



CITY OF FLAGSTAFF



COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Presentation of Funding Recommendations

City Council Work Session

April 22nd, 2025

Today

- CDBG Review
- Program Year 2025 Annual Action Plan
- Funding Recommendations
- Discussion



What is the Community Development Block Grant?



- Federal grant program administered by (HUD)
- Created in 1974 to provide funding for housing and community development activities
- Serves primarily low-and-moderate-income persons

Why does the City receive funding?

- Metropolitan city with a population of 50,000+
- Entitlement Community
- Annual Allocation based on a formula set by HUD



CDBG Requirements

- **Consolidated Plan: "How should we decide what to do with the funds?"**
 - Five-year plan and assessment of housing and community development needs
- **Annual Action Plan: "What will we do with the funds?"**
 - Outlines yearly funding allocations - Due in May
- **Consolidated Annual Performance Evaluation Report (CAPER)**
 - Summary of outcomes for prior year allocations - Due in September
- **Substantial and Minor Amendments**
- **Affirmatively Furthering Fair Housing - City Fair Housing Plan**



CDBG Primary and National Objectives

2025 Area Median Income Limits

Household size	30% - Extremely Low Income	50% - Very Low Income	60% - LIHTC Max	80% - Low Income
1	\$22,950	\$38,200	\$45,840	\$61,100
2	\$26,200	\$43,650	\$52,380	\$69,800
3	\$29,500	\$49,100	\$58,920	\$78,550
4	\$32,750	\$54,550	\$65,460	\$87,250
5	\$37,650	\$58,900	\$70,680	\$94,250
6	\$43,150	\$63,250	\$75,900	\$101,250
7	\$48,650	\$67,650	\$81,180	\$108,200
8	\$54,150	\$72,000	\$86,400	\$115,200

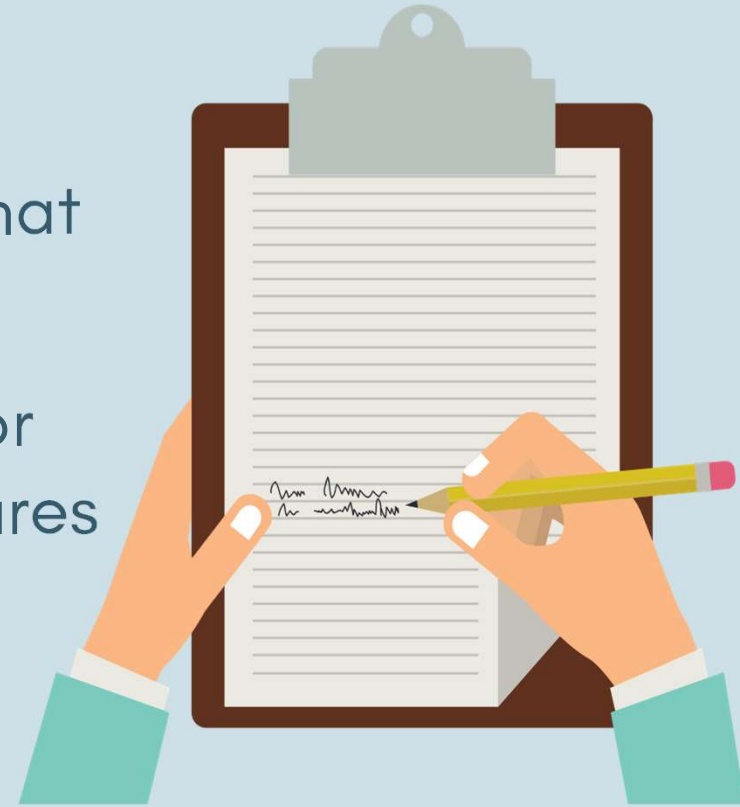
The development of viable urban communities, principally for low-and-moderate income persons, by providing:

- decent, affordable housing
- a suitable living environment
- economic opportunities



Eligible Activities

- Limited Clientele – services/projects that benefit persons low-income
- Housing Benefit – a project providing or improving permanent residential structures
- Area Benefit – activities benefit all residents in a target area
- Job Creation – create or retain permanent jobs or provide financial assistance to microenterprises



