

City of Flagstaff Community Development Block Grant

Introduction and Overview



Kristine Pavlik, Housing and Grants Administrator



Today



- Intro & overview of CDBG
- Eligible uses of CDBG funds
- 2023/2024 Annual Action Plan





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-and-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 (AAP)** – May 15th

“What do we plan to do with the funds in the upcoming program year?”

- **Consolidated Annual Performance Evaluation Report (CAPER)** - September 30th

“What did we do with the funds over the last program year and who benefitted?”

- **Consolidated Plan (ConPlan) and Analysis of Impediments to Fair Housing (AI)** - May 2026

Last submitted in May 2021, the ConPlan is an assessment of the City's housing and community development needs and guides the use of CDBG funds for the following 5 program years

- **Substantial Amendments to Annual Action Plan** – As needed

CDBG-CV, Disaster Relief, re-allocation of funding, etc.



CDBG Overview

How can the City spend the money?

The easy answer:

The City can spend the funding as the City Council determines based on:



- Needs identified in the City's Consolidated Plan
- The CDBG program's Primary Objective
- And one or more of the National Objectives



CDBG Overview

Primary 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 \$68,700**





CDBG Overview

Benefiting low to moderate income persons

To be eligible, an activity must meet one or more of the following National Objectives:



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:

- Coordinated Entry – The Front Door
- Homeless Outreach Services





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
- Sharon Manor Rehab and Expansion





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 target 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

Historically the City utilizes 10% for Admin costs and 10% for Indirect Costs

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.



2022 Total Public Service Allowable = \$90,250*

Examples:

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



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

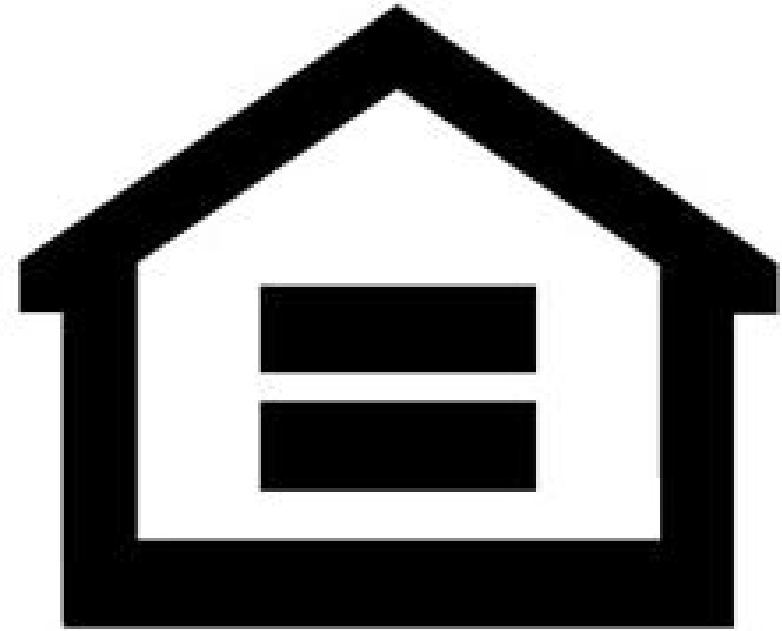


CDBG Overview



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
- 3 public meetings
 - NoFA Release
 - Target Neighborhood Public Participation
 - Review of Proposals received
- 2 council meetings
 - Work session with recommendations – April 11
 - Action item to adopt Resolution – April 18



