless, as of July 2012 the county unemployment rate had fallen to less than 8 percent and currently remains below the state average.

HUD loan guarantee program leverages grant dollars

The HUD Section 108 loan guarantee program enables local governments to pledge their current and future CDBG allocations as security for low-interest loans. Under this program, communities can borrow up to five times their most recent CDBG award for eligible projects that meet national objectives. Unlike annual CDBG awards, these loans must be repaid within 20 years. The loans are typically used for economic development or housing projects that can generate income for repayments. The City of Olympia has been approved by HUD to participate in the Section 108 program in order to leverage funding for larger projects.

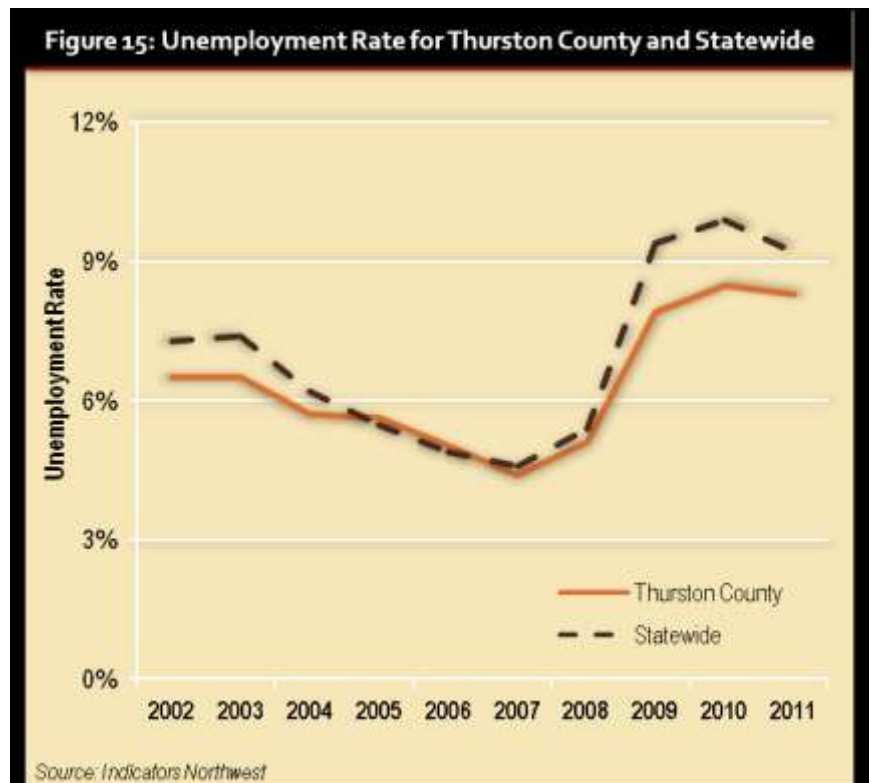
Microenterprise training supported

During the last three years, the primary economic development activity funded through CDBG has been microenterprise training provided by the nonprofit Enterprise for Equity. Microenterprises are businesses with five or fewer employees. These small businesses account for more than 17 percent of all employment, but frequently struggle to find training and resources specific for their needs.

National research indicates that after receiving microenterprise training, more than half of recipients were able to increase their household earnings enough to rise out of poverty. Enterprise for Equity provides technical assistance and support to low-income entrepreneurs through their Business Readiness workshops. Thanks to CDBG funds, 25 people graduated from their Comprehensive Business Training program in 2010 and 2011.



A empty storefront in the Masonic Lodge Building in downtown Tenino. Taxes on business retail sales fund public transportation and law enforcement. Photo by Joe Mabel.



Fermenting Small Businesses

Enterprise for Equity — OlyKraut LLC

OlyKraut is a small but yeasty food company in Olympia. Its raw gourmet sauerkraut continues to gain followers in markets from Portland to Seattle.

Early on, the startup business took advantage of training from Enterprise for Equity. This local nonprofit has been helping low-income people launch small businesses since 1999.

OlyKraut co-owners Sash Sunday and Summer Bock were each independently pursuing food fermentation ideas when friends encouraged them to meet. They teamed up and formed OlyKraut, but soon realized they could use additional help with the business side of things.

Enter, Enterprise for Equity, which offers a full menu of business training, technical assistance, and support services to low-income entrepreneurs. Sunday and Bock graduated from a business training program in 2010.

"It was really helpful," Sunday says. "I wanted a better business plan, and that's exactly what we got. They are such a great resource, and they really want to help everybody."

OlyKraut has doubled its production and revenue every year since. It current-

ly employs eight people, buys extensively from local farms using organic practices, and markets its product in health food stores, food co-ops, and farmer's markets.

In 2012, the business partners traveled to San Francisco to accept the national "Good Food Award" in the pickled or fermented foods category, and anticipate continued growth in its future.

"We are moving to organically certified," Sunday says. "We have always used produce from farms using organic practices but this past year switched to those with specific organic certification. That will help in expanding our market (to retailers) like Whole Foods."

Graduates of the Enterprise for Equity program are also eligible for micro-loans. Recently, OlyKraut received a small loan from Enterprise for Equity to build a new fermentation room.

