



Human Services Commission Agenda

Refer to the bottom of the agenda for meeting information.

Thursday, April 3, 2025

5:30 PM

Lacey Veterans Services Hub

1. Call to Order

2. Roll Call

3. Land Acknowledgement

We, the City of Lacey, are on the ancestral land of the Tribal People of the Treaty of Medicine Creek, including the Nisqually Indian Tribe and Squaxin Island Tribe. We acknowledge and remember those Tribal People not recognized today who were absorbed or relocated into other tribes for survival. We recognize the ancestors and their descendants who are still here. We recognize and respect the Tribal People of the Treaty of Medicine Creek as the traditional stewards of this land since time immemorial and their role today in taking care of these lands in perpetuity. We recognize and have the responsibility to call attention to the histories of dispossession, forced removal, and abridged treaty rights that allowed our nation, state, and city to develop as they have today. We recommend that community members read the Medicine Creek Treaty of 1854.

4. Approval of Agenda, Previous Meeting Minutes, and Consent Items

- A. Approval of Agenda
- B. Approval of February 6, 2025, meeting minutes

5. Public Comment

Refer to the bottom of the agenda for instructions on how to provide public comment.

6. Business Items

- A. **Human Services Grant Program Update**
Michelle Chavez, Human Services Coordinator
- B. **Community Development Block Grant Program Update**
Michelle Chavez, Human Services Coordinator
- C. **Introduction to Equity Maps**
Shannon Kelley-Fong, Assistant City Manager
- D. **Lacey Veterans Services Hub Tour**

7. Adjourn

Attendance and Public Comment

Attend Remote or In-Person

There are several ways to attend the Human Services Commission Meeting:

In-Person: Second Floor Community Room
 Lacey Veterans Services Hub
 4232 6th Avenue SE, Lacey, WA 98503

Zoom: https://us02web.zoom.us/webinar/register/WN_rDrIV4z6SAKXZf3HMWaNbA

City Website: <https://cityoflacey.org/government/public-meetings/>

YouTube: https://www.youtube.com/watch?v=_xXpOh_msus

Phone: (888) 788-0099 or (877) 853-5247 (Webinar ID 843 0190 0042)

Verbal Public Comment

Each speaker is limited to three minutes. Comments are welcome on matters connected to City business or specific agenda items.

Prior to starting your comments, please provide your:

- a. Name
- b. City of residence or connection to the City
- c. Topic or subject matter of your comments

The opportunity for verbal public comment is available in-person or by Zoom:

In-Person: Use the sign-up sheet located in the meeting room.

Zoom: Preregister using the following Zoom link no later than two hours prior to the meeting:
https://us02web.zoom.us/webinar/register/WN_rDrIV4z6SAKXZf3HMWaNbA

Instructions and access details will be provided once registration is complete.

Written Public Comment

Please email written public comments to HumanServices@cityoflacey.org. The commenting period will close two hours before the meeting time. Members will receive all written public comments provided by this deadline. Comments may not be addressed during the meeting. All comments are part of the official record.



Human Services Commission Minutes

Thursday, February 6, 2025

5:30 PM

Council Chambers and Online

1. Call to Order

Human Services Coordinator Michelle Chavez called the meeting to order at 5:30 p.m.

2. Roll Call

COMMISSIONERS PRESENT: Nancy Dihle, Angelina Goldwell, Brandon Stephens, and Tiffany Walker. Two of the seven seats on the Human Services Commission are currently unfilled.

COMMISSIONERS EXCUSED: Elhadj Toure (Youth Representative)

COMMISSIONERS ABSENT: Dalia Martinez

STAFF PRESENT: Shannon Kelley-Fong, Assistant City Manager; Michelle Chavez, Human Services Coordinator; and Paul J. White, Deputy City Clerk

3. Land Acknowledgment

Commissioner Dihle presented the abbreviated Land Acknowledgment.

4. Approval of Agenda, Previous Meeting Minutes, and Consent Items

- A. Approval of Agenda
- B. Approval of December 5, 2024, meeting minutes

Commissioner Goldwell moved approval of the agenda, previous meeting minutes, and consent items. Commissioner Stephens seconded. Motion carried.

5. Public Comment

No one signed up to speak at the meeting in person or remotely, and no written public comment was received.

6. Business Items

A. Rules of Procedure and Terms of Office

Michelle Chavez, Human Services Coordinator

Chavez presented proposed rules of procedure and terms of office for the Human Services Commission. In response to questions, Kelley-Fong explained that youth representatives are not counted toward quorum because their participation is based on the schedule of the school year, which means they are unable to attend some commission meetings; however, they do have the ability to vote on actions.

