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Why are we here tonight?

- Provide a CDBG Overview
- Review options of how funds can be used
- Council Direction - Establish 2019-2021 CDBG Council priorities




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 **CDBG Overview** 



### What is Community Development Block Grant?

- Federal grant program administered by the Department of Housing and Urban Development (HUD).
- Created in 1974 to provide funding for housing and community development activities, serving primarily low to moderate income individuals and households.




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 **CDBG Overview** 

### Why does the City of Flagstaff receive CDBG money?

**As a metropolitan city with a population of more than 50,000,** Flagstaff is considered an Entitlement Community and receives an annual allocation based on a formula taking population, age of housing and other community information into consideration.



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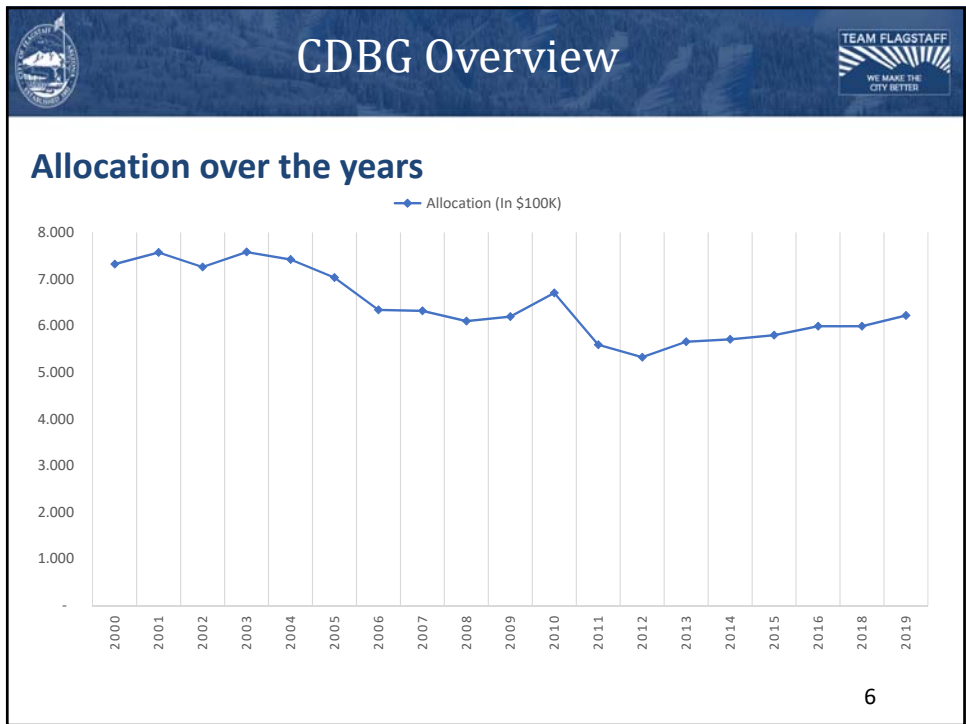
**CDBG Overview**

**What has changed in recent years?**


- Funding from HUD
  - 2003 highest award = \$758,000
  - 2014 = \$570,941
  - 2017 = \$599,050
  - 2018 = \$621,455
- Emphasis on Performance Measures
  - Focus is on **numbers served & service type** provided
  - Performance measurements require significant additional data to be collected

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## CDBG Overview




### How does the City access the funds?


- **Annual Action Plan – “What are we are going to do?”**  
Due May 2019
- **Consolidated Annual Performance Evaluation Report (CAPER) - “What did we do?” -** Due September 2019
- **Consolidated Plan - “5 year assessment of housing and community development needs”** Every 5 years – Recently submitted May 2016
- **Analysis of Impediments to Fair Housing choice “Fair Housing Plan”** Every 5 years – Recently submitted May 2016

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## 5 year Consolidated Plan Goals



Activity	Special Population	Priority Level	5-year Goal
<b>Priority Need: Revitalization, Public Facilities &amp; Infrastructure</b>			
Facility Improvements	X	H	500 people
ADA Accessibility Improvements	X	L	500 people
Land Acquisition for Affordable Housing Development		L	5 households
Infrastructure for Affordable Housing Development		L	5 households
<b>Priority Need: Public Services &amp; Economic Opportunities</b>			
Service and Facility Operating Support	X	H	2,000 individuals
Employment & Job Training Support Services		L	5 individuals
Housing Stabilization Services including Eviction/Foreclosure Prevention and Legal Services		H	500 households
<b>Priority Need: Addressing Homelessness</b>			
Service and Facility Operating Support, including Outreach	X	H	5,000 people
Increase number of emergency /transitional shelter beds for families	X	H	20 beds
Increase supply of permanent supportive housing	X	H	15 beds
<b>Priority Need: Decent Affordable Housing</b>			
Owner-occupied Housing Rehabilitation		H	25 units
Rental Housing Construction		H	5 units
Owner Housing Construction		H	2 units
First-time Homebuyer Assistance		H	25 households
Rental Housing Rehabilitation		L	10 units

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 **CDBG Overview** 

### How can the City spend the money?



The easy answer:

- As the City Council determines based on:

