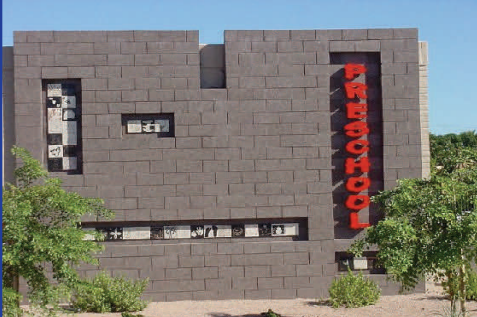


City of Mesa FY 2014/2015 Annual Action Plan



Community Development Block Grant (CDBG)
HOME Investment Partnerships Program (HOME)
Emergency Solutions Grant (ESG)



Housing and Community
Development





City of Mesa, Arizona Fifth Program Year PY 2014 Action Plan

SF 424

Complete the fillable fields (blue cells) in the table below. The other items are pre-filled with values from the Grantee Information Worksheet.

Date Submitted	5-15-14	Applicant Identifier	Type of Submission	
Date Received by state	State Identifier	Application	Pre-application	
Date Received by HUD	Federal Identifier	☐ Construction	☐ Construction	
		☒ Non Construction	☐ Non Construction	
Applicant Information				
City of Mesa		040270		
P.O. Box 1466		Organizational DUNS# 02-014-1404		
20 E. Main Street, Suite 250		City of Mesa		
Mesa	Arizona	Housing and Community Development Dept.		
85211-1466	Country USA	Housing and Revitalization Division		
Employer Identification Number (EIN):		County: Maricopa		
86-6000252		Program Year Start Date: 07/01/14		
Applicant Type:		Specify Other Type if necessary:		
Local Government: Municipal		N/A		
Program Funding		U.S. Department of Housing and Urban Development		
Catalogue of Federal Domestic Assistance Numbers; Descriptive Title of Applicant Project(s); Areas Affected by Project(s) (cities, Counties, localities etc.); Estimated Funding				
Community Development Block Grant		14.218 Entitlement Grant		
CDBG Project Titles CDBG various inter-related housing and community development activities that benefit low-income households, areas and/or eliminate slum and blight.		Description of Areas Affected by CDBG Project(s) Areas within the corporate limits of the City of Mesa including any county islands.		
\$CDBG Grant Amount 3,172,935	\$Additional HUD Grant(s) Leveraged	Describe		
\$Additional Federal Funds Leveraged		\$Additional State Funds Leveraged		
\$Locally Leveraged Funds 3,777,709		\$Grantee Funds Leveraged		
\$Anticipated Program Income 50,000		Other (Describe) Reprogrammed Funds 959,811		
Total Funds Leveraged for CDBG-based Project(s) 3,777,709				
Home Investment Partnerships Program		14.239 HOME		
HOME Project Titles Multi-Family New Construction, First Time Homebuyer Assistance, Multi-Family Acquisition and Rehabilitation, Tenant Based Rental Assistance, Rental Rehabilitation, CHDO Operations and Administration		Description of Areas Affected by HOME Project(s) Areas within the corporate limits of the City of Mesa including any county islands.		
\$HOME Grant Amount 993,434	\$Additional HUD Grant(s) Leveraged	Describe		
\$Additional Federal Funds Leveraged 30,000		\$Additional State Funds Leveraged		

\$Locally Leveraged Funds		\$Grantee Funds Leveraged	
\$Anticipated Program Income		Other (Describe) Reprogrammed Funds 458,819	
Total Funds Leveraged for HOME-based Project(s) 862,181			
Housing Opportunities for People with AIDS		14.241 HOPWA	
HOPWA Project Titles N/A		Description of Areas Affected by HOPWA Project(s)	
\$HOPWA Grant Amount	\$Additional HUD Grant(s) Leveraged	Describe	
\$Additional Federal Funds Leveraged		\$Additional State Funds Leveraged	
\$Locally Leveraged Funds		\$Grantee Funds Leveraged	
\$Anticipated Program Income		Other (Describe)	
Total Funds Leveraged for HOPWA-based Project(s)			
Emergency Solutions Grant` Program		14.231 ESG	
ESG Project Titles Shelter, Outreach, Homeless Prevention, Rapid Re-Housing, HMIS, and Administration		Description of Areas Affected by ESG Project(s) Areas within the corporate limits of the City of Mesa including any county islands.	
\$ESG Grant Amount 257,074	\$Additional HUD Grant(s) Leveraged	Describe	
\$Additional Federal Funds Leveraged		\$Additional State Funds Leveraged	
\$Locally Leveraged Funds 1,528,000		\$Grantee Funds Leveraged	
\$Anticipated Program Income		Other (Describe)	
Total Funds Leveraged for ESG-based Project(s) 1,528,000			
Congressional Districts of: 5,6		Is application subject to review by state Executive Order 12372 Process?	
Applicant Districts	Project Districts 5,6		
Is the applicant delinquent on any federal debt? If "Yes" please include an additional document explaining the situation.		☐ Yes	This application was made available to the state EO 12372 process for review on DATE
		☒ No	Program is not covered by EO 12372
		☒ N/A	Program has not been selected by the state for review
☐ Yes	☒ No		