Commissioner Stephens moved to adopt the Human Services Commission Rules of Procedure as amended to set a limit on the size of committees appointed by the Chair to prevent a committee constituting a quorum of the commission. Commissioner Dihle seconded. Motion carried.

In order to stagger the terms of commissioners, the rules of procedure stipulate that Seats 1, 2, and 3 will have terms that expire at the end of 2027, and Seats 4, 5, 6, and 7 will have terms that expire at the end of 2028. All subsequent terms will be appointed on a three-year cycle.

Commissioner Goldwell moved to assign Commissioners Stephens, Goldwell, Walker, and Dihle to Seats 4-7 and Commissioner Martinez and the two commissioners yet to be appointed to Seats 1-3. Commissioner Walker seconded. Motion carried.

B. Election of Officers

Chavez opened the floor for nominations for Chair of the Human Services Commission. Commissioner Dihle nominated Commissioner Stephens, who consented. There were no other nominations.

Commissioner Goldwell moved to elect Commissioner Stephens as Chair of the Human Services Commission for 2025. Commissioner Walker seconded. The motion carried.

Chair Stephens opened the floor for nominations for Vice Chair of the Human Services Commission. Commissioner Walker nominated Commissioner Goldwell, who consented. There were no other nominations.

Commissioner Walker moved to elect Commissioner Goldwell as Vice Chair of the Human Services Commission for 2025. Chair Stephens seconded. The motion carried.

C. Human Services Grant Program Update

Michelle Chavez, Human Services Coordinator

Chavez presented a summary report of the grant program and reported that commissioners will participate in the evaluation of applications for grant funding using the rubrics and scoring tools developed during 2024. A Needs Assessment is underway that will help inform program and funding priorities. Chavez presented proposed adjustments to the Human Services Grant Program Policy that would allow more agencies to obtain funding by capping grant funding for a single applicant and limiting applications to one per agency. The proposal is to cap grants for capital funding at \$50,000 and grants for public services at \$35,000.

Commissioner Goldwell moved to recommend the updated Human Services Grant Program Policy, as presented, for approval by the Lacey City Council. Commissioner Dihle seconded. The motion carried.

D. Lacey Veterans Services Hub Update

Michelle Chavez, Human Services Coordinator

Chavez presented the Veteran Services Hub update, including the history of providing veterans services in Lacey since 2012. Beginning as a mobile services unit, the hub moved into an office space in 2014 and expanded in 2021. Accessibility improvements are anticipated in 2025. Chavez described the growth of service programs, partners, and volunteers and changing veteran statistics over the years. In 2025, on-site management of the hub shifted from a management contract to the City of Lacey and Thurston County.

7. Adjourn

Chair Stephens adjourned the meeting at 6:06 p.m.



HUMAN SERVICES COMMISSION

April 3, 2025

SUBJECT: Human Services Grant Program (HSGP) Update

RECOMMENDATION: **OPTION 1: Recommend moving forward with updated HSGP Policy, application, and rubric**

STAFF CONTACT: Shannon Kelley-Fong, Assistant City Manager *SKF*
Michelle Chavez, Human Services Coordinator *mjc*

ORIGINATED BY: City Manager's Department

ATTACHMENTS:

1. Draft HSGP Policy
2. Draft 2025 HSGP Application
3. Draft 2025 HSGP Rubric

FISCAL NOTE: 2025 budget includes \$300,000 for the Human Services Grant Program.

PRIOR REVIEW: [City Council Worksession – March 12, 2024](#)
[City Council Meeting – March 19, 2024](#)
[Commission on Equity – March 25, 2024](#)
[Human Services Workgroup - June 20, 2024](#)
[Human Services Workgroup - October 3, 2024](#)
[City Council Worksession - October 8, 2024](#)
[Human Services Workgroup – November 7, 2024](#)
[Human Services Workgroup – December 5, 2024](#)
[February 6, 2025 Human Services Commission](#)

**WORK PLAN GOAL:
AND STRATEGY** Vibrant Place to Live, Work and Play
D. Finalize Homeless Response Plan and Enhance Social Services

An Engaged Community
L. Enhance Communication and Engagement Efforts

DEIB STRAT PLAN: Livability: Human Services, C. Provide and support culturally appropriate human services that meet the needs of the Lacey community.

Create a strategic City human services grant program that is transparent, consistent, and removes barriers to participation.

