

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM



**ANNUAL ACTION PLAN - PROGRAM YEAR 2014
OPTIONS FOR ECONOMIC DEVELOPMENT ACTIVITIES**

FEBRUARY 11, 2014

PRESENTERS:

LEONARD BAUER, CPD DEPUTY DIRECTOR

M. ANNA SCHLECHT, HOUSING PROGRAM MANAGER

Council Referral on CDBG-funded Economic Development Activities



- “Consider information and discussions by the Community Renewal Area (CRA) Ad Hoc Committee and other Council committees...on economic development activities.”

October 1, 2013

- **Council Recommendations:**

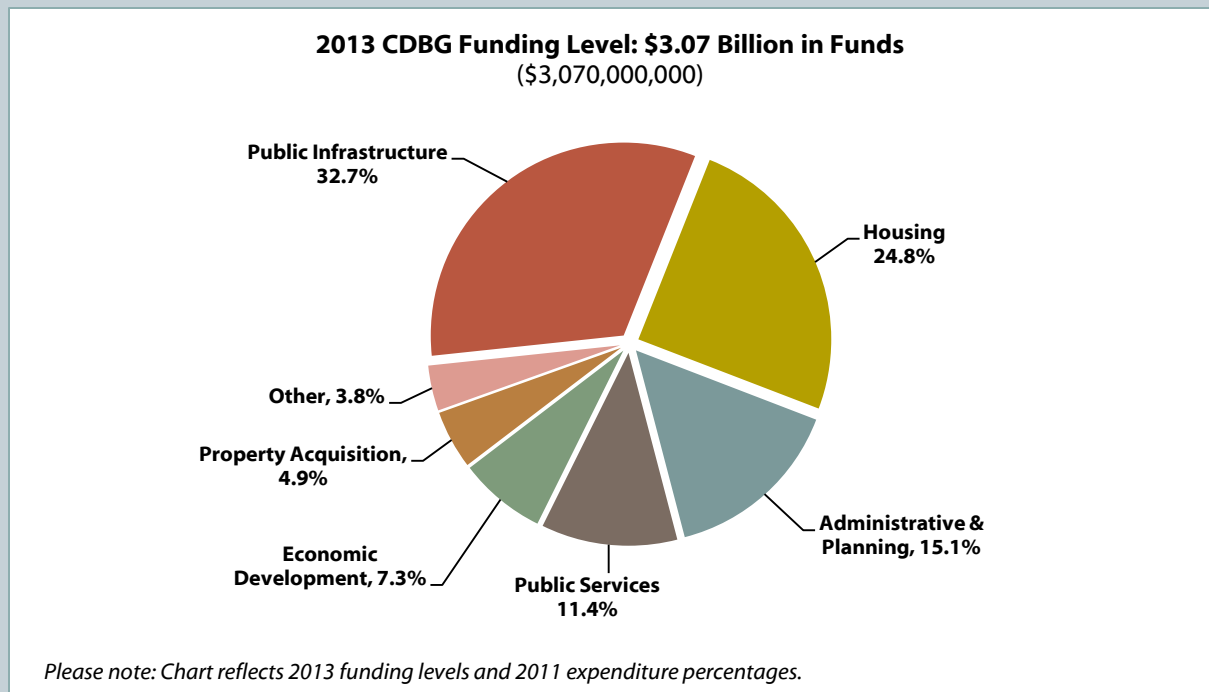
- *Examine CDBG-eligible economic development activities*
- *Consider a CDBG revolving loan fund with program income*
- *Encourage development activities (aligned with this objective)*
- *Consider options to use CDBG funds to repay Section 108 loans*

November 26, 2013

BRIEF HISTORY OF OLYMPIA CDBG PROGRAM



- **Federal CDBG Program Created - 1974**
 - Combined federal programs like “Model Cities” and “Urban Renewal Program” into a single Community Development *“Block Grant”* Program



