



Purpose of Work Session



- What is CDBG?
- How CDBG funds are distributed
- Program options & rules
- Advantages & Disadvantages

Community Development Block Grant (CDBG)

Introduction



- *Purpose:* Provide decent housing, suitable living environment, and expanded economic opportunities primarily to low and moderate income persons

How CDBG Funds are Distributed

Types of CDBG Programs



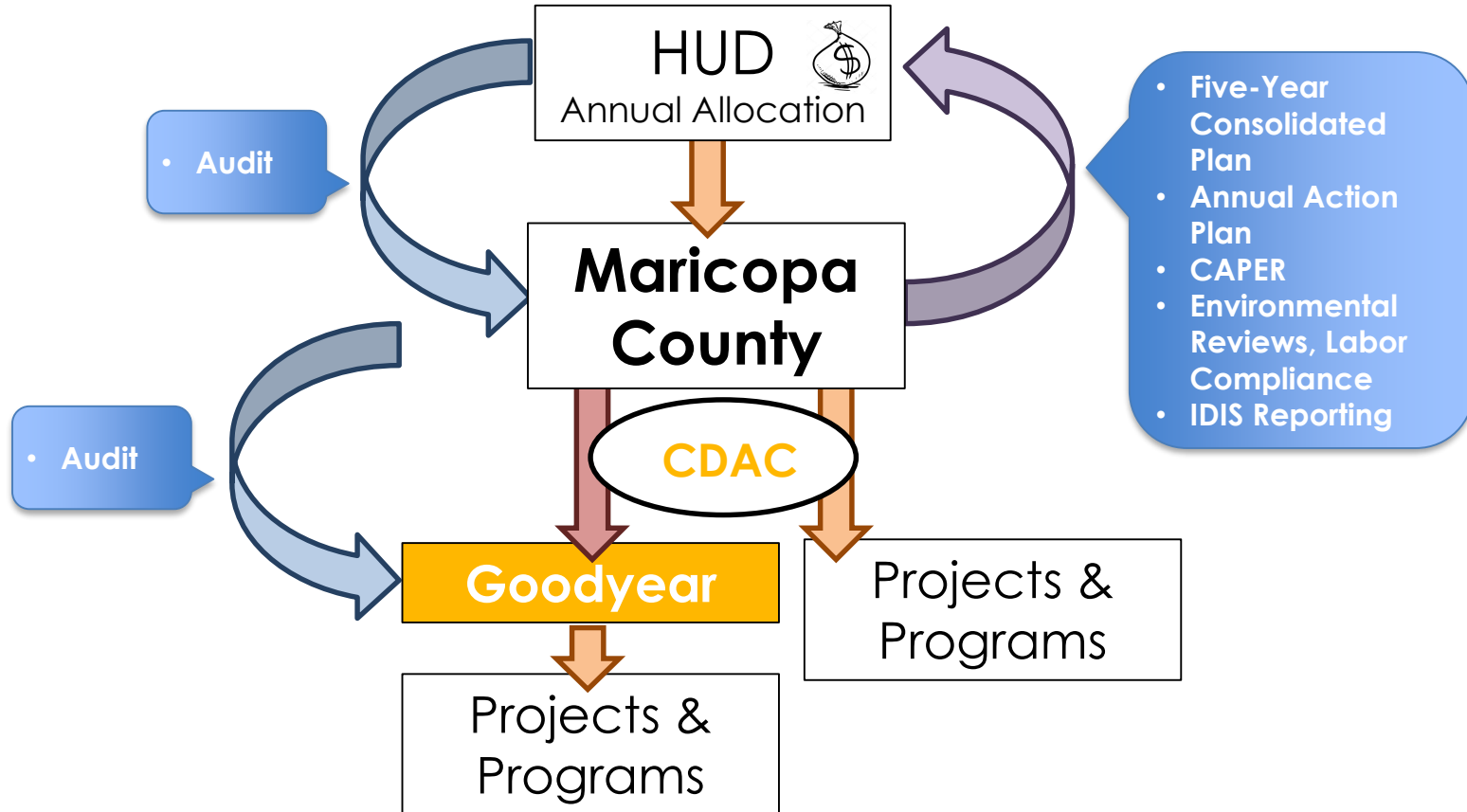
- Urban County Program
- Entitlement Community Program

Urban County Program



- Maricopa County is designated as an “Urban County”
- Competitive grant application process
 - Includes Buckeye, El Mirage, Gila Bend, Goodyear, Guadalupe, Litchfield Park, Queen Creek, Tolleson, Wickenburg, Youngtown, unincorporated Maricopa County
- CDAC recommends funding levels to County BOS