BACKGROUND: General information on the City of Lacey's (City) Human Services can be accessed here: <https://cityoflacey.org/human-services/>.

As part of the 2025 Budget, the Lacey City Council allocated \$300,000 to continue a comprehensive, reliable, and accessible Human Services Grant Program (HSGP). This program was established to take the place of the ad hoc funding the City provided to various non-profit groups in the past to make the process more equitable, efficient, and predictable for the community and the organization.

The Ad Hoc Human Services Workgroup and Human Services Commission have reviewed and approved the final draft HSGP Policy for referral to City Council. Much of the policy has remained the same with the exception of the cap on social services funding and limiting the applications to one per agency.

The City is still in the process of completing a comprehensive Human Services Needs Assessment to prioritize human services needs. The 2025 HSGP maintains the same priorities as 2024.

2025 Program Priorities: Essential Social Services for low-income and special needs populations. Services must focus on basic needs and serve Lacey community members. Basic needs are defined as:

- a. **Housing:** expanding and upgrading affordable housing programs, emergency rental assistance, housing education, creating and maintaining supportive housing services.
- b. **Survival:** access to food, water, shelter, sleep, clothing.
- c. **Security:** job training and placement, mental and physical health care, drug and alcohol recovery, support in times of personal and family crisis, transportation.

Minimum and Maximum Awards: The program will allow for a maximum grant of \$50,000 for capital projects (brick and mortar), a maximum grant of \$35,000 for human services projects.

Next Steps:

OPTION 1: Recommend moving forward with updated HSGP Policy, application, and rubric

OPTION 2: Recommend no changes to the current HSGP Policy, application, and rubric.

OPTION 3: Some other option not mentioned

Proposed Program Timeline: Table 1

Table 1		
Proposed 2025 Human Services Grant Program Timeline (Dates subject to change)		
Human Services Grant Program	Dates	Needs Assessment
Lacey Human Services Commission (HSC) Reviews Program Materials	April 3rd	On-line survey complete. 3 focus groups complete. Reports and data review in process.
Lacey City Council Reviews Program Materials	April 15th	
Program Opens for Applications	April 28 th to May 23rd	
HSGP Applicant Workshop (TEAMS / recorded and posted)	May 1 st	
HSC Reviews Applications	May 30 to June 12th	Continue focus groups and one on one interviews.
Applicant Presentations	June 5th	
Rubric Scores Due	June 12th	
Special HSC Meeting to make final recommendations (LVSH)	June 26th	Draft report
City Council makes final funding decision	July 15th	
HSG Program Year	August 1, 2025 to July 31, 2026	



Human Services Grant Program Policy

Goals

The City provides and supports a broad range of local human services to community members. These services are targeted to help individuals access community resources. One of the core ways the City engages in this work is by providing funding to support the work of non-profits.

Categories

HSGP funds are prioritized on providing essential social services for low-income and special needs populations. Services must focus on basic needs and serve Lacey community members. Basic needs are defined as:

Housing: expanding and upgrading affordable housing programs, emergency rental assistance, housing education, creating and maintaining supportive housing services.

Survival: access to food, water, shelter, sleep, clothing.

Security: job training and placement, mental and physical health care, drug and alcohol recovery, support in times of personal and family crisis, transportation.

Information

- 1) The City at its discretion awards funding. Selected applicants may not receive full funding.
- 2) Maximum award of (\$35,000) for service programs.
- 3) Maximum award (\$50,000) for capital (brick and mortar) projects.
- 4) One proposal allowed per agency per application cycle.
- 5) Proposals do not require a dollar-for-dollar funding match for City funds awarded. However, proposals with funding matches may be allocated additional points during evaluation.
- 6) The Human Services Commission will review proposals and make recommendations for final approval by the Lacey City Council.
- 7) Presentations may be requested of applicants.

- 8) A signed, written agreement with the City will be required before funds are awarded.
 - a. Contract will include an approved scope of work, term, and reimbursement guidelines, and any other requirements as deemed necessary by the City.
 - b. Proof of insurance is required as laid out in the grant program agreement.
- 9) Applicants will need to provide the following documents as part of their applications:
 - a. Program or Project Budget (using the City's form)
 - b. Current list of Board Members
 - c. IRS Tax-Exempt Determination as a 501(c)3
 - d. Copy of organization's I-990 tax filing or year-end financial statement
 - e. A copy of the agency's current annual operating budget (income and expenses)
- 10) Organizations selected to receive human services funding must be able to:
 - a. Provide proof of general liability insurance coverage of at least \$1,000,000 and meet other City insurance requirements
 - b. Provide reports and invoices with back up documentation.
 - c. Provide 501c3 determination letter or equivalent.
 - d. Sign documents electronically through City approved systems.
 - e. Commit to an annual site visit by City of Lacey staff.
 - f. Submit an annual report.
 - g. Retain records for seven years.
- 11) Organizations that apply must be authorized by their governing body or executive director (or equivalent) to apply and receive program funds.
- 12) Probation for Incomplete Projects
 - a. If an agency is unable to complete the project within the term of the agreement, or program year, and does not use any portion of the allocated grant funds, the agency will be ineligible to participate in the HSGP the following year.
 - b. Accommodations may be made to the above for extenuating circumstance

