



General Government Committee

Options for Community Development Block Grant (CDBG) Allocations and 2020 Action Plan Public Process

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Title

Options for Community Development Block Grant (CDBG) Allocations and 2020 Action Plan Public Process

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Discuss options for the Program Year 2020 (PY 2020: 9/1/20 - 8/31/21) Community Development Block Grant (CDBG) Action Plan and public process, along with potential alignment with Home Funds. Provide staff with direction.

Report

Issue:

Whether to discuss how the City's PY 2020 CDBG Annual Action Plan should address strategic CDBG priorities, and how can these funds align with the Olympia Home Fund allocation process.

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:

Tonight's Goal: The goal for tonight's meeting is to explore options for the coming PY 2020 (9/1/20 - 8/31/21) Community Development Block Grant (CDBG) Annual Action Plan and to launch the CDBG Citizen Participation Process. By starting earlier in the year, the Council can allow more time for a either a "Direct Select" process or a "Request for Proposals" process. The Committee has time to request additional information on other potentially eligible programs or projects of interest. The committee may specifically consider options for how to align the CDBG Program funds with the

Olympia Home Fund monies, which began its first full inaugural fiscal year in 2019.

CDBG Program Purpose: The CDBG Program was created as a “bundled” federal 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. Regulations for the CDBG Program are contained in 24 CFR 570.

Prior Discussions: This is the first discussion on the CDBG PY 2020 Annual Action Plan, although options for alignment of the CDBG Program and the Home Fund have been addressed at numerous meetings during calendar years since 2017.

CDBG Public Process: The public process for the PY 2020 CDBG Annual Action Plan is presented in the attached chart, “Olympia CDBG Program - Annual Cycle,” and is summarized as follows:

September 25, 2019: General Government Committee review of PY 2019 options
October 2019: General Government Committee recommendations to Council
Nov 2019 - March 2020: Council launch of the CDBG Citizen Participation Process
May - June 2020: 30-Day CDBG Public Comment Period
June 2020: Council’s Public Hearing - PY 2020 CDBG Annual Action Plan
June - July 2020: Council review and approval of draft PY 2020 Annual Action Plan
July 15, 2020: Submission of PY 2020 Annual Action Plan to HUD
September 2020: Start of PY 2020 CDBG & potential alignment with Olympia Home Fund

The coming PY 2020 will be the third year of the current Five-Year (2018 - 2022) CDBG Consolidated Plan, also referred to as the CDBG Five-Year Strategic Plan.

Options Drawn from Five-Year Plan Strategies: The attached “CDBG Program Five-Year Strategies - Overview” identifies the key strategies selected by Council for investing CDBG funds during the five years between 2018 - 2022. While these strategies are in priority order, the Committee can select any of the six (6) or add new strategies based on need. As written, this Five-Year plan identifies housing as a key strategy, which offers potential alignment with Home Fund priorities. Beyond that, there are other activities that have been funded on an annual basis, including the Downtown Ambassador Program, Business Training and the Downtown Safety Program. Several letters of request are attached. Staff is seeking initial guidance on Committee priorities to pursue in PY 2020.

Alignment with Home Fund: Throughout the planning of the Home Fund, Council expressed interest in using those funds to leverage other monies including CDBG funds. At this time, the Home Fund has conducted its first funding allocations under the guidance of the Home Fund Advisory Body. More information on options for alignment will be presented at the Committee meeting.

Neighborhood/Community Interests:

All neighborhoods and community stakeholders have an interest in how federal CDBG funds are invested in community development programs and projects.

Options:

1. Discuss options for the Program Year 2020 (PY 2020: 9/1/19 - 8/31/21) Community

Development Block Grant (CDBG) Action Plan and public process along with potential alignment with Home Funds and give direction to staff.

2. Delay the discussion of options for the Program Year 2020 Annual Action Plan and direct staff to provide additional information for future consideration.

Financial Impact:

The PY 2019 (September 1, 2019 - August 31, 2020) Annual Action Plan will guide the investment of an estimated \$450,000. This estimate includes \$350,000 in new PY 2019 CDBG funds along with \$100,000 in CDBG Program Income. This estimate will be updated with the actual CDBG annual entitlement amount along with revised estimates of program income by spring. At that time, staff can provide the most current estimates of Olympia Home Funds that could potentially be allocated in conjunction with CDBG funds.

Attachments:

Five-Year CDBG Consolidated Plan Strategies
Program Year 2019 CDBG Allocations & Activities
Amended Program Year 2018 CDBG Allocations & Activities
Olympia CDBG Program Annual Cycle