Urban County Program

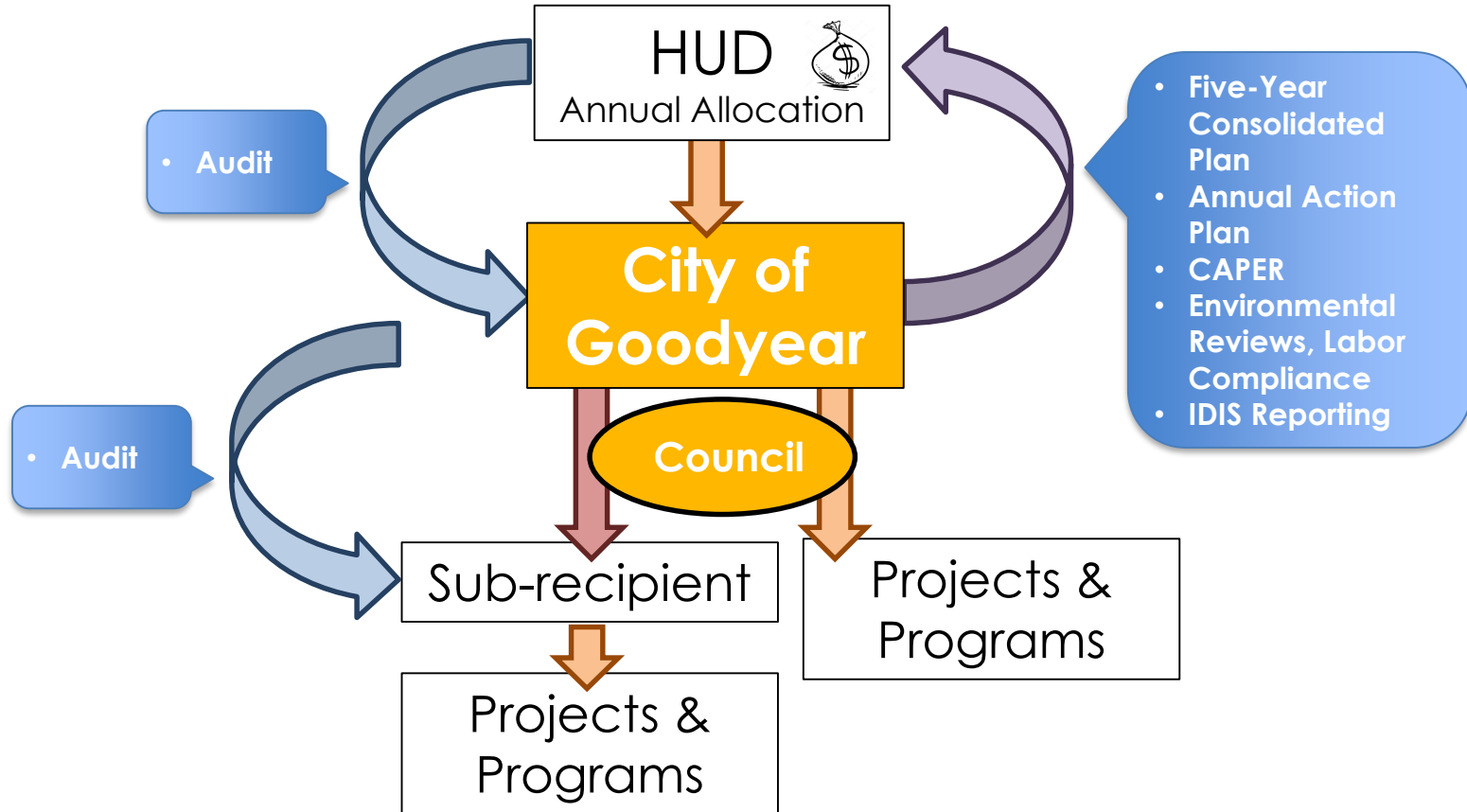


Entitlement Community Program



- Must be formally invited by HUD
 - Goodyear was invited in 2008, 2010, 2014, 2017
 - Current 3-year agreement with County expires June 30, 2021
- City receives an annual allocation from HUD

Entitlement Community Program



The Question Before Us:



- Decline entitlement status and compete in the Urban County program
- Accept entitlement status and administer the CDBG program

To Be or Not To Be...