Person to be contacted regarding this application		
Tammy		Albright
Housing and Community Development Director	Voice: (480) 644-4546	Fax: (480) 644-2923
Tammy.Albright@mesaaz.gov	www.mesaaz.gov	Other contact: Rob Schweitzer (480) 644-3024
Signature of Authorized Representative Christopher J. Brady, City Manager		Date Signed



**City of Mesa
Annual Action Plan FY 2014/15
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Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

In September 2008, the City of Mesa initiated the development of the FY 2010-14 Consolidated Plan, the strategic planning document that provides the framework for targeting critical but limited federal resources to the highest priority needs. The City set a high value on citizen participation and their input was vital to the development to plan. This Annual Action Plan describes specific plans and goals for the City of Mesa's HUD formula grant programs: Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), and HOME Investments Partnerships Program (HOME) funds during the upcoming plan year from July 1, 2014 through June 30, 2015.

The City of Mesa entitlement funds are available to meet the housing and community development needs of low- and moderate- income families. These federal programs are targeted to low- and moderate-income persons and the neighborhoods where they live in addition to the activities which aid in the prevention or elimination of slums and blight.

The mission of the City of Mesa is to render priority affordable housing, homeless and supportive housing programs for the community in an expeditious and cost-effective manner. Another mission is also to preserve and revitalize neighborhoods to enhance the quality of life for Mesa residents. The final mission is to address priority community public services, community development and economic development and redevelopment needs within applicable local, state and federal statutes and regulations.

The Housing and Revitalization Division of the Housing and Community Development Department administers the CDBG, HOME, ESG, NSP programs, the Housing Rehabilitation program, Housing Choice Voucher (HCV) program, as well as the Office of Human Services. In 2008, the City's Office of Economic Development applied to HUD for a Section 108 Loan Guarantee Fund for the purposes of furthering economic development in targeted areas. The application has been approved by the Department of Housing and Urban Development.

In addition, the City of Mesa received funding for the Neighborhood Stabilization Program 3 (NSP 3) as part of the Federal governments' efforts to address the housing crisis and stimulate economic recovery. The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 provided \$1 billion for the Neighborhood Stabilization Program (NSP 3) that was originally established under the Housing and Economic Recovery Act (HERA) of 2008. NSP 3 provides funding to acquire and rehabilitate rental or

owner-occupied properties that have been abandoned or foreclosed upon. The rehabilitated housing is to benefit renters and homeowners who are at 120% or less of area median income.

2. Summarize the objectives and outcomes identified in the Plan

Objectives. The City of Mesa has set an ambitious array of objectives for the use of its federal entitlement grant resources. The City of Mesa strives to allocate these and other state and local funds in order to maximize assistance for its low- and moderate- income resident households through:

- Housing rehabilitation activities, including accessibility improvements;
- Assisting homeless adults and families including those with disabilities and other special needs through emergency shelter, transitional housing, and affordable supportive housing;
- Funding public facilities improvements to protect and sustain the infrastructure critical to community services;
- Investing in Economic Development activities that support businesses that create jobs for low- and moderate- income residents;

The City of Mesa has long placed a high priority on affordable housing and community services because they reflect important community values. The City invests General Fund into related programs to support the federal funding it receives for these activities. The City is committed to maintaining high quality programs for those in need but faces significant challenges in the wake of year after year reductions in federal funds available, particularly at a time when General Fund revenues are not increasing.

At the same time, ESG, HOME, Consolidated Plan, and Annual Action Plan requirements have substantially increased. Cuts on this scale combined with an increased administrative burden impact the City's ability to address all of the identified needs.