Target Neighborhoods

The City may designate target areas for CDBG projects in the Consolidated Plan. Target neighborhoods are identified by the low-income and minority concentration of households:

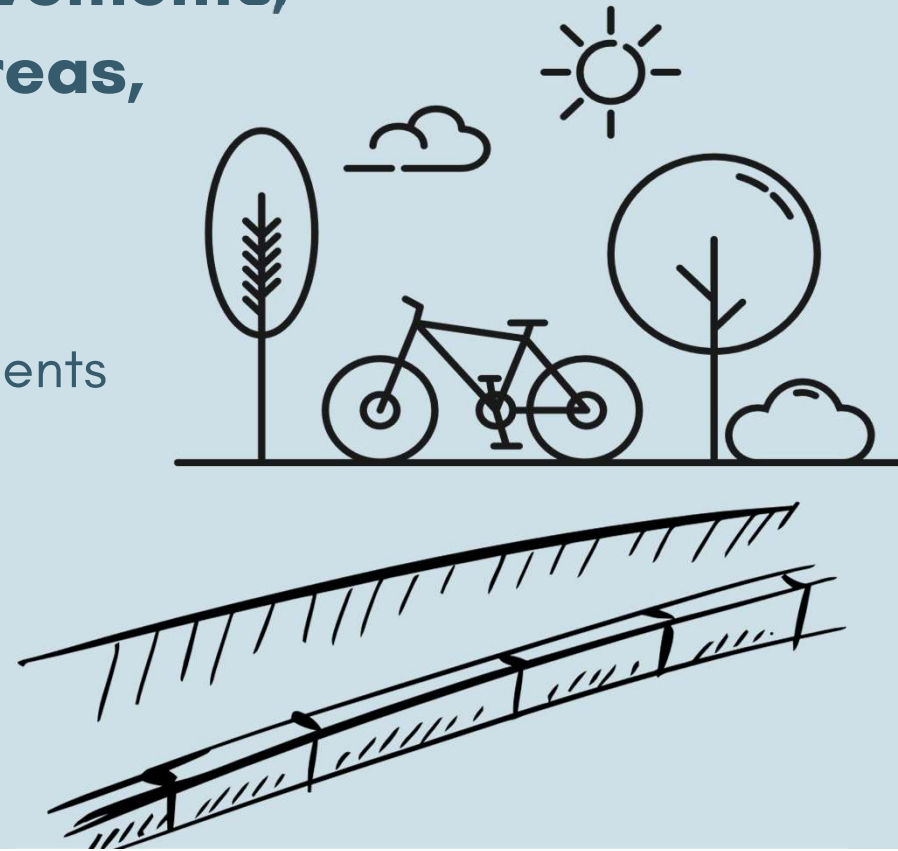
- **La Plaza Vieja**
Census Tract 11.02
Block Groups 1 & 3.
- **Sunnyside**
Census Tract 3
Block Groups 2, 3, & 4.
- **Southside**
Census Tract 8
Block Group 1.
- **Pine Knoll**
Census Tract 8
Block Group 2.



Consolidated Plan Goals

Support neighborhood revitalization and public facilities and infrastructure improvements, especially in established target areas, including:

- Neighborhood revitalization including Public Facility and Infrastructure Improvements
- Public Facilities Improvements
- Acquisition of Affordable Housing



Consolidated Plan Goals

Support public services and economic opportunities for low-and moderate-income persons, including:

- Services to Meet Basic Needs
- Workforce Development
- Housing Stabilization Services

Support services and projects addressing homelessness, including:

- Service and Facility Operating Support
- Increase Shelter Beds/Units



Consolidated Plan Goals

Support the development, accessibility, and preservation of decent, affordable housing, including:

- Rehabilitation of owner and/or renter households/units
- Development of owner and/or renter affordable housing units
- Housing Assistance for owner and/or renter households



