

# City of Flagstaff Community Development Block Grant

Introduction and Overview  
2021 and 2022 Priority Setting



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# Today



- Intro & overview of CDBG
- Eligible uses of CDBG funds
- Establish CDBG Priorities for 2021/2022





# CDBG Introduction

## What is the Community Development Block Grant?

- Federal grant program administered by the U.S. 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.





# CDBG Introduction



## 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.





# CDBG Introduction

## How does the City access the funds?

- **Annual Action Plan** – “What are we are going to do?”  
Due in May
- **Substantial Amendments to Annual Action Plan** – CDBG-CV Funds  
Due as needed
- **Consolidated Annual Performance Evaluation Report (CAPER)** - “What did we do?” - Due in September
- **Consolidated Plan** - “5-year assessment of housing and community development needs” Every 5 years - Due in May 2021
- **Analysis of Impediments to Fair Housing choice** “Fair Housing Plan” Every 5-years – Due May 2021



# 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
- The Primary Objective
- One or more of the National Objectives



# 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 \$60,150**





# 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





# 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

Severely disabled adults

Migrant farm workers

Persons with HIV/AIDS

Survivors of domestic violence

Illiterate adults

Homeless

Seniors

Past Projects:

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





# 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) or Community Housing Development Organization





# 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





# CDBG Overview

## 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





# CDBG Overview

## HUD Annual Funding Caps

20% Spending Cap for Administration Costs

2020 Total Admin - \$125,000 –  
including City 10% indirect rate (\$60,026)

This administration spending cap applies to  
subrecipients as well

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

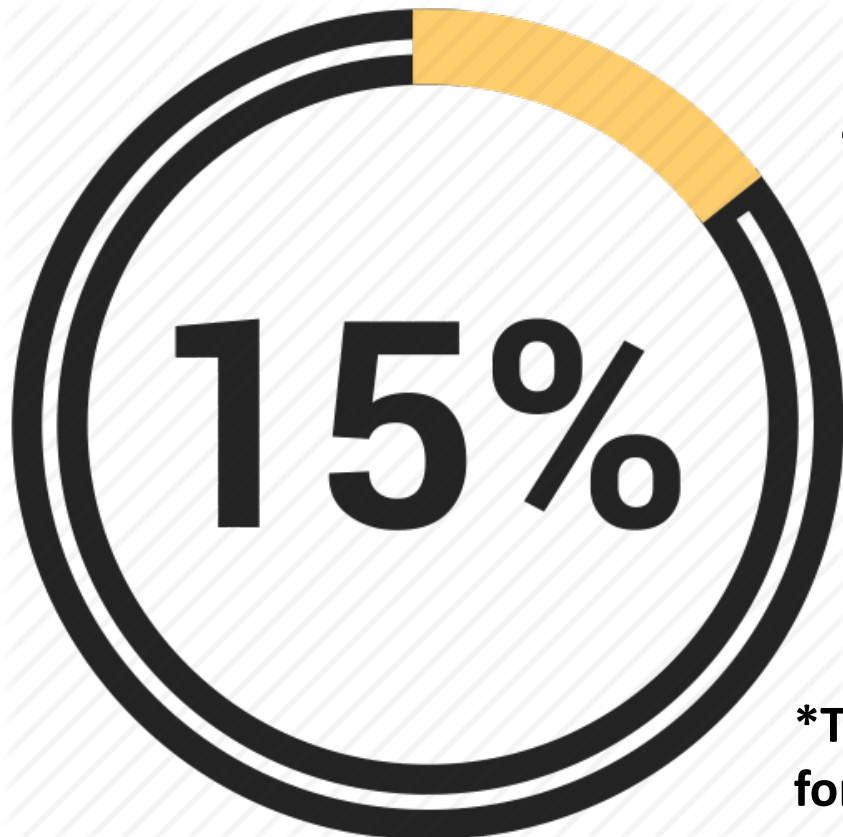




# CDBG Overview

## Public Service – 15% Cap

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



**2020 Total Public Service Allowable = \$94,656\***

Examples:

