

TO: Budget & Finance Committee
FROM: Kelly Adams, Assistant City Administrator
DATE: April 24, 2026
SUBJECT: 2026 Community Development Block Grant (CDBG) Funding Interviews

1) Recommended Action:

Conduct interviews of 2026 Community Development Block Grant (CDBG) applicants and provide a recommendation to the City Council for CDBG funding allocations. The City Council will make the final decision on the allocation of CDBG funds at their May 5, 2026, meeting.

2) Background:

In 2015, Thurston County became an Entitlement County for federal CDBG funds. Pursuant to an interlocal agreement, Tumwater shares the annual CDBG funding on a two-year rotation with south Thurston County. The Cities of Lacey and Olympia have their own entitlement and is not part of the three-year rotation. Tumwater received funds in 2015, 2018, 2021, 2024 and will do so again in 2026. The City contracts with the Thurston County housing staff to provide the administration of the funds.

On a two-year cycle, the County issues Requests for Proposals (RFPs) on behalf of the City for federal CDBG funds. Prior to Thurston County issuing the RFP, the City Council directed on January 27, 2026, that due to the need for affordable housing after accounting for 20% of the funds for County administration, 85% of the funds would be directed to housing capital projects and a maximum of 15% of the funds would help support public services as it did in 2018, 2021, and 2024.

The applications attached are a result of the RFP issued by Thurston County for Tumwater CDBG Funds supporting Housing Capital Projects and Public Services.

Funding Summary:

- Total PY24 Award: \$911,107 (Estimate, still waiting for final number from HUD)
- Total Available for County Administration (20% of award): \$182,221
- Total Available for Public Services (15% maximum of award after administration): \$136,666 (\$302,782 Requested)
- Total Remaining for Housing Capital Projects (minimum 85% of award after administration): \$592,220 (\$598,476 Requested)

Schedule:

- 12:00 p.m. Process Outline
- 12:10 p.m. Public Services Project Interviews (6)
- 1:10 p.m. Housing Capital Project Interviews (4)
- 1:50 p.m. Committee Discussion and Recommendations

Alex Persse, an Affordable Housing Program Manager, and Sharif Hocine, Affordable Housing Program Specialist, at Thurston County Public Health & Social Services will be available to assist with the process.

3) Policy Support:

Vibrant, Livable, and Inclusive Community:

Build a community recognized for quality, compassion, and humanity.

- Increase affordable housing in Tumwater, including permanent and supportive housing.
- Develop partnerships and strategies to improve municipal services to people in need.

Housing Element Goal H-1: Increase the supply and variety of housing for every income and age group.

4) Alternatives:

None

5) Fiscal Notes:

The exact amount of CDBG available for allocation by the City in 2026 is still being determined but is estimated to be \$911,107. 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. Interview Presentation Time and Contact List
- B. 2024 Tumwater CDBG Staff Report and Applicant Summary
- C. CDBG Applications: Housing Capital Projects and Public Services Projects
- D. RFP Instructions
- E. RFP Preliminary Funding Tables