



City Council

Program Year (PY) 2012 Community Development Block Grant (CDBG) Annual Action and CDBG Consolidated Plan Amendment Approval to clarify first year project operating expenses.

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Title

Program Year (PY) 2012 Community Development Block Grant (CDBG) Annual Action and CDBG Consolidated Plan Amendment Approval to clarify first year project operating expenses.

Issue:

Whether to approve the Draft Annual Action Plan for CDBG funding for Program Year 2012 (September 1, 2012 - August 31, 2013) that proposes \$551,500 in federal funding for the “Family Support Center: Smith Building Family Housing Units” project, along with the CDBG Consolidated Plan amendment clarifying that \$45,000 will be used for first-year Family Support Center operating expenses.

Committee Recommendation:

Not referred to a committee.

City Manager’s Recommendation:

Move to approve the draft PY 2012 CDBG Annual Action and CDBG Consolidated Plan Amendment and submit to the Federal Department of Housing and Urban Development (HUD) by July 15, 2012.

Staff Contact:

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Background and Analysis:

Each year, the Council follows a public involvement process to develop a CDBG Annual Action Plan for how to spend the annual Community Development Block Grant (CDBG) funding. The attached Action Plan identifies the specific activities to be undertaken with CDBG funding. This PY 2012 single-year Action Plan is the final year in the three-year CDBG Consolidated Plan, the multi-year strategic plan for the local use of these federal funds.

For program Year 2012 the City offered CDBG funding and the city-owned Smith Building for a singular capital (*bricks and mortar*) project to address community needs as defined in the City’s CDBG Consolidated Plan; the County’s 10-Year Plan to Reduce Homelessness; the City Council’s 2012 Goals; and, other identified criteria (see attachment 7 - Proposal Preview Matrix and Staff Ranking).

The CDBG Request for Proposals was released on March 19, 2012 and the City received four (4) proposals by the May 7, 2012 deadline (see attachment 6 for a matrix of the proposals). Attachments 5, 6 and 11 provide more details and analysis on each of the four proposals. On May 22, 2012, the Council initially chose the Family Support Center proposal (see attachment 5) to insert in the CDBG Annual Action Plan:

\$551,500 **“Family Support Center: Smith Building Family Housing Units” Project**
Request includes the City’s Smith Building at 837 - 7th Avenue SE, Olympia
Proposal Summary:

- Provide 32 beds of emergency family shelter; and
- Provide 28 beds of permanent housing for families.

The draft CDBG Annual Action Plan was made available for public comment from June 1 through July 2, 2012. The final DRAFT CDBG Annual Action Plan will be submitted to HUD by July 15, 2012.

Neighborhood/Community Interests (if known):

Several interests emerged from the community partner meetings (March 27 and 29), the public hearing (June 12), and the public comment period (June 1 through July 2, 2012).

1. Strong support for the Family Support Center Housing project to provide shelter for families;
2. Strong support for the SafePlace Community Center project;
3. Concerns about selling the Smith Building for a dollar;
4. Concerns about potential impact(s) on downtown businesses; and
5. Concerns about potential impacts on surrounding residential neighborhoods, including the Downtown Neighborhood and the adjacent Eastside Neighborhood.

Options:

1. Approve the 2012 Community Development Block Grant Annual Action Plan for submittal to the federal Department of Housing and Urban Development (HUD) by July 15, 2012.
2. Do not approve the 2012 Community Development Block Grant Annual Action Plan and jeopardize the Program Year 2012 CDBG funding.

Financial Impact:

Federal CDBG funds available for Program Year 2012 total \$709,649, of which \$551,500 is proposed for the Family Support Center Project and \$121,129 provides staff administrative support (see attachment 1). We received an additional \$37,020 in program income after the RFP was released, so it was not included for allocation (see attachment 1).