"Enterprise for Equity made good use of CDBG funding from the City of Olympia to fuel small business development for people with low incomes," says Lisa



Smith, the nonprofit's executive director. CDBG funds also helped the organization secure additional funds for small business training. Enterprise was able to "leverage nearly \$200,000 in additional federal grants into our community. It had a tremendous impact on our organization and the numbers of people we could reach."

Sash Sunday, above, co-founded OlyKraut three years ago. Below, employee Nate Masse readies an order for shipment.





Public Process

Figure 16: Perceived Challenges



More than 350 people participated in the planning process for the 2013-2017 Consolidated Plan. Residents, elected officials, service recipients, and social service providers offered their perspectives by responding to a survey or by attending a focus group or public hearing.

A survey designed to gauge perceptions of challenges, needs, and priorities for the use of CDBG and HOME funds was conducted from October 31 to December 20, 2012. The survey was distributed by email to community partners and stakeholders, who were encouraged to forward the survey to their constituencies, and paper copies of the survey were distributed to social service providers.

A total of 319 people responded. Olympia residents comprised 48 percent of respondents, with the remainder living in Lacey (8 percent), Tumwater (8 percent), Yelm (4 percent), and Tenino (2 percent). Twenty-six percent reported living in unincorporated Thurston County. Six percent identified themselves as meeting the federal definition of disabled.

Almost one-quarter of respondents indicated that they had household incomes below 80 percent of area median income. Nearly half (48 percent) of the survey participants worked in a social service or nonprofit organization serving low-income clients. This level of participation from the target population of the CDBG and HOME Programs helps to ensure that disadvantaged

Above: Thurston County commissioner Karen Valenzuela and Yelm councilmember Mike McGowan at a HOME Consortium meeting.



“Rural Thurston County needs to be involved in all aspects of the process – we should be full players and be listened to. We want to be included and not left out.”

voices have a place in the consolidated planning process. Homeowners were the majority of respondents, at 74 percent, while renters comprised 22 percent. Four people indicated they lived with family and friends, and three people reported being at risk for homelessness or being homeless. Full survey results are available in the *2013-2017 Consolidated Plan* report.

Jobs, rental housing are top challenges

Survey respondents were asked about the top challenges facing the region, and asked to judge the level of need for a variety of eligible activities in five categories. Additionally, they were asked which six activities they would fund next year, assuming that the regional CDBG and HOME programs receive \$1.15 million in 2013.

Figure 16 displays the perceived challenges indicated by survey takers. Each respondent could only choose three challenges. The results are delin-

Clockwise from top left: Dennis McVey, Rob Richards, Bob Ricks, Curt Andino, Danny Kadden, and Bonnie Hill participate in discussions about how to best use CDBG and HOME dollars to address the community's social and economic needs.

Figure 17: Priorities for the Next Five Years



Source: 2012 Thurston County / Olympia Regional Consolidated Plan Online Survey

eated between all respondents, those who live in Olympia, and those who live elsewhere in Thurston County.

Regardless of location, respondents agreed on the top four challenges facing the region: “Not enough jobs,” “Not enough affordable rental housing,” “Not enough social service funding,” and “Not enough services for homeless.” County residents emphasized the need for jobs, while Olympians viewed lack of social service funding as the top issue.

Under affordable housing, more than 58 percent of respondents indicated a high need for homeless/transitional housing, followed by tenant-based rental assistance/housing vouchers (51.4 percent). Nearly half of respondents marked “other” and filled in comments. Several voted for housing for veterans and people with mental illness.

In the category of social services, more than 52 percent designated services for homeless persons as the top area of need, followed closely by health services (51.8 percent) and employment services (51 percent). Substance abuse services was marked as a high need by 45.7 percent of survey takers.

The only category respondents selected under public facilities as high priority was homeless shelters (55 percent). Respondents generally indicated that other facilities – such as centers for disabled, senior citizens centers, child care centers, and domestic violence shelters – were medium priority.

In the infrastructure category, no areas were selected as high need. Respondents indicated that sidewalk improvements, sewer improvements, and flood prevention/drainage improvements were all medium priority.

Under economic development, 44.8 percent of respondents thought loans to businesses that employ low-income people should be a high priority. Business support services and small business loans and training were marked as medium priorities.

Economic development top regional priority

Next, respondents were asked to choose one of the five areas to focus on in each of the next five years (Figure 17). For the first three years, economic development emerged as the top priority for the region. However, Olympia respondents indicated that social services should be the priority in 2013, and affordable housing in 2014. They agreed that economic development should be the top priority in 2015.

In 2014 and 2015, the differences both between Olympians and non-Olympians, as well as the differences in priority between the categories, are gradually erased. Looking into the future, respondents rank all five of the categories as important.

