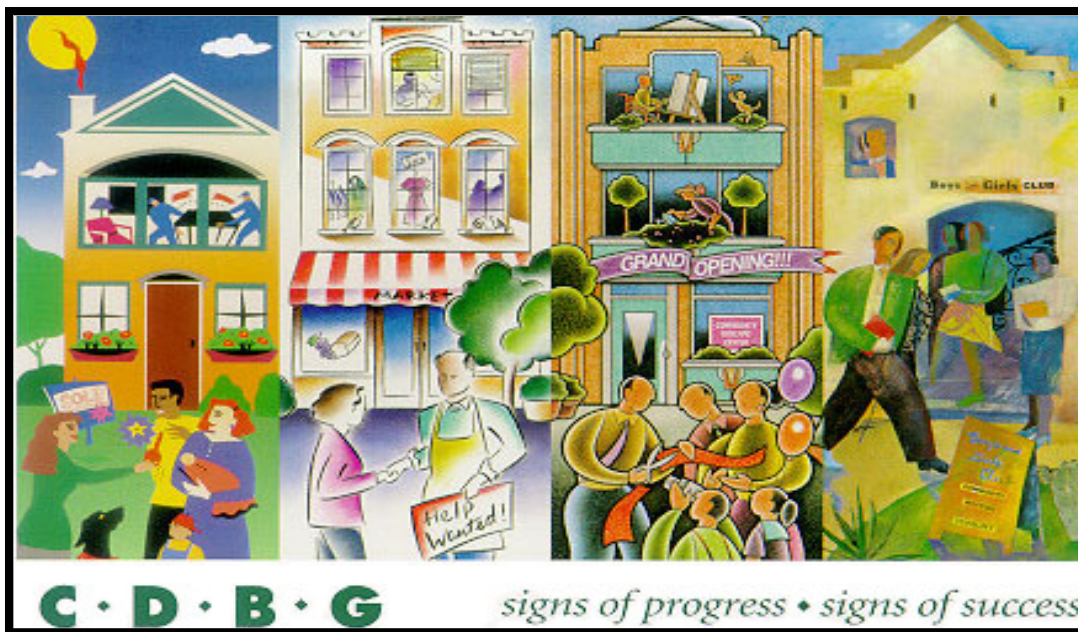




DRAFT COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM PROGRAM YEAR 2015 ACTION PLAN

CITIZEN SUMMARY

PRIORITY STRATEGY: ECONOMIC DEVELOPMENT



OLYMPIA CITY COUNCIL

- Position 1 **Stephen H. Buxbaum, Mayor**
- Position 2 **Steve Langer**
- Position 3 **Nathaniel Jones, Mayor Pro Tem**
- Position 4 **Cheryl Selby**
- Position 5 **Julie Hankins**
- Position 6 **Jeannine Roe**
- Position 7 **Jim Cooper**

CITY OF OLYMPIA STAFF

- Community Planning & Development Department**
- Director **Keith Stahley**
- Deputy Director **Leonard Bauer**
- Business Manager **Karen Kenneson**
- Housing Program Manager **Anna Schlecht**
- Housing Program Assistant **Susan Lodholm**

To request a copy of this publication in an alternative format, please contact **Susan Lodholm** at 360.753.8436 or via email at slodholm@ci.olympia.wa.us.

For more information on the Olympia CDBG Program:

M. Anna Schlecht | Olympia Housing Program Manager | aschlecht@ci.olympia.wa.us | 360.753.8183

Citizen Summary

Program Year 2015 Community Development Block Grant Annual Action Plan FOCUS: Economic Development and Downtown Renewal

OVERVIEW

The federal Community Development Block Grant (CDBG) Program, administered by the Department of Housing and Urban Development (HUD), is a flexible program intended to 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 proposes to use federal CDBG funding in concert with other City-funded activities to continue to support economic development with a particular focus on the downtown core. Following is a four-page "Citizen's Summary" with key information from the **Olympia Community Development Block Grant Program Year (PY) 2015 Annual Action Plan**, which runs from September 1, 2015 - August 31, 2016.