Brief History of Olympia CDBG Program



- Olympia CDBG Program Created - 1982
- \$12,597,572 Received to Date in Annual CDBG Grants
 - Range of Olympia investments to date:
 - ✦ **Housing Rehabilitation**
 - ✦ Social (Public) Services
 - ✦ Public Infrastructure
 - ✦ Land Acquisition
 - ✦ Economic Development



BRIEF HISTORY OF OLYMPIA CDBG PROGRAM



- 1982 – 2010 Primary use: **Housing Rehabilitation**
 - 400 Owner-occupied Homes Rehabilitated
 - 1,400 Tenant-occupied Homes Rehabilitated
 - ✦ Loan Repayments = Program Income



BRIEF HISTORY OF OLYMPIA CDBG PROGRAM



Purpose of CDBG:

- A federal CDBG entitlement program allocates annual grants to larger cities and urban counties to develop viable communities by providing:
 - Decent housing;
 - Suitable living environment; and,
 - Expanded economic opportunities



Principally benefits **low- and moderate-income** persons.



CDBG ANNUAL ACTION PLAN GOALS



- ***Economic Development – Highest Goal***
- **Housing**
 - Rehabilitation
- **Public Facilities**
 - Community Centers
 - Public Infrastructure
- **Social Services**
 - Direct Assistance to Low- and Moderate-income People
- **Land Acquisition**
 - Any Purpose that Supports CDBG-eligible Activities



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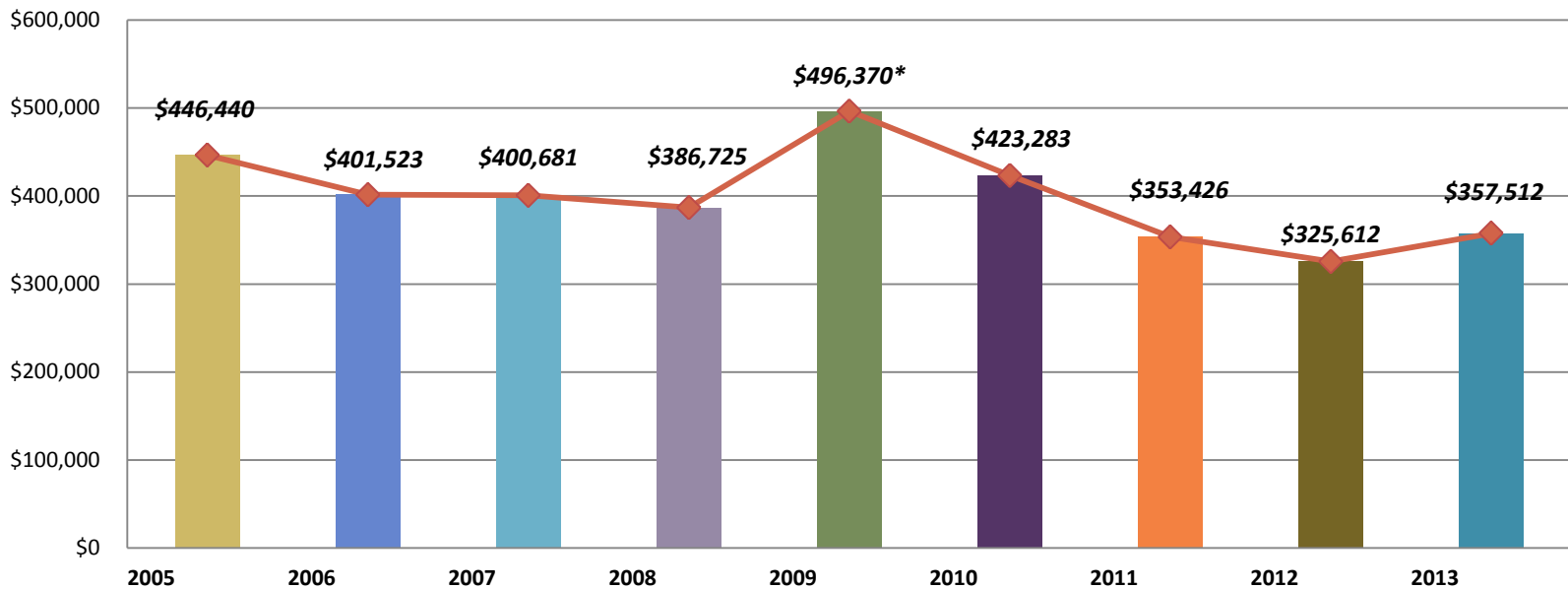
signs of progress • signs of success

