



General Government Committee

Final Recommendations and Timeline for Community Development Block Grant (CDBG) Program Year 2020 Action Plan

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Title

Final Recommendations and Timeline for Community Development Block Grant (CDBG) Program Year 2020 Action Plan

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Review proposals for economic development activities from which to select final recommendations and identify the public process timeline for the CDBG Program Year 2020 (9/1/20 - 8/31/21) Action Plan for Council action.

Report

Issue:

Whether to review proposals for economic development that could be included in the final recommendations for the CDBG Program Year 2020 Action Plan and identify the public process timeline.

Report

Staff Contact:

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

Presenter(s):

Anna Schlecht, Community Service Programs Manager.
Mike Reid, Economic Development Director.

Background and Analysis:

Staff will offer preliminary options for economic development to be included in Program Year (PY) 2020 Community Development Block Grant (CDBG) Annual Action Plan (September 1, 2020 - August 31, 2021).

On November 14, 2019, staff held a community partner meeting to discuss options for CDBG-funded economic development activities with a broad range of community partners who are identified in the attached “Community Partners Consulted: CDBG-Funded Economic Development Options”. A “Request for Proposals” (RFP) was released January 21 with a deadline of February 11, 2020. Additionally, staff held two application workshops on January 27 and 31, 2020. A total of three proposals were received from which staff developed the following preliminary options for consideration:

\$20,000 Asset Building Coalition (ABC)

Provides financial literacy training for service providers who will in turn offer those services for their very low-income Olympia clientele to strengthen their income and earning potential.

Actual request = \$25,000

\$15,000 Enterprise for Equity (E4E) *New PY 2020 total of \$35,000*

Provides expanded Micro Enterprise training along with other technical assistance to strengthen Olympia’s low- and moderate-income entrepreneurs and their micro business start-ups

Actual request = \$25,000.

\$10,000 Thurston Economic Development Council (TEDC)

New PY 2020 total of \$40,000

Provides expanded Scale-Up training along with scholarships to other highly effective business training opportunities to strengthen Olympia’s small business community and to generate jobs for low- and moderate-income people. **Actual request = \$50,000**

Public Process: Once the Committee develops its recommendations, the following timeline will allow for a robust public process:

February 26, 2020:	General Government Committee final recommendations
May 27, 2020:	Optional - Final Committee recommendations
June 2, 2020:	Council action to launch the CDBG Citizen Participation Process
June 3 - 18, 2020:	15 Day CDBG Citizen Participation Process
June 9, 2020:	Public Hearing - PY 2018 CDBG Annual Action Plan
July 7, 2020:	Council review and approval of draft PY 2020 Annual Action Plan
July 15, 2020:	Submission of PY 2020 Annual Action Plan to HUD

Prior Discussions: This issue was discussed at General Government Committee meetings held on September 25 and November 20, 2019. At the November meeting, the Committee requested additional information on potential economic development activities as stated above.

Draft Recommendations for CDBG-funded Activities - The attached “REVISED DRAFT PY2020 Community Development Block Grant Allocations & Activities” includes these preliminary options for economic development activities in the full scope of recommendations developed by the General Government Committee. These activities are drawn from recommended CDBG Five-Year Consolidated Plan strategies.

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;
- Suitable living environment; and,
- Expanding economic opportunities, principally for persons of low and moderate income.

All applicable regulations for the CDBG Program are contained in 24 CFR 570. The coming PY 2020 will be the third year of the next Five-Year (2018 - 2022) CDBG Consolidated Plan, also referred to as the CDBG Five-Year Strategic Plan. This strategic plan currently identifies housing and land acquisition for housing to be the highest priorities, however each year the Council can revise the priorities based on current needs.

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) Review proposals for economic development activities from which to select final recommendations and identify the public process timeline for the CDBG Program Year 2020 (9/1/20 - 8/31/21) Action Plan for Council action.
- 2) Delay the process to recommend proposed activities as well as development of the public process timeline for Program Year 2020 (9/1/20 - 8/31/21) Community Development Block Grant Program (CDBG) and seek additional information.

Financial Impact:

The PY 2020 (September 1, 2020 - August 31, 2021) Annual Action Plan will guide the investment of an estimated \$450,000. This includes \$350,000 in new CDBG funds, \$100,000 in CDBG Program Income (Estimates have increased since 2017). This also includes the reallocation of approximately \$500,000 of unspent prior year funding.

Attachments:

Community Partners Consulted - CDBG-Funded Economic Development Options
Revised Draft PY 2020 CDBG Allocations & Activities
CDBG Program Annual Cycle