

TO: City Council
FROM: John Doan, City Administrator
DATE: March 22, 2022
SUBJECT: Community Development Block Grant (CDBG) Funding

1) Recommended Action:

Consider the reassignment of \$267,414.44 to the Habitat for Humanity Henderson Street Project or to the Housing Authority Falls Pointe community for rehabilitation.

2) Background:

Pursuant to current interlocal agreements, every three years the City distributes about \$1 million in federal Community Development Block Grant (CDBG) funds for housing and other community human services. Following an RFQ, the City selected a menu of human services and capital projects to support with the 2022 funds at the May 2, 2021 Council meeting. Among those awards was \$267,414.44 for the Thurston County Housing Authority for the expansion of the Sequoia Landing Project in Tumwater. Unfortunately, the Housing Authority is no longer eligible for the CDBG funds for that proposal. The Council reviewed options for re-allocation of these funds at the March 8, 2022 Worksession. Based on that discussion, staff recommends the Council re-allocate the \$267,414.44 to Habitat for Humanity for the Henderson Street Project.

At the end of this week, the City received an email from the Housing Authority providing details to a rehabilitation project to the Falls Pointe residential community at 411 West Lee Street in Tumwater. The improvements would include re-roofing, ventilation, upgraded and replaced service panels, and installing a heat pump to the community building. Attached is the email message from the Housing Authority. County staff have indicated this proposal is likely eligible for CDBG funding, but will work with the Authority to verify that status. The Authority's Executive Director was made aware of the subject Council meeting.

3) Policy Support:

"Work with government, non-profit, and private partners to develop and implement a performance-based plan for affordable housing and to address homelessness."

4) Alternatives:

- ☐ Allocate the funds to the Habitat for Humanity Henderson Street Project
- ☐ Allocate the funds to a Housing Authority renovation project.
- ☐ Issue a new RFQ and see what projects are available.
- ☐ Support a housing project in Lacey including a hotel purchase and renovation to housing.
- ☐ Support the acquisition of the OYO Hotel for housing.

It is not an option to fund a project in the City of Olympia.

5) Fiscal Notes:

There are no City funds in this proposal. The County is paid to manage the pass through of these federal CDBG funds.

6) Attachments:

A. Email from Housing Authority of Thurston County