



## General Government Committee

### Options for 2019 Community Development Block Grant (CDBG) Annual Action Plan and Public Process

**Agenda Date:** 1/23/2019  
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#### **Title**

Options for 2019 Community Development Block Grant (CDBG) Annual Action Plan and Public Process

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to a committee.

##### **City Manager Recommendation:**

Discuss options for the Program Year 2019 (PY 2019: 9/1/19 - 8/31/20) Community Development Block Grant (CDBG) Action Plan and public process along with potential alignment with Home Funds and give direction to staff.

#### **Report**

##### **Issue:**

Whether to discuss how the City's PY 2019 CDBG Annual Action Plan should address strategic CDBG priorities, and how can these funds align with the Olympia Home Fund allocation process.

##### **Staff Contact:**

Anna Schlecht, Community Service Programs Manager, Community Planning and Development Department (360-753-8183)

##### **Presenter(s):**

Anna Schlecht, Community Service Programs Manager.

#### **Background and Analysis:**

**Tonight's Goal:** The goal for tonight's meeting is to explore options for the coming PY 2019 (9/1/18 - 8/31/19) Community Development Block Grant (CDBG) Annual Action Plan and to launch the CDBG Citizen Participation Process. By starting earlier in the year, the Council can allow more time for a either a "*Direct Select*" process or a "*Request for Proposals*" process.

Starting early allows more time to request information on how the CDBG Program could align with other funding sources that operate on different fiscal years. The committee may specifically consider

options for how to align the CDBG Program funds with the Olympia Home Fund monies, which began its first full inaugural fiscal year in 2019.

**CDBG Program Purpose:** The CDBG Program was created as a “bundled” federal 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. Regulations for the CDBG Program are contained in 24 CFR 570.

**Prior Discussions:** This is the first discussion on the CDBG PY 2019 Annual Action Plan, although options for alignment of the CDBG Program and the Home Fund have been addressed at numerous meetings during calendar years 2017 and 2018.

**CDBG Public Process:** The public process for the PY 2019 CDBG Annual Action Plan is presented in the attached chart, “Olympia CDBG Program - Annual Cycle,” and is summarized as follows:

<b>January 23, 2019   General Government Committee review of PY 2019 options</b>	
April	General Government Committee recommendations to Council
May	Council launch of the CDBG Citizen Participation Process
May - June	30 Day CDBG Citizen Participation Process
June	Council’s Public Hearing - PY 2019 CDBG Annual Action Plan
June - July	Council review and approval of draft PY 2018 Annual Action Plan
July 15	Submission of PY 2019 Annual Action Plan to HUD
September	Start of PY 2019 CDBG & potential alignment with Olympia Home Fund

The coming PY 2019 will be the second year of the next Five-Year (2018 - 2022) CDBG Consolidated Plan, also referred to as the CDBG Five-Year Strategic Plan.

**Five-Year Strategies for CDBG Program:** The attached “CDBG Program Five-Year Strategies - Overview” identifies the key strategies selected by Council for investing CDBG funds during the five years between 2018 - 2022. This plan identifies housing as a key strategy, which could potentially align with Home Fund priorities. There is also a need for additional funding for the Salvation Army Day Center project, which received \$300,000 in the PY 2018. Beyond that, there are other activities that have been funded on an annual basis, including the Downtown Ambassador Program, Business Training and the Downtown Safety Program. Staff is seeking initial guidance on Committee priorities to pursue in PY 2019.

**Alignment with Home Fund:** Throughout the planning of the Home Fund, Council expressed interest in using those funds to leverage other monies including CDBG funds. At this time, the Home Fund is still in the early stages of founding an Advisory Body, whose work will ultimately inform Council decisions on allocations. More information on options for alignment will be made available once the Advisory Body meets.

#### **Neighborhood/Community Interests:**

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

#### **Options:**

1. Discuss options for the Program Year 2019 (PY 2019: 9/1/19 - 8/31/20) Community Development Block Grant (CDBG) Action Plan and public process along with potential alignment with Home Funds and give direction to staff.
2. Delay the discussion of options for the Program Year 2019 Annual Action Plan and direct staff to provide additional information for future consideration.

**Financial Impact:**

The PY 2019 (September 1, 2019 - August 31, 2020) Annual Action Plan will guide the investment of an estimated \$450,000. This estimate includes \$350,000 in new PY 2019 CDBG funds along with \$100,000 in CDBG Program Income. This estimate will be updated with the actual CDBG annual entitlement along with revised estimates of program income by Spring. At that time, staff can provide the most current estimates of Olympia Home Funds that could potentially be allocated in conjunction with CDBG funds.

**Attachments:**

Olympia CDBG Program Annual Cycle  
CDBG Five-Year Strategies - Overview