- Needs identified in the Consolidated Plan
- One or more of the Primary Objectives
- The National Objective

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 **CDBG Overview** 

### Primary & National Objective


The development of viable urban communities through the provision of the following, **principally for low to moderate income persons:**


- Decent housing
- A suitable living environment
- Economic opportunity

**80% AMI example: Household of 4 income limit is \$56, 000**

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## CDBG Overview

### Benefiting low to moderate income persons


To be eligible, an activity must qualify as one of the following:




1. Limited Clientele
2. Housing Activity
3. Area Benefit
4. Job Creation or Retention Activities

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## CDBG Overview

### 1) Limited Clientele


An activity benefiting persons who are presumed to be **low income or at least 51% of whom are low to moderate income persons.**

Presumed benefit populations include: (HUD's Language)

Abused/neglected children	Battered spouses
Severely disabled adults	Illiterate adults
Migrant farm workers	Homeless
Persons with HIV/AIDS	Seniors


Past Projects:

- Operational Assistance for Coordinated Entry
- Homeless Outreach Operations
- Domestic Violence Shelter Rehabilitation




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## CDBG Overview




### 2.) Housing Activity

An activity undertaken for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by low to moderate income persons


Past Projects:

- Owner Occupied Housing Rehabilitation
- Down payment and closing cost assistance
- New housing developments by a Community Based Development Organization (CBDO)




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## CDBG Overview



### 3.) Area Benefit


An activity that benefits all residents in a particular area, where at least 51 percent of the residents are low to moderate income persons.

The City has four target neighborhoods – as established in the Consolidated Plan:

- Sunnyside
- Southside
- La Plaza Vieja
- Pine Knoll

Past Projects:

- Capital Improvements in above neighborhoods
- Hal Jensen Recreation Center Rehabilitation
- Arroyo Park and Guadalupe Park Improvements



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**CDBG Overview** TEAM FLAGSTAFF  
WE MAKE THE CITY BETTER

**4.) Job Creation/ Retention Activities**

An activity designed to create or retain permanent jobs. A minimum 51% of which, computed on a full time basis, involve the employment of low to moderate income persons.

Examples:

- Sharon's Attic Job Training



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**HUD Annual Funding Caps**

20% cap for Administration

2018 total admin - \$127,000 - including City 10% indirect rate (\$57,000)

What is an Indirect Rate?

- Allows the City to collect for costs incurred to administer federal or state contracts
- Council policy has been to assess the indirect rate on any grant that allows this charge
- Calculated annually based on Office of Management and Budget (OMB) 2 CFR 200

*\*City of Flagstaff is ultimately responsible for use of funds, even if spent by outside agency\**

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 **CDBG Overview** 

**City Contract Requirements**



- Procurement
- Insurance
- Payment Procedures
- Monthly Reporting
- Monitoring
- Close-out
- Audit

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 **CDBG Overview** 

**Federal Overlay Statutes:**

- Fair Housing
- Environmental Standards
- Labor Standards (Davis Bacon)
- Testing (Asbestos and Lead)
- Procurement
- Equal Opportunity
- Relocation
- Handicapped Accessibility

  
EQUAL HOUSING OPPORTUNITY

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 **CDBG Overview** 

### Public Service – 15% Cap

There is a high demand for Public Service Projects with limited funding available.

**2018 total Public Service awards = \$98,500**





Examples:

- Services for People Experiencing Homelessness
- Eviction Prevention
- Fair Housing Services
- Health Services
- Services from Children to Senior Citizens


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 **CDBG Overview** 


### Criteria for use of CDBG Funds

- At least 70% of the CDBG funds must benefit low to moderate income persons over the fiscal year (July 1 to June 30)
- Historically CDBG in Flagstaff serves 100% low to moderate income persons
- 1.5 Timeliness Test - Requires timely expenditure of funds




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## CDBG Overview



### How are the funds distributed?


An annual open **proposal process** is conducted allowing community agencies (non-profits and units of local government) to apply for use of funds

This process will begin tomorrow!




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## CDBG Overview



### Proposal Process



Public Participation

- Ranking Committee
- 2 public meetings
  - January 31 (Proposal Process starts)
  - February 28 (Review of Proposals received)
- 3 council meetings
  - Work session tonight – establishing priorities
  - Work session with recommendations – April 9
  - Action item to adopt Resolution – April 16

*A draft Annual Action Plan - available for public comment March 1 – April 1, 2019*

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 **CDBG Overview** 


### Proposal Process

2016-2018 Council Priorities *(same as 2014-2016)*

1. Neighborhood Revitalization
2. Housing (rental & ownership)
3. Homelessness

Staff Responsibility

- Determine activity eligibility
- Assess activity viability
- Conduct agency risk assessment
- Proposal Ranking Committee with citizen participation
- Weighted scoring criteria



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 **Requested Direction – CDBG Priorities** 

### Establish 2-4 Council CDBG Priorities 2019-2020



Last Four Years

- Housing (rental & ownership)
- Neighborhood Revitalization
- Homelessness




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 **Next Steps** 

**CDBG/Annual Action Plan Public Meeting**

January 31, 2019  
10:00am  
Council Chambers



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