



Agenda



- What is CDBG?
- Advantages of Entitlement
- Financial Impact on the City

Community Development Block Grant (CDBG)



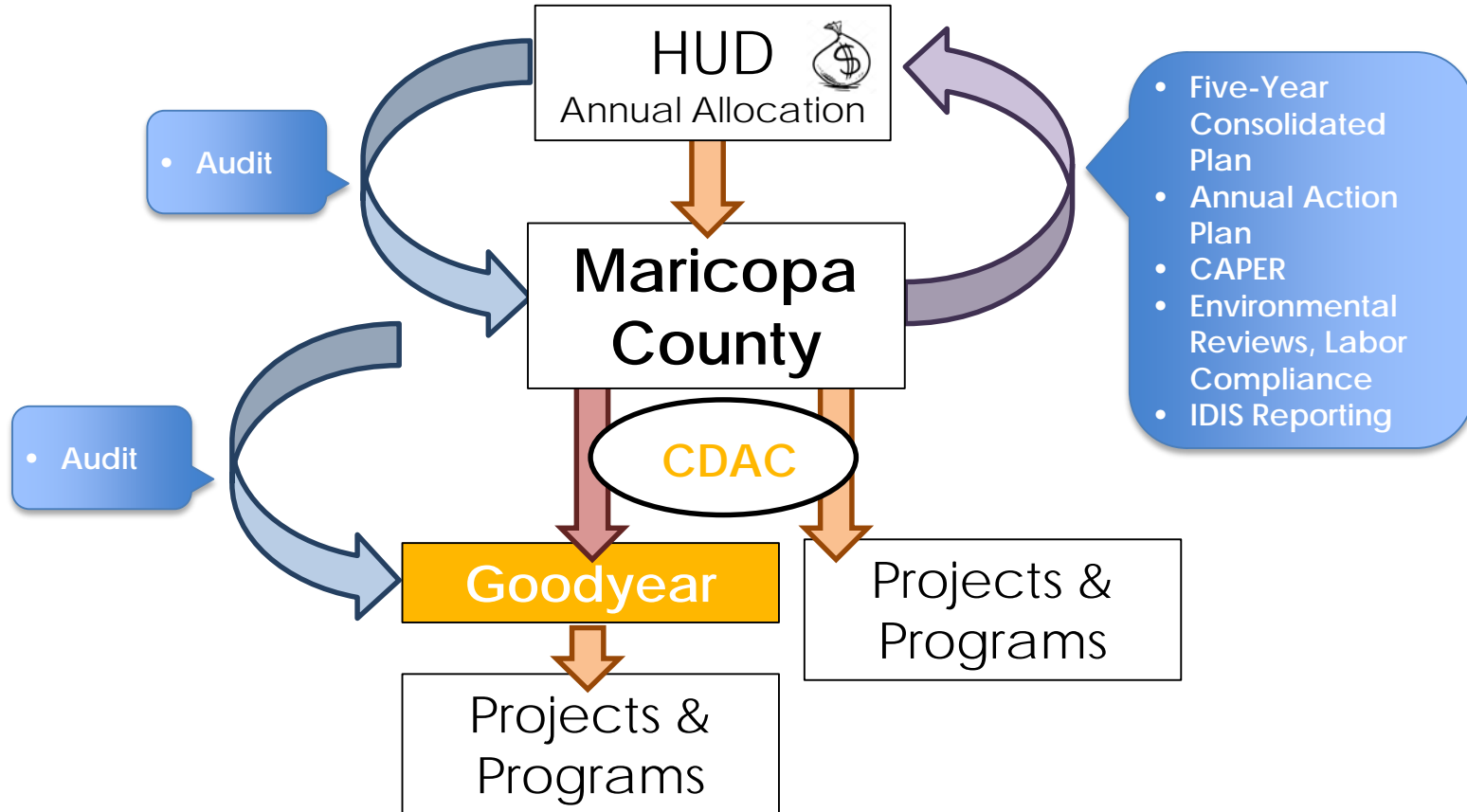
- *Purpose:* Provide decent housing, suitable living environment, and expanded economic opportunities primarily to low and moderate income persons

Current State:

