



STAFF REPORT

Report To: Board of Supervisors

Meeting Date: 02/16/ 2017

Staff Contact: Nancy Paulson, Chief Financial Officer

Agenda Title: For Possible Action: To authorize the City to relinquish entitlement status for the FY 2018 Community Development Block Grant (CDBG) funding cycle and direct the Finance Department to work with the State of Nevada to develop a grant agreement to receive CDBG funding through an allocation from the State Administered CDBG Program. (NPaulson@Carson.org)

Staff Summary: In discussing funding options with the U.S. Department of Housing and Urban Development, staff was informed that there might be a potential to increase CDBG funding and decrease City administration time if the City were to relinquish entitlement status and instead receive funding through an allocation from the State Administered CDBG Program. There is a tremendous amount of administration time required to maintain a CDBG Entitlement Program. Approximately 50% of the Grants Administrator's time has been spent on this program annually. If we revert to the State's program, many of the administrative functions would shift to the State allowing the City's Grant Administrator to focus on Citywide grant administration and compliance.

Agenda Action: Formal Action/Motion

Time Requested: 10 Minutes

Proposed Motion

I move to authorize the City to relinquish entitlement status for the FY 2018 CDBG Funding cycle and direct the Finance Department to work with the State of Nevada to develop a grant agreement to receive CDBG funding through an allocation from the State Administered CDBG Program.

Board's Strategic Goal

Efficient Government

Previous Action

Background/Issues & Analysis

Carson City became eligible to be an entitlement community when the City's population reached 50,000. The first year of entitlement status was FY 2005. In that year, the City received \$536,000 in CDBG funding. Each year the City's allocation has decreased with the allocation being less than \$400,000 for the last 5 years.

The City received \$368,516 in funding for FY 2017. HUD estimated that if we had been under the State's Program we would have received approximately \$427,000.

The agreement with the State will include funding for City administration and the City will maintain a funding level equal to the percentage of the City's current allocation to the total City and State allocation for the FY 2017 grant cycle.

In addition, the City will continue to process and review the annual applications and the authority to decide which project or services to fund will remain with the Carson City Board of Supervisors.

Lastly, the City has the option to return to entitlement status in the future as long as the population requirement is satisfied.

Applicable Statute, Code, Policy, Rule or Regulation

Financial Information

Is there a fiscal impact? Yes No

If yes, account name/number: Salaries and Benefits, General Fund Finance Department, 101-0701-415-01-01 to 101-0701-415-02-50

Is it currently budgeted? Yes No

Explanation of Fiscal Impact: The amount of admin funding from CDBG for salaries & benefits for the last several years has been approximately \$45,000. We are estimating that this amount may be reduced to between \$35,000 and \$40,000. The actual amount will be based on the amount of the CDBG allocation we receive from the State, the Grant Administrator's actual time spent on admin and the percentage that can be used for admin per the agreement with the State. We will be requesting at least 10% of the CDBG allocation for admin.

Alternatives

Not approve and remain an entitlement community.

Board Action Taken:

Motion: _____

1) _____

2) _____

Aye/Nay

(Vote Recorded By)