

City of Olympia - Community Development Block Grant (CDBG) Program Options for Economic Development Activities

CDBG 5-Year Consolidated Plan Goals 2013-2017

(Excerpted from the Joint City-County 5-Year Consolidated Plan)

1. **Economic Development (City's Priority Strategic Goal)**
 2. Affordable Housing
 3. Public Facilities and Infrastructure
 4. Public Services (Social Services)
 5. Acquisition of Land
 6. Continuum of Care - Homeless Services *(County's goals with other fund sources)*
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Options for Economic Development Activities

There are a broad range of CDBG-eligible activities available to foster economic development in local communities. This list presents those activities that provide both **direct** and **indirect** assistance. The first section identifies activities that would provide **direct support** for economic development, briefly listed as follows:

1. DIRECT Economic Development Activities:

a. 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

Options:

- i. **Loans for Real Property:** *Loan to owner of a specific vacant/deteriorated building to support a new or expanded business (could include favorable loan terms such as interest-only for first few years, etc.)*
- ii. **Revolving Loans for Businesses:** *Capitalize a revolving loan fund to assist small businesses (see attached Michelle Morlan memo for detailed alternatives)*
- iii. **Building Rehabilitation:** *Loan for rehabilitation of a building for a specific economic development use, e.g. commercial/industrial employer, artist live/work space or tourist attraction*
- iv. **Planning Activities:** *Funding planning for Downtown Ambassador/Clean Team, CPTED Plan or other special activity supporting economic development*

b. Micro Enterprise Activities:

- Technical Assistance
- Training
- Loans or Other Financial Assistance
- General Support for Micro Entrepreneurs (Childcare, Counseling, Peer Support)

Options:

- i. **Small Business Training:** *Direct funding to Enterprise for Equity Training Program*
- ii. **Start-Up Assistance:** *RFP for training and technical assistance program for start-up businesses*
- iii. **Combined Technical Assistance and Loans:** *Combine training and technical assistance with a small business revolving loan fund*

CDBG Economic Development Options, cont.

c. Planning:

- Development of an economic development plan

Options:

- i. **Planning: Economic Analysis:** *Funding economic analysis portion of downtown plan, such as market study to discover most attractive incentives for desired outcomes (e.g., market-rate housing, specific retail/office mix, minimum number or salary of jobs provided).*
- ii. **General Planning:** *Funding Community Renewal Area redevelopment plan for selected properties*

2. INDIRECT Economic Development Activities:

The following CDBG-eligible activities would provide **indirect support** for economic development activities by acquiring property to be utilized for business(es) or improving public infrastructure, summarized as follows:

a. Acquisition of Real Property

- Purchase of property to support a CDBG-eligible Economic Development Purpose, i.e., end-use meets a national project

Options:

- i. **Property Purchase Repayment** *CDBG entitlement funds used to repay Section 108 loan used to purchase a blighted property downtown, e.g. five properties of interest in Community Renewal Area study*

b. Public Facilities & Improvements:

- Sidewalks, sewer, water and other essential improvements

Options:

- i. **Repayment of Section 108 Funded Projects:**
 - a. **Infrastructure Repayments:** *CDBG entitlement funds used to repay Section 108 loan for water, sewer, stormwater, sidewalk, lighting, bicycling or street tree improvements*
 - b. **Public Amenity Repayments:** *CDBG entitlement funds used to repay Section 108 loan for park, plaza or similar public amenity (e.g. Artesian Commons)*

c. Clearance:

- Demolishing structures or preparing a site for development

Options:

- i. **Clearance Activities:** *Clearance of a blighted building downtown, e.g. five properties of interest in Community Renewal Area study*

- Brownfields – Environmental Clean-up

Options:

- i. **Environmental Clean-up Activities:** *Environmental Assessment, Clean-up plan, or Remediation on a city-owned site to prepare for sale or redevelopment*