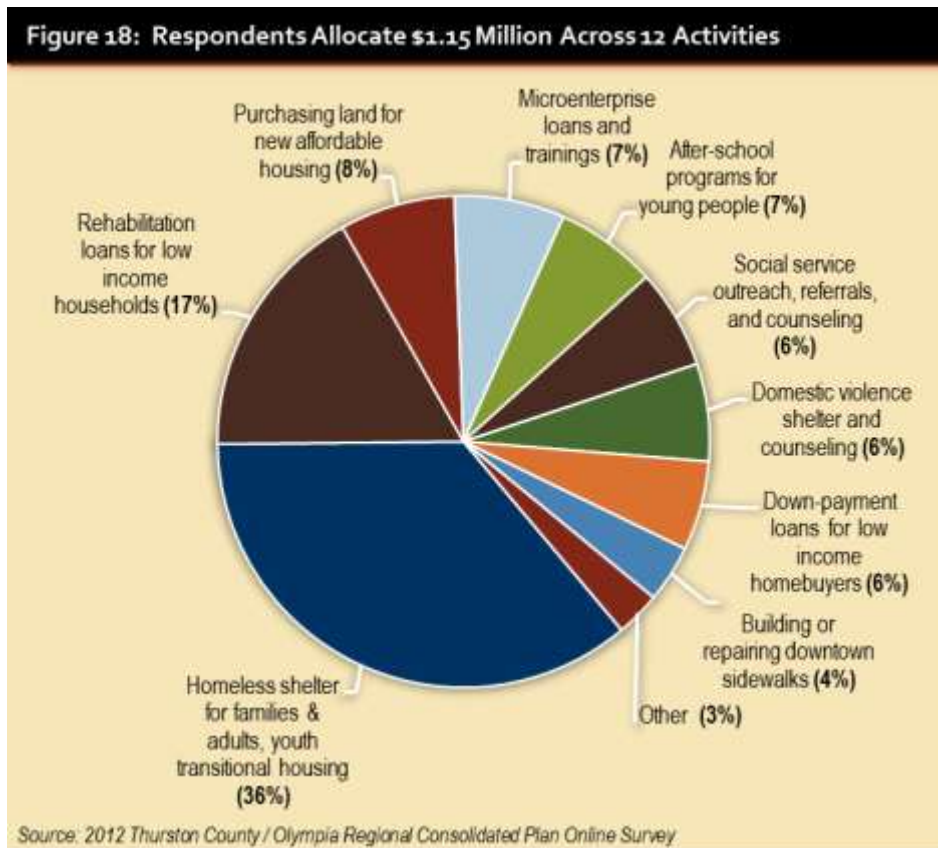
“Everything that CDBG does is very important – housing, rehabilitation, land acquisition, new construction. Planning is very important too. We need to understand that Rome wasn’t built in a day.”

How to allocate \$1.15 million?

In the survey’s budgeting exercise, respondents were asked to allocate \$1.15 million across 12 activities. \$1.15 million is the anticipated combined amount of funding that the region will receive for CDBG and HOME funding. In this activity, there was not much difference in the responses between Olympians and non-Olympians.

The choice, “Homeless shelter for families with children,” received the greatest number of allocations, an average of \$255,000 per respondent. The total allocations for this category were 80 percent higher than the next top choice, “Purchasing land so a nonprofit organization can build new affordable housing.”

“Purchasing land” received fewer allocations, but respondents gravitated toward a higher dollar figure, which averaged \$271,000. “Transitional housing for homeless youth,” “Rehabilitation loans for low income homeowners” and “Homeless shelter for adults” also received high dollar amounts.



Public process to be conducted through June

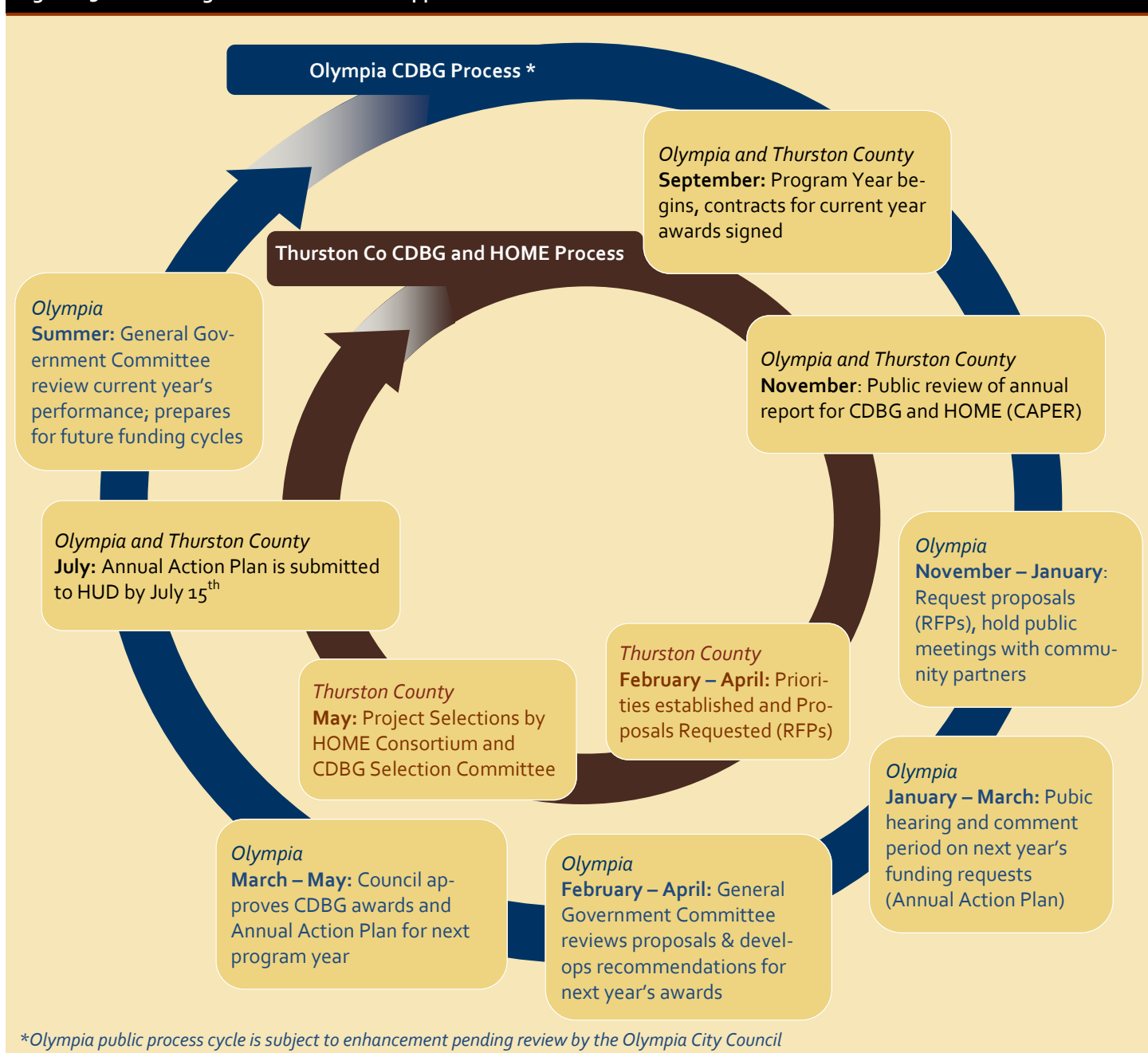
A public comment period for the Consolidated Plan will begin on June 2 and conclude on July 2, 2013. During the month of June, two public hearings will allow members of the public to speak directly to the members of the Thurston County Regional Health and Human Services Council and elected officials on strategic priorities for the use of funds over the ensuing plan period. To facilitate accessibility for people unfamiliar with the CDBG and HOME programs, this *Citizen's Summary* was produced and will be distributed to community partners and stakeholders.

