



Community Development Block Grant Program 2019 Action Plan



Proposed: \$125,000 - Day Center Project in PY 2019. Funds will supplement the original \$300,000 allocation from PY 2018. These funds will expand the proposed Day Center & Shelter capacity by providing gender-neutral bathrooms and showers. The goal is to create 24/7 accommodations for up to 120 single adult houseless citizens.



Olympia City Council

Cheryl Selby, Mayor
Jessica Bateman, Mayor Pro Tem
Clark Gilman, Councilmember
Jim Cooper, Councilmember
Lisa Parshley, Councilmember
Nathaniel Jones, Councilmember
Renata Rollins, Councilmember

Community Planning & Development Staff

Keith Stahley, Director
Leonard Bauer, Deputy Director
Cary Retlin, Home Fund Manager
Anna Schlecht, Community Service Program Manager
Jessica Pollett, CDBG Program Assistant



DRAFT
Citizen Summary

olympiawa.gov/CDBG

Program Year 2019 Community Development Block Grant Annual Action Plan

OVERVIEW

The federal Community Development Block Grant (CDBG) Program, administered by the Department of Housing and Urban Development (HUD), is a flexible program intended to develop viable urban communities by providing: 1) decent housing; 2) a suitable living environment; and 3) expanding economic opportunities, principally for low- and moderate income people.

STRATEGIC GOALS

This “Citizen’s Summary” provides key information from the full Program Year (PY) 2019 CDBG Annual Action Plan, which is based on the City’s CDBG Consolidated Plan identified three of the Consolidated Plan’s Five strategic goals for this program year:

#3- Public Facilities (Day Center & Shelter Sewer projects)

#2 - Economic Development (Business Training Assistance & Downtown Safety Loans); and,

#4 - Social Services (Street Outreach)

PROPOSED CDBG-FUNDED ACTIVITIES

The following activities will receive funding during the PY 2018 Program Year:

| | |
|-------------------|---|
| \$ 125,000* | Public Facilities - Day Center - Salvation Army |
| \$ 80,000* | Public Facilities - Shelter Sewer - Interfaith Works / 1 st Christian Church |
| \$ 20,000* | Micro-Enterprise Assistance - Micro-Business Training & Technical Assistance |
| \$ 30,000* | Economic Development - Small Business Training and Technical Assistance |
| \$ 50,000* | Economic Development - Downtown Lighting Safety Loans |
| \$ 55,000* | Downtown Ambassador Program - Street Outreach |
| \$ 90,000 | Program Administration - Required |
| \$ 450,000 | TOTAL PROPOSED PY 2019 CDBG FUNDING |

* Includes estimated 10% “Activity Delivery Costs” (ADC) necessary for managing these programs



ANTICIPATED RESOURCES

The City anticipates the following financial resources:

| | |
|------------------|---|
| \$368,906 | New CDBG entitlement funds will be allocated to Olympia for PY 2019 |
| \$81,094 | Anticipated Program Income <i>(Reduced from prior estimates)</i> |
| \$450,000 | Total anticipated resources for the PY 2018 CDBG Program |

OTHER RESOURCES

In calendar year 2019, the City of Olympia also allocated \$95,850 from the general fund to address emergency shelter, transitional housing, daycare, homeless outreach, and other anti-poverty programs through the **Community Investment Program (CIP)** in partnership with the cities of Lacey and Tumwater and Thurston County.

Federal Regulatory Caps on CDBG Expenditures

The federal CDBG Program operates with a number of regulatory caps intended to balance the use of funds. Following is a listing of the key regulatory caps affecting the Olympia CDBG Program:

SOCIAL SERVICES CAP

Federal CDBG regulations require a 15% cap on social services spending, calculated by adding the prior program year's actual program income received to the current program year's grant award. For PY 2019 the following calculation summarizes social services spending:

| | |
|------------------|--|
| \$450,000 | Total CDBG funds for Social Service cap calculation <i>\$368,906 new money + \$89,000 estimated last year (this current year) Program Income = Total potential 15% maximum available for social service allocations = \$68,686</i> |
| \$55,000 | \$55,000 - Actual Social Service proposed - Downtown Ambassador Program |

ADMINISTRATIVE COSTS CAP

CDBG regulations provide for up to 20% general administrative costs. Following is a breakdown of these recommended categories of expenditures:

| | |
|------------------|--|
| \$450,000 | Total CDBG funds for Social Service cap calculation |
| \$90,000 | <i>General Administration (20% maximum of \$368,906 in new funds and estimated \$81,094 in PY 2019 Program Income) available for running CDBG Program)</i> |

GEOGRAPHIC DISTRIBUTION & BENEFICIARIES

The PY 2019 projects will predominantly be located in or near the downtown urban hub. Beneficiaries will be 100% low- to moderate-incomes (LMI). All projects benefiting geographical areas will be located in designated low- to moderate-income areas.

70% BENEFIT – LOW/MODERATE INCOME PEOPLE

CDBG is intended to primarily benefit low- and moderate-income people, defined as people with incomes less than 80% of Thurston County's median family income. This includes people who are presumed eligible because they are severely disabled, homeless, along with others. This 70% benefit ratio is determined over the City's three-year certification period.

PROPOSED PY 2019 PROJECTS

Following is a breakdown of all proposed projects, recipients, HUD defined goals and objectives and the actual proposed funding amount by activity:

| Recipient | Project | Outcomes | HUD Goal(s) | HUD Objectives | Proposed Funding |
|---|--|--|----------------------|---|------------------|
| Salvation Army | Day Center & Shelter | Expanded 24/7 Accommodations | Public Facilities | LMC – Low/Moderate Income – Limited Clientele | \$125,000 |
| 1st Christian Church/Interfaith Works Shelter | Shelter Sewer Repairs | Shelter Capacity Retained | Public Facilities | LMC – Low/Moderate Income – Limited Clientele | \$80,000 |
| Enterprise for Equity | Micro Business Training & Technical Assistance | Assistance for up to 10 businesses with fewer than 4 employees | Micro Enterprise | LMC – Low/Moderate Income | \$20,000 |
| Thurston Economic Development Council | Small Business Training & Technical Assistance | Assistance for up to 40 businesses with more than 4 employees | Economic Development | LMJ – Low/Moderate Income Jobs | \$30,000 |
| Multiple Recipients | Downtown Lighting Safety Project | Safety lighting enhancements in key downtown areas | Economic Development | LMJ – Low/Moderate Income Jobs | \$50,000 |
| City of Olympia | Olympia Downtown Ambassadors | Outreach for up to 150 street dependent people daily | Public Services | LMC – Low/Moderate Income – Limited Clientele | \$55,000 |
| City of Olympia | Program Administration | Planning & administrative for a compliant CBDG Program | N/A | N/A | \$90,000 |
| | | TOTAL | PY 2019 | ALLOCATIONS | \$450,000 |

PUBLIC COMMENT

The 30 Day public comment period runs from **May 8 - June 8, 2019**, offering the following options:

- **Written comments:** Olympia City Council, 601 4th Ave E, Olympia, WA 98501
- **Emails:** cdbg@ci.olympia.wa.us,
- **Phone calls:** City Council at 360-753-8244
- **Public hearing:** 7:00 p.m., Tuesday, June 4 at Olympia City Hall.

For more information:

M. Anna Schlecht, Community Development Block Grant Program Manager
aschlecht@ci.olympia.wa.us | 360.753.8183