The City of Mesa will address the following long-range strategies in PY 2014 through CDBG and HOME funded projects and/or other actions:

- Develop and improve public facilities to benefit income qualifying neighborhoods and income qualified special needs populations.
- Improve the infrastructure of income qualified areas to ensure the health and safety of communities, and to increase neighborhood pride and viability.
- Provide limited public services that ensure the health and welfare of income qualified people

3. Evaluation of past performance

The Consolidated Plan regulations [24 CFR Part 91.200 (c)] require the executive summary to include an evaluation of past performance. The following is an evaluation of the past performance through year 3. In the FY 2010 to FY 2014 Consolidated Plan the City of Mesa specified goals around housing and community development activities. In the FY 2010 to FY 2014 Consolidated Plan, Mesa specified 212 total units as a goal around housing and community development activities.

Through year three of the 137 supported by CDBG production targets, all were specific to housing including existing owner, homeowner rehabilitation, and affordable homeownership. The CDBG housing high priority goals for which the City did not meet projections were in the area of home buyer down payment assistance.

The HOME high priority housing actual production units of 253 far exceeded overall goals of 24 through year three. Currently, 10 rental units have been acquired and 18 new rental units have been produced with HOME funds. Other areas that exceeded HOME high priority production goals are: rental assistance and acquisition of existing owner units. An area that did not reach HOME production goals for high priority areas was the production of new owner units. A production goal of 36 units was established; however 17 units were produced through year three.

4. Summary of Citizen Participation Process and consultation process

The City uses a competitive proposal process to determine a balanced range of eligible CDBG activities to commence the following fiscal year. For the CDBG, HOME, and ESG programs, the Housing and Community Development Advisory Board and the Economic Development Advisory Board evaluate and rate the applicant's presentation of their funding proposal(s) and staff conducts a technical evaluation (rating) of each project. Both rating scores are combined and staff then presents the total funding rated scores to the City's Community and Cultural Development Committee based on the combined score for each proposal. The Community and Cultural Development Committee evaluates the recommendations and, in turn, makes funding recommendations to the full City Council. In general, the Committee concurred with most of the total rated score funding recommendations. The Committee will continue to support the allocation methodology for the HOME program with the open application process for the HOME program where interested non-profit agencies can apply for funding throughout the year as projects become available. The Housing and Community Development Advisory Board will recommend approval of each individual HOME project as they come forward and City Council will provide final approval to meet the needs of the community.

Applications for both the City's general fund contributions and those from the community at-large through the A Better Community Program (ABC) are rated by staff. Then the Housing and Community Development Advisory Board reviews, rates the presentations and staff presents the top rated scores to the Community and Cultural Development Committee, which in turn, makes final recommendations to

the City Council. On February 27, 2014 Mesa's City Council approved the Committee's recommended FY 2014/2015 CDBG, HOME, ESG, and Human Services activities for inclusion in this Annual Action Plan. The City's Section 108 Loan program will consider specific loan applications designed to meet the economic development objectives set forth in the Five Year Consolidated Plan.

A major source of input for the FY 2014/2015 Annual Plan was obtained from public forums. On October 17, 2013 a Public Hearing was conducted to solicit comments and suggestions for federally funded community development projects for the FY 14/15 (Public Hearing #1). Housing and Community Development staff also coordinated public meetings at the Housing and Community Development Advisory Board on January 8 and 9, 2014 and the Economic Development Advisory Board on January 7, 2014. And at the April 3, 2014 meeting of the Housing and Community Development Advisory Board Public Hearing #2 was held. The City Council is scheduled to approve the Plan on April 21, 2014.

Notices of meetings and public hearings were published in advance in the local newspaper as required, were publicly posted, and were mailed to applicants and other interested persons. A summary of projects proposed for funding in FY 2014/15 was published and distributed for comment.

Information on the federal programs is also posted on the City's Web site as well as a request for comments on the proposed Annual Plan. As part of the federal CDBG/HOME/ESG application process the City held two public hearings, the thirty-day public comment period was from March 10 to April 10, 2014 for the next fiscal year's Annual Plan. Comments made during public hearings on the 2014/15 Annual Action Plan, as well as written comments on proposed projects, are included in the final Plan submitted to HUD. Copies of all public notices, public hearings, and meetings for the federal CDBG/HOME/ESG and local Human Services/ABC application process may be found as an attachment to the final submitted Plan.

5. Summary of public comments

To date no public comments have been received during the FY 14/15 funding process.

6. Summary of comments or views not accepted and the reasons for not accepting them

Not applicable.

