



# Meeting Agenda

## General Government Committee

City Hall  
601 4th Avenue E  
Olympia, WA 98501

Information: 360.753.8244

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Friday, October 6, 2017

2:30 PM

Room 207

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1. CALL TO ORDER

2. ROLL CALL

3. APPROVAL OF AGENDA

4. APPROVAL OF MINUTES

- 4.A [17-0999](#) Approval of August 23, 2017 General Government Committee Meeting Minutes

Attachments: [Minutes](#)

5. COMMITTEE BUSINESS

- 5.A [17-0799](#) Priority Strategies for Program Year 2018 CDBG Program and the upcoming Five-Year CDBG Strategic Plan.

Attachments: [Options for CDBG Funding](#)  
[CDBG Program Annual Cycle](#)

- 5.B [17-0981](#) Second Amendment to CDBG Program Year 2017 (9/1/17 - 8/31/18) Priorities

Attachments: [Chart of Proposed Amendments](#)

6. REPORTS AND UPDATES

7. ADJOURNMENT

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City Hall  
601 4th Avenue E.  
Olympia, WA 98501  
360-753-8244

**General Government Committee**  
**Approval of August 23, 2017 General  
Government Committee Meeting Minutes**

**Agenda Date: 10/6/2017**  
**Agenda Item Number: 4.A**  
**File Number: 17-0999**

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**Type:** minutes **Version:** 1 **Status:** In Committee

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**Title**

Approval of August 23, 2017 General Government Committee Meeting Minutes



# Meeting Minutes - Draft

## General Government Committee

City Hall  
601 4th Avenue E  
Olympia, WA 98501

Information: 360.753.8244

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Wednesday, August 23, 2017

5:00 PM

The Annex 106 Fith Avenue (next  
door to New Caldonia building)

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1. **CALL TO ORDER**

Chair Roe called the meeting to order at 5:04p.m.

2. **ROLL CALL**

**Present:** 3 - Chair Jeannine Roe, Committee member Jessica Bateman and  
Committee member Clark Gilman

3. **APPROVAL OF AGENDA**

The agenda was approved.

4. **APPROVAL OF MINUTES**

4.A [17-0875](#) Approval of July 26, 2017 General Government Meeting Minutes

The minutes were approved.

5. **COMMITTEE BUSINESS**

5.A **17-0799** Priority Strategies for Program Year 2018 CDBG Program and  
Five-Year Strategic Plan

Program Manager Anna Schlecht discussed identifying a strategy for the next Community Development Block Grant (CBDG) Program Year and strategies for the next five years. She noted there is an anticipated total funding of \$470,000 for Program Year 2018.

Committee Member Bateman discussed a recommendation to use some funds for a fair housing assessment. Committee Member Gilman suggested having a more in depth discussion at the next meeting and focus on critical unmet needs.

Committee members asked clarifying questions.

**The topic was discussed and will be continued at the next General Government Committee meeting.**

5.B [17-0874](#) Briefing on Spaceworks Tacoma Program

Tacoma Arts Administrator Amy McBride gave an overview of the Spaceworks Tacoma

Program. The program is a partnership between the Tacoma-Pierce County Chamber of Commerce and the City of Tacoma. Small business owners and vacant store fronts are matched with artists to create art displays in these spaces.

Committee members asked clarifying questions.

**The information was received.**

**6. REPORTS AND UPDATES - None**

**7. ADJOURNMENT**

Chair Roe adjourned the meeting at 6:52p.m.



## General Government Committee

### Priority Strategies for Program Year 2018 CDBG Program and the upcoming Five-Year CDBG Strategic Plan.

**Agenda Date:** 10/6/2017  
**Agenda Item Number:** 5.A  
**File Number:** 17-0799

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**Type:** recommendation   **Version:** 2   **Status:** In Committee

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#### **Title**

Priority Strategies for Program Year 2018 CDBG Program and the upcoming Five-Year CDBG Strategic Plan.

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to a committee

##### **City Manager Recommendation:**

Identify and recommend priority strategies for Program Year 2018 (9/1/18 - 8/31/19) Community Development Block Grant Program (CDBG) and the CDBG Five-Year Strategic Plan (2018 - 2022).

#### **Report**

##### **Issue:**

Whether to identify the priority strategies for Program Year 2018 Community Development Block Grant Program (9/1/18 - 8/31/19) and the CDBG Five-Year Strategic Plan (2018 - 2022).

##### **Staff Contact:**

Anna Schlecht, Community Service Programs Manager, Community Planning and Development Department (360-753-8183).