Entitlement:

- Avondale
- Chandler
- Gilbert
- Glendale
- Mesa
- Peoria
- Phoenix
- Scottsdale
- Surprise
- Tempe

Not Entitlement *(Urban County):*

- Buckeye
- El Mirage
- Fountain Hills
- Goodyear
- Gila Bend
- Guadalupe
- Litchfield Park
- Queen Creek
- Tolleson
- Wickenburg
- Youngtown

Considerations



- Level of funding the City will receive
- Types of projects and programs
- Administration of program

Level of funding the City would
have received in FY2021



Urban County Funding



CDBG

•	FY06-07	Waterline Replacement	\$350,000
•	FY07-08	No funding	\$0
•	FY08-09	Western Ave. Improvements	\$475,334
•	FY09-10	Waterline Replacement	\$400,000
•	FY10-11	Parks Improvements	\$257,029
•	FY11-12	No funding	\$0
•	FY12-13	No funding	\$0
•	FY13-14	Waterline & Storm Sewer	\$598,000
•	FY14-15	Façade Improvement	\$233,597 (returned funds)
•	FY15-16	Canada Village Lights	\$162,700
•	FY16-17	Waterline Replacement	\$138,229
•	FY18-19	Did not apply	\$0
•	FY19-20	Did not apply	\$0
•	FY20-21	North Subdivisions Streetlights	\$303,200

Program Options & Rules

Must Meet National Objective:



Administration

- 5-year plan
- Annual plan
- CAPER
- Environmental reviews
- IDIS
- Audit/Accounting



Low/Mod

- Individuals with <80% AMI
- Area Benefit: 51%+LMI
- Limited Clientele
- Low/Mod Income Jobs
- Housing



Slum/Blight & Urgent Need

- Area Basis
- Spot Basis
- Urban Renewal

Urban County Projects



TYPES OF PROJECTS & PROGRAMS

- Must be eligible & meet a national objective
- Conform to National CDBG process and program implementation standards, spending caps & oversight
- Relevant to the Five-Year Consolidated Plan

FY2021 CDAC Priorities

1. Public safety, general infrastructure, public facilities/community centers
2. ADA improvements, eliminate slum & blight, fire protection, housing
3. Owner occupied housing rehab, economic development, park improvements

Entitlement Projects



TYPES OF PROJECTS & PROGRAMS

- Must be eligible & meet a national objective
- Conform to National CDBG process and program implementation standards, spending caps & oversight
- Relevant to **our** Five-Year Consolidated Plan





Entitlement Funding - *example*

CDBG

Allocation Breakdown

Allocation	\$400,000
Administration	-\$80,000
Available for Eligible Programs/Projects	\$320,000

