



City Council

Approval of Community Development Block Grant Public Process; Report on Fund Status

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Agenda Item:

Approval of Community Development Block Grant Public Process; Report on Fund Status

Committee Recommendation:

- 1) **Timeline:** Make changes to the CDBG Program process and timeline as identified below.
- 2) **Strategic Goals:** Identify specific Council strategic goals for the 2014 CDBG Program Year (September 1, 2014 - August 31, 2015).
- 3) **Report Format:** Receive information on the current Fund status.

City Manager Recommendation:

Move to accept the General Government Committee recommendations on the CDBG Program process and timeline; identify Council strategic goals for the upcoming CDBG Program Year and provide guidance for developing the Request for Proposals; and receive information about the CDBG Fund Balance and spend down target.

Issues:

- Should the Council make changes to the CDBG Process and timeline?
- What priority(ies) should be identified in the Request for Proposals for Program Year 2014?
- How does the Council wish to allocate funds?
 - Specific economic development activity?
 - General economic development activity?
 - Single versus multi-year funding?
 - Funding for other eligible activities,
 - up to 15% in social services?

Staff Contact:

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Presenter(s):

Anna Schlecht, Housing Program Manager
Leonard Bauer, Deputy Director, Community Planning & Development

Background and Analysis:

Referral: The Council made a referral to General Government Committee to review the Community

Development Block Grant (CDBG) Program process and receive a report of Fund Balance and spend-down requirements. The Committee considered changes that would better accommodate:

- 1) Council deliberation of funding priorities;
- 2) Public participation; and,
- 3) Staff time to meet key deadlines and ensure a fully compliant program.

Committee Review of Public Process Timeline: The Committee reviewed previous CDBG Program public process timelines with particular regard to this past program year's public process which did not allow sufficient time for Council deliberations. The Committee determined that starting the public process earlier would allow more flexibility for Council review and adequate time for public notices and review. The Committee noted that starting as early as September or October, per the attached proposed timeline, would still allow the timeline to run until May of the following year before final Council action on the Annual Action Plan.

The Committee's recommended timeline is presented below with some changes to reflect the passage of time since their August 20th meeting. The committee recommends this process for Program Year 2014, with review by General Government Committee in early 2014 to determine if changes are needed for prior years. In its discussion, General Government members acknowledged the ongoing Council work on economic development taking place in other committees which may potentially affect future CDBG processes.

1. **September - October:** Council review and confirm CDBG Program priorities and ranking criteria for proposals
2. **October:** Staff draft a Request for Proposals (RFP) and ranking criteria for General Government Committee review and recommendations
3. **October - November:** Council issues RFP
4. **December - February:** Staff previews proposals, develops analysis and prepares materials for Council review of proposals
5. **December - February:** General Government Committee review proposals, staff analysis and develops recommendations for Council action
6. **January - April:** Council develops a draft funding plan for the CDBG Annual Action Plan
7. **May - June:** Hold 30-day public comment period and Public Hearing
8. **June:** Council action on the CDBG Annual Action Plan
9. **July:** Submit the CDBG Annual Action Plan to HUD

CDBG Priorities Areas: The current Five-year CDBG Consolidated Plan* (2013 -2017) includes five (5) strategic goals identified by Council:

- 1) Economic Development (**Priority strategic goal**)
- 2) Affordable Housing
- 3) Public Facilities and Infrastructure
- 4) Public Services (social services)
- 5) Acquisition of Land

**The 2013 - 2017 Consolidated Plan is a joint City of Olympia - Thurston County plan that includes a sixth goal of "Homeless Continuum of Care" intended only for Thurston County's strategic goals.*

Council Guidance: The Committee recommends that Council provide the following guidance for preparation of the PY-2014 (September 1, 2014 - August 31, 2015) Request for Proposals:

- What priority(ies) should be identified in the RFP?
- How does the Council wish to allocate funds?

- Specific economic development activity
- General economic development activity
- Single versus multi-year funding
- Funding for other eligible activities
 - up to 15% in social services?

Managing the Spend-down Deadline: On a related matter, Council asked General Government Committee to monitor compliance with the HUD spend-down requirement, and report to Council as appropriate.

HUD regulations require grantees to spend down CDBG funds in a “timely” fashion. This means spending down to leave only 1½ times their current grant award in the federal IDIS account by the 10th month (June 30th) of the Program Year (Olympia Program Year runs September 1 - August 31). Not meeting this HUD Timeliness deadline will result in potential findings and other actions by HUD.

General Government Committee agreed to schedule quarterly CDBG status reports on its Agenda.

Attached is a copy of the current report.

Neighborhood/Community Interests (if known):

The federal CDBG Program offers a flexible source of funding to meet a wide variety of affordable housing, social service, economic development and other community development needs.

Options:

1. Move to accept the General Government Committee recommendations on: a) the CDBG Program process and timeline; b) identify Council strategic goals for the 2014 CDBG Program Year; and, c) review the attached “CDBG Funding Spend-down Report” to monitor program timeliness.
2. Modify or refer the process back to General Government Committee for further refinement.