

Item # 7c

**City of Carson City  
Agenda Report**

**Date Submitted:** January 27, 2009

**Agenda Date Requested:** February 5, 2009

**Time Requested:** 15 minutes

**To:** Mayor and Board of Supervisors

**From:** Planning Division

**Subject Title:** Presentation to provide information regarding the Community Block Development Grant (CDBG) program, the Consolidated Plan and the Annual Action Plan.

**Summary:** Planning Division Staff and CDBG consultant, Bill Kubal, will give a presentation on the CDBG program and describe the program, the application process and the reports required to fulfill the requirements set forth by the U.S. Department of Housing and Urban Development (HUD) in order for Carson City to receive funding.

**Type of Action Requested:**

Resolution

Ordinance

Formal Action/Motion

Other (Presentation)

**Does This Action Require A Business Impact Statement:**  Yes  No

**Planning Commission Action:** N/A

**Recommended Board Action:** N/A

**Explanation for Recommended Board Action:** N/A

**Applicable Statute, Code, Policy, Rule or Regulation:** N/A

**Fiscal Impact:** N/A

**Explanation of Impact:** N/A

**Funding Source:** N/A

**Alternatives:** N/A

**Supporting Materials:** 1) Staff Memo

**Prepared By:** Janice Brod, Management Assistant V

Reviewed By:

*Lu Pal*  
 (Planning Division Director)  
*Patricia Sullivan*  
 (Development Services Director)  
*[Signature]*  
 (City Manager)  
*Melanie Bombetta*  
 (District Attorney's Office)

Date: 1/27/09  
 Date: 1/27/09  
 Date: 1-27-09  
 Date: 1-27-09

**Board Action Taken:**

Motion: \_\_\_\_\_ 1) \_\_\_\_\_ Aye/Nay  
 2) \_\_\_\_\_ \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
(Vote Recorded By)



## Carson City Planning Division

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### MEMORANDUM

Board of Supervisors Meeting of February 5, 2009

**TO:** Mayor and Supervisors

**FROM:** Lee Plemel, Director   
Janice Brod, CDBG Coordinator/Management Assistant

**DATE:** January 28, 2009

**SUBJECT:** Presentation to provide information regarding the Community Block Development Grant (CDBG) program, the Consolidated Plan and the Annual Action Plan

#### Purpose

The purpose of this item is to give an overview and update on past and future activities relating to the Community Development Block Grant (CDBG) program. The CDBG program has many detailed regulations, requirements and intricacies which cannot be covered in a brief summary. This memo and the presentation are only intended to give a brief overview of the program and the Board of Supervisors role in administering the program. More detailed inquiries regarding the program can be directed to CDBG staff in the Planning Division. The City's CDBG consultant, Bill Kubal, is also scheduled to be at the Board of Supervisors meeting to help answer more specific questions.

#### Overview

The CDBG program is administered by the U.S. Department of Housing and Urban Development (HUD). Carson City has been an "entitlement community" under the program since 2004, meaning the city gets a lump sum allocation each year that may be used at the city's discretion within HUD guidelines and requirements. Prior to 2004, Carson City had to apply and compete for CDBG funds through the State of Nevada along with other non-entitlement rural counties.

The objectives of the CDBG program are to:

- Create suitable living environments
- Provide decent affordable housing
- Create economic opportunities

Since 2004, the CDBG program has been administered through the Carson City Redevelopment Department, City Manager's office and Health Department at various times. The CDBG program administration has been under the Planning Division since October 2008.

### **Funding Amounts**

CDBG funding amounts to Carson City in prior years was as follows:

- 2004: \$536,000
- 2005: \$508,562
- 2006: \$457,592
- 2007: \$455,505
- 2008: \$436,345

Carson City will soon be allocating 2009 funding to projects. However, as of the writing of this memo, HUD has not announced how much funding will be made available for 2009. It is anticipated that it will at least be similar to the 2008 allocation, and there are indications that CDBG funding could be increased as part of the Economic Stimulus Package currently being considered by Congress. The City's HUD representative has informed staff that we can expect to be notified of the 2009 allocation some time between now and April.

### **Who's Eligible?**

CDBG funds can go to government agencies or non-profit organizations for qualifying activities. Funds can also go to qualifying individuals, families, and businesses for qualifying housing and economic development activities.

### **Eligible Activities**

Eligible activities for the use of CDBG funds include:

- Construction of public facilities and improvements
  - e.g. infrastructure improvements, senior center, parks, homeless shelters
- Public Services
  - e.g. education programs, services for senior citizens, drug abuse counseling and treatment, low-income rental assistance
  - Public Services funding is limited to a maximum of 15% of the total allocation
- Housing
  - Minor Rehabilitation (Emergency Repair, Lead Paint Removal)
  - Rehabilitation of affordable owner and rental housing
  - Down-payment Assistance
  - Acquisition, New Construction of Housing
- Economic Development
  - Façade Improvements
  - Loans to Businesses (usually to create jobs)
  - Micro-Enterprise Assistance
- Planning and Administration
  - e.g. personnel costs, preparation of required documents, planning studies
  - Funding for these costs is limited to a maximum of 20% of the total allocation.