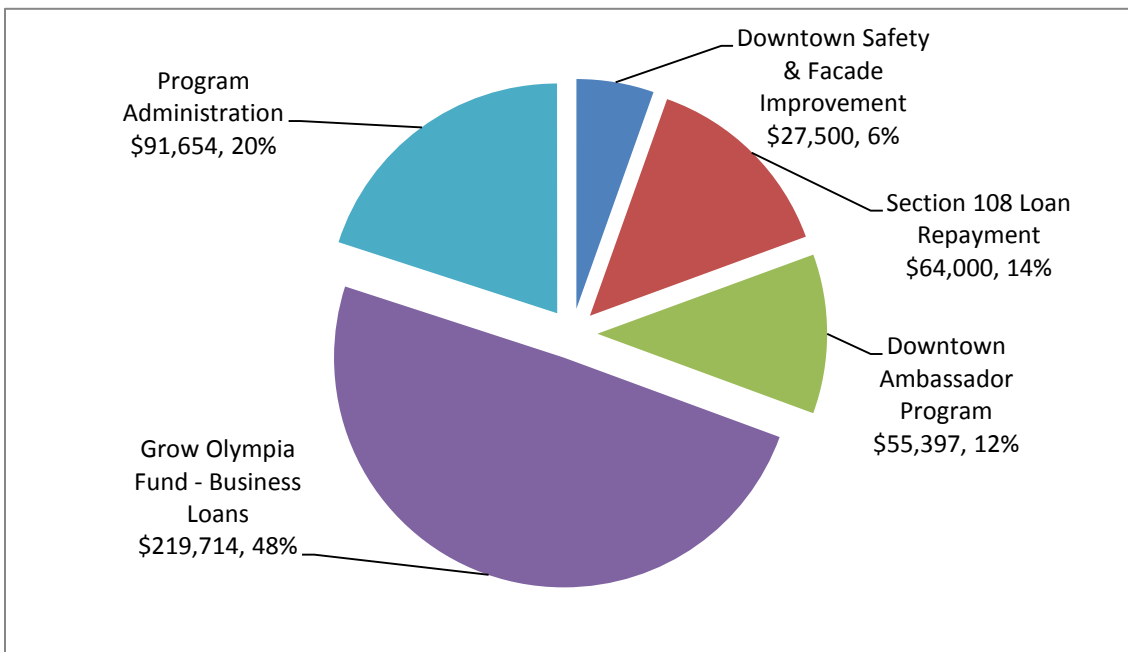
PROPOSED CDBG-FUNDED ACTIVITIES

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

\$27,500*	Downtown Safety & Façade Improvement Pilot Project
\$64,000	Repayment of CDBG Section 108 Loan
\$55,397*	Downtown Ambassador Program
\$219,714*	Grow Olympia Fund-Business Loans
<u>\$91,654</u>	<u>Program Administration</u>
\$458,265	TOTAL PROPOSED PY 2015 CDBG FUNDING

* Includes estimated 10% "Activity Delivery Costs" (ADC) necessary for managing these programs

PROPOSED PY 2015 CDBG FUNDING BY PERCENTAGE



PUBLIC COMMENT

The public comment period runs from May 22 through June 22, 2015, offering the following options:

- **Written comments** care of the Olympia City Council, 601 4th Ave E, Olympia, WA 98501
- **Emails** via councilmembers@ci.olympia.wa.us,
- **Phone calls** to the City Council at 360-753-8244
- **Public hearing** - 7 pm, Tuesday June 2nd at Olympia City Hall.

ANTICIPATED RESOURCES

The City anticipates the following financial resources:

\$338,265	New CDBG entitlement funds will be allocated to Olympia for PY 2015
<u>\$120,000</u>	<u>Anticipated Program Income</u>
\$458,265	Total anticipated resources for the PY 2015 CDBG Program

OTHER RESOURCES

In calendar year 2015, the City of Olympia also allocated \$77,568 from the general fund to address emergency shelter, transitional housing, daycare, homeless outreach, and other anti-poverty program through the Community Investment Program (CIP) in partnership with the cities of Lacey and Tumwater and Thurston County.

Federal Regulatory Caps on CDBG Expenditures

The federal CDBG Program operates with a number of regulatory caps intended to balance the use of funds. Following are three key regulatory caps affecting the Olympia CDBG Program:

Social Services Cap: Federal CDBG regulations require a 15% cap on social services spending, calculated by adding the prior program year's actual program income received to the current program year's grant award. For PY 2015 the following calculation summarizes social services spending:

\$338,265	PY 2015 Annual CDBG Award
\$120,000	Estimated PY 2014 program income (<i>revised from original 5-Year Consolidated Plan Estimate</i>)
<u>\$458,265</u>	Total CDBG funds for Social Service cap calculation
	<i>Potential 15% maximum available for social service allocations = \$68,740</i>
\$55,597	12% Proposed Social Services Allocations (<i>Downtown Ambassador Program</i>)

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

\$366,611	CDBG Activities (<i>identified above</i>)
\$ 91,654	General Administration – 20% of total funds (<i>regulatory cap = 20%</i>)
<u>\$ 0</u>	<u>Direct Service Delivery Expenses (<i>no funds allocated</i>)</u>
\$458,265	Total PY 2015 Projected Expenditures

70% Benefit to Low and Moderate Income People: CDBG is intended to primarily benefit low- and moderate-income people, defined as people with incomes less than 80% of Thurston County’s median family income. This includes people who are presumed eligible because they are severely disabled, homeless, along with others. This 70% benefit ratio is determined over the City’s three-year certification period. The following chart presents the PY 2015 benefit ratio calculated to be 92%, which will be aggregated over a three-year certification period:

70% Benefit to Low and Moderate Income People

Activity	Low & Mod Beneficiary	Funding Level	% LMI Benefit
Debt-Service of Section 108 Loan – Alley Lighting & ADA Curb Cuts	N/A	\$64,000 Repayment of \$325,000 project funded by CDBG Section 108	<i>Excluded from ratio</i>
Downtown Ambassador Program	Yes - homeless and mentally ill	\$55,397	18% - Yes
CPTED* Safety Program	Mixed	\$27,500 (20% of project benefit LMI)	2% - Yes
Grow Olympia Fund-Business Loans	Low to moderate income job creation (LMJ)	\$219,714	73% - Yes
Program Administration	N/A	\$91,654	<i>Excluded from ratio</i>
TOTAL		\$458,265 Total amount \$302,611 Subject to ratio	92% Benefit to Low and Moderate Income People

Geographic Distribution

The City of Olympia will direct 100% of CDBG funds to projects and programs benefiting those with low- to moderate-incomes (LMI) and to economic development projects. All projects benefiting geographical areas will be located in designated low- to moderate-income areas.

For more information on the Olympia CDBG Program:

M. Anna Schlecht | Olympia Housing Program Manager | aschlecht@ci.olympia.wa.us | 360.753.8183