

**CITY OF GOODYEAR
CITY COUNCIL ACTION FORM**

**SUBJECT: FY16-17 Community
Development Block Grant (CDBG) Cycle**

STAFF PRESENTER: Christopher D.
Baker, Development Services Director
COMPANY
CONTACT: NA

RECOMMENDATION:

Council will receive a presentation regarding the FY16-17 Community Development Block Grant (CDBG) grant cycle.

PURPOSE:

Provide an update to City Council regarding the current open CDBG projects and the upcoming FY16-17 CDBG application cycle.

BACKGROUND AND COMMUNITY BENEFIT:

The City of Goodyear has received over \$2.4 million in CDBG funds over the last 10 years. These funds have been used for a variety of projects such as waterline replacement, lighting installation, and parks improvements. Most recently, the City received \$233,597 in 2014 for a commercial façade improvement program and \$162,700 in 2015 for a lighting project in Canada Village.

Commercial Façade Improvement Program Update

The commercial façade program allows the City to provide loans to businesses in the Redevelopment Area to improve facades. The loan requires an annual 1% interest payment and the full balance of the loan is due after 10 years. The IGA with the County requires the program funds be expended by July 2016. A 90-day extension is typically permitted by staff, any additional extension would need to be approved by the Community Development Advisory Committee (CDAC).

The City has marketed the program to businesses in the Redevelopment Area, focusing on the former Fry's Center and businesses on Western Avenue. There is some limited interest in the program and the City is working with interested businesses to determine if they are a good match for these federal funds. However, due to the terms of the grant, the City may not be able to expend these funds. If this is the case, the City may wish to return the funds to Maricopa County in January 2016 so that the funds can be reallocated to other projects during the FY16-17 grant application cycle. Staff will continue to work with the businesses and will provide an update on the status of this program later this year.

Canada Village Lighting Program Update

The City was awarded \$162,700 to replace lighting in Canada Village. The IGA for this grant has not yet been received by the City and so work on the project cannot officially begin. Staff is preparing for the project and we anticipate receiving the IGA this fall.

FY16-17 CDBG Application Cycle

The City will not be making a direct application to Maricopa County for FY16-17 funds. The “1.5 Rule” states that an agency cannot apply for additional CDBG funds if more than 1.5 times their current allocation remains unspent. The City’s current allocation is \$162,700 and so the City cannot have more than \$244,050 unspent. The City currently has \$396,297 unspent between the commercial façade improvement program and the Canada Village lighting program.

Most communities who are part of the Urban County program have not been able to submit a grant application due to the 1.5 Rule at one time or another. Additionally, no community receives CDBG funds each year. The City has received funding each year for the last three years totaling \$994,297. Even if the City were able to submit a grant application this year, it likely would not compete well due to the amount of funding the City has received recently.

There has been interest from non-profit agencies to utilize CDBG funds. These agencies may apply to Maricopa County directly for CDBG funds. Eligible projects would be those that are listed in the Five-Year Consolidated Plan, typically only new or expanded programs are eligible and only for one year of funding. The non-profit would submit a grant application and compete for funds, similar to the City of Goodyear’s process. Furthermore, a non-profit working in the City of Goodyear would need documentation of support from the City.

Staff will post information regarding this grant process on the City’s website and notify the non-profits we have been in contact with via e-mail. Staff can provide general guidance as to what projects are eligible and how to get the documentation of support. Staff at Maricopa County are willing to provide additional detailed guidance as well. The non-profit would be responsible for completing the grant application, submitting it to Maricopa County, and presenting before CDAC. The schedule for the FY16-17 grant cycle is:

- October 23, 2015 Application forms are available from the County
- October 28, 2015 Application orientation (9AM – 12PM, Maricopa County)
- November 16, 2015 City Council Meeting date to support non-profit applications
- December 11, 2015 Applications are due to Maricopa County
- January 27, 2016 Applicant presentations to CDAC
- February 10, 2016 CDAC adopts funding recommendations
- March/April 2016 County Board of Supervisors adopts funding recommendations
- May/June 2016 HUD adopts funding recommendations
- Fall 2016 Funds are released

PREVIOUS ACTIONS AND DISCUSSION:

City Council discussed and recommended approval of the Five-Year Consolidated Plan on December 8, 2014 (COAC 14-5417ws).

FISCAL ANALYSIS:

The City of Goodyear will not be able to apply for CDBG funds for FY16-17 and so there will be no funds available for CDBG projects. If a non-profit agency applies for CDBG funds, it will not impact the City's budget.

ATTACHMENTS:

1. Five-Year Consolidated Plan