For more information about the input gathered through public participation, including full survey results and com-

ments from the focus groups, please see the full *2013-2017 Consolidated Plan* report, available on the websites of Thurston County and the City of Olympia. The Health and Human Services Council is committed to providing citizens with the opportunity to review and comment on the CDBG and HOME programs. During each CDBG and HOME program year there are opportunities for residents to get involved in evaluating past performance and helping develop the annual Action Plan, shown in Figure 19.

Citizens, nonprofit organizations, public agencies, and other interested parties are also invited to receive information about the CDBG program and submit comments on proposed activities. For more information, or to comment on *2013-2017 Consolidated Plan*, see contact information on the back page.

Figure 19. CDBG Program Fiscal Year and Opportunities for Public Involvement



Stakeholder Feedback

Excerpts from the Public Process

"We need stable funding for programming for before- and after-school **programs for youth.**"

"**Rental assistance** would be very helpful for many single-parent households, because people have to choose between paying their bills or paying rent."

"As people age, they need to have modifications made to their home for wheelchairs, like **ramps and step-in showers.**"

"Our most compelling need is **sewer** in Rainier. We would love to have affordable housing, but we can't do that with a septic system."

"Everything that CDBG does is very important – housing, rehabilitation, land acquisition, new construction. **Planning is very important too.**"

"Rural Thurston County needs to be involved in all aspects of the process – we should be full players and be listened to. **We want to be included.**"

"We need **public facilities** – sewer, sidewalks for safe routes to school, water systems that support housing, and a community center for youth and anyone else in the community that needs assistance."



"In the urban core, the big issue is **homelessness**. In rural areas, the top need is housing rehab – for both renters and homeowners."

"Not having a job creates 10 other problems. We need to help people **connect with jobs**, because people don't know how to find them."

"In downtown Olympia, a big priority is having a consolidated service **drop-in center** where multiple providers can come together."

"The most compelling need for youth is shelter and **transitional housing.**"

"In the rural areas, CDBG should be used for **rehabilitation** – a huge difference can be made just by repairing people's floors."

"**Economic development** can help people in the long term through job creation and microenterprise training. Let's give people the path to share their talents."

"We can't find **housing for our homeless clients**, and as a result people are in shelter much longer."

"**Dental care** and other medical needs are the highest priority needs in my community."

"We need **comprehensive case management** to address the root causes of why people are homeless."

"**Rental assistance** keeps people in their homes. Once they become homeless, it's much more expensive to address their issues."

"We need services for people in housing with **more intensive needs**, particularly mental illness."

Three public focus group meetings were held in Thurston County to discuss needs and priorities for CDBG and HOME funding. Some of the thoughts shared at those meetings are listed here. (Photo: Cindy Marchand-Cecil and Pastor Jerry Collet at the Yelm focus group.)



Approximately \$3.2 million has been invested in affordable housing, community facilities, and social services in the last three years through CDBG and HOME projects.

Housing rehabilitation

Seventeen percent of CDBG expenditures and 64 percent of HOME expenditures provided for rehabilitation of rental and owner-occupied housing. CDBG paid for rehabilitation of 83 rental housing units and one owner-occupied housing unit. HOME covered the costs of rehabilitation for 31 rental housing units and 24 owner-occupied housing units.