Eligibility

Requirements:

- 1) Proposals must be submitted by non-profits.
- 2) Applicants do not need to be physically located in Lacey to apply. However, applicants must demonstrate how programs and projects would positively benefit community members in Lacey.
- 3) All programs and projects must meet city regulations, ordinances, and non-discrimination policies.
- 4) **Capital projects:** Maximum award for capital (brick and mortar) projects is ~~(\$50,000)~~. Capital projects must be located in Lacey.
- 5) **Service projects:** Maximum award for service projects is ~~(\$35,000)~~.
- 6) Applicants may receive partial funding.
- 7) Applications must be completed and submitted before the deadline.
- 8) One application per agency

The following are not eligible for the HSGP:

- 1) Applications from individuals, for-profit groups, or political groups.
- 2) Projects that are for routine maintenance purposes or any maintenance of previously funded projects.
- 3) Capital (brick and mortar) projects outside of Lacey city limits.
- 4) Projects that seek to promote any public or private group, business or commercial enterprise, political, or religious group.
- 5) Organizations or projects that do not meet the City's non-discrimination policies.

Contact

For further details, contact Michelle Chavez, Human Services Coordinator, at 360-486-8746 or email HumanServices@cityoflacey.org

2025 Human Services Grant Application

Overview

The Lacey City Council established essential social services for low-income and special needs populations as the 2025 Human Services Grant priorities. Grant funding will be prioritized on programs or projects that focus on basic needs that serve Lacey community members. Basic needs include: housing, survival, and security. Example applications could include the following:

- a. Housing: expanding and upgrading affordable housing programs, emergency rental assistance, housing education, creating and maintaining supportive housing services.
- b. Survival: access to food, water, shelter, sleep, clothing.
- c. Security: job training and placement, mental and physical health care, drug and alcohol recovery, support in times of personal and family crisis, transportation.

Grant Requirements (in brief see full policy):

- Applicants must be non-profits.
- Applicants do not need to be physically located in Lacey to apply. However, applicants must demonstrate how programs and projects would positively benefit community members in Lacey.
- Maximum award for capital (brick and mortar) projects is \$50,000. Capital projects must be located in Lacey. Maximum award for service projects. is \$35,000. NOTE: Applicants may receive partial funding.
- One application per agency

Program Year Runs August 1, 2025 to July 31, 2026.

Timelines:

Applicant Workshop: May 1, 2025 9:30am to 11:00am

Applications open: April 28th to May 23rd, 2025. Applications are due May 23rd, 2025 by 4pm (PST)

Applicant Presentations: June 5th at 5:30pm at City Hall and via Zoom

NOTE: This online application does not have an auto-save feature. A PDF version of the application is available to help draft your submission, if needed

Please fill out this form completely. Applications are due May 23rd, 2025 by 4pm (PST). Late Applications will not be accepted.

Section 1. General Information

1.1 Agency Name

1.2 Program or Project Name

Submit one program or project per application

1.3 Is this a capital project or service project?

Identify program or project type in the drop-down menu below

Select or enter value

1.4 Is this a new or existing program or project?

Select or enter value

1.5 Program or Project Area

Select all that apply.

Select or enter value

1.6 Have you received funding from the City of Lacey for this project or program in the last three years? If yes, what were the outcomes?

If yes, what were the outcomes?

1.7 Future Community Members Served

Please provide the anticipated number of Lacey community members that will be served by this program or project within the contract year, if funding is awarded.

Scored Question (5 points total)

1.8 Program or Project Description

Briefly describe your program or project (2-3 sentences).

1.9 Priority Focus

Does the program or project meet the priority focus (basic needs that serve Lacey community members. Basic needs include: housing, survival, and security)? If yes, please provide a description of how it meets the priority focus.

