



DRAFT COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
PROGRAM YEAR 2014 ACTION PLAN

PRIORITY STRATEGY: ECONOMIC DEVELOPMENT



2014 ACTION PLAN DEVELOPMENT TEAM

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The City of Olympia extends its thanks to the many stakeholders and citizens who participated in developing the Program Year 2014 (PY 2014) Annual Action Plan.

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CITIZEN SUMMARY

Program Year 2014 Community Development Block Grant Annual Action Plan *FOCUS: Economic Development and Downtown Renewal*

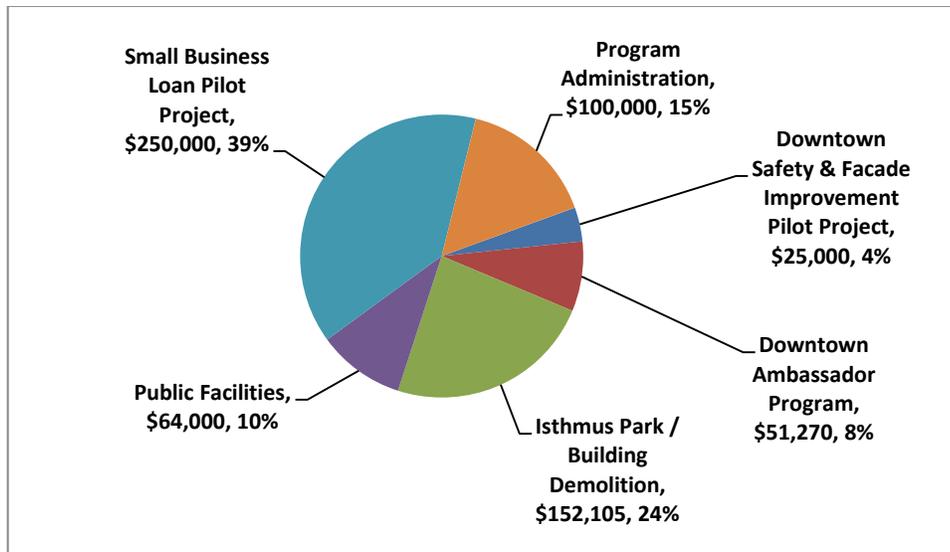
OVERVIEW

The City of Olympia proposes to use federal CDBG funding in concert with other City funded activities to facilitate economic development with a particular focus on the downtown core. Following is a two-page “Citizen’s Summary” with key information from the **Olympia Community Development Block Grant Program Year (PY) 2014 Annual Action Plan**, which runs from September 1, 2014 - August 31, 2015.

PROPOSED CDBG-FUNDED ACTIVITIES

The following activities will receive funding during the PY 2014 Program Year:

\$25,000	Downtown Safety & Façade Improvement Pilot Project
\$64,000	Repayment of CDBG Section 108 Loan
\$51,270	Downtown Ambassador Program
\$152,105	Isthmus Park /Building Demolition (<i>\$25,650 refund and \$126,455 new funds</i>)
\$250,000	Small Business Loan Pilot Project
\$100,000	<u>Program Administration</u>
\$642,375	TOTAL PROPOSED PY 2014 CDBG FUNDING



PUBLIC COMMENT

These proposed projects and the CDBG Annual Action Plan will be available for a public comment period that runs from June 2, 2014, through July 2, 2014, in the following ways:

- Written comments care of the Olympia City Council, 601 4th Ave. East, Olympia, WA 98501
- Email via councilmembers@ci.olympia.wa.us,
- Phone call to the City Council at 360-753-8244
- Public hearing - 7 pm, Tuesday June 10th at Olympia City Hall.

CITIZEN SUMMARY: PROGRAM YEAR 2014 ANNUAL ACTION PLAN

Background: Federal Community Development Block Grant Program:

The Community Development Block Grant (CDBG) Program is a federal program administered by the Department of Housing and Urban Development (HUD). The CDBG Program is a flexible program that provides communities with resources to address a wide range of unique community development needs. CDBG funds are intended to help develop viable urban communities by providing: 1) decent housing; 2) suitable living environment; and 3) expanding economic opportunities, principally for low- and moderate-income people.

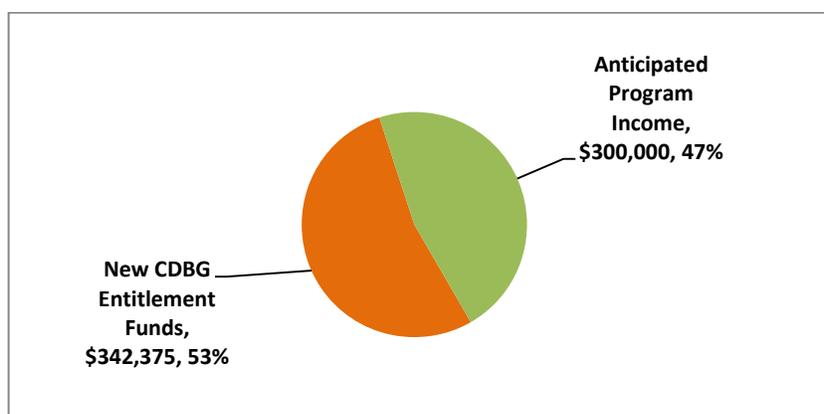
The City of Olympia has been a recipient of CDBG funds since 1982. The Olympia Housing Program of the Community Planning and Development (CPD) Department is the lead entity responsible for overseeing the CDBG Program. The PY 2014 Action Plan serves as the blueprint for how Olympia will invest CDBG funds to address high-priority local needs and benefit the community in the second year of the five-year (2013-2017) Consolidated Plan period. Program Year 2014 will run from September 1, 2014, through August 31, 2015.¹

Anticipated Resources:

The City anticipates the following financial resources:

\$342,375	New CDBG entitlement funds will be allocated to Olympia for PY 2014
\$300,000	<u>Anticipated Program Income</u>
\$642,375	Total anticipated resources for the PY 2014 CDBG Program

Figure 1. Anticipated Resources for PY 2014 CDBG Program



¹ Olympia's CDBG Program operates on a fiscal year that runs from September 1 to August 31, so the PY 2014 Action Plan covers the period from September 1, 2014, to August 31, 2015. To avoid confusing the 2014 CDBG program year with calendar year 2014, the program year is generally referred to as "PY 2014."