CDBG funds were dispersed as low-interest loans. As these loans are repaid, the CDBG program can lend the funds again to other low-income homeowners and property owners, or use the monies for other eligible activities. Rehabilitation loans also help maintain the supply of decent and affordable housing, representing a less expensive way to support low-income housing than alternatives, such as new construction.

Loans for rehabilitation improve the region's housing stock by eliminating hazards, such as old electrical systems and lead-based paint, installing more efficient heating systems and improved insulation, and generating loan repayments, allowing CDBG funds to be recycled into new projects.

Social services and homelessness assistance

CDBG funds can be spent on social services, including assistance for homeless adults and families. From 2010 to 2012, 6 percent of CDBG funds were spent on social services. These included:

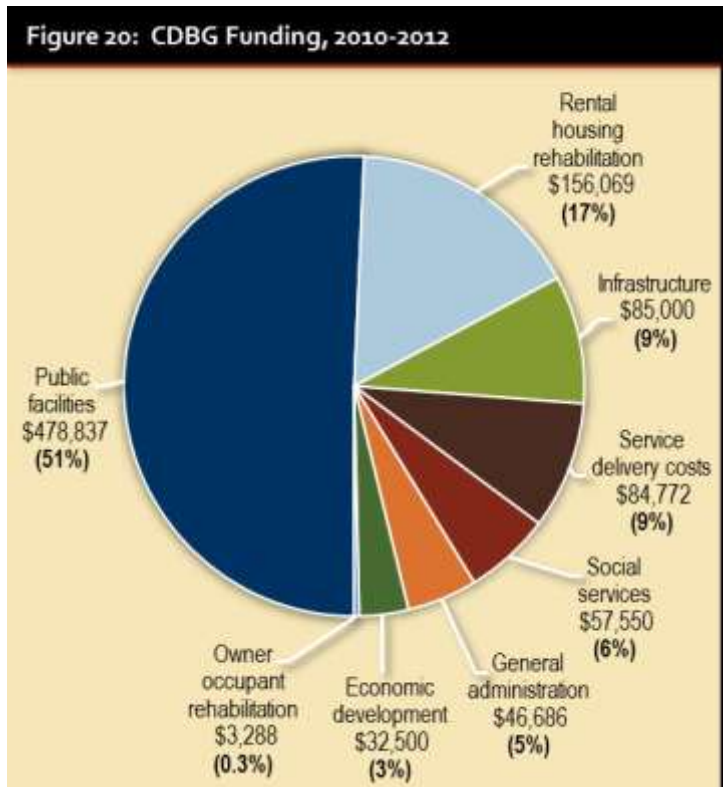
- **Transitional housing** for 52 homeless young adults, with 17 dependent children.
- **After-school activities** for 95 low-income children.
- **Job search assistance** and a place to hang out for up to

Above: St. Michael Catholic Church and other local faith groups have hosted the cold weather shelter for single homeless people.

- 45 youth per day in 2010 and 2011.
- **Emergency shelters** that have provided 11,210 bed nights for those who most needed a place to stay.
- **Case management** focused on preventing homelessness for 592 families, including 226 children.

Tenant based rental assistance

HOME provided tenant-based rental assistance to low-income individuals and families. Twenty-six vouchers helped these tenants remain in their homes and avoid homelessness.



Land acquisition

Land acquisition comprised 11 percent of HOME spending. Funding land acquisition furthers the goal of increasing the supply of housing available to low-income households and persons with special needs. In 2011, HOME funds purchased a five-acre parcel of land for the nonprofit Habitat for Humanity. The Lacey site, named Wood's Glen, will eventually consist of 36 homes for low-income families with children, elderly couples, and disabled families without children. Construction will begin in spring 2013.

Public facilities and infrastructure

During the last three years, slightly more than half of CDBG funds were allocated for two public facilities. The largest of these projects is the redevelopment of the Smith Building family shelter and housing project, a vacant city-owned building that will be converted into emergency and permanent housing. This building will allow up to 32 homeless parents and their children get off the streets each day. It will also provide permanent housing with supportive services for up to 28 parents with children.

The second project, currently in development, is a community center managed by SafePlace to serve women and children fleeing domestic violence.

CDBG funded the installation of 56 audible traffic signals at 14 intersections throughout Olympia to assist sight-impaired people. See page 19 for more details.

Economic development

CDBG grants allowed 23 low-income people to graduate from the Enterprise for Equity business training course. See pages 21 and 22 for more information about this program.

Administration

Administration of the HOME program cost 8 percent of total expenditures. General administration of CDBG cost 5 percent of program costs, and management of service delivery was 9 percent of the total.