7. Summary

Focusing on performance measures is the key in achieving optimal utilization of these limited resources. This action plan attempts to meet the goals set forth for year 5 in the FY 2010-14 Consolidated Plan in the face of dynamic marketing conditions, public policy preferences, and with level of funding of all programs.

Through the funding process, the City Council approved a methodology in which the lowest scored applicants would experience a reduction or elimination of funding. If additional become available, they will be allocated to the highest rated un-funded projects (in descending order and not to exceed original requested amounts).

Additional HOME funds will be allocated to rental housing projects as specified in the City's Third Substantial Amendment to its FY 2011-12 Annual Action Plan, First Substantial Amendment to the FY 2012-13 Annual Action Plan, and the First Substantial Amendment to the FY 2013-14 Annual Plan.

Federal Resources**Reasonably expected to be available in PY 2014**

Federal Resources	Amount	Activities
Housing Choice Voucher (HCV) Program	\$9,994,386	
Low Income Housing Tax Credit	\$3,794,326	
Veterans Affairs Supportive Housing Program (VASH) HAP	\$318,011	
Continuum of Care Homeless Assistance Program- McKinney Vento Homeless Support	\$342,133	
Mainstream Housing Assistance Funds	\$515,846	
Community Development Block Grant Allocation 2014	\$3,172,935	
Community Development Block Grant Allocation- Prior Year Reprogrammed Funds	\$959,811	
Community Development Block Grant Allocation- Prior Year Available Unallocated Funds	\$108,374	
HOME Investment Partnership Allocation (includes 15% CHDO set-aside)	\$993,434	
Emergency Solutions Grant Allocation 2014	\$257,074	
Section 108 Loan Guarantee Fund	\$17,500,000	
Total	\$37,956,330	

PR-05 Lead & Responsible Agencies – 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

Describe the agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	MESA	Housing and Community Development
ESG Administrator	MESA	Housing and Community Development
HOME Administrator	MESA	Housing and Community Development
HOPWA Administrator	MESA	Housing and Community Development

Table 1 – Responsible Agencies

Narrative (optional)

Consolidated Plan Public Contact Information

The City Council of the City of Mesa delegated the responsibility for the preparation of the Consolidated Plan to the Housing and Community Development Department. The Housing and Community Development Department has the responsibility of ensuring the goals of the City Manager and City Council are met through the various projects in the Consolidated Plan. The Housing and Community Development Department is also responsible for the following programs covered by the Action Plan, which include:

Community Development Block Grant (CDBG) Program.

The City of Mesa receives CDBG funds which can be used for activities such as housing, public services, community facilities, public improvements, economic development and community revitalization.

HOME Investment Partnerships (HOME) Program.

The HOME program is authorized under Title II of the National Affordable Housing Act for the purposes of 1) Expanding the supply of affordable housing for low- and very low-income families with an emphasis on rental housing; 2) Building state and local nonprofit capacity to carry out affordable housing programs; and 3) Providing coordinated assistance to participants in development of affordable low-income housing.

Emergency Solutions Grant (ESG) Program.

ESG funds will be used as allowed in the HEARTH Act including emergency shelter, essential services related to street outreach, provision of rental assistance to provide short and medium term housing to homeless individuals or families or those at risk of homelessness, housing relocation and/or stabilization services, Homeless Management Information System and Administration.

The Mesa City Council has the responsibility for approving activities set forth in the Consolidated Plan. The Housing and Community Development Department contracts with community organizations to carry out Plan activities including, but not limited to:

- **A Bridge to Independent Living (ABIL)**
- **A New Leaf**
- **Central Arizona Shelter Services (CASS)**
- **Chicanos Por La Causa**
- **Community Bridges**
- **Community Legal Services**
- **East Valley Adult Resources**
- **House of Refuge**
- **Labor's Community Service**
- **Marc Center**
- **Mercy Housing**
- **NEDCO**
- **Oakwood Supportive Care**
- **Save the Family**
- **Teen Lifeline**
- **United Food Bank**
- **West Mesa Community Development Corporation**
- **WFN Consulting**

Consolidated Plan Public Contact Information

Housing and Community Development

P.O. Box 146

Mesa, AZ 85211-1466

Phone: (480) 644-3536

Fax: (480) 644-4842

711 (AZ Relay TDD)

AP-10 Consultation – 91.100, 91.200(b), 91.215(I)

1. Introduction

The City of Mesa FY 2014/2015 Annual Action Plan will be prepared with community participation from non-profit organizations and city residents. The City of Mesa will hold a public hearing and community meeting on Thursday April 3, 2014 on the Annual Action Plan and the recommended selection of activities. During the 30-day public comment period (March 10th to April 10th), non-profit organizations and city residents were invited to submit comments in writing to the Housing and Community Development Department or present comments before the Housing and Community Development Advisory Board or the Mesa City Council.