Program Year 2014 CDBG Annual Action Plan

Purpose of the CDBG Annual Action Plan

The CDBG Annual Action Plan serves as the one-year plan to implement the strategies identified in the five-year CDBG Consolidated Plan. The PY 2014 Annual Action Plan is the second year of the five-year Consolidated Plan, 2013 – 2017. Readers can find a copy of the [Citizen's Summary of the 2013-2017 Consolidated Plan](#) on the City's website. The *Citizen's Summary* clarifies the purpose of the Consolidated Plan as a strategic plan that:

- *Evaluates* the past performance of Olympia's CDBG Program,
- *Analyzes* Olympia's housing and community development needs,
- *Describes* the consolidated planning and public participation process,
- *Presents* Olympia's proposed strategies for using CDBG funds over the next three years, and
- *Invites* you to share your views and become involved in making future CDBG decisions.

Summary of Proposed PY 2014 CDBG Activities and Fund Allocation

Priority Strategy: Economic Development

The City's CDBG Program Annual Action Plan will be made available for review during a public comment period that runs from June 2 through July 2, 2014, during which there will be a public hearing on June 10, 2014.

This draft plan features a range of activities, each intended to directly or indirectly promote economic development—the primary City of Olympia strategy identified in the Consolidated Plan. The specific PY 2014 activities are identified as follows:

1. Economic Development **Direct Economic Development Assistance** (*Defined as direct assistance to businesses*)

\$250,000 Small Business Loans

A small business loan program to be administered via contract with the National Development Council and in partnership with the "Grow America Fund," The Thurston County Economic Development Council (EDC), the Thurston County Chamber of Commerce, and the Olympia Downtown Association (ODA). Goals include:

- *Retaining and growing existing downtown businesses*
- *Infilling vacant storefronts with new or relocated businesses*
- *Emphasizing a diversity of businesses that provide jobs and activity to create more foot traffic and an "18-hour business day"*
- *Focus on strategic small business sectors with the greatest potential for success*

This program would establish a Revolving Loan Fund (RLF) to provide an additional tool for strengthening downtown businesses. The RLF would be designed to complement existing tools; i.e. technical assistance, business training, and business coordination programs provided by EDC, ODA and Enterprise for Equity, and the incubator program of the Thurston County Chamber.

Olympia CDBG funds would serve as “seed money” that could potentially leverage other funding programs such as Small Business Administration funds or local foundation funding.

\$25,000 Downtown Safety & Façade Improvement Program

Municipal planners and public safety officials utilize Crime Prevention through Environmental Design (CPTED) as a planning tool to make their communities safer. This program would be operated as a Revolving Loan Program (RLF) ensuring that program income could be made available for future CPTED Safety Program projects. The City has been participating in a public planning process to assess needs, identify resources and proceed with high priority CPTED projects. The majority of these projects will involve private property, but some may involve public property. These priorities fall into two general categories:

A) Downtown CPTED Safety Projects

The City has worked with downtown building and business owners along with other stakeholders to develop a priority listing of CPTED projects involving physical improvements.

B) Façade Improvement Loans (\$10,000)

Façade Improvement loans are utilized by communities across the nation to provide financial incentives to restore highly visible store fronts in central business cores. There are three elements of the façade improvement program:

- 1) *Small CDBG Loans:* CDBG funds would be made available through a low- or no-interest loan program to property owners interested in improving their property. Funds would be used for materials costs only, i.e. paint, to support façade upgrade projects.
- 2) *Volunteer Labor:* The City will work in partnership with the Olympia Downtown Association and the successful Downtown Clean Team.
- 3) *Recycled Materials:* The City will work with local companies to utilize recycled materials; i.e., recycled paint, which both ensures re-use of a valuable building material and demonstrates a commitment to sustainable building maintenance practices.

2. Elimination of Blight Indirect Economic Development Assistance

(Defined as activities that improve the business environment)

\$126,455 Building Demolition – Isthmus Park (PY 2014 allocation)

\$25,650 Building Demolition – Isthmus Park (refund from PY 2013 allocation²)
 Funds to be utilized in the demolition of two derelict buildings now owned by the City, which are located on the downtown isthmus.

3. Public Facilities Indirect Economic Development Assistance
(Defined as activities that improve the business environment)

\$64,000 Repayment to CDBG Section 108 loan
 First of five repayments on the Section 108 loan guarantee funded “**Downtown Safety Project**” to provide alley lighting for up to 13 allies in specific locations, and ADA sidewalk- accessible improvements to improve pedestrian accessibility.

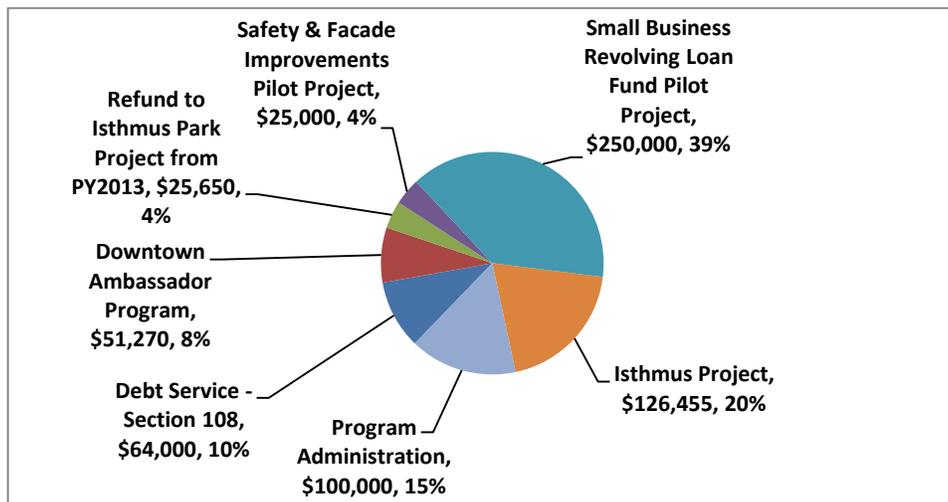
4. Social Services Indirect Economic Development Assistance
(Defined as activities that improve the business environment)

\$51,270 Downtown Ambassador Program
 This program serves as a link between downtown businesses and social services by providing street outreach, referrals, and other assistance to homeless, street-dependent, and mentally ill individuals in the downtown core. Capital Recovery Center is a nonprofit mental health service provider.