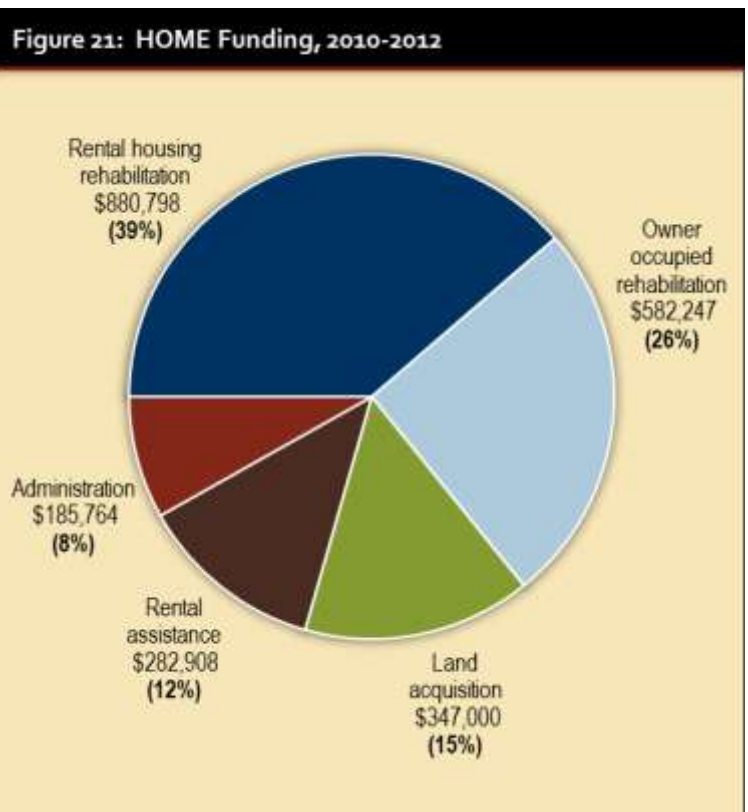
Beyond ensuring that program resources are used appropriately, administrative funds provide tangible benefits to the CDBG and HOME program participants. These funds allow staff to offer technical assistance to applicants and recipients, pay for oversight of contractors on rehabilitation projects, and provide education and outreach around issues like fair housing and lead-based paint hazards.

These funds also ensure planning and coordination of projects between Thurston County's jurisdictions and community partners.

Leveraging other sources of funds

Additional sources of state and federal funding provide crucial leverage to address the priorities of the HOME and CDBG programs.

The Consolidated Homeless Grant (CHG), managed by the Washington State Department of Commerce, combines state homeless resources into a single grant opportunity for county governments. The CHG is designed to support an



integrated system of housing assistance to prevent homelessness and quickly rehouse families who are unsheltered. The funds provided to Thurston County total approximately \$325,000 per year.

The Housing and Essential Needs Grant, awarded by the Washington State Department of Social and Health Services, provides more than \$1 million annually to the county in rent, utilities, and essential needs assistance for Medical Care Services recipients.

The Emergency Solutions Grant Program, funded by HUD, provides homelessness prevention assistance and case management to households who would otherwise become homeless. The funds, approximately \$250,000 each year, provide short- and medium-term rental assistance and help with housing searches and placement.

The Washington State Legislature created two additional sources of funding, known as 2060 and 2163 after the bills that established them in 2002 and 2005, respectively.

The 2060 fund generates approximately \$250,000 per year to the county for the acquisition, rehabilitation, and new construction of housing projects affordable to people with incomes at or below 50 percent of the area median income. The monies can also be used for operation and maintenance activities at low-income housing projects, and for assistance vouchers.

The 2163 fund awards more than \$1.3 million annually to implement the county's homeless housing plan. This broad funding source supports coordinated and centralized entry programs, homeless services, operating and maintenance funding, emergency, transitional and permanent supportive housing, and other activities to end or reduce homelessness.



Priorities and Plans

The Thurston County Regional Consolidated Plan identifies the development of viable communities by the provision of decent housing, a suitable living environment and the expansion of economic opportunity.

Each of the six Consolidated Plan strategies was developed to address one or more of the CDBG national objectives, which are to benefit to low- and moderate-income persons, eliminate slums or blight, and meet urgent needs.

Six strategic goals

The six strategic goals provide a framework for the annual Action Plans, which identify specific activities to be funded each year. The goals are:

- Identify and create opportunities for **economic development** that principally benefits low-income people.
- Maintain, enhance, and expand the supply of rental, homeownership, and special-needs **affordable housing** for low-income populations.
- Identify priority **public facilities and infrastructure** projects that serve low-income populations throughout the county.
- Provide essential **public services** for low-income and special-needs populations.
- Create a comprehensive **homeless continuum of care** system that is responsive to the needs in our community.
- **Acquisition of land** to support the development of new affordable housing, public facilities or infrastructure to meet the needs of low-income residents.

Strategic goals are broad in nature and are specifically designed to address all needs identified in the Consolidated

Above: A staff member at Rosie's Place, a center for homeless and low-income youth in downtown Olympia. Rosie's Place provides job search assistance in addition to many needed services.

Plan. Each year these strategies will be used as the framework from which to identify the specific activities to be pursued as action steps of the multi-year Consolidated Plan. These annual steps are presented in the one-year Annual Action Plans, issued by the Thurston County Commission and the Olympia City Council, which identify the specific projects and programs to receive funding.

Anticipated resources

The region's CDBG and HOME programs will receive an estimated \$2.17 million in each of the next five years to address the strategic goals. See Figure 22 for details.

Economic Development activities will fund a range of activities that provide economic opportunity and support the creation of jobs, principally for low- and moderate-income people. These activities include support for small and "micro" businesses including training, technical assistance, and direct loans to support new small businesses and entrepreneurs. Funding can also be used to support a community planning process to expand economic opportunity.

The HUD Section 108 loan guarantee program enables local governments to obtain federally guaranteed loans by pledging their current and future CDBG allocations as security for low-interest loans. Under this program, communities can borrow up to five times their most recent CDBG award for eligible projects that meet the national CDBG objectives.

