



City Council

Approval of the Community Development Block Grant (CDBG) Program Year 2019 Action Plan Amendment

Agenda Date: 1/7/2020
Agenda Item Number: 4.C
File Number: 19-1014

Type: decision **Version:** 1 **Status:** Passed

Title

Approval of the Community Development Block Grant (CDBG) Program Year 2019 Action Plan Amendment

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve the CDBG Program Year 2019 Action Plan Amendment and direct staff to proceed with implementation of the amended Action Plan.

Staff Contact:

Anna Schlecht, Community Service Programs Manager, Community Planning and Development, (360) 753-8183

Presenter(s):

None - Consent Calendar Item.

Background and Analysis:

The City has determined that Community Development Block Grant (CDBG) funds should be aligned with the Olympia Home Fund in housing development projects. The Council priority for housing development has guided this proposed amendment to the Program Year (PY) 2019 (September 1, 2019 - August 31, 2020) Action Plan to include \$550,000 for land acquisition.

The funds to be re-allocated come from the cancelled Salvation Army's Day Center / Community Kitchen project, which offered up \$425,000 in PY 2018 and PY 2019 CDBG funds. Staff identified another \$125,000 in unused prior-year funds. Together this Amendment will re-allocate a total of \$550,000, which will increase the PY 2019 Annual Action Plan from the original \$450,000 to a new total of \$875,000.

Proposed PY 2019 Amendment Process: On September 25, 2019, staff presented a recommendation to the General Government Committee to re-allocate all of the Salvation Army funds

(\$425,000) for the purchase of land intended for the development of affordable/low cost housing. Since that meeting, staff identified an additional \$125,000 in prior year unused funding. The City held a 30-day public comment period (December 3, 2019 - January 3, 2020), which included a public hearing on December 10, 2019, to receive public comments on the draft amendments.

Public Comments: Attached is one emailed comment received that included two previously submitted comments from **Build a Bus Home (BABH)**, an organization seeking funds for their start-up mobile hygiene service. Initial staff response to BABH was that their project was more suitable for flexible local funding than the highly regulated federal CDBG dollars. Also attached are the minutes from the December 10 CDBG Public Hearing. Council will receive hardcopies of all other public comments received by the January 3, 2020, deadline.

Proposed Amendment: Council will consider final approval of the draft amendment to the current PY 2019 Action Plan as follows:

\$550,000	<i>PROPOSED AMENDMENT: Land Acquisition</i>
\$ 80,000	Interfaith Works Shelter Repairs
\$ 50,000	Crime Prevention Through Environmental Design (CPTED)
\$ 30,000	Small Business Training & Assistance
\$ 20,000	Micro-Enterprise Assistance/Business Training & Technical Assistance
\$ 55,000	Downtown Ambassador Program
<u>\$ 90,000</u>	<u>Program Administration - Required</u>
\$875,000	TOTAL PROPOSED PY 2019 CDBG FUNDING AMENDMENT

Property Acquisition: Staff conducted a review of properties based on the criteria set forth in the "Land Acquisition Project Overview," from which suitable options were identified. Due diligence continues to find the best possible property for a future affordable housing project.

CDBG Program Purpose: The CDBG Program was created as a "bundled" federal aid 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. The Olympia CDBG Program is subject to a Five-Year Consolidated Plan that provides strategic guidance, subject to annual revisions and mid-amendments. Please note that this Amendment will occur during the second year of the Five-Year CDBG Consolidated Plan (2018 - 2022).

Prior Discussions: The original Salvation Army project was discussed during Public Process for both the CDBG PY 2018 and the PY 2019 Action Plans. This proposed PY 2019 Amendment was discussed at a General Government Committee meeting on September 25, 2019. Council launched the Amendment Public Process on November 11, 2019 and held a 30-day Public Comment Period from December 3, 2019 - January 3, 2020 during which a public hearing was held on December 10, 2019.

Neighborhood/Community Interests (if known):

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

Options:

1. Move to Approve CDBG Program Year 2019 Amendment and direct staff to proceed with implementation of amended Action Plan.
2. Do not move to approve CDBG Program Year 2019 Amendment and instead direct staff to develop new options for consideration.

Financial Impact:

The proposed amendment will re-allocate a total of \$550,000 in unused current and prior year CDBG funds for use in land acquisition to support housing development, making the new total PY 2019 Annual Action Plan \$875,000.

Attachments:

Draft Amendment of PY 2019 CDBG Annual Action Plan
Land Acquisition Project Overview
CDBG Program Annual Cycle
Public Comment - Build a Bus Email
Public Comment - Build a Bus Letter
Public Comment - Build a Bus Summary
PY 2019 CDBG Public Hearing Minutes