5. Planning and Administrative Costs:

\$100,000 Staffing costs to administer the CDBG Program

Figure 1. Anticipated PY 2014 CDBG-funded Activities (Expenditures)



For more information about approved strategies, please see the [Citizen’s Summary](#) and Part I of the [2013-2017 Consolidated Plan](#), available on the City’s website.

² \$25,650 was “borrowed” from the PY 2013 CDBG to fund an expansion of the Ambassador Program with an agreed “refunding” of these monies to the Isthmus Park project during PY 2014.

Federal Regulatory Caps on CDBG Expenditures

The federal CDBG Program operates with a number of regulatory caps to ensure the intended balance of expenditures is maintained. Following are the three key regulatory caps affecting the City of Olympia’s CDBG Program:

Social Services Cap: Federal CDBG regulations require a 15% cap on social services spending, which is calculated by adding the prior program year’s actual program income received to the current program year’s grant award. For PY 2014 the following calculations:

\$342,375	PY 2014 Annual CDBG Award
\$300,000	Estimated PY 2013 program income (<i>revised from original 5-Year Consolidated Plan Estimate</i>)
\$642,375	Total CDBG funds for Social Service cap calculation

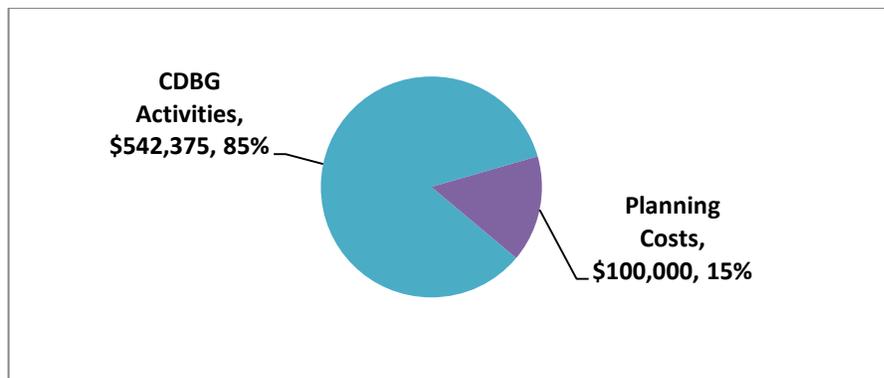
\$96,356.25 Potential 15% maximum available for social service allocations

\$51,270 Actual 8% Proposed Social Services Allocations (Downtown Ambassador Program)

Administration Costs Cap: CDBG regulations provide for up to 20% general administrative costs. Following is a breakdown of these recommended categories of expenditures:

\$542,375	CDBG Activities (<i>identified above</i>)
\$100,000	General Administration – 15% of total funds (<i>regulatory cap = 20%</i>)
\$ 0	Direct Service Delivery Expenses (<i>no funds allocated</i>)
\$642,375	Total PY 2014 Projected Expenditures

Figure 2. Anticipated Categories of Expenditures for PY 2014 CDBG Program



70% Benefit to Low and Moderate Income People: CDBG is intended to primarily benefit low- and moderate-income people, defined as those who are at or below 80% of Thurston County’s median family income or those people who are presumed eligible because they are severely disabled, homeless, battered spouses, abused children, or others. This 70% benefit ratio is determined over the City’s three-year certification period. The following charts presents the

PY 2014 benefit ratio calculated to be 68%, which means the aggregate benefit over the three-year certification period must at or above 70% benefit to low and moderate income people:

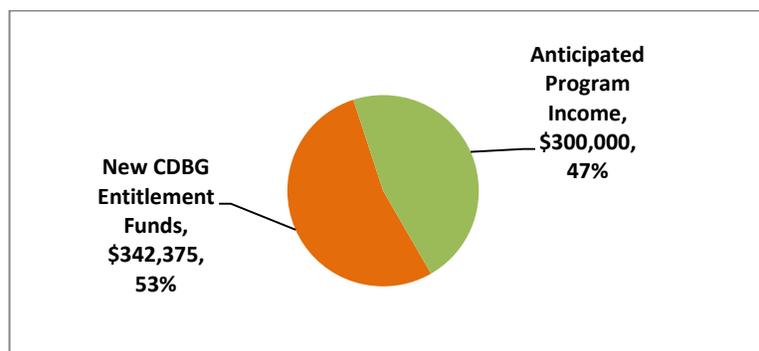
Activity	Low & Mod Beneficiary ?	Funding level	%
Debt-Service of Section 108 Loan – Alley Lighting	N/A	\$9,600 of \$64,000 -No \$50,000 (15% of \$325,000 total project)	<i>Excluded from ratio</i>
Debt-Service of Section 108 Loan – ADA Sidewalk Accessible	Yes - severely disabled adults	\$54,400 - Yes (\$275,000 = 85% of \$325,000 total project)	<i>Excluded from ratio</i>
Downtown Ambassador Program	Yes - homeless and mentally ill	\$51,270 - Yes	11% - Yes
Refund to Isthmus Park	No	\$25,650 - No \$126,455 - No	32% - No
CPTED* Safety Program	Yes	\$25,000 - No	5% - Yes
Small Business Loans	Yes - low & moderate income jobs	\$250,000 - Yes	52% - Yes
Program Administration	N/A	\$100,000	<i>Excluded from ratio</i>
TOTAL		\$642,375 Total amount \$478,375 Subject to ratio	68% Benefit to Low and Moderate Income People

Anticipated Resources:

The City anticipates the following financial resources:

\$342,375 New CDBG entitlement funds will be allocated to Olympia for PY 2014
\$300,000 Anticipated Program Income
\$642,375 Total anticipated resources for the PY 2014 CDBG Program