##### **Presenter(s):**

Anna Schlecht, Community Service Programs Manager.

##### **Background and Analysis:**

This item was originally discussed at the August 23, 2017, General Government Committee meeting and continued for further discussion at a September meeting. Separate from this agenda item, the Committee will also discuss options for a potential second amendment to PY 2017 (September 1, 2017 - August 31, 2018).

The coming Program Year (PY) 2018 (September 1, 2018 - August 31, 2019) will be the first year of the next Five-Year (2018 - 2022) Community Development Block Grant (CDBG) Consolidated Plan,

also referred to as the CDBG Five-Year Strategic Plan. Tonight's discussion offers an opportunity to begin the process to identify both multi-year strategies as well as to identify the first year's specific activities.

**Starting Earlier** - The Council has stated an interest in beginning the CDBG Program's annual public process much sooner to allow for a more deliberative approach to identifying priorities and ultimately choosing CDBG-eligible activities for the coming PY 2018. This will also facilitate the City's work with Thurston County to develop the joint Five-Year Consolidated Plan, an effort that is likely to require more time given the involvement of two jurisdictions.

**Alignment with other Plans** - By starting earlier, the Council will have more time to align CDBG strategies with other plans. Staff will present information on CDBG-eligible linkages from the following plans, summarized as follows:

- **Downtown Strategy** Calls for more housing, economic opportunities, ADA accessible walk ways, and well managed social services in the urban hub.
- **Community Renewal Area Strategies** Encourages the elimination of urban blight in key areas with housing, economic development opportunities and the creation of jobs for low and moderate income people.
- **Economic Development Strategies**; Encourages a broad range of city-wide economic development which includes job creation for low & moderate income people.
- **County Five-Year Homeless Housing Plan** (*Scheduled for October release*) Calls for more affordable housing, emergency shelter capacity, day centers, 24/7 accommodations for all homeless populations, supportive services and review of local zoning and development policies to encourage more affordable housing.
- **Regional Fair Housing Plan:** (*Scheduled for October release*) Encourages better geographic distribution of affordable housing and a review of local zoning and development policies to encourage more affordable housing. **Please note:** The strategies from this plan must be incorporated into the CDBG Five-Year Consolidated Plan.

Following tonight's discussion, staff hope to start the discussion on how the Committee wants to identify CDBG options for PY 2018 as well as the next Five-Year Consolidated Plan strategies within the context of these other strategic plans.

In addition to these plans, the Committee may also want to begin to consider how our CDBG program will coordinate and align with the Olympia Home Fund should it be approved by voters in February of 2018.

**Public Process** - In addition to identifying Five-Year Plan strategies and PY 2018 activities, the Council will also need to identify the method(s) for the public process to be used for project selection.

Process options include:

- “Direct select” - Council-chosen activities and providers (aka Sub-recipients), or
- “Request for Proposals (RFP)” process to procure specific projects or programs through a competitive process.

Ideally, the public process will be clarified by November of this year in order to produce draft Five-Year Plan strategies and PY 2018 activities. This allows the Council to commence the public comment process on the draft plans much earlier, and adjust CDBG strategies and activities as needed.

**Charting the Options** -To facilitate tonight’s discussion of both first-year and multi-year strategies and activities, the attached chart presents some preliminary options for consideration by General Government Committee members.

## **CDBG Background**

**CDBG Purpose** - The Community Development Block Grant (CDBG) Program was created as a “bundled” federal aid program intended to aid the development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income. The program was designed with flexibility to allow communities to determine how to meet the specific local needs of low-moderate income individuals.

**CDBG Annual Action Plan Referral** - Every year the Council refers the initial review of the CDBG Program to General Government Committee for the purpose of developing recommendations on priorities and the public process for the coming program year.

**Options for CDBG-funded Activities** - The attached “Options for Community Development Block Grant Funding” present the preliminary strategies along with recent examples of activities identified by staff:

### **1. Economic Development**

Examples: Business training programs; CPTED Safety projects.

### **2. Public Facilities**

Examples: ADA curb Cuts, Warming Center, Community Care Center

### **3. Land Acquisition**

Examples: Purchase of Griswold’s Building; Land for Drexel I / Devoe II

### **4. Clean-up of Contaminated Sites**

Examples: Isthmus Building Demolition Asbestos removal

### **5. Housing Rehabilitation**

Examples: Homes First, LIHI Fleetwood Building. Can include both acquisition and rehabilitation as conducted by Homes First!

### **6. Public Services**

Examples: Downtown Ambassador Program.