The Housing and Community Development Department of the City of Mesa administers the Section 8 Housing Choice Voucher Program, Family Self Sufficiency Program, and Fair Housing. Consistent with the Consolidated Plan, Annual Action Plan, and Section 8 Housing Choice Voucher Program Five Year Plan and Annual Plan and coordination with the staff administering the programs within the Housing and Community Development Department.

The Housing and Community Development Advisory Board (HCDAB) and the City Council subcommittee have responsibility for recommending CDBG, HOME, ESG and local funding for application requests. The residents of Mesa were consulted through the public comment and hearing process. Comments could be delivered in person at the public hearings, written through the US Mail, or submitted electronically through the city's website.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I))

As part of its strategy to assist the homeless population, the city staff and elected officials are participating in a regional Continuum of Care plan that encompasses the City of Mesa, City of Phoenix, Maricopa County and all jurisdictions as well as unincorporated areas within the County. This process is led by the Maricopa Association of Governments (MAG). Development of the Continuum of Care plan requires coordination between the participating entities in providing services for the homeless and in recognizing the gaps in service. The city assists in developing and supports local applications for HUD SuperNOFA funding for homeless and special needs populations.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

The City of Mesa and many of its homeless and supportive housing providers are members of the Maricopa County Continuum of Care (CoC) and will continue to actively participate in the process going forward. Mesa has and continues to establish its priorities for homeless persons and those 'at risk' from needs generated in the annual CoC planning process and investment strategy in addition to information contained from its most recent FY 2010-2014 Consolidated Plan and the deliberations of the City of Mesa's Housing and Community Development Advisory Board.

Administered by the Maricopa Association of Governments (MAG), the Maricopa County HMIS is continually being refined; the community uses and relies on the system for participating clients. Housing and Community Development staff has participated in HMIS training to further develop its own ESG performance standards and plans on continuing refinement moving forward.

As a Planning Subcommittee member, the City is participating with the development of the CoC Regional Coordinated Assessment System. A system-wide mapping exercise is developing the flow of the current homeless delivery system from time of "entry" into the system to the time of "exit" of the system. Developing an understanding is critical of the current pathways that typically exist for individuals and families navigating through the homeless delivery system.

Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

The City of Mesa consults with the CoC which serves the jurisdiction's area. As both a standing member on the Continuum of Care and participant (CoC) Program governance structure is defined by HUD's Interim Rule regulations:

CoC Regional Committee: The CoC Committee is the decision making group for the Continuum of Care.

The Committee must be representative of the relevant organizations and of projects serving homeless subpopulations; and include at least one homeless or formerly homeless individual.

Include members from at least one ESG recipient's agency located within the Continuum's geographic area.

Continuum of Care:

Members must include:

The Continuum of Care is responsible for carrying out the activities set forth in the regulations, currently represented as active members of the Continuum of Care Regional Committee on Homelessness.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction's consultations with housing, social service agencies and other entities

Agency/Group/Organization	Agency/Group/Organization Type	What section of the Plan was addressed by Consultation?
Maricopa County Human Services	Other government - County	Homelessness Strategy

Table 2 – Agencies, groups, organizations who participated

Identify any Agency Types not consulted and provide rationale for not consulting

N/A

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Maricopa County Continuum of Care	Homelessness Strategy

Table 3 – Other local / regional / federal planning efforts

Narrative (optional)

AP-12 Participation – 91.105, 91.200(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation
Summarize citizen participation process and how it impacted goal-setting

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/ attendance	Summary of Comments received	Summary of comments not accepted and reasons	URL (If applicable)
	Non-targeted/ broad community					http://www.mesaaz.gov/housing/
	Non-targeted/ broad community					
	Non-targeted/ broad community					http://www.mesaaz.gov/housing/

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.220(c) (1, 2)

Introduction

The following federal and local resources are expected to be available in the City of Mesa during FY 2014/2015:

Priority Table

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 5				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	Public - Federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	\$3,172,935	\$50,000	\$1,000,000	\$4,222,935	\$0	CDBG
HOME	Public - Federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	\$993,434	\$0	\$872,946	\$1,866,380	\$0	HOME

