



## City Council

### Public Hearing on Community Development Block Grant (CDBG) Program Year 2019 Amendments

**Agenda Date:** 12/10/2019  
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#### **Title**

Public Hearing on Community Development Block Grant (CDBG) Program Year 2019 Amendments

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to committee.

##### **City Manager Recommendation:**

Hold a Public Hearing on proposed amendments to Community Development Block Grant (CDBG) Program Year 2019.

#### **Report**

##### **Issue:**

Whether to Hold a Public Hearing on proposed amendments to Program Year 2019 to allow for the expedited re-allocation of unused CDBG funds derived from the cancelled Salvation Army project and other unused prior year CDBG funds.

##### **Staff Contact:**

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

##### **Presenter(s):**

Anna Schlecht, Community Service Programs Manager, Community Planning and Development Department

##### **Background and Analysis:**

Staff have identified a total of \$550,000 in Community Development Block Grant (CDBG) funds that are available to be re-allocated in the current Program Year (PY) 2019, which runs from September 1, 2019 - August 31, 2020. This re-allocation process is considered a "Substantial Amendment" and must go through a 30-day public comment period with a public hearing.

This \$550,000 came from the following sources: 1) Salvation Army (SA) Funds: Salvation Army Olympia Corps canceled their two-year \$425,000 CDBG project to fund their Day Center /

Community Kitchen project. This SA project funding came from two consecutive awards of \$300,000 in PY 2018 and \$125,000 in the current PY 2019. 2) Other Prior Year Funds: Since the General Government Committee meeting in September, staff identified another \$125,000 in unspent funds from prior CDBG program years that are available to be re-allocated for CDBG eligible purposes. Together these sources offer a total of \$550,000 for re-allocation, making the proposed PY 2019 funding now a total of \$875,000.

**Proposed PY 2019 Amendment:** Staff presented a recommendation to the General Government Committee to re-allocate these unused funds in the purchase of land intended for the development of affordable / low cost housing. Council approved the amendment process on November 12, 2019. The actual properties to be considered will be presented at a soon to be scheduled Council Executive Session. Tonight's Public Hearing is part of the City's 30-day public comment period to seek citizen comments on the proposed amendments to the current PY 2019 Action Plan identified as follows:

|                  |  |
|------------------|--|
| <b>\$550,000</b> | <b>PROPOSED AMENDMENT: Land Acquisition (NEW)</b>                    |
| \$ 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>                             |
| <b>\$875,000</b> | <b>TOTAL PROPOSED PY 2019 CDBG FUNDING AMENDMENT</b>                 |

**Amendment Public Process:** CDBG regulations call for a 30-day Citizen Participation Process in which the public can review this substantial amendment to the current PY Action Plan and offer their comments. Please note that the 30-day public comment period has been delayed two weeks and will now run from December 3, 2019 - Friday January 3, 2020, with a public hearing scheduled for December 10, 2019. Final approval of the proposed Amendment will be scheduled for January 7, 2020.

**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 guided by a Five-Year CDBG Consolidated Plan which provides strategic guidance subject to annual revisions and mid-year amendments. Please note that this Amendment will occur during the second year of the Five-Year CDBG Consolidated Plan (2018 - 2022).

**Prior Discussions:** This proposed PY 2019 Amendment was discussed at a General Government Committee meeting on September 25, 2019. The original Salvation Army project was discussed during Public Process for both the CDBG PY 2018 and the PY 2019 Action Plans. The Council approved this Substantial Amendment process on November 12, 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. Hold a Public Hearing on proposed amendments to Program Year 2019 as part of the 30-day public comment period running from December 3, 2019 - January 3, 2020.
2. Do not hold a Public Hearing on the proposed amendments to CDBG Program Year 2019 Action Plan and further delay action on re-allocation of unused CDBG funds.

**Financial Impact:**

This proposed Amendment Process would allow public comments on the proposed re-allocation of \$550,000,000 in CDBG funds from PY 2018 (\$300,000) and PY 2019 (\$125,000) for property acquisition.

**Attachments:**

DRAFT Amendment of Program Year 2019 CDBG Annual Action Plan  
CDBG Program Annual Cycle