Unlike annual CDBG awards, these Section 108 loans must be repaid within 20 years. Typical Section 108 projects involve economic development projects or housing projects that can generate income for repayments. The City of Olympia has applied to HUD to participate in the Section 108 program in order to leverage larger projects.

Particularly in today's economic climate, finding private investment sources for economically distressed areas is a difficult charge. However, such private investment is critical,

and Section 108 enables communities to leverage their CDBG funds into federally guaranteed loans large enough to pursue physical and economic revitalization projects. These projects create jobs, renew neighborhoods, and provide critical affordable housing to low- and moderate-income families.

HUD has approved Olympia’s Section 108 Loan Guarantee Fund in the amount of \$1,756,000, which is backed by a pledge of Olympia’s current and future annual CDBG entitlement. This pledge facilitates the city’s access to the Section 108 Loan Guarantee Program to fund eligible activities pursuant to HUD guidance. These activities may include acquisition, clearance, demolition, removal, site preparation, eligible housing rehabilitation, economic development activities, or public facilities.

As Olympia identifies project-specific loan proposals to be funded, each project will undergo a full financial underwriting and public review in accordance with the city’s Citizen Participation Plan prior to submittal of an application to the local HUD office. The Loan Fund will be available through September 30, 2018, or until all funds are expended.

A second strategy is to maintain, enhance and expand the supply of rental, homeownership, and special-needs **affordable housing** for low-income populations. Through rehabilitation loans and grants, owner-occupied and renter-occupied housing can be renovated, including removing barriers for those with disabilities.

The CDBG and HOME programs can also support investment into new construction, as well as the acquisition of special-needs housing for either single family or multifamily. Funding can also be applied to public infrastructure required to support housing, land acquisition, and purchase of existing structures to support the development of new housing.

The region’s CDBG and HOME programs will receive an estimated \$2.17 million each of the next five years to address the strategic goals.

Public Facilities and Infrastructure projects develop and repair public facilities that support low-income housing or neighborhoods. These projects can include new or repaired sewer lines, water systems, sidewalks, and other public utilities. Public Facilities can also include the new construction or the rehabilitation of facilities that serve predominantly low-income people, including community and youth centers and homeless shelters.

Public Services projects can support a wide range of services to assist low-income individuals and households to become stable and self-sufficient. This category of funding can support operations and maintenance costs for service as well as direct service delivery. These services can include food and nutrition programs, programs for seniors or youth, crisis centers, mental health programs, and domestic violence prevention programs.

A comprehensive **Homeless Continuum of Care** refers to the multi-jurisdictional system that includes the region’s services, resources, and housing options needed to prevent homelessness and move those who become homeless quickly into stable and safe housing with appropriate services.

Homeless **Continuum of Care** includes a coordinated,

Figure 22: Anticipated Resources, 2013-2017

	2013	2014	2015	2016	2017
Annual Urban County CDBG Award	\$1,032,731	\$1,032,731	\$1,032,731	\$1,032,731	\$1,032,731
Olympia CDBG Award	\$357,512	\$357,512	\$357,512	\$357,512	\$357,512
Regional HOME Award	\$602,969	\$602,969	\$602,969	\$602,969	\$602,969
Urban County Program Income	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Olympia CDBG Program Income & Prior Year Funds	\$661,115*	\$150,000	\$150,000	\$150,000	\$150,000
TOTAL	\$2,679,327	\$2,168,212	\$2,168,212	\$2,168,212	\$2,168,212

*Includes \$205,000 prior year funds and \$456,115 in higher than average program income due to improved housing market

countywide intake that serves as the primary entry point when an individual or household becomes homeless; monthly reporting on capacity in order to maximize the existing inventory; outreach to those who are in encampments or on the streets to bring them into the network of providers and assistance; and survival assistance for households with dire needs.

CDBG funds can be used to purchase property, termed “**land acquisition,**” for any CDBG-eligible purpose that is clearly specified by the jurisdiction. Examples include purchasing land for a park or for commercial purposes, buying a building for a homeless shelter or to provide affordable rental housing, acquiring a deteriorated building for demolition, and purchasing permanent easements for water/sewer lines, streets, and utilities.

Each potential land acquisition project must be selected with a clearly stated end use, clearly defined beneficiaries, and must be qualified under a specific national objective. HOME funding may be used for land acquisition only under very specific circumstances, and development must occur within 12 months of the purchase.

Urban county CDBG 2013 action plan

An inter-jurisdictional group, including representatives from Thurston County, Lacey, Tumwater, Yelm, Rainier, Tenino, and Bucoda have established a decision-making model for the Urban County CDBG program. This group has decided to rotate funding each year to focus on a different region of the county (see Figure 23). The following projects were selected for 2013, focused on smaller south county cities:

- In Yelm, where 44 percent of the population is under age

25, \$439,208 is allocated to construct a **skate park.**

- \$60,000 will allow Tenino to invest in **sidewalks**, benefiting all residents of the town.
- Phase I of the **Water Systems Project** will help all residents of Bucoda have access to safe and clean water.
- Phase II and Phase III of the **Bucoda Water Systems Project** are designated as back-up projects for 2013 in the event that more funding is available.