Scored Question (15 points total)

1.10 Program Requirements

Organizations selected to receive human services funding must be able to:

- Provide proof of general liability insurance coverage of at least \$1,000,000
- Provide reports and invoices with back up documentation.
- Provide your 501c3 determination letter or equivalent.
- Sign documents electronically through City approved systems.
- Commit to an annual site visit by City of Lacey staff.
- Submit an annual report.
- Retain records for seven years

☐

1.11 Authorization

To the best of my knowledge, all information in this application is true and correct. The applicant's governing body or Executive Director (or equivalent) has authorized this application to be submitted. My organization is able to provide all program requirements noted above and if funded, will comply with all contractual obligations.

Date Approved

Section 2. Organizational Overview

2.1 Organization Legal Name

2.2 Mailing Address

2.3 Physical Street Address

2.4 Main Business Phone

2.5 Contract Signatory (Name and Title)

2.6 Signatory Email Address for Approval

2.7 Organization Primary Contact (Name and Title)

2.8 Primary Contact Phone

2.9 Primary Contact Email

2.10 Years in business (current dba or previous)

Provide names and number of years the agency has been in business under current or previous names including additional assumed business names.

2.11 Federal Tax ID

2.12 Partnerships and Service Coordination

Describe how your organization collaborates and coordinates with local entities, organizations, stakeholders, or community members.

Scored Question (5 points total)

2.13 Client Centered Programming

Describe how your agency incorporates a client-centered voice to ensure program quality and effective services.

Scored Question (15 points total)

2.14 Diversity, Equity, Inclusion and Belonging

Describe how your agency applies diversity, equity, inclusion and belonging principles in your work.

Scored Question (15 points total)

Section 3. Program or Project Overview

3.1 Program or Project Design

Please describe how the program or project will be delivered.

Scored Question (10 points total)

3.2 Program or Project Outcomes

Describe the program's specific and measurable outcomes.

Scored Question (10 points total)

3.3 Program or Project Eligibility

Who will receive services under this grant and how will you determine service eligibility?

2024 Funding Priorities are essential social services for low-income and special needs populations. Services must focus on basic needs and serve Lacey community members. Basic needs include housing, survival, and security.

Scored Question (10 points total)

3.4 Project Location

Select or enter value

3.5 Project Address

Section 4. Budget Overview

Budget Narrative

Please describe how the Lacey Human Services Grant funds will be used to fund your program or project.

Scored Question (10 points total)

4.2 Audit Findings

Have you had an audit finding in the last two years? If yes, please explain.

4.3 Program or Project Sustainability

If your program or project is not fully funded by the requested amount, would you still be able to provide services or complete the project? Describe the impacts you anticipate if receiving less than full funding.

Scored Question (5 points total)

Please attach the following documents:

- Program or Project Budget using the linked form
- Current list of Board Members
- IRS Tax-Exempt Determination as a 501(c)3
- Copy of organization's I-990 tax filing or year-end financial statement
- A copy of the agency's current annual operating budget (income and expenses)

File Upload

Drag and drop files here or browse files

☐ Send me a copy of my responses

Submit

Powered by
[Privacy Notice](#)[Report Abuse](#)

2025 Human Services Grant Application

Row 1

**1.1 Agency
Name**

**1.2 Program or
Project Name**

**1.3 Is this a
capital project
or service
project?**

**1.4 Is this a
new or existing
program or
project?**

**1.5 Program or
Project Area**

**1.6 Past
experience with
Lacey**

**1.7 Future
Community
Members
Served**

**1.8 Program or
Project
Description**

**1.9 Priority
Focus**

**1.10 Program
Requirements** ☐

**Authorization
to Apply**

Date Approved

**2.1
Organization
Legal Name**

**2.2 Mailing
Address**

**2.3 Physical
Street Address**

**2.4 Main
Business
Phone**

**2.5 Contract
Signatory
(Name and
Title)**

**2.6 Signatory
Email Address
for Approval**

**2.7
Organization
Primary
Contact (Name
and Title)**

**2.8 Primary
Contact Phone**

**2.9 Primary
Contact Email**

**2.10 Years in
business
(current dba or
previous)**

**2.11 Federal
Tax ID**

**2.12
Partnerships
and Service
Coordination**

**2.13 Client
Centered
Programming**

**2.14 Diversity,
Equity,
Inclusion and
Belonging**

**3.1 Program or
Project Design**

**3.2 Program or
Project
Outcomes**

**3.3 Program or
Project**

Eligibility	
3.4 Project Location	
3.5 Project Address	
Budget Narrative	
4.2 Audit Findings	
4.3 Program or Project Sustainability	
Created	03/25/25 3:12 PM

