



City Council

Public Hearing on Draft Community Development Block Grant (CDBG) 2015 Action Plan Amendment

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Title

Public Hearing on Draft Community Development Block Grant (CDBG) 2015 Action Plan Amendment

Recommended Action

Committee Recommendation:

No committee recommendation. Finance committee was briefed on the housing and home fund budgets on October 14, 2020.

City Manager Recommendation:

Hold a public hearing on the Draft CDBG 2015 Action Plan Amendment to receive public comments

Report

Issue:

Whether to hear testimony on Draft CDBG 2015 Action Plan Amendment

Staff Contact:

Jessica Pollett, CDBG Grant Coordinator, Community Planning and Development, 360.280.8951

Presenter(s):

Jessica Pollett, CDBG Grant Coordinator

Background and Analysis:

During program year 2015 (9/1/2015 - 8/31/2016), the City acquired a blighted building located at 308 4th Avenue East using City general funds (\$150,000) and federal CDBG entitlement funds (\$150,000). The City acquired the property while pursuing a partnership with a housing partner and the Evergreen State College to create an urban hub and entrepreneurial center on the ground floor and affordable housing units above. Unfortunately, Evergreen was not able to commit to the long-term operations of the facility leaving the housing partner to find another tenant to fill the space. The partner was unable to fill the space and the project didn't move forward. The City has sole possession of the property.

The US Dept of Housing and Urban Development (HUD) requires property acquired by entitlement communities with CDBG funds to meet a HUD national objective through an eligible activity,

benefitting low-moderate-income people (24 CFR §570.208(b)(2)). Given that the City has not met a HUD national objective due to the cancellation of the urban hub project, the City proposes to change the use of the property to clear blight through demolition. The building will be cleared in the next 12 months using Economic Development funds.

If the City ever disposes of the property, it must be sold at fair market value with all federal CDBG entitlement funds used in acquisition returned to HUD. The property must continue to benefit low-moderate-income people for at least five years after expiration of the sale agreement. The City must hold a public participation process when any change of use occurs (24 CFR §570.505). The public participation period (October 14, 2020 - October 20, 2020) for this draft amendment was launched by Council on October 13, 2020.

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 the Draft Community Development Block Grant (CDBG) 2015 Action Plan Amendment to receive public comments.
2. Delay the public hearing on the Draft Community Development Block Grant (CDBG) 2015 Action Plan Amendment and risk non-compliance with HUD. Provide staff direction on next steps.
3. Repay HUD with General Fund dollars.

Financial Impact:

If the City doesn't change the use of the property to meet a HUD national objective, \$150,000 in federal CDBG entitlement funds must be returned to HUD. The building clearance will be funded with economic development funds.

Attachments:

308 N 4th Avenue Vicinity Map
24 CFR §570.208(b)(2)
24 CFR §570.505