**Neighborhood/Community Interests (if known):**

The federal CDBG Program offers a flexible source of funding to meet a wide variety of affordable housing, social service, economic development and other community development needs. All neighborhoods and community stakeholders have an interest in how CDBG funds are invested in community development programs and projects.

**Options:**

- 1) Identify and recommend priority strategies for Program Year 2018 (9/1/18 - 8/31/19) Community Development Block Grant Program (CDBG) and the CDBG Five-Year Strategic Plan (2018 - 2022).
  
- 2) Delay the process to identify priority strategies for Program Year 2018 (9/1/18 - 8/31/19) Community Development Block Grant Program (CDBG) and the CDBG Five-Year Strategic Plan (2018 - 2022).

**Financial Impact:**

Program Year 2018 (September 1, 2018 - August 31, 2019) will guide the investment of an estimated total of \$450,000 and the Five-Year CDBG Consolidated Plan will guide the investment of an estimated total of \$2,250,000 (including the first Program Year 2018).

**Attachments:**

Options for CDBG Funding  
CDBG Program Annual Cycle



# Options for Community Development Block Grant Funding

Program Year 2018 Activities / Next 5-Year Consolidated Plan Strategies

Priority	Strategic Priority	CDBG-Eligible Activity	Examples	PY 2018 Annual Action Options	2018 – 2022 5-Year Con Plan
1	<b>Economic Development</b>	Micro-Enterprise Assistance (Small start-up businesses with fewer than 4 employees)	1)Enterprise for Equity Training Program 2)Avalon Co-working space	???	???
	<b>Economic Development</b>	Business Assistance & Training (Assistance for larger established small businesses with more than 4 employees)	Tune-up Training Program	???	???
	<b>Economic Development</b>	Special Economic Development Activities	1)CPTED – Safety Projects 2)CPTED – Façade Improvements	???	???
2	<b>Public Facilities</b>	Community Center: Purchase / Tenant Improvements / 15 + Year Lease	Warming Center Community Care Center	???	???
	<b>Public Facilities</b>	Infrastructure	1)ADA sidewalk curb-cuts 2)Sewer/Water connections	???	???
3	<b>Land Acquisition</b>	Commercial facility purchase	No recent examples	???	???
	<b>Land Acquisition</b>	Housing purchase (existing or new construction)	Land to develop Drexel I (2004) and Devoe II (2017)	???	???
4	<b>Clean-up of Contaminated Sites</b>	Brownfields / Environmental Clean-up / Brownfields	Isthmus Building Demolition – Asbestos Removal	???	???
5	<b>Housing Rehabilitation</b>	Housing Rehabilitation	Homes First LIHI Fleetwood Apartments	???	???
6	<b>Public Services</b>	Social Services	Ambassador Program	???	???
7	<b>Other CDBG-Eligible Activities</b>	???	???	???	???

# OLYMPIA CDBG PROGRAM – ANNUAL CYCLE

PROGRAM YEAR ENDS

PROGRAM YEAR STARTS

**COUNCIL STARTS ANNUAL CDBG PUBLIC PROCESS**

• CHOOSE (RFP) or COUNCIL DIRECT-SELECT





**General Government Committee**  
**Second Amendment to CDBG Program Year**  
**2017 (9/1/17 - 8/31/18) Priorities**

**Agenda Date:** 10/6/2017  
**Agenda Item Number:** 5.B  
**File Number:** 17-0981

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**Type:** recommendation   **Version:** 2   **Status:** In Committee

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**Title**

Second Amendment to CDBG Program Year 2017 (9/1/17 - 8/31/18) Priorities

**Recommended Action**

**Committee Recommendation:**

Not referred to a committee

**City Manager Recommendation:**

Identify and recommend priorities for a second Amendment to CDBG Program Year 2017 (9/1/17 - 8/31/18).

**Report**

**Issue:**

Whether to identify the City's priorities for a second Amendment to CDBG Program Year 2017 (9/1/17 - 8/31/18).

**Staff Contact:**

Anna Schlecht, Community Service Programs Manager, Community Planning and Development Department (360-753-8183).

**Presenter(s):**

Anna Schlecht, Community Service Programs Manager.  
Keith Stahley, Community Planning & Development Department Director.

**Background and Analysis:**

This item was originally added to a previously scheduled agenda item on CDBG priorities at the September 15, 2017 General Government Committee meeting. For the purpose of simplifying these CDBG processes, the proposed amendments of PY 2017 is now a separate agenda item for tonight's meeting.