Administrative Costs Capped at 20%
Minimum 70% for Low/Mod Income Projects



Entitlement Funding - *example*

CDBG

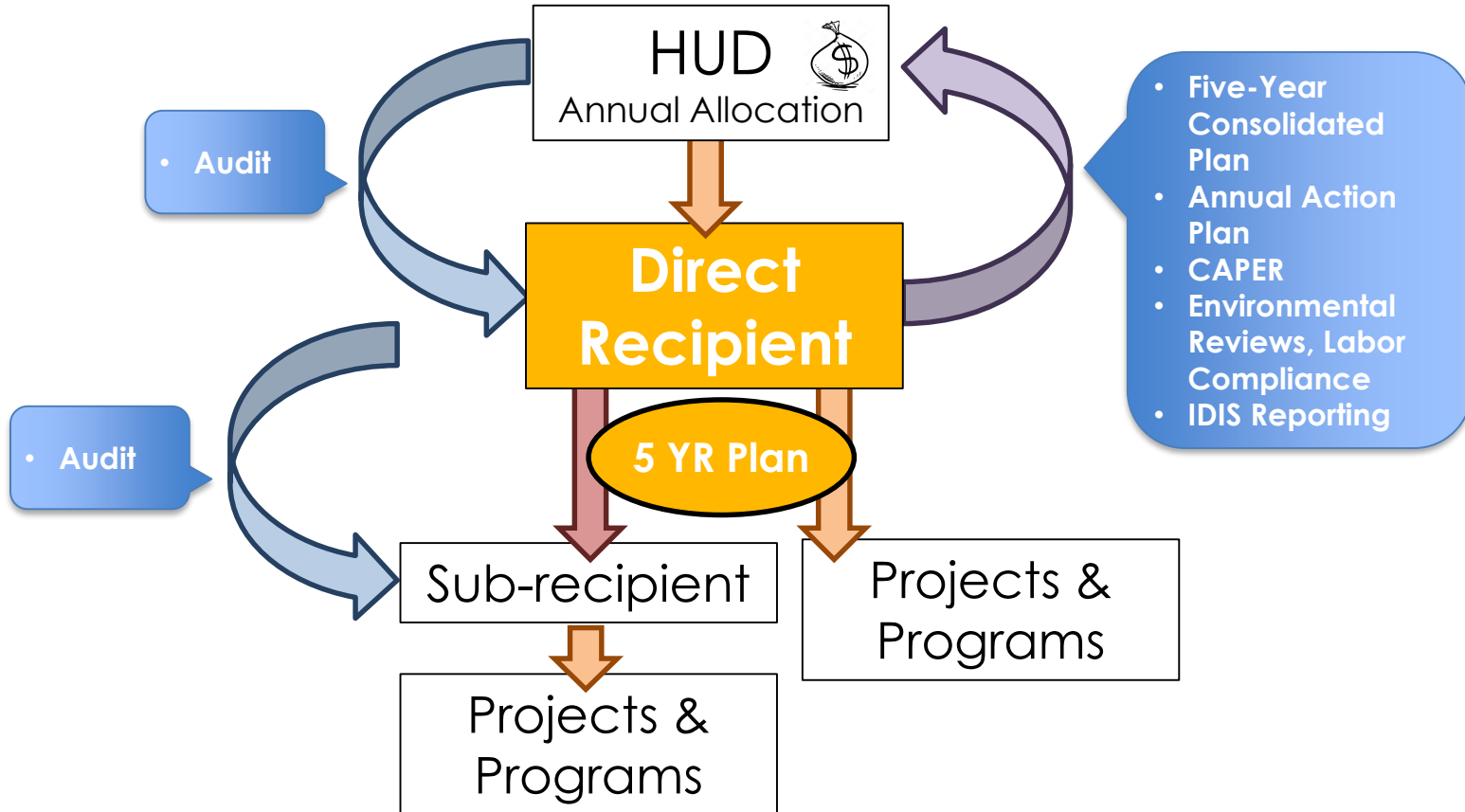
Available for Eligible Programs/Projects	\$320,000
Low/Mod (<i>required</i>)	\$224,000
Slum/Blight or Urgent Need	\$96,000 (<i>maximum</i>)
-or-	
Public Services	\$48,000 (<i>maximum</i>)

Slum/Blight must be in a Designated Redevelopment Area

Urgent Need = Disaster Response

Maximum 15% for Public Services (direct services)

Administration



Urban County Administration



CURRENT STATE

- Participate in Environmental Review
- Contribute data to Consolidated Plan
- Contribute content to CAPER
- Quarterly Reports
- Grant Management – contracts, records, Davis-Bacon, financial
- Audited by County

Estimate 10% of Staff Lead's time

Entitlement Administration

PRE-AWARD/ONE-TIME

- Five-Year Consolidated Plan
 - Affordable housing
 - Homeless
 - Impediments to Fair Housing
 - Community development needs, priorities, activities
- Annual Action Plan
- Develop Policies & Procedures

Estimated Total Cost \$50,000

CDBG Administrative Costs Capped at 20%

Entitlement Administration

ONGOING – LOCAL FUNDING WILL BE NEEDED

- **One full time employee dedicated to program**
 - Annual Action Plan
 - CAPER
 - IDIS reporting
 - Environmental Reviews, Labor Compliance
 - Fair Housing training and complaints
 - Audited by HUD

Estimated Total Cost \$150,000

CDBG Administrative Costs Capped at 20%

Advantages & Disadvantages

3-Year Renewal with County



URBAN COUNTY PROGRAM

Advantages

- The County does most of the work.
- Can be managed by current staff.
- Bigger pool of resources to absorb capped activities.

Disadvantages

- The City is not guaranteed funding each year.
- Project funding is bound by CDAC priorities.
- The City cannot use funds for administrative costs.

Separate from the County



ENTITLEMENT

Advantages

- Guaranteed annual funding based on federal budget.
- 20% can be used for administrative costs.
- Flexibility in the types of projects.
- Opens door to Section 108 Loan program.

Disadvantages

- Intensive start-up effort.
- Ultimately need dedicated staff.
 - Administrative cap will not cover annual costs for FTE, general fund subsidy would be needed

Staff recommendation



- Accept HUD's invitation to become an Entitlement Community Grantee effective FY2022.