CDBG FUND SOURCES

- CDBG Annual Entitlement Grants

- Federal Funds Received Each Year (*PY 2013: \$357,512*)

This Chart presents the City's Community Development Block Grant (CDBG) annual grant awards from 2005 through 2013. The City has received \$12,597,572 in annual CDBG awards since 1982. Grant award amounts have varied over the years, starting with \$322,000 in 1982, with the lowest award of \$258,000 in 1990 and an all-time high of \$496,370 in 2009.



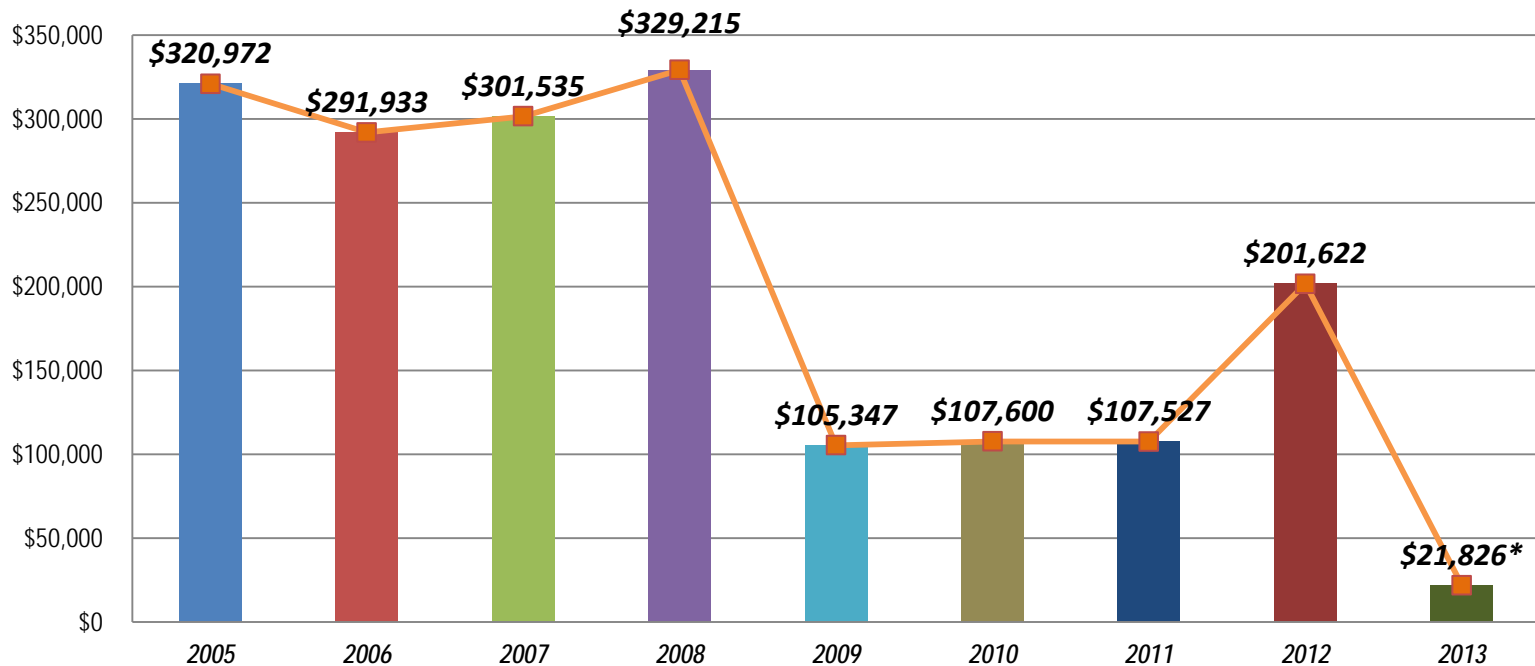
* Includes \$104,985 ARRA Funds

CDBG FUND SOURCES



- **CDBG Program Income**

- Repayments On Prior CDBG Housing Rehabilitation Loans
(PY 2012: \$201,622)



