



City of Apache Junction

Finance Department



DATE: May 21, 2024

TO: The Honorable Mayor and City Council

THROUGH: Bryant Powell, City Manager
Angelie Hawley, Finance Director

FROM: Misty Moseley-Helber, Grants Administrator

SUBJECT: Public Hearing regarding FY24 CDBG

REQUEST

Presentation and discussion:

1. Conduct a public hearing to receive input and discuss potential projects for the utilization of Fiscal Year 2024 (“FY24”) Community Development Block Grant (“CDBG”) Regional Account (“RA”) funds and State Special Project (“SSP”) funds.

Both programs are federal grant programs administered by the Arizona Department of Housing (“ADOH”). The CDBG RA funding is allocated to the community as long as a viable project is submitted. The SSP funding is awarded through a statewide competitive application process.

BACKGROUND

Since 1974, the Department of Housing and Urban Development has provided assistance to local communities to address the following national objectives:

- 1) Meet the needs of low and moderate income citizens;
- 2) Prevent/eliminate slums and blight in a community; and/or
- 3) Address urgent needs to the health/welfare of a community.

Apache Junction has participated in the CDBG program since 1982. To participate in the programs and receive funds, a community must be able to document that citizens and officials have been given the opportunity to discuss community needs and suggest possible projects. Ultimately, the decision on which CDBG and SSP projects will be submitted rests with the elected officials in a community.

During the public meetings the city is required to discuss the following:

- 1) Objectives of the CDBG Program
 - A. Project benefits the low to moderate income population
 1. Will benefit the entire community (if a city currently has a community-wide low-income percentage greater than 51%);

2. Will benefit a specific area of the community (a census tract with at least 51% low to moderate income); or
 3. Will benefit a limited clientele as defined by the CDBG program.
- B. Project addresses slum and blight
1. Within an approved redevelopment area per ARS and ADOH.
- C. Project addresses an urgent need
1. This is classified under natural disasters (traditionally not eligible for the City of Apache Junction).

2) Type of Eligible Activities

Although many projects are considered eligible under the CDBG program, the proposed project must be reflected in the ADOH's Consolidated Plan and Action Plan. Likewise, there are restrictions for projects being submitted under the SSP program including projects considered ready to go which means the environmental review and project design has been completed. Other projects shown preference include housing rehabilitation and equipment purchases.

3) Previous Use of CDBG Funds

4) Amount of Funds Available

The City of Apache Junction is anticipating receiving \$130,000 in CDBG RA funds. These funds are guaranteed to the community as long as a viable project is submitted for funding to ADOH. This application is due August 1, 2024.

In years past, the city partnered with the Town of Payson to receive double funding every other year. The city chose to end that partnership in 2011.

The city was approached by Gila County in April 2021 with a partnership proposal which is still in effect. The City of Apache Junction will receive Gila County's portion of funding in FY24, effectively doubling the amount to \$130,000. Gila County received Apache Junction's portion of funding in FY23.

The City of Apache Junction may submit an application for SSP funds in which the city may request up to \$500,000.

DISCUSSION

Based upon the city's current low to moderate income status (which is 57.07%), the city can focus their CDBG and SSP efforts on projects that meet the following criteria:

- 1) Benefit the entire community (park improvements);
- 2) Assist persons within a limited clientele category (seniors, disabled); and/or
- 3) Assist homeowners who are proven to be low-income (housing rehabilitation).

RECOMMENDATION/ACTION REQUIRED

Staff respectfully recommends the city council:

1. Conduct a public hearing to receive input and discuss potential projects.