



City of Olathe

COUNCIL AGENDA ITEM

MEETING DATE: 6/18/2024

FOCUS AREA: Quality of Life

STAFF CONTACT: Mike Sirna/Emily Diehl

SUBJECT: Consideration of approval of MOU with Johnson County for Community Development Block Grant (CDBG) and HOME Funds (2025-2027), Letter of Intent to Defer Metropolitan City Status, and MOU Amendments for 2016-2024.

TITLE:

Consideration of approval of MOU with Johnson County for Community Development Block Grant (CDBG) and HOME Funds (2025-2027), Letter of Intent to Defer Metropolitan City Status, and MOU Amendments for 2016-2024.

SUMMARY:

Since 1986, the City of Olathe has partnered with Johnson County to qualify for Urban County Status under the Community Development Block Grant (CDBG) program of the Housing and Community Development Act of 1974, and the HOME program authorized by Title II of the Cranston-Gonzales National Affordable Housing Act of 1990.

Through the Memorandum of Understanding (Attachment #1), the County and City of Olathe agree to benefit low-income persons by addressing community revitalization needs and housing assistance activities. CDBG funds may also be used to benefit programs that are in the best interest of public health, safety, and welfare of our citizens.

The three-year agreement outlines program administration and funding allocation for Olathe. The City benefits and follows these stipulations:

Benefits:

1. Olathe receives 41% of the adjusted County's CDBG funds and 23% of County's HOME funds.
2. Johnson County prepares the Consolidated Plan and CAPER report for the U.S. Department of Housing and Urban Development.

Restrictions:

1. Olathe cannot apply for HUD's Small Cities or State CDBG programs or become eligible for CDBG or HOME funds as a Metropolitan Entitlement City while partnering with the urban county.
2. Agreements renew automatically every three years unless the City provides written notice to opt out. The City cannot withdraw unless the County does not receive a grant for any given year.

Olathe must submit a letter (Attachment #2) to the U.S. Department of Housing and Urban Development and Johnson County to defer its metropolitan city status and be included in the urban county for Federal Fiscal Years 2025-2027.

Amendments to the MOUs for 2016-2018, 2019-2021, and 2022-2024 (Attachment #3) are submitted

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for approval. These amendments:

- Add affordable housing support as an eligible HOME activity.
 - Clarify that Olathe defers authority for HOME projects to Johnson County.
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FINANCIAL IMPACT:

Approximately \$640,000 from CDBG and HOME are invested in the City of Olathe annually.

ACTION NEEDED:

Approval of the Memorandum of Understanding with Johnson County for FY 2025-2027, Letter of Intent to defer Metropolitan City status, and amendments for 2015-2024.

ATTACHMENT(S):

- A. 2025-2027 Memorandum of Understanding
- B. Letter of Intent
- C. Prior Year MOU Amendments