

## CDBG Program Information

Community Development Block Grant (CDBG) is a flexible grant that can be used for a variety of activities that primarily support low-income households. Olympia is a CDBG entitlement community, meaning we directly receive a formula-based grant allocation from the U.S. Department of Housing and Urban Development annually. Eligible activities include the acquisition of real property, public facilities and improvements, public services, homeowner and rental rehabilitation, code enforcement, special economic development activities, microenterprise assistance, planning and capacity building, and program administrative costs, among others. The authorizing statute of the CDBG program requires that each activity funded, except for program administration and planning activities, must meet one of three national objectives established by HUD:

- Benefit to low- and moderate-income (LMI) persons;
- Aid in the prevention or elimination of slums or blight; and
- Meet a need having a particular urgency (referred to as urgent need).

Every year the City must complete an Annual Action Plan (AAP) in accordance with the City's public participation plan outlining how CDBG funds will be used during the upcoming Program Year. The City's Program-Year begins September 1 and ends August 31 of the following year. Each AAP must reflect the priorities set in the Consolidated Plan which is updated in partnership with Thurston County every five years and outlines the priority needs in the region. Preparation of the Consolidated Plan includes extensive stakeholder and public engagement to set goals and objectives. In Program Year 2023, the City adopted its most recent Consolidated Plan update which was approved by HUD and will be implemented until Program Year 2027. The Consolidated Plan prioritizes activities that support affordable housing and economic development.

The City does not have the capacity or expertise to directly undertake the activities identified as priorities in the Consolidated Plan. The City typically subawards its CDBG to local nonprofit organizations, or subrecipients, to complete proposed activities. The relationship with subrecipients allows the City to compliantly fund a variety of activities and supports local nonprofit organizations.

City staff prepare the required annual report, the Consolidated Annual Performance and Evaluation Report, or CAPER following the end of each program year. The CAPER is presented to City Council and the public to show progress made towards goals identified in the Consolidated Plan, how CDBG funding is spent, and number of beneficiaries served. The CAPER is prepared in late fall and submitted to HUD in November.