### **Eligibility Requirements**

In order to be eligible for funding, every CDBG-funded activity (excluding planning and administration) *must* qualify as meeting one of the three national objectives of the program:

- Benefiting low- and moderate-income (LMI) persons,
- Preventing or eliminating slums or blight, or
- Meeting a community development need due to threat to community health and welfare.

Past CDBG public facility and public service projects in Carson City have met the LMI criteria. This means projects that get funded qualify by either:

1. Limited Clientele criteria: Serving persons where at least 51% of the clientele are LMI persons (senior citizens are also classified as LMI under this category); or
2. Area Benefit criteria: Meeting the needs within a service area where at least 51% of the residents in that area are LMI persons. (HUD provides data on the percentage of LMI persons within Census Block Groups.)

It is very important that projects, particularly public services, are able to document the number of LMI persons served for grant monitoring and audit purposes.

No matching funds are required for CDBG activities. However, CDBG funds are often leveraged with other funding for projects.

### **Past Projects Funded**

#### 2004:

- RSVP Elder Care Law Program legal services (\$35,000)
- Boys and Girls Club, Kids on the Go program, free rides to programs (\$35,000)
- FISH dental services (\$10,000)
- City water line improvements (\$214,000)
- Energy efficiency upgrades to LMI households (\$10,000)
- Fritch Elementary School playground improvements (\$45,000)
- Saliman Road sidewalk improvements (\$79,800)

#### 2005:

- Boys and Girls Club, Kids on the Go program (\$35,000)
- Community Counseling Center, methamphetamine counseling/outpatient recovery (\$19,718)
- Carson City Health and Human Services, Disability Rental Assistance program (\$35,000)
- FISH down payment for purchase of property at its current location (\$330,565)

#### 2006:

- Community Counseling Center, methamphetamine, additional counselor (\$38,437)
- Nevada Health Center bilingual Nevada Check-up and Medicaid eligibility worker (\$30,202)
- Carson City Fire Department fire engine purchase, serving LMI area (\$297,435)

#### 2007:

- Community Counseling Center, methamphetamine treatment (\$58,343)
- Ron Wood Family Resource Center, Reach Up! counseling program (\$9,982)
- City sidewalk ADA-compliance improvements, Empire Elementary School area (\$52,984)
- Boys and Girls Club play fields construction (\$253,500)

#### 2008:

- Community Counseling Center, methamphetamine treatment (\$33,932)
- Ron Wood Family Resource Center, Reach Up! counseling program (\$31,520)
- City sidewalk ADA-compliance improvements, Washington St./transit access (\$306,466)

### **Key CDBG Program Documents**

The following documents are required by HUD in the administration of the program:

- Annual Action Plan – The Annual Action Plan is adopted after the Board of Supervisors selects projects and funding. It is a one-year investment plan that describes the uses of

CDBG resources, specific housing and community development activities, and beneficiaries to be assisted in the coming fiscal year.

- Consolidated Plan – The Consolidated Plan is a five-year comprehensive planning document that identifies the City's overall need for affordable and supportive housing, and community development, and it outlines a strategy to address those needs. The Carson City Consolidated Plan must be updated this year.
- Consolidated Annual Performance Report (CAPER) – The CAPER is required each year by HUD to report on progress the City is making to meet the goals and objectives set forth in the Consolidated Plan.

### **2009 Grant Cycle Key Dates**

The CDBG grant cycle is on a fiscal year running from July 1<sup>st</sup> through June 30<sup>th</sup>. The following are some key dates in the cycle of allocating CDBG funds for the 2009-10 grant period:

- February 2, 2009 – CDBG applications due to Planning Division
- February 12 – Application Review Workgroup, comprised of Carson City community members, reviews applications and makes recommendations to the Board of Supervisors regarding the ranking and funding of applications.
- March 5 – The Board of Supervisors takes action to allocate funding to projects.
- March 25 – The Planning Commission will take public comment regarding the Annual Action Plan and Consolidated Plan.
- May 7 – The Board of Supervisors takes action to recommend approval of the Annual Action Plan and Consolidated Plan to HUD.
- May 15 – The Annual Action Plan and Consolidated Plan are due to HUD.
- June/July – HUD informs Carson City of the award of funding for the recommended projects.
- Summer/fall – Prepare the Consolidated Annual Performance Report (CAPER) for HUD.

### **Key City CDBG Personnel**

For questions or more information regarding the CDBG program contact:

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