Figure 3. Anticipated Resources for PY 2014 CDBG Program



Other Resources

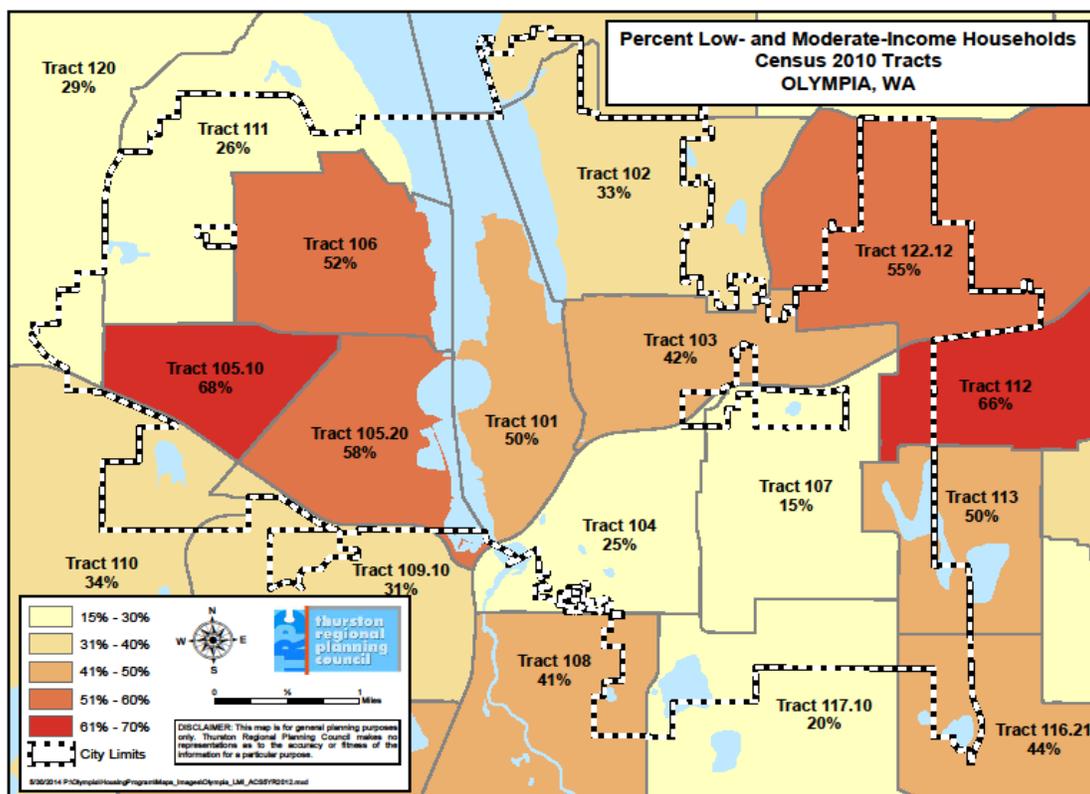
In calendar year 2014, the City of Olympia also allocated \$70,000 from the general fund to address emergency shelter, transitional housing, daycare, homeless outreach, and other anti-poverty programs through the Community Investment Program (CIP), formerly known as the Human Services Review Council. The CIP combined funds with the cities of Lacey and Tumwater and Thurston County.

Geographic Distribution

The City of Olympia will direct CDBG funds to projects and programs benefiting those with low- to moderate-incomes (LMI) and to projects eliminating slum and blighting influences. Most activities funded through CDBG are conducted citywide, targeting individuals or households with incomes below 80 percent of median income. Projects benefiting geographical areas will be located in designated low- to moderate-income areas.

Figure 4 shows areas of the City with concentrations of low- to moderate-income households. Many of the areas of racial/ethnic minority concentration are located in the City’s identified low- to moderate-income areas.

Figure 4. Percent of LMI Households by Census Tract



Geographic Locations of Proposed CDBG Funded Activities

Small Business Loans	Scattered sites to be determined; primarily located in US Census Tract 101
Elimination of Blight	Two parcels: 505 and 503 4 th Avenue West and 529 4 th Avenue West, located in US Census Tract 101
Safety & Façade Improvement	Scattered sites to be determined in US Census Tract 101
Downtown Ambassador Program	Scattered sites in downtown core in US Census Tract 101

CDBG Consolidated Plan Objectives (2013 – 2017)

The City of Olympia/Thurston County Five-Year Joint Consolidated Plan 2013 – 2017 identifies six key strategies to be pursued through CDBG funding. These priorities for CDBG funding were based on a review of documented need and input gathered from stakeholders. Full analysis of the basis for determining priority needs can be found in Part I of the [2013-2017 Consolidated Plan](#). These six key strategies include the following:

- 1. Economic Development (Priority Strategy for City of Olympia)**
- Affordable Housing
- Public Facilities and Infrastructure
- Public Services
- Acquisition of Land
- Homeless Continuum of Care (Thurston County priority based on available funds)

CDBG Annual Action Plan Objectives (Program Year 2014)

City of Olympia PY 2014 CDBG is the second year in the five year Consolidated Planning period. CDBG funding is proposed for the following activities to address the priority needs outlined above. An estimated 68% of all PY 2014 activities will benefit low- to moderate-income persons.

The City's PY 2014 CDBG Annual Action Plan Objectives focus on two of the three primary CDBG National Objectives by providing: 1) **a suitable living environment**, and 2) **expanded economic opportunities** for low- to moderate-income people. These two objectives will be implemented with the following activities:

- **Economic Development** to provide loan funds for small businesses employing low- and moderate-income people
- **Elimination of Slum and Blight** to remove severely blighted buildings from the Isthmus Park area.
- **Social service funding** street outreach to provide referrals and other assistance to street-dependent and homeless people.

The plan funds activities that support each City strategy in PY 2014.

Table 1 shows the recipients and projects that have been awarded funds for PY 2014. Each project and activity awarded funding by the CDBG Program is linked to at least one HUD objective and City strategy. A description of each project and estimated outcomes is also provided (*see Table 2, page 11*).

HUD Table #1--Proposed Awards by Recipient and Project

The following chart places each of the PY 2014 proposed activities within the framework of the CDBG Five-Year Consolidated Plan:

