



General Government Committee

Priority Strategies for Program Year 2018 CDBG Program and the Upcoming Five-Year CDBG Strategic Plan

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Title

Priority Strategies for Program Year 2018 CDBG Program and the Upcoming Five-Year CDBG Strategic Plan

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Identify and recommend priority strategies for Program Year 2018 (9/1/18 - 8/31/19) Community Development Block Grant Program (CDBG) and the CDBG Consolidated Five-Year Strategic Plan (2018 - 2022).

Report

Issue:

Whether to identify the priority strategies for Program Year 2018 Community Development Block Grant Program (9/1/18 - 8/31/19) and the CDBG Consolidated Five-Year Strategic Plan (2018 - 2022).

Staff Contact:

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Presenter(s):

Keith Stahley, Community Planning and Development Department Director.
Anna Schlecht, Community Service Programs Manager.

Background and Analysis:

The General Government Committee has the opportunity to make recommendations for the priority strategies for Program Year 2018 CDBG Program (9/1/18 - 8/31/19) and the CDBG Consolidated Five-Year Strategic Plan (2018 - 2022).

This item was first discussed by the General Government Committee at the August 23, 2017 and continued for further discussion at October 6, 2017, meeting. Separate from this agenda item, the Committee also discussed options for a potential second amendment to PY 2017 (September 1, 2017 - August 31, 2018).

The coming Program Year (PY) 2018 (September 1, 2018 - August 31, 2019) will be the first year of the next Five-Year (2018 - 2022) Community Development Block Grant (CDBG) Consolidated Plan, also referred to as the CDBG Five-Year Strategic Plan. The committee has an opportunity to identify both multi-year strategies as well as to identify the first year's specific activities. A timely decision will allow City staff to work with Thurston County to develop the joint CDBG Consolidated Five-Year Strategic Plan.

Alignment with other Plans - Staff have analyzed the ways that CDBG strategies might align with other plans, summarized as follows:

- **Downtown Strategy** Calls for more housing, economic opportunities, ADA accessible walk ways, and well managed social services in the urban hub.
- **Community Renewal Area Strategies** Encourages the elimination of urban blight in key areas with housing, economic development opportunities and the creation of jobs for low and moderate income people.
- **Economic Development Strategies;** Encourages a broad range of city-wide economic development which includes job creation for low & moderate income people.
- **County Five-Year Homeless Housing Plan** (*Scheduled for December release*) Calls for more affordable housing, emergency shelter capacity, day centers, 24/7 accommodations for all homeless populations, supportive services and review of local zoning and development policies to encourage more affordable housing.
- **Regional Fair Housing Plan:** (*Draft plan released in October*) Encourages better geographic distribution of affordable and accessible housing, and a review of local zoning and development policies to encourage more affordable housing. **Please note:** The strategies from this plan must be incorporated into the CDBG Five-Year Consolidated Plan.

Based on analyzing those plans, staff identified four key areas that are represented in the staff's preliminary proposed PY 2018 Activities and the CDBG Consolidated Five Year Strategic Plan:

- 1) **Increased Affordable (and accessible) Housing:** Funding projects that will add new housing units affordable to low and moderate income people (***All the above plans***).
- 2) **Social Services:** Services that assist very low-income, street-dependent, mentally ill and homeless people. (***All plans except the Economic Development Strategies and Regional Fair Housing Plan***).

- 3) **Economic Development:** Business training programs that create jobs and economic opportunity for low and moderate income people (*All the above plans*).
- 4) **Homeless Resources:** Emergency shelter, day centers and supportive services that serve the most vulnerable people. (*All plans except the Economic Development Strategies and Regional Fair Housing Plan*).

Public Process - In addition to identifying CDBG Consolidated Five-Year Plan strategies and PY 2018 activities, the Council will also need to identify the method(s) for the public process to be used for project selection. Process options include:

- **“Direct select”** - Council-chosen activities and providers (aka Sub-recipients); or,
- **“Request for Proposals (RFP)”** process to procure specific projects or programs through a competitive process to identify CDBG Contractors.

Ideally, the public process will be clarified to allow staff to proceed with drafting the CDBG Consolidated Five-Year Plan and PY 2018 activities. This allows the Council to commence the public comment process on the draft plans much earlier, and adjust CDBG strategies and activities as needed.

Charting the Options -To facilitate the Committee’s discussion of both first-year and multi-year strategies and activities, an attached chart presents staff preliminary options for consideration. A more detailed presentation will outline the rationale for each option.

CDBG Background

CDBG Purpose - The Community Development Block Grant (CDBG) Program was created as a “bundled” federal aid program intended to aid the development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income. The program was designed with flexibility to allow communities to determine how to meet the specific local needs of low-moderate income individuals. All City of Olympia CDBG-funded activities must conform to the federal regulations found in CFR 24

CDBG Annual Action Plan Referral - Every year the Council refers the initial review of the CDBG Program to General Government Committee for the purpose of developing recommendations on priorities and the public process for the coming program year.

Options for CDBG-funded Activities - The attached “Options for CDBG Program Year 2018 Activities / Next 5-Year Plan Strategies” presents the preliminary Consolidated Five-Year Plan strategies along with recent examples of activities identified by staff:

1. Economic Development

Examples: Business training programs; CPTED Safety projects.

2. Public Facilities

Examples: ADA curb Cuts, Warming Center, Community Care Center

3. Land Acquisition

Examples: Purchase of Griswold's Building; Land for Drexel I / Devoe II

4. Clean-up of Contaminated Sites

Examples: Isthmus Building Demolition Asbestos removal

5. Housing Rehabilitation

Examples: Homes First, LIHI Fleetwood Building. Can include both acquisition and rehabilitation as conducted by Homes First!

6. Public Services

Examples: Downtown Ambassador Program.

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. All neighborhoods and community stakeholders have an interest in how CDBG funds are invested in community development programs and projects.

Options:

- 1) Identify and recommend priority strategies for Program Year 2018 (9/1/18 - 8/31/19) Community Development Block Grant Program (CDBG) and the CDBG Consolidated Five-Year Strategic Plan (2018 - 2022).

- 2) Delay the process of identifying priority strategies for Program Year 2018 (9/1/18 - 8/31/19) Community Development Block Grant Program (CDBG) and the CDBG Consolidated Five-Year Strategic Plan (2018 - 2022) and risk the timely completion of our joint City-County plan.

Financial Impact:

Program Year 2018 (September 1, 2018 - August 31, 2019) will guide the investment of an estimated total of \$470,000 (*revised from prior staff reports*) and the CDBG Consolidated Five-Year Strategic Plan will guide the investment of an estimated total of \$2,250,000 (including the first Program Year 2018).

Attachments:

Options for CDBG PY 2018 Activities
CDBG Program Annual Cycle