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

**\*The CARES Act provided a waiver for this requirement for 2019, 2020 and CDBG-CV Funds**



# 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





# 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





# CDBG Overview

## Proposal Process

### Staff Responsibility

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





# CDBG Overview

## City Contract Requirements



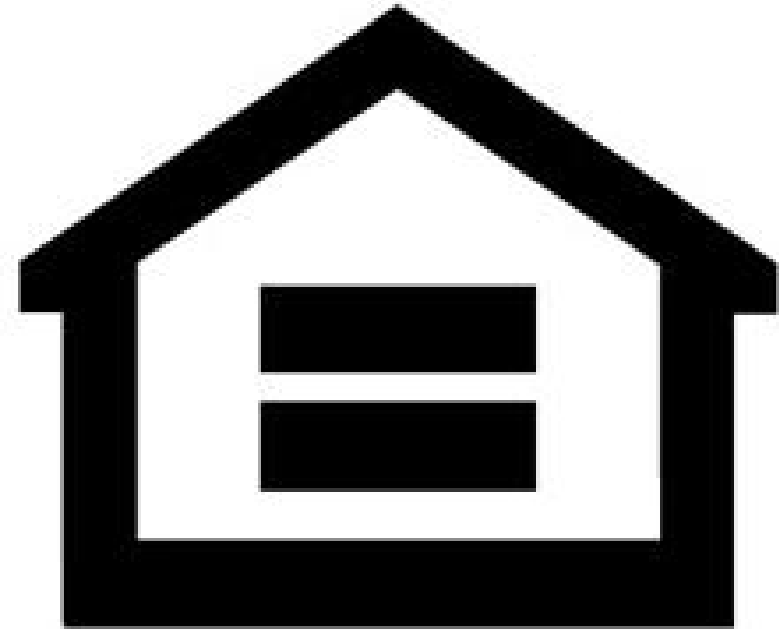
- Procurement
- Insurance
- Payment Procedures
- Monthly Reporting
- Monitoring
- Close-out
- Audit



# 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**



# CDBG Overview

## Proposal Process

### Public Participation

- Ranking Committee
- 2 public meetings
  - January (Proposal Process starts)
  - February (Review of Proposals received)
- 2 council meetings
  - Work session with recommendations – April 13
  - Action item to adopt Resolution – April 20



***A draft Annual Action Plan is available for public comment for 30 days prior to the April Council Meetings***



# CDBG Overview

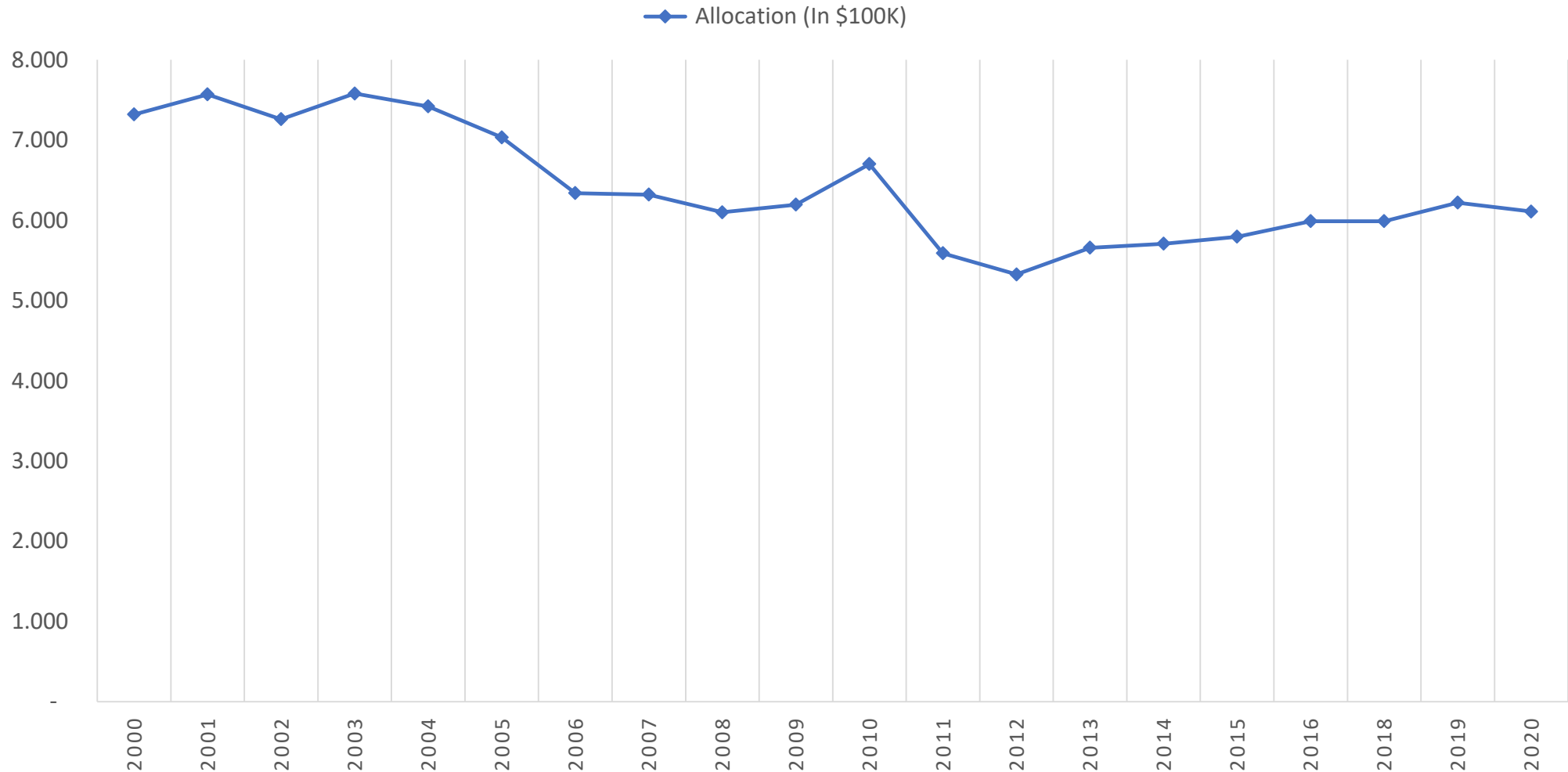
## What has changed in recent years?