**Need for Amendment** The current CDBG Program Year (PY) 2017 (September 1, 2017 - August 31, 2018) must be amended to re-program a total of \$700,000. These funds come from the following

sources: unanticipated Program Income during PY 2016 (9/1/16 - 8/31/17); cancelled PY 2017 activities (Warming Center); unspent prior year cumulative funds; and, un-allocated CDBG Program Income (PI) from the discontinued Rental Rehabilitation Program. Together, these funds must be allocated for CDBG-eligible activities that can be completed in a timely fashion and ensure that funds will be expended quickly.

**CDBG Public Process** - Tonight begins the CDBG Amendment process in which the Committee will discuss priorities for re-programing these funds. Then the Committee will make recommendations to the Council. The Committee will consider the staff recommendations and other options before deciding what proposed activities to include in their draft amendments to the current PY 2017 Program Year. As a “Substantial Amendment” to the current Action Plan, these draft amendments must go through the City’s CDBG Public Process which allows for 30 days of public comment and includes a public hearing on the proposed amendments. At the conclusion of the public process, the Council makes a final decision on the proposed allocations and directs staff to start work on those projects.

The Council can choose one or a combination of the process options listed as follows to identify priority activities:

- **“Direct Select” Staff Recommendations** The Committee can take the staff recommendations as listed below as “*Direct Select*” activities;
- **“Direct Select” Committee Recommendations** - The Committee can chose other activities and providers (aka Sub-recipients) as “Direct Select” activities; or,
- **“Request for Proposals (RFP)”** The Committee can direct staff to issue a RFP to generate proposals in specific or general CDBG activity areas. This RFP procurement process will identify projects or programs through a competitive process (aka CDBG Contractors). *Please note:* this process may take more time and committee action, thereby adding to timeliness concerns.

**Charting the Options** -The attached chart will be used to help guide tonight’s discussion of options to amend the PY 2017 Action Plan. Please note that this discussion of CDBG funds is separate from the discussion later this evening on setting goals for the next CDBG Program Year 2018 (9/1/18 - 8/31/19) and establishing strategies for the next Five-Year CDBG Consolidated Plan (2018 - 2022).

**Staff Recommendations** Staff developed the following preliminary recommendations based on the following considerations:

- 1) Support for Original PY 2017 Activities:** Following the cancellation of the Warming Center project, Interfaith Works has redirected their focus to provide homeless services at the new Community Care Center’s (CCC) daily operations in the downtown core. Staff recommends using the funds to support the Interfaith Works staff plan at the CCC. Staff also recommend converting the Housing Rehabilitation funds to Public Facility funds to support a

housing project with a sewer connection.

**2) Support for Affordable Housing Projects:** More affordable housing has been identified as a significant need by the Council's Ad Hoc Committee on Housing Affordability (AHCOHA) and in the following plans: CDBG Consolidated Plan, Downtown Strategy Plan, and two soon to be released plans - - the Thurston County Five-Year Homeless Housing Plan and the Regional Fair Housing Plan. Due to regulatory constraints, land acquisition is the primary way that CDBG funds are used to support new construction of affordable housing.

**3) Projects Ready to Go:** The city needs to improve its spend-down timeliness by selecting projects that are ready to go and certain to expend funds quickly. One of the preliminary recommendations is already underway, the second will have a predictable project timeline.

Based on those considerations, staff offer the following preliminary recommendations:

**\$100,000\*   Community Care Center (CCC) and Winter Warming Center Staffing** In lieu of a Warming Center, Interfaith Works staff are providing core services at the CCC and the Salvation Army has expressed an interest in expanding their services to include daytime sheltering. Social Services cap (15 percent) is raised by utilizing Rental Rehab Program Income.

**\$39,441\*\*   Foundation for the Challenged - Public Facility Sewer** The City was contacted by Foundation for the Challenged (FFC) during the public process to produce the current PY 2017 Action Plan. They requested up to \$50,000 in CDBG funds to provide a sewer line for their County HOME Program-funded housing project on Olympia's Northwest side for disabled residents. (**PLEASE NOTE: No change to funding level, only HUD activity category**)

**\$17,500\*   Micro Enterprise Training & Assistance** Continue to support the Enterprise for Equity Micro Enterprise Program.

**\$582,500\*   Land Acquisition** Purchase of property to support an affordable housing project partnership to create new units for low income residents

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**\$700,000   TOTAL PROPOSED AMENDMENTS**

*\*Includes Activity Delivery Costs (ADC).*

*\*\*Recommendation to change the activity from Housing Rehabilitation to Public Facilities to fund a sewer line to support a new housing project - no additional funding.*

## **CDBG Program Overview**

**CDBG Purpose** - The Community Development Block Grant (CDBG) Program was created as a “bundled” federal aid program intended to aid the development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income. The program was designed with flexibility to allow communities to determine how to meet the specific local needs of low-moderate income individuals.

