



# COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM 2020 ACTION PLAN



## Olympia City Council

- Cheryl Selby, Mayor
- Jessica Bateman, Mayor Pro Tem
- Clark Gilman, Councilmember
- Jim Cooper, Councilmember
- Lisa Parshley, Councilmember
- Renata Rollins, Councilmember
- Dani Madrone, Councilmember

## Community Planning and Development Staff

- Leonard Bauer, Director
- Mike Reid, Economic Development Director
- Cary Retlin, Housing Manager
- Jessica Pollett, Senior Program Specialist
- Anastasia Coman, Program Assistant



**DRAFT**  
CITIZEN SUMMARY

*Prepared By: Jessica Pollett, Senior Program Specialist, CDBG Program*

# Program Year 2020 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

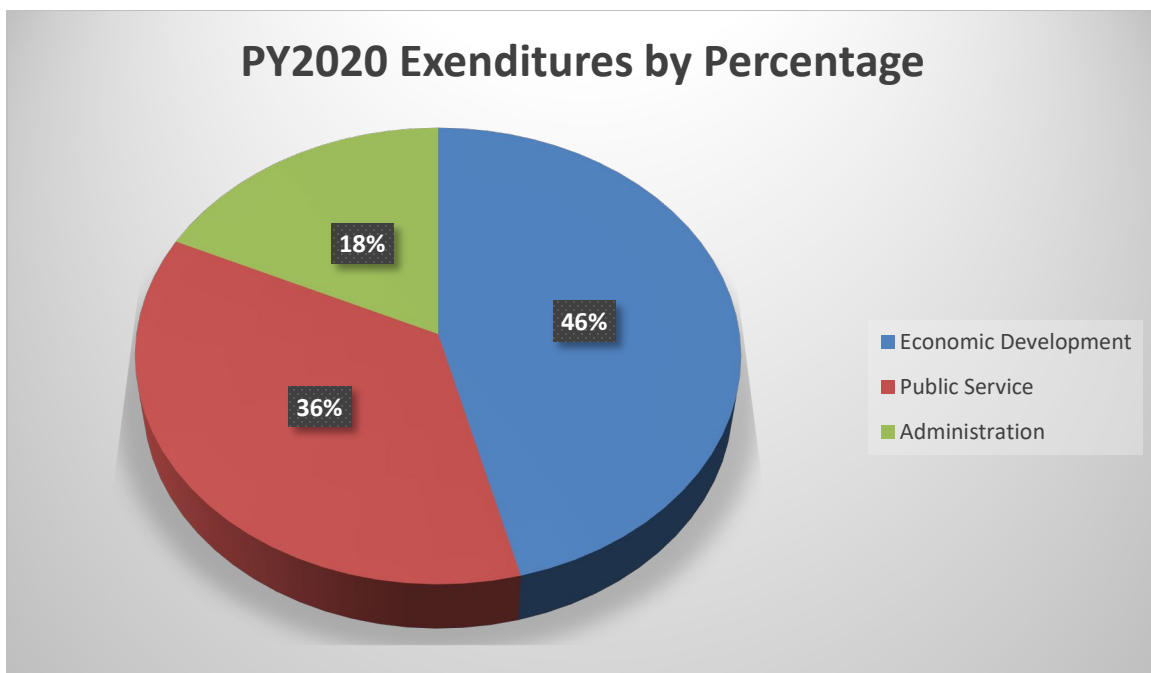
This “Citizen’s Summary” provides key information from the full Program Year (PY) 2020 CDBG Annual Action Plan, which is based on the City’s CDBG Consolidated Plan and the current need to prevent, prepare for and respond to Coronavirus. Two of the Consolidated Plan’s Five strategic goals have been identified for this program year:

**Goal #2 - Economic Development** (*Business Training Assistance & Microenterprise Assistance*); and,  
**Goal #4 - Social Services** (*Street Outreach and Social Service Provider Training*)

## PROPOSED CDBG-FUNDED ACTIVITIES

The following activities will receive funding during the PY 2020 Program Year:

|                   |   |
|-------------------|---|
| \$ 50,000         | Microenterprise Assistance - Micro-Business Training & Technical Assistance |
| \$ 75,000         | Economic Development - Small Business Training & Technical Assistance       |
| \$ 50,000         | Public Service - Financial Literacy Training for Social Service Providers   |
| \$ 90,000         | Economic Development - TBD based on needs to respond to Coronavirus         |
| \$ 113,529        | Downtown Ambassador Program, Public Service - Street Outreach               |
| \$ 90,000         | Program Administration - <u>Required</u>                                    |
| <b>\$ 468,529</b> | <b>TOTAL PROPOSED PY 2020 CDBG FUNDING</b>                                  |



## ANTICIPATED RESOURCES

The City anticipates the following financial resources:

|                  |   |
|------------------|---|
| \$ 403,529       | New CDBG entitlement funds will be allocated to Olympia for PY 2020 |
| \$ 65,000*       | Anticipated Program Income  |
| <b>\$468,529</b> | <b>Total anticipated resources for the PY 2020 CDBG Program</b>     |

*\*Program income will be reprogrammed as it is received in response to Coronavirus*

## OTHER RESOURCES

In calendar year 2020, the City of Olympia also allocated \$600,000 from the economic recovery fund to respond to economic impacts of Coronavirus.