- Funding from HUD
  - 2003 highest award = \$758,000
  - 2014 = \$570,941
  - 2018 = \$621,455
  - 2020 = \$611,295
- Emphasis on Performance Measures
  - Focus is on numbers served & service type provided
  - Performance measurements require significant additional data to be collected



# CDBG Overview

## Allocation over the years





# CDBG Overview

## Coronavirus Aid, Relief and Economic Security Act

- City of Flagstaff CARES Act Funding – CDBG-CV
  - 1<sup>st</sup> Allocation - \$359,605
  - 2<sup>nd</sup> Allocation - \$755,661
- CARES Act Provided Waivers
  - Public Participation
  - Public Service Caps
  - CAPER Extension
  - Reimbursement of Costs
  - Con Plan and AAP Extensions



# CDBG Overview

## 2019 CDBG CAPER

- Households and individuals served:
  - 2,480 individuals
  - 47 households
- Community Leverage
  - Flagstaff leveraged CDBG expenditures with \$3,912,322 in other private and public funds





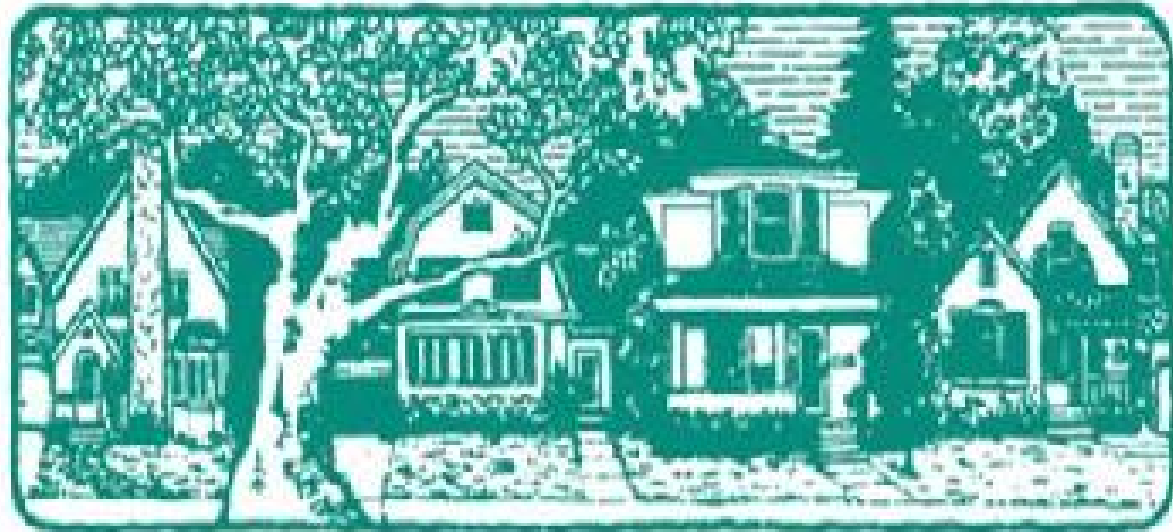
# 5-year Consolidated Plan Goals

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



# Applicable Regional Plan Goals

- **Goal NH.1. Foster and maintain healthy and diverse urban, suburban, and rural neighborhoods in the Flagstaff region.**
- Preserve and enhance existing neighborhoods.





# Applicable Regional Plan Goals

- **Goal NH.4. All housing is safe and sanitary.**

- Policy NH.4.1. Expand the availability of affordable housing throughout the region by preserving existing housing, including housing for very low-income persons.
- Policy NH.4.3. Address accessibility issues and other housing barriers to persons with disabilities or special needs.
- Policy NH.4.4. Encourage green practices in housing construction and rehabilitation that support durable, healthy, and energy efficient homes.
- Policy NH.4.5. Renovate the existing housing stock to conserve energy and reduce utility and maintenance costs for owners and occupants.
- Policy NH.4.7. Enforce compliance with fair housing laws.



# Applicable Regional Plan Goals

- **Goal NH.5. Eliminate homelessness.**

- Policy NH.5.1. Provide adequate resources for families with children experiencing homelessness.
- Policy NH.5.2. Provide adequate resources for individuals experiencing homelessness.
- Policy NH.5.3. Support and expand programs that prevent homelessness.
- Policy NH.5.4. Make transitional housing resources available to populations experiencing homelessness.



# CDBG Priorities

## 2019 and 2020 CDBG Council Priorities

- Housing (rental & ownership)
- Neighborhood Revitalization
- Homelessness
- Workforce Job Training
- Education – Early Childhood Development



# Contact Information

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