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City Council Regular Meeting**Meeting Date:** 07/18/2016**Recommended by:** Paul Tice **Prepared by:** Leila Demaree, Community Development Manager**Finance Director Review:** Celina Morris**City Attorney Review:** Brett Wallace**Approved by:** Jim Thompson **Date Submitted:** 06/23/2016**Type of Action Requested:** Resolution, Public Hearing**SUBJECT:**

CDBG Entitlement 2016 Annual Action Plan

RECOMMENDATION:

Approval of the 2016 Annual Action Plan.

DISCUSSION:

The City's CDBG Entitlement program is entering the second implementation program year starting July 1, 2016 and running thru June 30, 2017. The Office of Housing and Urban Development (HUD) requires that the City submits a 2016 Annual Action Plan (AAP) that outlines the activities or projects that will be funded with the \$318,914 that HUD has allocated to Casa Grande as its CDBG Entitlement funding for 2016 program year.

The City performed a 30 day comment period which started on May 30, 2016 and will run through June 30, 2016. During that 30 day period, a copy of the 2016 AAP was posted in the City's website to allow the citizens of Casa Grande to provide comments. A hard copy of the AAP was also available for the public to review at the Community Development Division's office.

The 5-Year Consolidated Plan is carried out through the AAP, which provides a concise summary of the actions, activities, and the specific federal and non-federal resources that will be used each year to address the priority needs and specific goals identified in the Consolidated Plan.

The following are the 2016 Annual Goals and Objectives for the CDBG Entitlement Program:

1. Provide public infrastructure and facilities,
2. Preserve affordable housing stock,
3. Building local capacity, and
4. Furthering fair housing.

Here are the activities to be implemented this 2016 CDBG Entitlement Program year:

- | | |
|---|-------------------|
| 1. W. 1 st Street ROW Improvement – Sidewalk project (49.23%) | = \$156,999 |
| 2. Owner Occupied Housing Rehabilitation (30.86%) | = \$98,415 |
| 3. Program Implementation Cost (Planning and Admin.) with Fair Housing (19.91%) | = <u>\$63,500</u> |
| Total (100%) | = |

318,914

The rationale for allocating the entitlement funds to the above activities is based upon the needs identified in the 5-Year Consolidated Plan. The CDBG Entitlement funds are used to benefit the low and moderate income population. This requirement is achieved through the Owner Occupied Housing Rehabilitation (OOHR) program, and the W. 1st Street between Sacaton and Florence Streets. The funds will assist three (3) households under the OOHR program in 2016. The W. 1st Street ROW project between Sacaton and Florence Streets will also benefit about 100 handicap individuals with improved mobility and accessibility.

These activities are existing programs of the City. To focus its CDBG Entitlement program with existing activities was a strong recommendation by HUD for Casa Grande as we are a new entitlement community and do not yet have the mechanisms and procedures in place to effectively provide funding to outside agencies. This recommendation was part of the Public Participation Plan approved by the City Council in 2015, to provide City staff with adequate time to become familiar with HUD's CDBG entitlement requirements and regulations. HUD has strict compliance requirements on the disbursement of funds, individual set up and progress reporting of projects, etc. During the 2016 program year, Staff will work on putting the mechanisms and procedures in place for the potential funding of outside agency requests. It is our intent to have these procedures ready when HUD announces the City's 2017 CDBG Entitlement allocation, which should occur sometime in February or March of 2017. Staff intends to engage in a public participation process earlier in 2017 to provide the public and outside agencies more time to provide meaningful input and suggest projects for funding. The City will also announce a Notice of Funding Availability (NOFA) to outside agencies once funding for 2017 has been received. However, it is important to note that HUD's rule in obligating of CDBG Entitlement funds within a program year to support Public Service activities under this category may not exceed 15% of the total Entitlement allocation awarded to the City. Similar to public services, a maximum of 20% of the fund can be used for program implementation (Planning and Administration cost), and the balance of the allocation is utilized for eligible activities identified within the 5-year Consolidated Plan that will benefit the low to moderate income population, limited clientele who are low income or an area that is qualified to be a low income area.

FISCAL IMPACT:

No General Funds will be used to implement these activities.

ALTERNATIVES:

By not approving the 2016 Annual Action Plan will result to no fund release from HUD.

Attachments

[Res - Adopting CDBG Annual Action Plan
2016 CG AAP](#)