### Federal Regulatory Caps on CDBG Expenditures

The federal CDBG Program operates with several 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 Program Year 2020, the social services cap has been waived to allow communities to respond to Coronavirus through public service activities.

## ADMINISTRATIVE COSTS CAP

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

|                  |  |
|------------------|--|
| <b>\$468,529</b> | <b>Total CDBG funds, including anticipated program income</b>  |
| <b>\$90,000</b>  | <b>General Administration (18% of \$403,529 in new funds and estimated \$65,000 in PY 2020 Program Income)</b> |

## GEOGRAPHIC DISTRIBUTION & BENEFICIARIES

The PY 2020 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.

## **DRAFT CDBG PY 2020 Allocations & Activities**

Following is a **DRAFT** CDBG PY 2020 (9/1/2020 – 8/31/2021) breakdown of 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   |
|---|--|--|---|---|--------------------|
| <b>Enterprise for Equity</b>                | Micro Business Training & Technical Assistance           | <b>Base Contract:</b> Assistance for up to 4 -5 micro businesses (> 4 employees) & Technical assistance for 18 - 20<br><b>RFP:</b> 25-30 Businesses assisted | Micro Enterprise                        | <b>LMI:</b> Low/Moderate Income Direct Assistance   | <b>\$50,000**</b>  |
| <b>Center for Business &amp; Innovation</b> | Small Business Training & Technical Assistance           | <b>Base contract:</b> Assistance for up to 30 small businesses (4 + employees)<br><b>RFP:</b> 112 Businesses assisted  | Economic Development                    | <b>LMI:</b> Low/Moderate Income Jobs                | <b>\$75,000**</b>  |
| <b>Thurston Asset Building Coalition</b>    | Financial Literacy Training for Social Service Providers | Train 25 – 40 Social Service Providers who will in turn directly assist many low- & moderate-income people   | Economic Development as Public Services | <b>LMI:</b> Low/Moderate Income Direct Assistance   | <b>\$50,000**</b>  |
| <b>TBD</b>                                  | TBD  | TBD – To be used to prevent, prepare for and respond to Coronavirus  | Economic Development                    | <b>LMI:</b> Low/Moderate Income Jobs                | <b>\$90,000</b>    |
| <b>City of Olympia</b>                      | Olympia Downtown Ambassadors                             | Outreach for up to 150 street dependent people daily   | Public Services                         | <b>LMC:</b> Low/Moderate Income – Limited Clientele | <b>\$113,529**</b> |
| <b>City of Olympia</b>                      | Program Administration                                   | Planning & administrative for a compliant CBDG Program   | N/A                                     | N/A   | <b>\$90,000</b>    |
|   |  | <b>TOTAL</b>   | <b>PY 2020</b>                          | <b>CDBG ALLOCATIONS</b>                             | <b>\$468,529*</b>  |

\*Includes additional \$53,529 in CDBG annual award funds (Original estimate = \$350,000)

\*\*Shows either proposed funding increase or new program identified by RFP recommendations

### **ANTICIPATED FUNDING:**

| SOURCE                       | AMOUNT           |
|------------------------------|------------------|
| PY 2020 Grant Award          | \$403,529        |
| Program Income               | \$65,000*        |
| <b>TOTAL PY 2020 FUNDING</b> | <b>\$468,529</b> |

\*Program Income will be programmed as received in response to Coronavirus

## PUBLIC COMMENT

The 10 Day public comment period runs from **July 10 - July 20, 2020**, offering the following options:

- **Written comments:** Olympia City Council, 601 4<sup>th</sup> Ave E, Olympia, WA 98501
- **Emails:** [cdbg@ci.olympia.wa.us](mailto:cdbg@ci.olympia.wa.us),
- **Phone calls:** City Council at 360-753-8244
- **Public hearing:** 5:30 p.m., Tuesday, July 14<sup>th</sup> via Zoom Webinar - Details can be found on the City's website at [olympiawa.gov](http://olympiawa.gov)

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### For more information:

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