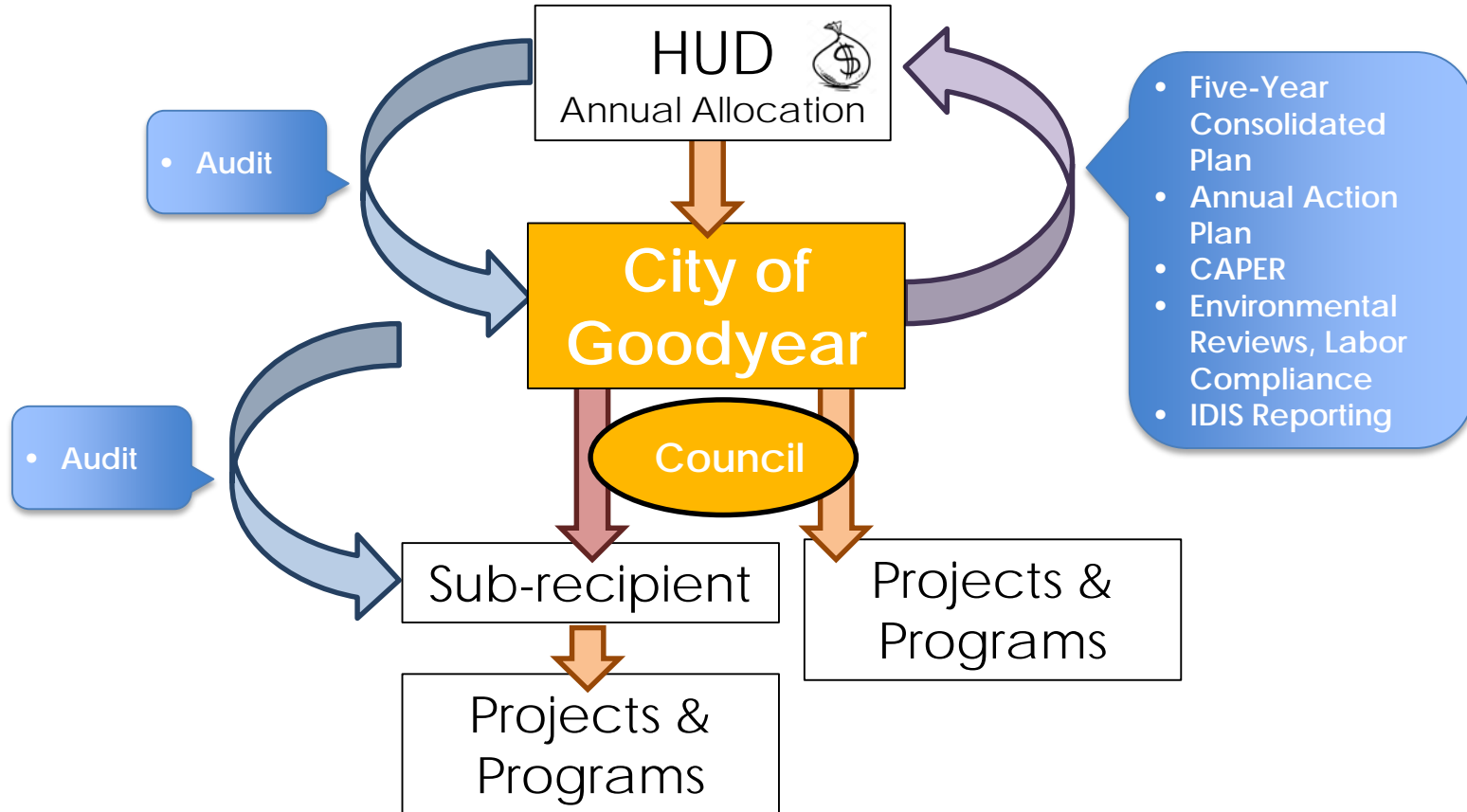


- Maricopa County is designated as an “Urban County”
- Competitive grant application process
 - Includes Buckeye, El Mirage, Gila Bend, Goodyear, Guadalupe, Litchfield Park, Queen Creek, Tolleson, Wickenburg, Youngtown, unincorporated Maricopa County
- CDAC recommends funding levels to County BOS

Urban County Program



Entitlement Community Program



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 at current estimated entitlement level, general fund subsidy may be needed*

Entitlement Funding - *example*



MEET NATIONAL OBJECTIVE & RELEVANT TO 5-YEAR PLAN

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
Maximum 15% for Public Service (direct service)

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%

Staff recommendation



- Authorize the City Manager to take necessary actions to obtain CDBG Entitlement status for the city.