Human Services Grant Program Application Scoring Rubric

Reviewer Name _____

Total Score _____

Section 1 – General Information	How to Rank Answers: You may use any number in the range. 0 means it does not answer the question. Mid-range means it somewhat explains the question and the top score means it clearly answers the question.	Total Possible Points	Points Awarded
1.7 Please provide the anticipated number of Lacey community members that will be served by this program or project within the contract year, if funding is awarded.	Does the answer fully explain the number of participants?	5	
1.9 Does the program or project meet the priority focus (basic needs that serve Lacey community members)? Basic needs include: housing, survival, and security. If yes, please provide a description of how it meets the priority focus.	Does the program or project meet the priority areas (basic needs that serve Lacey community members). Basic needs include: housing, survival, and security)? Does the application clearly explain how it meets the priority focus?	15	

Section 2 – Organizational Overview	How to Rank Answers: – You may use any number in the range. 0 means it does not answer the question. Mid-range means it somewhat explains the question and the top score means it clearly answers the question.	Total Possible Points	Points Awarded
2.12 Describe how your organization collaborates and coordinates with local entities, organizations, stakeholders, or community members.	Does the organization describe collaboration or coordination with others?	5	
2.13 Describe how you incorporate a client-centered voice to ensure program quality and effective services.	Does the program or project include people receiving services from the community in creating the program or project?	15	
2.14 Describe how your agency applies diversity, equity, inclusion and belonging principles in your work.	Does the organization have established DEIB principles and practices?	15	

Section 3 – Program or Project Overview	How to Rank Answers: – You may use any number in the range. 0 means it does not answer the question. Mid-range means it somewhat explains the question and the top score means it clearly answers the question.	Total Possible Points	Points Awarded
3.1 Please describe how the program or project will be delivered.	Does the applicant clearly describe the program or project and how it will be delivered?	10	
3.2 Describe the program or project’s specific and measurable outcomes.	Does the applicant clearly describe the program or project’s specific and measurable outcomes?	10	
3.3 Who will receive services under this grant and how will you determine service eligibility? <i>2024 Funding Priorities are essential social services for low-income and special needs populations. Services must focus on basic needs and serve Lacey community members. Basic needs include housing, survival, and security.</i>	How will the program or project determine who is eligible for services? Are the benefactors of the program or project primarily low income and Lacey community members?	10	

Section 4 – Budget Overview	How to Rank Answers: – You may use any number in the range. 0 means it does not answer the question. Mid-range means it somewhat explains the question and the top score means it clearly answers the question.	Total Possible Points	Points Awarded
4.1 Please describe how the Lacey Human Services Grant funds will be used to fund your program or project.	Does the applicant clearly describe how they will use the HSGP funds?	10	
4.3 Project Sustainability	Does the applicant have outside funding?	5	
Attachments	Are all the required attachments included in the application?	Y/N	NONE
Total		100	



**HUMAN SERVICES COMMISSION MEETING
APRIL 3, 2025**

SUBJECT: Lacey Community Development Block Grant Program (CDBG)
Update and 2025 Program Recommendations

RECOMMENDATION: **Option 1:** Recommend allocating CDBG funding for City capital projects over the first few years (~\$274,000). Recommend allocating 10% (~\$30,000) of CDBG funding for program administration.

STAFF CONTACT: Shannon Kelley-Fong, Assistant City Manager *SKF*
Michelle Chavez, Human Services Coordinator *mjc*

ORIGINATED BY: City Manager's Department

ATTACHMENTS: 1. List of CDBG Eligible Activities

FISCAL NOTE: 2025 anticipated funding of \$304,850 (HUD estimate)

**WORK PLAN GOAL:
AND STRATEGY** Vibrant Place to Live, Work and Play
D. Finalize Homeless Response Plan and Enhance Social Services

An Engaged Community
L. Enhance Communication and Engagement Efforts

DEIB STRAT PLAN: Livability: Human Services, C. Provide and support culturally appropriate human services that meet the needs of the Lacey community.

Create a strategic City human services grant program that is transparent, consistent, and removes barriers to participation.

PRIOR REVIEW: [City Council Meeting](#) - June 18, 2024
[Human Services Work Group](#) – November 7, 2024
[Human Services Work Group](#) – December 5, 2024

BACKGROUND: On December 5, 2024, the Human Services Workgroup reviewed a staff report that included the most current amended Thurston County / City of Olympia Public Participation Plan (CPP) and a draft outline for a Lacey CPP.