HUD Annual Funding Caps

Administration

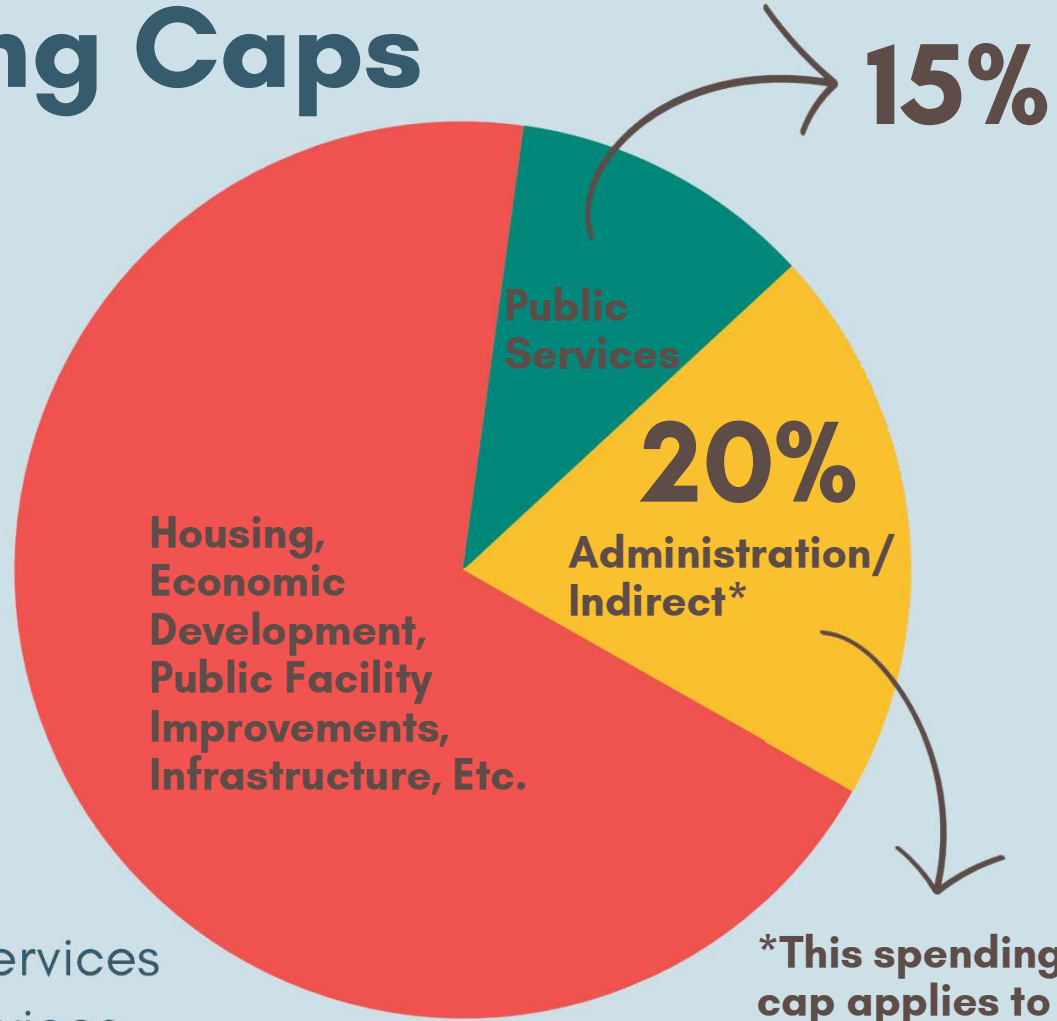
20% Max

- Management and oversight
- Program Coordination including staff salaries/indirect costs

Public Service Activities

15% Max

- Health and Safety Services
- Housing and Welfare Programs
- Community and Recreational Services
- Employment and Education Services (e.g., job training/childcare)



*This spending cap applies to subrecipients as well.

Timely Expenditure

1.5 Rule: Grantees must have a balance of no greater than one and one-half (1.5) times its annual grant remaining in the Line of Credit, 60 days prior to the end of the Program Year.



