



City Council

CDBG Consolidated Plan and Annual Action Plan Approval

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Agenda Item:

CDBG Consolidated Plan and Annual Action Plan Approval

Issue:

Whether to approve the Draft CDBG Five-Year Regional Community Development Block Grant (CDBG) Consolidated Plan and the Draft Annual Action Plan for PY2013 (September 1, 2013-August 31, 2014).

City Manager's Recommendation:

Move to approve the CDBG Regional Consolidated Plan 2013-2017 and the Annual Action Plan for Program Year 2013 (September 1, 2013 - August 31, 2014) and direct staff to submit to HUD on or before July 15, 2013.

Staff Contact:

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Steve Friddle, Community Services Manager, 360.753.8591

Presenter(s):

M. Anna Schlecht, Housing Program Manager

Background and Analysis:

The attached **Consolidated Plan** is the key strategy document that guides the Community Development Block Grant (CDBG) Program over a five-year period. The **Annual Action Plan** is the one-year plan that identifies the activities to be funded during each program year of the Consolidated Plan. The City worked with Thurston County to develop a regional Consolidated Plan that identifies the development of viable communities by the provision of 1) Decent Housing; 2) Suitable living environment; and, 3) Expands economic opportunity. Each of the regional Thurston County Consolidated Plan strategies will be qualified under one of the three federal CDBG National Objectives: 1) Benefit to low- and moderate-income persons; 2) Elimination of slums or blight; and 3) Meeting urgent needs.

The City Council stated its intent to refine the City's CDBG process. The proposed changes include multi-year allocations in future program years along with a revised timeline to allow for a more deliberative Council process.

The five specific regional Thurston County Consolidated Plan Strategies include: 1) Affordable Housing; 2) Public Facilities; 3) Public Services; 4) Economic Development; and, 5) Land Acquisition. The Olympia

Annual Action Plan indicates "Economic Development" as the highest priority.

Copies of these two plans were made available for public comment between June 1 - 30th. The Council held a public hearing on June 11th. A copy of the minutes from the public hearing is attached. On June 18th the Council held a discussion about the Community Development Block Grant Consolidated Plan, the Annual Action Plan and recent public comments. A link to a digital version of the proposed plans may be found on the City of Olympia website. The final Consolidated Plan includes a copy of all public comments.

Olympia Specific Information

Attachment #2 - Citizen's Summary: Pages 31-34 - Includes the Chart of Olympia's CDBG PY-2013 Action Plan; Page 33, Figure 23 - HOME & CDBG Annual Action Plan Priorities - with Economic Development shown as "highest priority" for Olympia.

Attachment #3 - Regional Consolidated Plan: Pages 104-105 - Chart of Olympia's PY-CDBG 2013 Action Plan.

Attachment #4 - Appendices: Pages 59-108 (Appendix E) - Olympia-Specific Data

Program Year 2013 Proposals

The City received 18 proposals for a total of \$3,182,665 in CDBG funding for Program Year 2013. Following a public hearing on June 11, 2013 and Council discussion on June 18, 2013, the Council approved the attached list of funding allocations. The Council identified "Economic Development" as its highest priority, and allocated \$450,000 for a list of housing, shelter, social services, and economic development activities with an additional \$450,000 earmarked for the Isthmus Park project to demolish two derelict buildings.

On June 3, 2013 the City received notice from the US Department of Housing and Urban Development that our annual allocation would be \$357,512, which was approximately \$57,512 more than staff's estimate. This additional amount was the result of a one-time distribution of unused federal disaster funds from Hurricane Sandy. Council allocated the additional CDBG funds to two projects already identified for funding, providing an additional \$8,627 for the Together Evergreen Villages after school program (for a new sub-total allocation of \$13,627) and \$48,885 for the Isthmus Park project to demolish two existing derelict buildings, which is included in the \$450,000 allocated from program income. The full list of allocations is contained on the attached "Proposed PY 2013 Annual Action Plan".

Neighborhood/Community Interests (if known):

Neighborhood and community interests are identified through the RFP and public comment processes.

Options:

Approve the Community Development Block Grant Consolidated Plan and the PY2013 Annual Action Plan and direct staff to submit to HUD on or before July 15, 2013.

Financial Impact:

Over the five year Consolidated Planning period, the total amount of federal CDBG funds (both new money and program income) is anticipated to be \$2,537,560. During the first Program Year 2013 the Council allocations will invest up to \$1,018,627 in federal CDBG funds which will include \$357,512 in new CDBG allocations and up to \$661,115 in program income. Please note that any shortfall of anticipated 2013 CDBG program income will be deducted from the \$450,000 allocated for the Isthmus Park project.