The City published a 30-day review and public comment period for the Lacey CPP from December 5, 2024 to January 5, 2025. The City did not receive additional public comment beyond what was received during the December 5, 2024 Human Services Work Group meeting.

The City inquired with HUD whether the CPP is required as part of the 2025-2027 Consolidated Plan. HUD has indicated that it was not likely required but that it should just be kept on file for referral as the City works through its public notification process and any future CDBG plan amendments that may be needed.

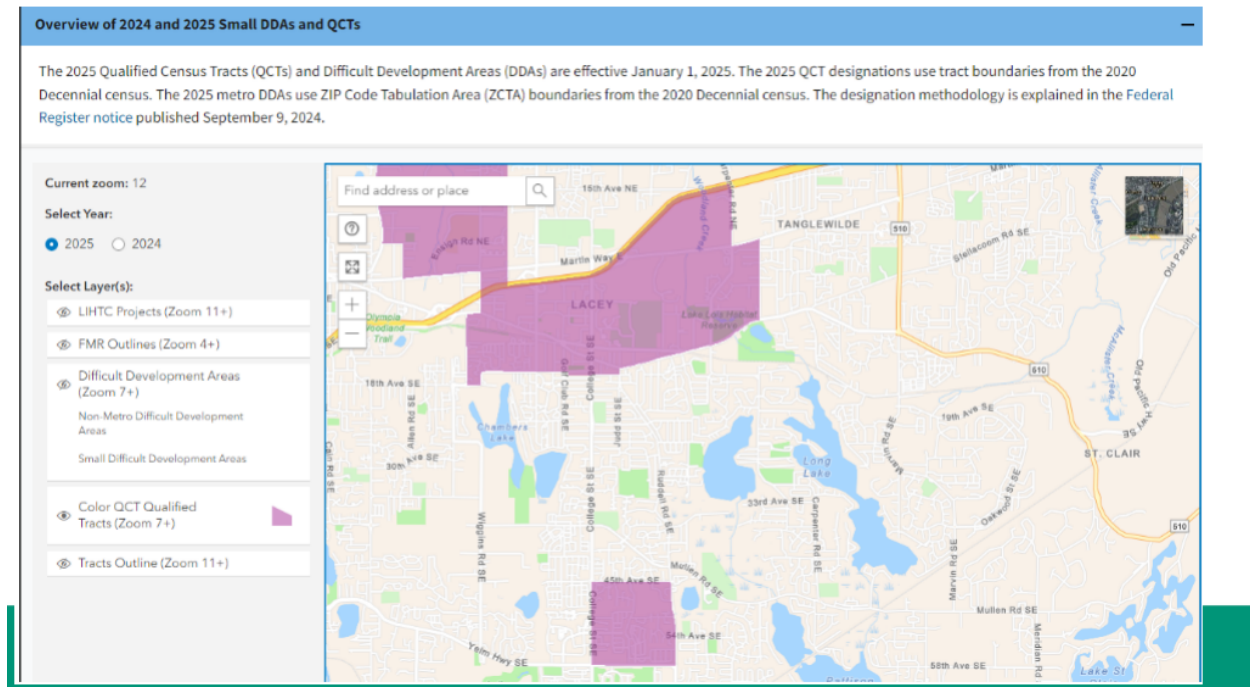
Based on research and program experience, staff recommends using CDBG funding on City capital project(s) for the first few years, rather than a competitive process. This would reduce administrative needs from City staff. **Table A** provides a matrix of CDBG funding considerations.

Table A			
CDBG Funding Matrix			
	City Capital Projects	Other Capital Projects	Service Programs
Staff time	Low	Moderate more projects, increased time	High more programs, increased time
Competitive Process	No Direct funding	Yes Application / Review	Yes Application / Review
Process Timeline	2-4 months	4+months	4+months
Max. funding*	None	None	15% (≈\$45K)
City control	High	Low	Low
Administration**	10% (≈\$30,000)	15% (≈\$45,000)	20+% (≈\$60,000)
*Up to 15% for public services ** Up to 20% for administration			

Like other projects, City capital projects would need to be located in low- to moderate-income (LMI) qualified census tracts for CDBG (See **Figure 1**), or meet the presumed benefit category.

The term "presumed benefit" in the context of HUD refers to a situation where at least 51 percent of the beneficiaries are presumed to be low- or moderate-income individuals. Additionally, activities that exclusively serve a group of persons in specific categories, such as abused children or elderly persons, may also be considered to have presumed benefit.