Proposal Process

Staff Responsibility

- Determine activity eligibility
- Assess viability
- Conduct risk assessment
- Proposal ranking process
- Public participation
- Weighted scoring criteria



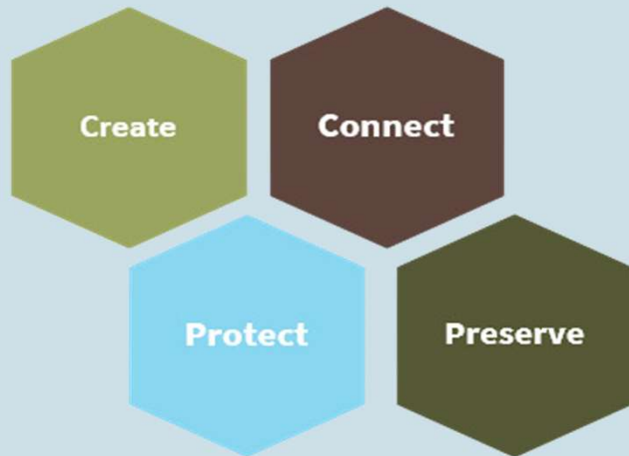
Public Participation

- City Council Priority Setting
- Public Meetings/Hearings
Neighborhood and Community Meetings
- Ranking Committee
Staff, Commission & Community Members
- Public Comment Period
30-day period and before Council Resolution
- Housing Commission Recommendation
- Final Council Approval
Resolution Approving Submission

Additional Considerations and Criteria

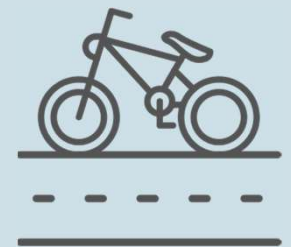
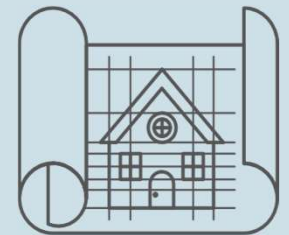
10-Year Housing Plan

- Impact 6,000 residents with unit creation or subsidy provisions
- Create or preserve 7,976 housing units (10% affordable)



Council Priorities

- Housing - Rental and Ownership
- Addressing Homelessness
- Neighborhood Revitalization
- Workforce/Job Training



Risk Assessments

Housing Staff Considers:

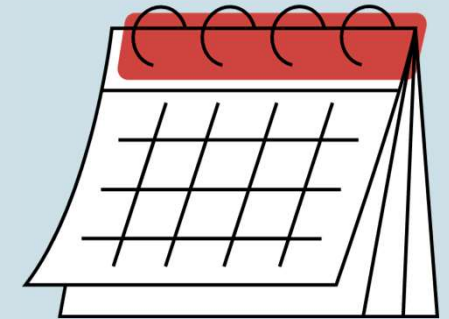
- Consolidated Plan Objectives
- Council Priorities
- Beneficiaries Served / Units Created
- 10 Year Housing Plan
- Community Needs and Collaboration
- Budget, Leverage, Cost Effectiveness
- Organizational/Federal Grant Experience
- Rate of Expenditure/Schedule
- Ability to abide by City Contract Requirements and Federal Overlay Statutes

**The City of Flagstaff
is the Responsible
Entity to HUD!**



Public Participation Opportunities

- Public Meeting with A League of Neighborhoods (ALN) ✓
January 30th, 2025 – 3:30pm at the Market of Dreams
- Public Meeting – Notice of Funding Available (NoFA) Release ✓
February 6th, 2025 – 1:00pm at City Hall – Proposals due March 3rd, 2025
- Public Hearing – Review of Submitted Proposals ✓
March 6th, 2025 – 3:00pm at City Hall
- Annual Action Plan Public Comment Period ✓
March 15th – April 15th
- Housing Commission – March 27th, 2025 ✓
- Council Presentations of Recommendations – April 22nd, 2025
- Resolution Approving Submission of AAP to HUD – May 6th, 2025



Program Year 2026 Funding Allocation Recommendations

C D B G

Program Year 2025 Funding Available

<u>Estimated Entitlement</u>	\$565,000.00
Past Year Program Income	\$70,000.00
Current Year Program Income	\$50,000.00
\$	
<u>Estimated Total Available</u>	\$685,000.00
20% Administration and Indirect	\$123,000.00
15% Public Services	\$95,250.00
Housing/Public Improvements	\$466,750.00