**Consolidated Plan Strategies for PY 2017** - Below is the list of current strategies from the **CDBG Consolidated Plan** (2013 - 2017) that guide this allocation process along with recent examples of activities identified by staff:

**1. Economic Development**

*Examples:* Business training programs; CPTED Safety projects.

**2. Public Facilities**

*Examples:* ADA curb Cuts, Warming Center Tenant Improvements, Community Care Center Tenant Improvements

**3. Land Acquisition**

*Examples:* Purchase of Griswold’s Building; Land for Drexel I / Devoe II

**4. Clean-up of Contaminated Sites**

*Examples:* Isthmus Building Demolition Asbestos removal

**5. Housing Rehabilitation**

*Examples:* Homes First, LIHI Fleetwood Building. Can include both acquisition and rehabilitation as conducted by Homes First!

**6. Public Services**

*Examples:* Downtown Ambassador Program.

**Neighborhood/Community Interests (if known):**

The federal CDBG Program offers a flexible source of funding to meet a wide variety of affordable housing, social service, economic development and other community development needs. All neighborhoods and community stakeholders have an interest in how CDBG funds are invested in community development programs and projects.

**Options:**

- 1) Identify and recommend priority amendments for Program Year 2017 (9/1/17 - 8/31/18) Community Development Block Grant Program (CDBG) to ensure timely expenditure of funds.
- 2) Delay the process to identify amendments for Program Year 2017 (9/1/17 - 8/31/18) Community Development Block Grant Program (CDBG) and risk Timeliness problems.

**Financial Impact:**

Amendments to Program Year 2017 (September 1, 2017 - August 31, 2018) will guide the investment of an estimated \$700,000 will add an additional \$600,000 to the PY 2017 Action Plan \$484,441 (*the cancelled Warming Center - \$100,000 was included in the original PY 2017 allocations of \$484,441*). This will bring the total of PY 2017 Program to \$1,084,441 in CDBG funding.

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**Type:** recommendation **Version:** 2 **Status:** In Committee

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**Attachments:**

Chart of Proposed Amendments

## Chart of Proposed Amendments - Olympia CDBG Program Year 2017 (9/1/17 – 8/31/18)

HUD Activity Category	Project	Outcomes	Original PY 2017 Activities	Staff Recommended Amendments	Committee Decisions
Planning & Administrative Costs	Planning & Administrative Costs	Staffing required to run a compliant program	\$90,000	<b>\$90,000</b> No Activity Change	\$90,000*
Section 108 Debt Service	Section 108 Debt Service	Repayment on a prior year Section 108 loan	\$65,000	<b>\$65,000</b> No Activity Change	\$65,000*
Economic Assistance	Economic Development Council Business Training	"Tune-Up" Business Training for up to 40 people, creates 1 FTE job for LMI** person	\$25,000	<b>\$25,000</b> No Activity Change	
Economic Development:	Olympia Downtown Assn. Business Training & Technical Assistance	Downtown based training and technical assistance – creates 1 FTE job for LMI person	\$35,000	<b>\$35,000</b> No Activity Change	
Asst: Public Facilities & Economic Development	Downtown: Crime Prevention Through Environmental Design	Various downtown safety projects (alley lighting, alcove gates, security lighting/cameras, etc.)	\$75,000	<b>\$75,000</b> No Change	
Social Services & Public Facility	Interfaith Works (IW) Year-round Day Center	Combined warming center and year-round center Assists up to 200 people daily	\$100,000	<b>\$100,000</b> – IW Staffing for Community Care Center	
Social Services	Capital Recovery Center: Downtown Ambassador Program – Street Outreach	Street outreach, referrals and other assistance to up to 150 homeless & mentally ill people monthly	\$55,000	<b>\$55,000</b> No Activity Change	
Housing Rehabilitation	Projects to be determined	Housing rehabilitation projects to improve affordable housing stock, # to be determined	\$39,441***	<b>\$39,441***</b> Public Facilities - Sewer Line: Foundation for the Challenged	
				<b>\$17,500</b> – Enterprise for Equity Micro Business Training	
				<b>\$582,500</b> – Land Acquisition	
<b>TOTALS</b>			<b>\$484,441</b>	<b>\$1,084,441</b>	

\* Required Activities

\*\* Low & Moderate Income (LMI) persons to get Full Time Equivalency (FTE) jobs

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