Figure 1. Lacey Area Benefit



All projects must meet the national objective and be an eligible activity.

CDBG National Objectives

1. Benefit low and moderate-income persons: Activities must primarily benefit individuals or households with low to moderate income levels.
2. Prevent or eliminate slums or blight: Activities aimed at addressing deteriorating areas or conditions that threaten public health and safety.
3. Address community development needs of particular urgency: Activities that respond to urgent community development needs that pose a serious and immediate threat to health or welfare.

See **Attachment 1** for a list of CDBG-eligible activities.

The City projects identified in **Table B** would likely meet these criteria.

Table B					
Potential CDBG Eligible City Capital Projects					
#	Project	Eligibility	Timeline	Brief	Est. Cost
1.	Huntamer Park Improvements	Qualified Census Track	Near-term 2026 - 2028	Updates to park, including sidewalks	\$1.8M
2.	ADA sidewalk updates	Qualified Census Track	Near-term 2026+	Update sidewalks throughout areas	Scalable
3.	Senior Center Expansion	Potential LMI Qualifier	Near-term 2027+	Expand approx. 3,000 sq. ft. to meet the needs of the growing senior community	\$4.3M
4.	Brooks Park Enhancements	Qualified Census Track	Near-term 2027+	Add new amenities, e.g., playground	\$615K
5.	Other public infrastructure improvements (lighting, septic, etc.)	Qualified Census Track	Near-term 2026 - 2028	Varies	Scalable
6.	Rainier Vista Park Improvements	Qualified Census Track	Long-term 2028+	Add new amenities, e.g., playgrounds, courts, etc.	\$1M
7.	Lacey Museum & Cultural Center	Qualified Census Track	Long-term 2028+	Construct new museum and cultural center	\$14+M

Next Steps: Upon review, the Commission could consider one of the following options:

Option 1. Recommend allocating CDBG funding for City capital projects over the first few years. Recommend allocating 10% (≈\$30,000) of CDBG funding for program administration.

Option 2. Recommend allocating CDBG funding (65%, ≈\$198,000) to City capital projects and community capital projects through a competitive process (20%, ≈\$61,000) for the first few years. Recommend allocating 15% (≈\$45,000) of CDBG funding for program administration.

Option 3. Recommend allocating CDBG funding (42.5%, ≈\$130,000) to City capital projects and community capital projects through a competitive process (42.5%, ≈\$130,000) for the first few years. Recommend allocating 15% (≈\$45,000) of CDBG funding for program administration

Option 4. Recommend allocating CDBG funding through a competitive process (both capital and service) for the first few years. Recommend allocating 20% (≈\$60,000) of CDBG funding for program administration.

Option 5. Some other options not considered.

City staff recommends **Option 1.**

Table I. CDBG Eligible Activities by General Categories

General Categories	Eligible Activities
Planning, Administrative and Technical Assistance	• comprehensive planning and related activities; • administrative costs associated with carrying out the requirements of the program, as well as other HUD programs; • provision of technical assistance to public or nonprofit entities; • payment of the non-federal share of other federal grant programs; • development and implementation of energy conservation and use strategies.
Public works and public facilities	• acquisition and rehabilitation of real property that may be used for public works, open space acquisition, historic preservation, or other public purposes; • acquisition, construction, reconstruction, or installation of public works, public facilities, neighborhood facilities, senior centers, centers for the handicapped, recreation facilities, and street lights; • removal of architectural barriers to the elderly and handicapped.
Economic Development and Neighborhood Revitalization	• payment to for-profit entities in support of economic development; • assistance to neighborhood-based organizations, including community development corporations, in support of economic development, housing assistance; or neighborhood revitalization activities; • assistance, including loans and grants, to non-profit entities in acquiring real property, or acquiring or rehabilitating public facilities, site improvements, utilities, or commercial and industrial facilities and improvements; • micro-lending; • brownfield redevelopment; • creation of revolving loan funds.
Public Services	• public services (limited to no more than 15% of an entitlement community or state's annual allocation).
Housing related activities	• rehabilitation of housing owned and occupied by low and moderate income persons; • repair of housing units acquired through tax foreclosures; • assistance to facilitate homeownership among low- and moderate-income persons; • housing services, including counseling, in connection with the HOME program; • lead-based paint abatement.
Acquisition, demolition, and disposition of real property	• Acquisition of real property; • disposal of real property; • code enforcement in deteriorated or blighted areas; • clearance, demolition, and rehabilitation and renovation of privately and publicly owned buildings, including closed public schools.