Table 1. Proposed PY 2014 Awards by Recipient and Project

Recipient	Project/Activity	Outcomes	Strategic Goal(s) Met	HUD CDBG Objective(s) Met	Proposed PY 2014 Award
City of Olympia	Debt Service-Section 108 Downtown Improvements Project	Partial repayment of Section 108 loan, which funds the installation of lighting in approximately 13 alleys and 1 key sidewalk accessibility project	Public Facilities Improvements	15% - Low/Mod Area (LMA) 85% - Low/Mod Limited Clientele (LMC)	\$ 64,000
Capital Recovery Center	Downtown Ambassador Program	Citizen contacts with up to 150 homeless and mentally ill people	Homeless Continuum of Care	Low and moderate income benefit (LMI)	\$51,270
City of Olympia	Refund to Isthmus Park Project from PY2013 Downtown Ambassador Funding**	Demolition of two derelict buildings	Public Facilities	Slum/Blight Spot Basis (SBS)	\$25,650 \$126,455
Assorted Downtown Buildings	Safety & Façade Improvements Pilot Project (CPTED)*	Economic Development	Economic Development	Rehab: Publically or Privately owned Commercial/Industrial in a predominantly low/moderate-income residential area (LMA)	\$25,000
Assorted Business Owners	Small Business Revolving Loan Fund Pilot Project	Economic Development	Economic Development	Low and moderate income job creation (LMJ)	\$250,000
City of Olympia	Planning & Administrative Costs - 15% of total funds	Administration of a compliant program	CDBG Program Administration	N/A	\$100,000
Total:					\$642,375
* <i>Crime Prevention Through Environmental Design (CPTED)</i>					
** <i>Program Year 2013 CDBG Action Plan dedicated all remaining program income to the Isthmus Park Project</i>					

HUD Table #2 – Specific Annual Objectives

Table 2 shows the national objective and City strategy that will be addressed by each funded activity. In addition, Table 2 lists the performance measures associated with each objective and the estimated outcomes (results) that will be accomplished in PY 2014. These measures identify the number of:

- Persons to be served by public facilities, social services
- Persons to become employed as a result of business loans

Table 2. Specific Annual Objectives (HUD Required Table 3a)

National Objective/ City Strategies	Objective Number	Performance Measure	2014 Output (Estimated in Consolidated Plan)	2014 Output (Proposed for Annual Action Plan)
Availability/Accessibility of Decent Housing (DH-1)				
<i>Expand housing stock or other eligible activities pursuant to CDBG National Objectives and according to the City's community development priorities.</i>	DH1.1	Units of affordable housing to be developed through land acquisition	0	0
	DH1.2	Units of affordable housing to be developed through new construction	0	0
Sustainability of Decent Housing (DH-3)				
<i>Preserve homes and neighborhoods</i>	DH3.1	Units of low-income housing to be rehabilitated	0	0
	DH3.2	Units of special needs housing to be rehabilitated	0	0
Availability/Accessibility of a Suitable Living Environment (SL-1)				
<i>Public Services</i>	SL1.2	Persons to be provided with other public services	60	150
<i>Public Facilities</i>	SL1.3	Low-income persons to benefit from public facilities	32	Unk.
Availability/Accessibility of Economic Opportunity (EO-1)				
<i>Business Loans</i>	EO 1.2	Low-moderate income persons to be provided jobs as a result of business loans	Not specified	8

HUD Table #3--Annual Housing Completion Goals

The City did not propose any projects to develop or rehabilitate housing units for low- and moderate-income people.

Multi-year ongoing housing projects that are continued from PY 2012 include:

Family Support Center Smith Building Housing Units Project providing seven (7) units of permanent housing with supportive services and six (6) family suites of shelter housing, together providing housing for up to 60 formerly homeless family members.

Table 3 shows that zero (0) low- and moderate-income households will be assisted with housing . Part I shows the intended beneficiaries of the units and Part II shows the types of units by tenure. Assisted housing units must meet the Section 215 definition for affordable housing. The Consolidated Annual Performance Evaluation Report (CAPER) for PY 2013, available in November 2014, will also present the number of housing units assisted as zero (0).

Table 3. Annual Housing Completion Goals (HUD Required Table 3b)

PY 2014 Housing Goals		Expected Units	Actual Units (To be reported in CAPER)
Part I – Housing Goals by Beneficiary			
Beneficiary Goals	Homeless households	0	0
	Low-income households (not currently homeless)	0	0
	Special needs households	0	0
	Total	0	0
Part II – Housing Goals by Tenure			
Renter Goals	Acquisition of existing units	-	0
	Production of new units	0	0
	Rehabilitation of existing units	0	0
	Rental Assistance	0	0
	Renter Goals	0	0
Owner Goals	Acquisition of existing units	0	0
	Production of new units	0	0
	Rehabilitation of existing units	0	0
	Homebuyer Assistance	0	0
	Owner Goals	0	0
Combined Goals by Activity Type	Acquisition of existing units	0	0
	Production of new units	0	0
	Rehabilitation of existing units	0	0
	Rental Assistance	0	0
	Homebuyer Assistance	0	0
	Total	0	0

Although zero (0) housing units will be completed with CDBG PY 2014 funds, Olympia will use City funds to provide owner-occupied emergency repair loans to up to four low-income households.

Public Housing

Within the City of Olympia there is one public housing project owned and managed by the King County Housing Authority. Casa Madrona is a 70-unit elderly housing project located on Martin Way. The Housing Authority is not “troubled” or performing poorly, and there are no City plans to assist the King County Housing Authority at this time.

In PY 2014, the City of Olympia will continue to coordinate efforts to provide housing and address homelessness with the Housing Authority of Thurston County, which provides tenant- and project-based rental assistance and other housing services.

Evaluation of Past Performance – Program Year 2013

In PY 2013 (September 1, 2013 – August 31, 2014) the Olympia CDBG Program funded a total of \$1,000,650³ for housing and community development activities during the first year of the five-year 2013-1017 Consolidated Plan. The following activities were funded:

- **Affordable Housing** – Sixteen percent (16%) of funds, or \$158,000, was allocated for a project to provide housing for up to 60 formerly homeless individuals.
- **Micro Enterprise Training** – Three percent (3%) of funds, or \$25,500, was allocated for business training for up to 10 low-income entrepreneurs.
- **Public Services** – Fifteen percent (15%) of funds (\$83,800.64)⁴ provided public services, including emergency shelter, transitional housing and drop-in centers for at-risk youth to a total of 313 people assisted to date.

Quixote Villages – 30 formerly homeless adults

Community Youth Services Transitional Housing Program- providing housing and supportive services for up to 55 formerly homeless youth and their dependents

Out of the Woods Family Shelter – providing shelter for up to 12 family members

Together Evergreen Villages Program – providing drop-in center services for up to 60 youth daily

Capital Recovery Center – Ambassador Program providing street outreach and referrals for up to 156 street-dependent and homeless citizens

- **Public Facilities** – Up to forty-two percent (42%) of funds, or \$424,350, (indexed by the actual receipt of Program Income) was allocated for a public facilities project intended to demolish two derelict buildings in support of a future Isthmus Park project, (of \$450,000

³ **Notes on Original Allocations:** The original total allocation of \$1,018,627 was based on a high estimate of \$450,000 in program income. Program income receipts are currently coming in far lower than this anticipated amount. The PY 2013 Annual Action Plan original total amount of \$1,108,627 was reduced to \$1,000,650 in order to maintain the 15% cap on social service expenditures (see Footnote 3).