Olympia CDBG 2013 action plan

The Olympia City Council approves projects to be funded by CDBG after consulting with stakeholders and community members. In 2013, Olympia will direct its CDBG funds to the following projects:

- **Panza** will receive \$55,000 to continue developing cottage housing for up to 30 formerly homeless people at **Quixote Village**. An additional \$40,500 will allow the organization to provide **social services** for these residents.
- **Rosie’s Drop-In Young Adult Center** at Community Youth Services will use \$144,000 in funding to serve 45 youth each day as well as to provide 10 shelter beds for homeless youth.
- The Family Support Center has been allocated \$158,000 for the **Smith Building Family Shelter and Affordable Housing Project**, which will house seven formerly homeless families and assist a total of 60 individuals.

Below: Children from the Evergreen Villages Community Center working on a graffiti removal project in their apartment complex as part of the Together program. Right: Olympia’s isthmus connects the west side to downtown. Photos by Robert Whitlock.





Figure 23: HOME and CDBG Annual Action Plan Priorities

Program Year	Urban County CDBG	HOME	City of Olympia CDBG
2013	<u>Unincorporated County and Bucoda, Rainer, Tenino, Yelm</u> Economic Development Affordable Housing Land Acquisition Public Services Public Facilities (Highest) Homeless Continuum of Care	County Wide Affordable Housing	Economic Development (Highest) Housing Rehabilitation Land Acquisition Public Services Public Facilities
2014	<u>Tumwater or Lacey</u> Economic Development Affordable Housing Land Acquisition Public Services Public Facilities Homeless Continuum of Care	County Wide Affordable Housing	Economic Development (Highest) Housing Rehabilitation Land Acquisition Public Services Public Facilities
2015	<u>Lacey or Tumwater</u> Economic Development Affordable Housing Land Acquisition Public Services Public Facilities Homeless Continuum of Care	County Wide Affordable Housing	Economic Development (Highest) Housing Rehabilitation Land Acquisition Public Services Public Facilities
2016	<u>Unincorporated County and Bucoda, Rainer, Tenino, Yelm</u> Economic Development Affordable Housing Land Acquisition Public Services Public Facilities Homeless Continuum of Care	County Wide Affordable Housing	Economic Development (Highest) Housing Rehabilitation Land Acquisition Public Services Public Facilities
2017	<u>Tumwater or Lacey</u> Economic Development Affordable Housing Land Acquisition Public Services Public Facilities Homeless Continuum of Care	County Wide Affordable Housing	Economic Development (Highest) Housing Rehabilitation Land Acquisition Public Services Public Facilities

- \$10,000 will be allocated to Community Youth Services for **transitional housing for youth**, helping 55 youth in 15 units.
- Out of the Woods will receive \$12,000 for its **family shelter**, providing 2,190 beds nights each year to up to 48 family members.
- Together! will use \$13,627 for its **Evergreen Villages Youth Program**, which serves up to 50 low-income school children every day.
- \$25,500 is allocated to Enterprise for Equity to enable the organization to train up to 12 **new entrepreneurs** looking to start their own businesses, and to continue assisting 28 existing businesses.
- Removing two derelict buildings on **Olympia's isthmus** is a back-up project for 2013 in the event that more funding is available.

HOME 2013 action plan

The HOME Consortium is an eight-member advisory board responsible for the multi-jurisdictional administration of the county's housing programs.

The Consortium is comprised of public elected officials from Bucoda, Olympia, Lacey, Rainier, Tenino, Tumwater, Yelm, and Thurston County. The HOME Consortium has selected the following projects to fund for 2013:

- \$398,673 is allocated to the Family Support Center to renovate the **Smith Building Family Shelter and Affordable Housing Project**, which will provide both emergency shelter units and permanent housing for other-

wise homeless families.

- The Housing Authority of Thurston County will receive \$200,000 for its **Housing Rehabilitation Program** to rehabilitate up to eight low-income owner-occupied homes.
- Homes First! will receive \$24,000 for **roof replacement** for five affordable housing properties.
- \$48,000 is allocated to Yelm Community Services for the **Krislen Apartments Rehabilitation**, to replace roofs and paint 24 units for low-income seniors and persons with disabilities.
- The Community Action Council will receive \$40,000 to acquire and rehabilitate the **Killion Court Apartments**, a 20-unit apartment complex serving low-income seniors.

Regional Consolidated Plan

Additional information about these projects can be found in the full *2013-2017 Consolidated Plan*, available on the websites of Thurston County and Olympia. The *Consolidated Plan* also provides information on the other sources of funds that the region receives to address homelessness and provide affordable housing for low-income persons and families, as well as a more detailed assessment of countywide needs.

The Smith Building project will provide up to 60 beds of shelter and permanent housing for homeless families with children.





The Other Bank, a project of the YWCA since 1986, distributes products that cannot be purchased with food stamps but are essential for maintaining health and personal dignity. CDBG funds were used to renovate the Other Bank's Community Center.

Thurston County

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 City of Yelm **Michael McGowan**
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Research and Production

Dept. of Commerce Research Services
 Project Lead **Alice Zillah**
 Production Design **Cezanne Murphy-Levesque**
 Writer/Photographer **Tom Hyde**
 Project Assistant **Graham Parrington**
 Editor **Steve Salmi, Ph.D.**

To request a copy of this publication in an alternative format, please contact Heather Reed at (360) 753-8436 or email her at hreed@ci.olympia.wa.us.

