

TO: City Council
FROM: Brad Medrud, Planning Manager
DATE: January 23, 2024
SUBJECT: CDBG Prioritization and Contingencies Discussion

1) Recommended Action:

Discuss and provide guidance to staff on the City's priorities of the 2024 federal Community Development Block Grant (CDBG) funding process. Schedule late April meeting of the Budget and Finance Committee to hear presentations by applicants and City Council consideration of the Budget and Finance Committee recommendation for early May.

2) Background:

In 2015, Thurston County became an Entitlement County in regard to federal CDBG funds. Pursuant to an interlocal agreement, Tumwater shares the annual CDBG funding on a three-year rotation with south Thurston County and the City of Lacey. The City of Olympia has its own entitlement and is not part of the three-year rotation. Tumwater received funds in 2015, 2018, and 2021, and will do so again in 2024. The City contracts with the Thurston County housing staff to provide the administration of the funds.

On a three-year cycle, the City issues Requests for Proposals (RFPs) for federal CDBG funds. In past years, the RFPs have been for services and capital projects that benefit low- and moderate-income persons in designated census tracts. In 2018 and 2021, the City prioritized affordable housing and public service activities and did not consider applications for public facilities or economic development.

3) Policy Support:

Strategic Priority to Build a Community Recognized for Quality, Compassion and Humanity with a goal of "Work with government, non-profit, and private partners to develop and implement a performance-based plan for affordable housing and to address homelessness."

Housing Element Goal H-3: To provide adequate, affordable housing for residents of all income groups, including sufficient housing affordable to low and moderate-income groups.

4) Alternatives:

☐ None.

5) Fiscal Notes:

The exact amount of CDBG available for allocation by the City in 2024 is still being determined. The amount available each year is determined by Congress through the U.S. Department of Housing and Urban Development (HUD) and is generally about one million dollars. Typically, Thurston County retains 20% to cover administrative costs.

6) Attachments:

- A. Memorandum
- B. Presentation