⁴ **Notes on Amended Social Services Allocations:** The original social services allocation of \$76,127 (15% of the allowable amount) was amended to include an additional \$25,650 for the Ambassador Program. To avoid a dollar amount that exceeded the 15% cap of allowable social services expenditures (PY 2013 grant of \$357,512 plus PY 2012 program income of \$201,158 for a total of \$558,670), CDBG-funded social services were expended to the total allowable cap of \$83,000 and were then supplemented by an additional \$24,349.37 in City Housing Program General Funds.

originally allocated from CDBG Program Income, \$25,650 was reallocated for the Downtown Ambassador Program).

- **Public Facilities Community Center** – Twenty percent (20%), or \$199,000, was used to fund two public facility community center projects:

Quixote Village Community Center (\$55,000) serving up to 30 Quixote Village Residents, visitors, and other community members.

Community Youth Services Youth Drop in-Center (\$144,000) serving up to 70 street-dependent youth and young adults.

- **Public Facilities Downtown Safety Improvements** – An additional \$325,000 was funded through the CDBG Section 108 loan guarantee program to provide alley lighting for public safety and ADA curb cuts for wheelchair accessibility in key areas of the downtown core.
- **Activity Delivery Costs** – A total of five percent (5%) or \$50,000 of the funds was allocated for activity delivery costs (ADC) to manage the specifically funded activities.
- **Planning and Administrative Costs** – A total of six percent (6%) of the funds (\$60,000) was allocated program administrative costs (PAC) also known as general administrative costs of running the CDBG Program.

More information about Olympia’s CDBG Program can be found in the [2013 – 2017 Joint City-County Consolidated Plan](#). More specific information on the current PY 2013 accomplishments will be provided in the PY 2013 Consolidated Annual Performance and Evaluation Report to be released October 2014.

Leveraged Funds: The City estimates that these CDBG funds will leverage over \$1,000,000 in small business loans; \$52,000 in social service funds; \$100,000 in downtown Safety Improvements; and nearly \$30,000,000 in Isthmus Park improvements, totaling \$31,182,000 in other funds (including federal, state, county, and private funds). The PY 2014 CAPER will present more detailed information on leveraged funds by source.

The City of Olympia also participates in the Thurston County HOME Consortium that will provide up to \$1,920,534 in combined federal HOME and state recording fee dollars for affordable housing, homeless housing, and social service funding. Olympia will also take a variety of actions to ensure that other agencies and organizations apply for all available funds to implement these housing strategies. Staff will share Notices of Funding Available (NOFAs) with other agencies, social service providers, nonprofit developers, and advocacy groups.

Olympia will offer letters of support and certifications of consistency for project applications that support goals and strategies found in the Consolidated Plan with siting criteria to be considered to avoid undue concentrations of low- and moderate-income housing.

Citizen Participation and Consultation Process

Participation from citizens, agencies, advocacy groups, nonprofit organizations, faith communities, businesses, and others concerned with housing, homelessness, and community development in the City of Olympia were encouraged throughout the CDBG planning process. Highlights of the process of developing the PY 2014 Annual Action Plan include:

- Council public discussions of PY 2014 CDBG Program Annual Action strategies and review of recommendations for funding during Council meetings held between November 2013 and January 2014.
- Council General Government Committee's discussions on CDBG strategies and specific activities to be recommended for funding in their March and April 2014 meetings.
- Council review existing data on affordable housing, homelessness, and community development needs.
- Coordination of countywide efforts to address homelessness, including the January 2014 Point-in-Time count.
- Participation in monthly meetings of the Thurston County HOME Consortium.
- Coordination of the monthly Thurston County Housing Task Force, which facilitates countywide efforts to address affordable housing and homelessness and to enhance service delivery to homeless and low-income people.
- Participation in other community meetings to discuss the CDBG program in general and the proposed CDBG Annual Action Plan in particular.
- City Council public hearing on the proposed CDBG Annual Action Plan on June 10, 2014.
- Release the Draft CDBG Annual Action Plan for public review and comment on June 2, 2014, followed by a 30-day public comment period from June 2 to July 2, 2014.
- Final Council approval of Draft CDBG Annual Action Plan on July 8, 2014.
- Submission of CDBG PY 2014 Annual Action Plan to HUD on or before July 15, 2014.

Summary of Public Comments and Responses

A final summary of comments received and the City of Olympia's responses will be placed into an Appendix following the conclusion of the public comment period.

Barriers to Affordable Housing

The City of Olympia's housing efforts provide only a small impact on the overall housing needs of the community. The City continues to initiate discussions with Thurston County to identify possible future collaborative efforts in order to reduce barriers to affordable and supportive housing and to stimulate more interest in housing investment among the private and public sectors.

Poverty is a principal barrier to housing affordability. In PY 2014, most CDBG-funded projects and activities will assist households below 50 percent of median income, since these households were identified as having the greatest level of need in the consolidated planning process. Beyond activities of the CDBG Program, Olympia will continue its efforts to reduce the number of poverty-level families by encouraging participation in various assistance programs offered by the City and other agencies, rental assistance programs, homeless prevention programs, and urban homesteading-type programs.

Fair Housing Choice

The City intends to continue to provide training for specific housing industry organizations and professionals to increase awareness of the laws and to encourage good-faith compliance. This training is provided through partnerships with agencies like the State Human Rights Commission, the Washington Fair Housing Center, the Crime-Free Multi-Housing Program operated by the Olympia Police Department, the Olympic Renters Association, and others to provide fair housing training in a variety of settings geared toward housing industry providers.

In an effort to affirmatively further fair housing and to ascertain any barriers to affordable housing choice, the CDBG Program funded an Analysis of Impediments to Fair Housing (AI) study, which was first completed in 1996 and then updated in 2006. The AI strongly recommended continuing cross-jurisdictional outreach, education, enforcement, encouraging homeownership and lending marketing to African American and Hispanic households, and continuing to implement current human services strategies, including supporting fair housing training for both housing consumers and industry professionals.

