

TO: City Council
FROM: Kelly Adams, Assistant City Administrator
DATE: May 5, 2026
SUBJECT: 2026 Community Development Block Grant (CDBG) Funding Recommendations

1) Recommended Action:

Approve the City's 2026 Community Development Block Grant (CDBG) award recommendation to the Thurston County Board of Commissioners based on the Budget and Finance Committee's funding recommendation at the April 24, 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 are not part of the 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 the 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 PY26 Award: \$911,107
- 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)

At the April 24, 2026, Budget and Finance Committee meeting, applicants provided presentations and answered questions about proposals. Members of the Committee then discussed priorities and provided the following funding recommendations.

Organization	Capital Program/Project	Request	Committee Recommendation
Foundation for the Challenged	FFC Homes XV	\$100,000	\$0
Homes First	Home for Survivors of Domestic Abuse	\$198,476	\$218,476
Rebuilding Together Thurston County	Critical Home Repair	\$100,000	\$136,872
SPS Habitat for Humanity	Critical Home Repair	\$200,000	\$236,872
TOTAL CAPITAL PROJECTS		\$598,476	\$592,220

Organization	Public Service Program/Project	Request	Committee Recommendation
Boys and Girls Clubs of Thurston County	Tumwater Scholarships for Youth Experiencing Homelessness	\$52,500	\$52,500
Community Action Council of Lewis, Mason, and Thurston Counties	Tumwater Housing Stability & Homelessness Prevention	\$30,000	\$0
OlyMAP	Shelter-in-Place Outreach Program	\$55,282	\$0
Senior Services for South Sound	Home Share	\$25,000	\$20,000
Thurston County Food Bank	FORKids Backpack	\$40,000	\$30,000
TOGETHER!	Tumwater Community Schools Program	\$100,000	\$34,166
TOTAL SERVICE PROJECTS		\$302,782	\$136,666

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 \$911,107. The amount available each year is determined by Congress through the U.S. Department of Housing and Urban Development (HUD). Thurston County retains 20% to cover administrative costs.

6) Attachments:

- A. 2026 Tumwater CDBG Staff Report and Applicant Summary
- B. RFP Instructions
- C. CDBG Applications: Housing Capital Projects and Public Services Projects