



City Council

Approval of a Substantial Amendment to Program Year 2021 Community Development Block Grant Annual Action Plan

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Title

Approval of a Substantial Amendment to Program Year 2021 Community Development Block Grant Annual Action Plan

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve the proposed amendment to the Program Year (PY) 2021 Community Development Block Grant (CDBG) Annual Action Plan to reallocate existing CDBG CV funds and prior program year entitlement funds.

Report

Issue:

Whether to approve the proposed substantial amendment which reallocates CDBG funds to new activities.

Staff Contact:

Darian Lightfoot, Housing Programs Manager, 360.280.8951
Anastasia Everett, CDBG Program Specialist, 360.280.6197

Presenter(s):

None - Consent Calendar item.

Background and Analysis:

The CDBG program has a public service activities allocation cap in written into the grant's regulations. Public service activities can only account for 15% of the total grant entitlement per program year. The City's 2020 Consolidated Annual Performance and Evaluation Report (CAPER) showed the City's 2020 allocations surpassed the 2020 public service allocation cap. The City is repaying \$93,736.25 of entitlement funds to the Department of Housing and Urban Development (HUD) and re-funding those activities with Community Development Block Grant CARES (CDBG-CV) funds.

CDBG-CV funds do not have the 15% public service cap, as these funds are meant to prepare for, prevent, or respond to COVID-19. By repaying the entitlement funds to HUD and repaying the activities with CDBG-CV funds, the City will be in compliance for the 2020 CAPER. A Substantial Amendment is being proposed to award the below activities funds in order to meet the national objective and support residents in Olympia.

Activity 1

The following PY2019 activities that were created to respond to COVID-19 will be paid back and repaid with CV funds: Meals on Wheels, Thurston County Food Bank, Homeless Coordinator, totaling \$93,736.25. This amount will then be awarded to Olympia Community Solar.

Olympia Community Solar is seeking funds to install a 95.5 kW rooftop solar energy system on seven Olympia single family low-income rental homes. The systems, engineered and installed by South Sound Solar, include SilFab modules, SolarEdge inverters and monitoring.

The estimated total cost of the project is \$250,301.70. The CDBG funding awarded to this project is the \$93,736.25 of returned prior program year (PY 2016, 2017, 2018) funds as well as an additional \$92,752.35 of unspent prior program year funds (PY 2015, 2017, 2018) for a total of \$186,488.60. The installation is set to begin in early spring 2023. The remaining balance will be paid with CDBG PY 2022 entitlement funds.

Homes First has a mission to create and maintain healthy, safe, and affordable rental housing for low and extremely-low-income individuals and families. Homes First has served over 5,000 people since their founding in 1990. They own and/or manage 46 properties, annually providing over 275 tenants with respect, dignity, and support to ensure that they have every opportunity to be successful.

Activity 2

CDBG funds will be awarded to Catholic Community Services to rehabilitate their facility at Drexel House. \$90,000 of combined unallocated prior program year PY 2020 CDBG funds and Program Income will be used to replace the flooring in the Drexel House in both the permanent supportive housing facility as well as the emergency shelter.

The Drexel House campus provides a continuum of housing care in a safe environment that fosters respect and dignity, with an emergency shelter for 16 men and 86 units of permanent supportive housing for men and women coming out of homelessness. Drexel House serves homeless men and women who are first screened through SideWalk's coordinated entry and are rated as the most vulnerable members in Thurston County. Case management, referrals, transportation and supportive services are provided on-site.

An opportunity for public hearing was provided on March 29, 2022. Approval of a Substantial Amendment to the Annual Action Plan requires a 30-day public comment period. That period began on March 11, 2022 and ended on April 12, 2022.

Neighborhood/Community Interests (if known):

Community Development Block Grant funds can be spent to meet the needs of low to moderate income individuals throughout the community.

Options:

1. Move to recommend for approval the proposed Substantial Amendment to the PY 2021 Annual Action Plan.
2. Provide staff with feedback and provide alternative direction.
3. Take other action.

Financial Impact:

There are \$276,488.60 available in PY15, PY16, PY17, PY18, and PY20 for reallocation. If PY15 funds, totaling \$2,996.94, are not drawn down by the end of the program year, they are subject to being returned to the Department of Housing and Urban Development. Reprogramming the remaining balance will help the program in meeting the timeless test, requiring timely award spend down. Repaying \$93,736.25 towards CV eligible activities will realign the program in meeting the required public service cap. The budget can be found in the attached Draft PY21 Substantial Amendment.

Attachments:

Draft Program Year 2021 Substantial Amendment