Olympia will continue the following fair housing outreach, education, and enforcement efforts to affirmatively further fair housing in PY 2014:

- Partnering with the State Human Rights Commission to provide training via the annual Crime-Free Multi-Housing training program for landlords and property managers.
- Maintaining a city web page with fair housing information.
- Including fair housing information and housing complaint messages on the 24-hour City of Olympia automated information telephone line known as “City Line” (360.753.4444, Ext. 3420 and 3440).
- Incorporating fair housing clauses in contracts with rental owners assisted by the CDBG Program, which states,

"All housing in the project will be operated in a manner consistent with federal housing policy governing non-discrimination and accessibility as determined under the Americans with Disabilities Act, the Fair Housing Act as amended, the rules and regulations of the U.S. Department of Housing and Urban Development and federal, state, and local law now provided or which may hereafter be provided. To that end, the owner shall not discriminate in making rental units available for occupancy on the basis of race, creed, color, sex, national origin, religion, marital status, age, or disability; provided that the owner may take such actions as may be necessary to qualify for or to maintain its qualification for the exception that relates to housing for older persons under the Fair Housing Act as amended, and 24 CFR Part 100 Subpart E. Furthermore, the owner shall not discriminate against any prospective resident or existing resident on the basis of that prospective resident's or existing resident's sources of income provided such sources of income are not in contravention of any federal, state, or local law."

- In addition, Chapter 5.80 of the Olympia Municipal Code provides that no person may withhold from any person or group of persons such housing accommodations, or segregate the use thereof, or represent that such housing accommodations are not available for inspection when in fact they are so available, or expel or evict an occupant from a housing accommodation, or discriminate against any person because of the sexual orientation, or gender identity, or perception thereof of such person or persons.

Public Policies

Specific actions or reform steps that have been taken in the City of Olympia to remove or ameliorate negative effects of public policies that can serve as barriers to affordable housing include:

- Olympia's Comprehensive Plan contains policies, incentives, regulations, and programs to provide its share of housing affordable to low- and moderate-income households as determined by an inter-jurisdictional planning process. This plan evaluate its existing resources of subsidized and low-cost, non-subsidized housing and identifies housing that may be lost due to redevelopment, deteriorating housing conditions, or public policies or actions. The City will continue to encourage strategies to preserve existing low-income housing where feasible and to encourage relocation assistance for low-income residents who may be displaced.
- Olympia will maximize its ability to accommodate sufficient, affordable housing by removing unnecessary regulatory barriers, reviewing codes for redundancies and inconsistencies, and providing opportunities for a full range of housing types such as accessory dwelling units, manufactured homes on individual lots, apartments, townhouses, and attached single-family housing.
- Olympia will work with housing developers and interested groups to publicize successful examples of projects and programs that can be replicated or adapted for other circumstances.
- Olympia will continue to encourage other neighboring jurisdictions to encourage the preservation, improvement, and production of new affordable housing units as possible through their Comprehensive Plans and related policies.

- Olympia will continue to participate in the HOME Consortium to encourage the funding of projects that will preserve, improve, or produce new affordable housing units in other jurisdictions.

Homeless and Special Housing Needs

The City of Olympia will undertake or continue to support a wide variety of activities to address the priority needs of homeless individuals and families and persons with special needs in PY 2014 as part of the Thurston County continuum of care model that serves to coordinate and network all local services and resources for homeless individuals and families.

Services provided by participants in the continuum of care include outreach and assessment, emergency shelters and services, mental health services for homeless and at-risk populations, services for at-risk and homeless youth, transitional housing, permanent supportive housing, access to permanent housing, and activities to prevent low-income individuals and families with children from becoming homeless.

Olympia will undertake or support the following specific activities in PY 2014:

- Provide up to **\$51,270** for the **Downtown Ambassador Program** to provide street outreach, referrals, and other services for homeless and mentally ill people in the downtown core.
- Participate in the inter-jurisdictional Community Investment Partnership (CIP), formerly known as the Human Services Resource Committee or HSRC, allocation process that will distribute \$600,000 to local human service providers. The CIP provides funding to a broad range of social services that benefit extremely low-income residents of the County. These services focus primarily on homeless and at-risk populations. Olympia's 2014 contribution is approximately \$70,000 in local funds.
- Participate with and support the County's inter-jurisdictional **HOME Consortium** in the allocation of the PY 2014 Thurston County's federal HOME funds in the amount \$975,713 and an estimated total of \$714,478 in the two combined state recording fee programs (Homeless Housing and Affordable Housing Program) for a total of \$1,920,534.
- Participate in the **Thurston County Housing Task Force** in coordinating the activities of all local social services for very low-income and homeless people. This organization meets monthly with representatives from nearly all local nonprofits, faith community based, government agencies, and other organizations dedicated to social services. This organization is staffed by the Housing Authority of Thurston County and often serves as the inter-jurisdictional group to conduct such activities as the annual homeless census, also known as the PIT count.
- Participate in the **Continuum of Care** process. This process occurs monthly in conjunction with the Housing Task Force meetings, serving as the work group for a wide variety of projects.

- Participate in the coordination of the **Cold Weather Shelter Program**, which operates three shelter programs during the cold weather months on all nights during which temperatures dip below freezing:
 - **Single Men’s Cold Weather Shelter** is administered jointly by the cities of Lacey, Olympia, and Tumwater in conjunction with Thurston County. Originally, the single men’s shelter rotated between the County Courthouse and the various City Halls, but now it is housed exclusively at the Salvation Army. **(25 beds)**
 - **Auxiliary Single Men’s Cold Weather Shelter program** is coordinated by Interfaith Works and rotates between St Michael’s Catholic Church in Olympia and Sacred Heart Catholic Church in Lacey. **(12 beds)**
 - **Single Women’s Cold Weather Shelter program** is coordinated by Interfaith Works, rotating between participating faith communities. **(18 beds)**
- Work with the **“Families with Children Shelter”** operated by the Family Support Center which is about to move from their interim 26 shelter bed location at the First Christian Church in downtown Olympia to their new 30 shelter-bed facility at the Smith Building Family Housing Project that also offers up to 30 beds of permanent housing with supportive services.
- Monitor and work with **the Low Income Housing Institute (LIHI)** in the operation of the 42-unit Fleetwood Building Transitional Housing Apartments.
- Monitor and work with **Catholic Community Services** in the operation of the 51-bed Drexel House that provides 16 emergency shelter beds, 25 units of transitional housing, and 10 units of permanent housing with supportive services.
- Monitor and work with **Quixote Village** in the operation of the 30 cottage community that provides permanent housing with supportive services for up to 30 formerly homeless single adults.
- **Provide technical assistance** to local groups attempting to provide affordable housing to low-income households and special needs populations. This includes assistance with applications for funding, letters of support, assistance with planning or building code-related matters, or other tangible means of assistance.
- **Utilize housing rehabilitation loan funds** by matching grant opportunities as they arise to provide for additional low-income housing.
- In an effort to **prevent at-risk low-income families and individuals from becoming homeless**, the City of Olympia will encourage access to social service agencies and participation in rental assistance programs and state assistance programs as managed by local agencies.

