



City Council

Approval of National Development Council Contract to Administer Community Development Block Grant (CDBG) Section 108 Loan Fund

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Title

Approval of National Development Council Contract to Administer Community Development Block Grant (CDBG) Section 108 Loan Fund

Recommended Action

Committee Recommendation:

The Community Renewal Area Ad-Hoc advisory committee recommends approval.

City Manager's Recommendation:

Move to approve the Contract with NDC for continued Section 108 Loan Fund Administration with payment from Housing Program Funds, and authorize the City Manager to sign the documents.

Report

Issue:

Whether to authorize the City Manager to execute the attached agreement with the National Development Council to assist the City in technical financial assistance and underwriting administration of the CDBG Section 108 Loan Fund.

Staff Contact:

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Keith Stahley, Community Planning and Development Director 360.753-8227

Presenter(s):

None. Consent Calendar

Background and Analysis:

The U.S. Department of Housing and Urban Development (HUD) approved the City's Section 108 application creating a new loan fund in the amount of \$1,765,000 to assist with future eligible economic and community development activities in Olympia. This new financing resource is one more tool for a variety of CDBG eligible activities including economic development consistent with Council Goals. The deadline to submit a loan note and other obligations is May 1, 2014. In order to

achieve the deadline, there is a process that would need to occur.

The City previously contracted with the National Development Council to assist in preparing the loan pool application and staff recommends that NDC continue to provide technical assistance to ensure timely compliance with the May 2014 deadline. For over 40 years, the National Development Council (NDC) a 501(c)(3) non-profit corporation, has helped communities across the nation to build capacity through training, community and economic development services. NDC has mapped out the steps required along with a timeline with typical timeframes for each step in the process. The final Agreement will be adjusted to reflect the actual deliverable schedule. In summary, the process would need to begin to ensure that we could complete the process within the specified timeframe.

As a future project becomes ready for commitment, the City of Olympia will hold additional public hearings, select a project(s) and submit individual loan proposals to HUD's Seattle office with a full description of the project, an explanation of the eligible activity and national objective to be achieved, and analysis of the project's compliance with the City of Olympia's underwriting guidelines.

Neighborhood/Community Interests (if known):

The Loan Fund can be made available to eligible applicants Citywide, with a particular emphasis on the Downtown or an area that has experienced particular economic distress or blight.

Options:

1. Move to approve the Contract with NDC for continued Section 108 Loan Fund Administration with the adoption of the Consent Calendar.
2. Do not authorize the contract with NDC and provide direction to staff.

Financial Impact:

The Draft Agreement envisions a 12-month contract totaling \$60,000. Administrative program costs are an eligible CDBG expense. The program includes a provision that future processing application fees recover the contract costs to establish and implement the loan pool program.