Program Year 2025 Proposals Received

Organization

Project Program

Request

Housing/ Public Improvements

Housing Solutions of Northern Arizona

Acquisition of Two Affordable Rental Units

\$280,000.00

Public Services

Community Assistance Teams of Flagstaff

C.A.T.S on Wheels - Bike Repair and Distribution

\$30,000.00

Homeless Youth Connection

EYFTF - Youth Coach for Homeless Youth

\$40,000.00

Northland Family Help Center

Youth Case Management for Youth Shelter Residents

\$55,000.00

Tynkertopia

TynkerSpace Initiative Community Makerspace

\$120,000.00

Housing Solutions of Northern Arizona

Project: Affordable Rental Acquisition (Housing Activity)

Beneficiaries: Two new units of permanently affordable rental housing, one studio and one one-bedroom, initially benefitting two households

Amount Requested: \$280,000.00

Project Description: CDBG funds will be used to help off-set purchase costs for two condo units that, once acquired, will be leased to two low-and-moderate income households (80% AMI and below)



Community Assistance Teams of Flagstaff

Project: C.A.T.S on Wheels (Public Service)

Beneficiaries: 200 individuals

Amount Requested: \$30,000.00



Project Description: The C.A.T.S on Wheels program includes reconditioning used bicycles for distribution to individuals in need, hosting community bicycle maintenance clinics, and providing no-cost bike repair services for persons experiencing homelessness and disadvantaged youth.

Homeless Youth Connection

Project: Empowering Youth for the Future
(Public Service)

Beneficiaries: 30 youth

Amount Requested: \$40,000.00



Project Description: The Empowering Youth for the Future program supports youth experiencing homelessness who are enrolled in school by connecting them with a dedicated coach. Youth Coaches help with educational and employment goals while also providing essential support for basic needs, including food, clothing, transportation, hygiene supplies, and assistance in securing transitional or permanent housing.

Northland Family Help Center

Project: Youth Shelter Case Management
(Public Service)

Beneficiaries: 50 youth

Amount Requested: \$55,000.00

Project Description: Northland Family Help Center will use CDBG funds to provide case management services to residents of the youth shelter including assistance and resources for addressing educational and employment needs and transitioning out of shelter and into permanent housing.



Tynkertopia

Project: TynkerSpace Initiative
(Public Service)

Beneficiaries: 150 Youth +
Area Benefit for Sunnyside

Amount Requested: \$120,000.00

Project Description: The TynkerSpace Initiative (TSI) is a creative hub designed for youth ages 14 and up, providing mentorship and programs for career readiness and real-world STEAM (Science, Technology, Engineering, Arts, and Mathematics) experiences that will prepare the students for high-demand, technical careers.



Project: Neighborhood Revitalization and Public Facility Improvements for Brannen Homes in Pine Knoll Target Area

Beneficiaries: 126 Brannen Homes Households + Area Benefit for Pine Knoll Target Area (1,319 people)

Amount Requested: \$187,000.00

Project Description: CDBG funds will be used to improve City of Flagstaff Housing Authority park facilities in the Brannen Homes development



Funding Recommendations				
<u>Organization</u>	<u>Project Program</u>	<u>Average Score</u>	<u>Request</u>	<u>Recommended Allocation</u>
Housing/ Public Improvements				
Housing Solutions	Acquisition - Rental Units	137.5	\$280,000.00	\$280,000.00
City of Flagstaff	Community Benefit Project	N/A	N/A	\$187,000.00
			Total	\$467,000.00
Public Services (15% Maximum)				
Northland Family Help Center	Youth Case Management	140.1	\$55,000.00	\$55,000.00
Homeless Youth Connection	EYFTF	127.6	\$40,000.00	\$40,000.00
Community Assistance Teams	C.A.T.S on Wheels	125.5	\$30,000.00	\$0
Tynkertopia	TynkerSpace Initiative	121.9	\$120,000.00	\$0
			Total	\$95,000.00
Administration and Indirect (20% Maximum)				
City of Flagstaff	Admin/Indirect	N/A	\$123,000.00	\$123,000.00
			Total	\$685,000.00

Questions, Suggestions & Next Steps

- Seeking Council Direction for PY 2025 CDBG Allocations
- May 6th, 2025 – Resolution for Council Consideration Authorizing Submission of the Program Year 2025 Annual Action Plan
- May 15th, 2025, or 30 days after notification of 2025 Entitlement
 - Annual Action Plan due to HUD



Contact Information

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