- To address the non-homeless special needs populations, the City of Olympia will **support and cooperate in the development of housing and social service programs** to assist the physically handicapped, the developmentally disabled/mentally handicapped, and persons with HIV/AIDS.
- Coordinate **2015 Thurston County homeless census** by contract with Thurston County to provide a more accurate count of homeless people, their needs and an assessment of the existing resources.

Other Actions

Lead-Based Paint Hazard Activity

In an effort to address lead-based paint hazards, the City of Olympia has incorporated the regulations into existing housing policies and programs for implementing Title X of the Community Development Act of 1992, part of the Residential Lead-Based Paint Hazard Reduction Act of 1992. Olympia will continue to follow 24 CFR Part 35 in addressing the evaluation and reduction of lead-based paint hazards in Olympia's housing policies and programs.

The Community Planning and Development Department Housing Division has developed an outline of actions to be undertaken over the coming five years to evaluate and reduce lead-based paint hazards. During the PY 2014 Action Plan period, the City plans to continue the following actions:

- Encourage more local contractors to obtain "Lead Paint Worker" or "Lead Paint Supervisor" licenses.
- Contract for risk assessments with the Housing Authority of Thurston County (HATC).
- Continue the residential rehabilitation projects as they relate to the lead paint hazard rules. Each project will include the review and determined need for testing and hazard reduction in conjunction with rehabilitation as part of the environmental review.
- Review existing regulations, housing, and rehabilitation codes to assure lead-based paint hazard reduction is incorporated where appropriate.
- Encourage inspections for lead at appropriate times when housing is otherwise being inspected or evaluated.

HATC has two EPA-licensed Lead Risk Assessors on staff who will provide paint inspection services as required in the HUD Final Rule for lead-based paint. HATC also receives funding for lead hazard reduction programs through the State of Washington that will provide funding for equipment, training, testing services, and lead hazard reduction work on single- and multi-family housing.

Promoting Economic Opportunities

As identified in this CDBG Annual Action Plan, the primary focus of the PY 2014 CDBG Annual Action Plan is to support economic development.

In addition, the City of Olympia will continue discussions with the Washington State Housing Finance Commission, the Thurston County Economic Development Council, and the Chamber of Commerce to facilitate and improve affordable housing for low- and moderate-income families and to expand economic opportunities. In addition, Olympia will:

- Support the Thurston County Chamber of Commerce Business Incubator Program.
- Work with other service providers and community organizations such as the Olympia Downtown Association that provides services on a local and metro-wide level in order to foster local businesses, many of which are started by low- and moderate-income persons.

HOME Funds

The City of Olympia receives no HOME funds directly, but strongly supports efforts by local nonprofit organizations to obtain State of Washington HOME funds. The City participates in a countywide HOME Consortium that allocates HOME funds along with Affordable Housing Program and Homeless Housing Program funds.

In fiscal year 2014, the HOME Consortium is expected to receive a total of \$1,920,534 from the following sources:

- \$ 975,713– HOME Program – Federal funds
- \$ 137,478 – Homeless Housing Program – State recording fee funds
- \$ 807,348 – Affordable Housing Program – State recording fee funds
- **\$1,920,534 – Total Anticipated HOME Consortium resources (as of June 2, 2014)**

The HOME Consortium offers a spring combined funding cycle to offer funding for both capital projects and for operations and maintenance projects. There is also a special application process for emergency fund projects to support eligible emergent needs. The City participates in these funding cycles and the general administration of HOME.

Section 3 and Minority Business Enterprise

The City of Olympia will continue to promote Section 3 and Minority Business contractors during the PY 2014 fiscal year. The following language will be included in all construction contracts and performance agreements:

ARTICLE VIII: SECTION 3 AND MINORITY EMPLOYMENT OPPORTUNITY STATEMENT. At the time of the award of bid on this federally financed project, the contractor has a complete staff of employees. If any vacancies should develop during the construction of this project, then I, the Contractor, shall make a good faith effort to ensure that low income residents within the limits of the City of Olympia and minority persons are given an employment opportunity in a manner specified by

Executive Order No. 11246 and Section 3 of the Housing and Urban Development Act of 1968.
(Excerpt from standard Construction Contract document.)

1. Section 3 Affirmative Action Plan. The work to be performed under this Contract is on a project assisted under a program providing direct Federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 USC 1701 u.

The parties to this Contract will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR Part 135 and all applicable rules and orders of the Department issued there under prior to the execution of this Contract. *(Excerpt from standard Performance Agreement document.)*

2. Non-discrimination. During the performance of the Loan Agreement, the Borrower(s)/Contractor agrees as follows:

The Borrower(s) and/or any directly funded construction contractors will not discriminate against any employee or applicant for employment because of race, creed, color, sex, sexual orientation, or national origin. The Borrower(s)/ Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to race, creed, color, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

All housing rehabilitation loan recipients and other subrecipients choose their own contractors directly. The City reports on all MBE contract activity on a biannual basis to the HUD Office of Labor Relations.

Three Year Certification Period

As part of the PY 2014 CDBG Annual Action Plan, the City is changing its certification period from a one year certification period to a three year certification period. This allows the City to aggregate the three years of expenditures to ensure a cumulative 70% or greater benefit to low- and moderate-income people.

Historically, the City has allocated 100% of all CDBG funding to activities that benefit low and moderate income people. In PY 2014, the City proposes that 32% of the funding go to the Isthmus Park Project, an activity that currently does not benefit low- and moderate-income people. This will mean future years' allocations will ensure a higher ratio of benefit to low- and moderate-income people to increase the percentage to 70% or greater.