



City Council

Public Process for the Community Development Block Grant (CDBG) Program Year 2016 Action Plan

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Title

Public Process for the Community Development Block Grant (CDBG) Program Year 2016 Action Plan

Recommended Action

Committee Recommendation:

Accept the recommendation from General Government Committee in the Recommendations for Program 2016 (see Attachment) and direct staff to commence the PY 2016 CDBG public process.

City Manager Recommendation:

Accept General Government Committee recommendation for the Community Development Block Grant (CDBG) Program Year 2016 Action Plan (see Attachment) and direct staff to commence the public process.

Report

Issue:

Whether to accept the General Government Committee recommendation for CDBG funding in Program Year 2016 (September 2016 - August 2017) and commence the PY 2016 CDBG public process.

Staff Contact:

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Presenter(s):

M. Anna Schlecht, CDBG Program Manager, Community Planning & Development Department

Background and Analysis:

Each year the General Government Committee reviews options and develops goals for the coming CDBG Program Year. As identified in the attached CDBG Annual Cycle, this process starts in October or November of the prior program year and concludes with the CDBG Annual Action Plan that is submitted to the federal Housing and Urban Development (HUD) regional office by July 15 of

the subject year. CDBG Program Year 2016 will be September 1, 2016 - August 31, 2017.

The City's CDBG allocation for Program Year 2016 will be \$340,892 with an estimated \$150,000 in program income from prior year projects for a total of \$490,892 in CDBG funds. Of this amount, staff estimates that there will be approximately \$392,714 available for programs and projects during PY 2016.

CDBG Regulatory Guidelines: Federal regulations limit flexibility in project spending in several primary ways:

1. CDBG funds must be allocated for clearly identified, specific projects (i.e., the Isthmus Park Building Demolition in 2015) or for defined programs with clear guidelines for activities (i.e., the CPTED Program).
2. Federal regulations require the timely expenditure of funds to ensure that tax monies are not "banked" indefinitely for the future.
3. Funds for direct social services are capped at 15% of total CDBG expenditures.
4. Over each 3-year period, at least 70% of the City's CDBG expenditures must provide benefit to low-to-moderate income people.

The PY2016 Action Plan project list recommended by General Government Committee (Attachment 1) meets these requirements.

Committee Recommendation:

After considering other options, the General Government Committee recommends the projects in Attachment 1 for the CDBG Program Year 2016 Action Plan. Additionally, the committee recommends a revision of the Five-Year CDBG Consolidated Plan strategies to prioritize housing rehabilitation and social services, a change from the original priority of economic development established in the initial plan.

The recommendations include the following:

- 1) **\$98,178 Program Administration** essential to continue the City's CDBG program in a compliant manner with federal requirements.
- 2) **\$55,397 CRC Downtown Ambassador Program** Street outreach portion of the walking Ambassador Program that provides referrals and limited services to homeless, mentally ill and other street dependent people. ***Please note: this contains 10% Activity Delivery Costs for staffing. (continuing existing program)***
- 3) **\$27,500 Crime Prevention Through Environmental Design (CPTED)** Program intended to provide loan funds to projects that increase safety and reduce crime downtown. ***Please note:***

this contains 10% Activity Delivery Costs for staffing. (continuing existing program)

- 4) **\$200,000 Providence Community Care Center** in downtown Olympia, offering one-time funding for improvements in an existing building to establish this community center intended to serve homeless, mentally ill and other street dependent people. While the primary beneficiaries of this facility will be the street dependent people who reside in downtown, it is anticipated that there will be significant ancillary benefits for the businesses as well as the cultural and economic environment of downtown.
- 5) **\$44,817 Micro-Enterprise or small business training programs** for low and moderate income entrepreneurs and business owners. ***Please note:*** *this contains 10% Activity Delivery Costs for staffing.*
- 6) **\$65,000 - Housing Rehabilitation:** Funding for housing rehabilitation projects that improve the quality of existing housing for low and moderate income people. ***Please note:*** *These funds were originally proposed for the annual debt service payment on the City's Section 108 Loan Guarantee Program, however, an amendment to the current PY 2015 CDBG Annual Action Plan funded the pre-payment of this annual obligation. Contains 10% Activity Delivery Costs for staffing.*

CDBG Public Process:

Tonight the Council will consider starting the CDBG public process required by our CDBG Citizen Participation Plan, which calls for a 30-day period to allow review of the specific activities and locations where the City proposes to invest CDBG funds in PY 2016. Staff recommends the following public process:

June 10, 2016: Commencement of CDBG Public Process

The City will prepare the draft PY 2016 CDBG Annual Action Plan and release it broadly for review and public comment on Friday, June 10, 2016. This plan will be presented in the full HUD required format as well as an auxiliary four-page "***CDBG Citizens Summary***" for easier citizen access to the information. The 30 day public comment period (June 10, 2016 - July 11, 2016) will be announced through a legal notice; City website notice; direct email notice to stakeholders; and, announcements at appropriate community meetings of stakeholders. Citizens will be advised as to how to submit their comments.

June 21, 2016: Public Hearing

Council will hold a public hearing during the 30-day public comment period on the draft PY 2016 CDBG Annual Action Plan in order to receive public comments.

July 11, 2016: Closure of Public Process:

After 30 days, the City will close the CDBG public process, collect all public comments and

incorporate them into the final draft PY 2016 Annual Action Plan. The City will finalize the draft PY 2016 CDBG Action plan for review and submittal.

July 12, 2016: Council Approval

Council to review and approve the draft PY 2016 CDBG Annual Action Plan, and direct staff to submit the full document to HUD on or before July 15, 2016.

July 15, 2016: Submission of Annual Action Plan: The City will submit the PY 2016 CDBG Annual Action plan to HUD.

Neighborhood/Community Interests:

All Olympia residents have an interest in how CDBG funds are allocated. A 30-day public comment process, including a public hearing, is required before the City Council adopts the PY 2016 CDBG Action Plan.

Options:

1. Accept recommendation from General Government Committee in Attachment 1 and direct staff to commence the PY 2016 CDBG public process.
2. Modify the proposed PY 2016 Action Plan consistent with HUD requirements.
3. Direct staff to conduct further research on one or more potential projects for CDBG PY 2016 Action Plan for further consideration. Please note this option may risk loss of funding by delayed submittal to HUD.

Financial Impact:

The City will receive \$340,892 in PY 2016 CDBG funds along with an estimated \$150,000 in prior year program income for a total of \$490,892.

Attachments

PY2016 CDBG Recommendations
CDBG Program Milestones