*Program Income to date of this chart, created 2/3/14.

CDBG BUDGET WORKSHEET



CDBG Entitlement	
Projected PY2014 CDBG Entitlement (same as PY2013)	\$357,512
Debt Service - Section 108 Downtown Improvements Project	(\$64,000)
Potential Continued Funding - Downtown Ambassador Program*	(\$51,270)
Potential Re-Fund to Isthmus Park Project from PY2013 Downtown Ambassador Funding*	(\$25,650)
Program Admin/Service Delivery (based on PY2013 Budget)	(\$100,000)
Potentially Available to Commit to Other Projects	\$116,592
<i>*Potential expense only. No Council decision on these expenses has been made at this time.</i>	

CDBG Program Income	
Outstanding Loans Receivable (Olympia's CDBG Loan Portfolio)	\$4,636,165
Average Annual Repayments Received (PY2005-PY2012)	\$237,405
Revolving Loan Fund (committed to Isthmus Park Project in PY2013 Action Plan)	\$163,281
Estimated Program Income PY2013 (committed to Isthmus Park Project in PY2013 Action Plan)	\$300,000
Current Balance PY2013 (Program Income Received to Date)	\$71,893

CDBG FUND SOURCES



- **CDBG Section 108 Loan Funds**

- **Special CDBG Program**

- ✦ Olympia eligible for loan guarantees up to \$1,756,000
- ✦ Allocated \$325,000 (19% of total funds) for Public Facility Projects
 - *\$50,000: Alleyway Lighting Project*
 - *\$275,000: ADA Sidewalk Access Project*



CDBG OPTIONS FOR ECONOMIC DEVELOPMENT



DIRECT ECONOMIC DEVELOPMENT ACTIVITIES:

- **Special Economic Activities:**
 - Acquiring, restructuring, rehabilitation, or installing commercial or industrial buildings
 - Grants, loans or technical assistance for for-profit businesses
 - Other Services in connection with eligible activity



CDBG OPTIONS FOR ECONOMIC DEVELOPMENT



DIRECT ECONOMIC DEVELOPMENT ACTIVITIES:

- **Micro Enterprise Activities:**
 - Loans or other financial assistance
 - Training
 - Technical assistance
 - General support for Micro-entrepreneurs (childcare, counseling, peer support)



CDBG OPTIONS FOR ECONOMIC DEVELOPMENT



DIRECT ECONOMIC DEVELOPMENT:

- Planning Activities:
 - Development of an economic development plan
 - ✦ General Planning
 - ✦ Economic Analysis



CDBG OPTIONS FOR ECONOMIC DEVELOPMENT



INDIRECT ECONOMIC DEVELOPMENT:

- Acquisition of Real Property
 - Purchase of property to support a CDBG-eligible Economic Development Purpose
 - End-use must meet a CDBG national objective



CDBG OPTIONS FOR ECONOMIC DEVELOPMENT



INDIRECT ECONOMIC DEVELOPMENT:

- **Public Facilities & Improvements:**
 - Sidewalks
 - Sewer
 - Water
 - Other essential improvements



CDBG OPTIONS FOR ECONOMIC DEVELOPMENT



INDIRECT ECONOMIC DEVELOPMENT:

- **Clearance:**
 - Demolishing structures or preparing a site for development
 - Brownfields
 - ✦ Environmental Clean-up



CDBG OPTIONS FOR ECONOMIC DEVELOPMENT



- Discussion