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



CDBG Overview

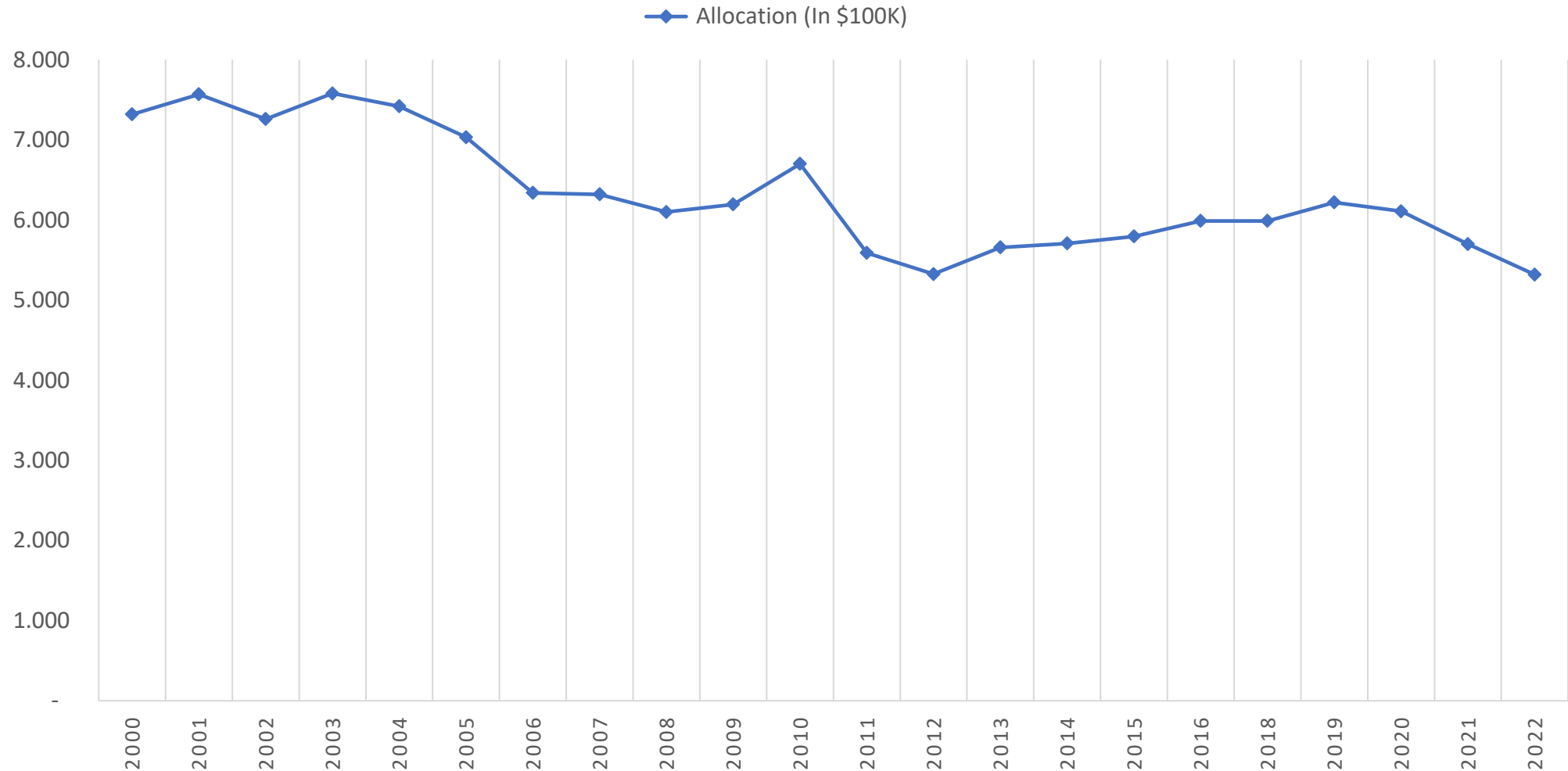
What has changed in recent years?

- Funding from HUD
 - 2003 highest award = \$758,000
 - 2018 = \$621,455
 - 2020 = \$611,295
 - 2022 = \$531,639
- 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
 - 1st Allocation - \$359,605
 - 2nd Allocation - \$755,661
- CARES Act Provided Waivers
 - Public Participation
 - Public Service Caps
 - CAPER Extension
 - Reimbursement of Costs
 - Con Plan and AAP Extensions



CDBG Overview

2021-2022 CDBG CAPER

- Sharon Manor Expansion and Rehab
 - Catholic Charities Closing the Gap Acquisition
 - La Plaza Vieja Infrastructure Improvements
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- 3 Sewing and Textile Employment Pathway Graduates
 - Eviction Prevention for 39 households





5-year Consolidated Plan Goals

Activity	Special Population	Priority Level	5-year Goal
Priority Need: Revitalization, Public Facilities & Infrastructure			
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
Priority Need: Public Services & Economic Opportunities			
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
Priority Need: Addressing Homelessness			
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
Priority Need: Decent Affordable Housing			
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



CDBG Priorities

2023 and 2024 CDBG Council Priorities

- Housing (rental & ownership)
- Homelessness
- Neighborhood Revitalization
- Workforce Job Training



Contact Information

Kristine Pavlik

Housing and Grants Administrator
City of Flagstaff

Kristine.Pavlik@flagstaffaz.gov

(928) 213-2749