ESG	Public - Federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	\$257,074	\$0	\$0	\$257,074	\$0	
Competitive McKinney-Vento Homeless Assistance Act	Public - Federal	Conversion and rehab for transitional housing Overnight shelter Services Transitional housing	\$1,150,005	\$0	\$0	\$1,150,005	\$0	Maricopa County Continuum of Care competitive homeless assistance.
Continuum of Care	Public - Federal	Overnight shelter Transitional housing	\$342,133	\$0	\$0	\$342,133	\$0	
General Fund	Public - Federal	Admin and Planning Public Services	\$702,000	\$0	\$0	\$702,000	\$0	
HUD-VASH	Public - Federal	Housing	\$318,011	\$0	\$0	\$318,011	\$0	

LIHTC	Public - Federal	Acquisition Multifamily rental new construction	\$3,794,326	\$0	\$0	\$3,794,326	\$0	
Section 108	Public - Federal	Economic Development	\$17,500,000	\$0	\$0	\$17,500,000	\$0	
Section 8	Public - Federal	Rental Assistance	\$9,994,386	\$0	\$0	\$9,994,386	\$0	Housing Choice Voucher (HCV) program which provides rental assistance to low income families.

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

Multiple sources of financing must be combined with federal grant funds to address the needs of the community. As a result of both federal mandate and local policy, each of the City's entitlement programs require or encourage some level of "match" or "leveraging" -financing from other sources in addition to the requested entitlement funds. For instance, locally adopted policies for the HOME program require that 25% of the project cost be accounted for by matching funds. In addition, the CDBG funding process awards a higher point value to project proposals that will leverage significant additional resources. Under the ESG program, there must be a dollar-for-dollar match from other public and private sources. Historically, the CDBG and HOME entitlement programs have been utilized in tandem with a broad variety of funding sources to support community development and housing activities, often to attract other public and private investments. Many of these resources are competitive, or are available under limited circumstances; therefore, dollar amounts cannot be predicted overall. However, based on information contained in current project applications, the City has compiled a detailed summary of resources expected to be leveraged by the projects proposed for CDBG, HOME and ESG funding in PY 2014 (see Attachment 2). Altogether, \$4.4 million in CDBG, HOME, and ESG project dollars will leverage another \$ 5.9 million in public and private resources for a leveraging ratio of over 1.5 resulting in a total community investment of just under \$10 million. 12 City CDBG projects will attract a total of \$3.3 million in additional public and private investment, while 2 HOME-assisted development activities (not including CHDO operating grant activities) will leverage another \$125 thousand. Aside

from the federal entitlement funds, the match comes from a variety of sources for these rental projects. An additional resource for housing and community development projects is program income.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

Not applicable.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)

Matrix of Goals and Accomplishments for the Consolidated Plan, Annual Action Plan, and CAPER

City of Mesa		(2010/2014)		Funding Sources (indicated by "X")			
Description of Need	Year 5 (2014/15) Estimated Expenditure	Year 5 Goal	Objective Outcome	CDBG	HOME	ESG	OTHER
RENTAL Housing Objectives HOUSING (# of Units)							
City of Mesa - Homeowner Rehabilitation	\$ 650,000	77 units	DH 2	X			
House of Refuge - Safety & Flooring	\$ 42,469	88 units	SL1	X			
Community Bridges - Tenant Based Rental Assistance (TBRA)	\$ 217,144	10 people	DH 2		X		
City of Mesa - Utility & Security Deposit Assistance	\$ 100,000	150 households	DH 2		X		
HOUSING TOTAL	\$ 1,009,613	325					
HOMELESS (# of People Served)							
A New Leaf - East Valley Men's Center	\$ 25,000	412 people	DH 1	X			
A New Leaf - EMPOWER Rapid Re-Housing	\$ 33,131	56 people	SL 1			X	
A New Leaf - La Mesita	\$ 42,500	330 people	DH 1			X	
CASS- Central Arizona Shelter Services	\$ 41,051	15 people	DH 1			X	
Community Bridges - CBI Homeless Navigator Svcs.	\$ 45,693	15 people	DH 1			X	
Save the Family - Homeless Families Intervention Project	\$ 34,157	180 people	DH 1	X			
Save the Family - Rapid Re-Housing	\$ 50,418	36 people	SL 1			X	
HOMELESS TOTAL	\$ 271,720	1,044					
HOUSING for NON-HOMELESS SPECIAL NEEDS People Served							
A New Leaf - Autumn House DV Shelter	\$ 42,500	215 people	DH 1	X			
Arizona Bridge to Independence Living (ABIL)	\$ 70,400	17 units	DH 1	X			
SPECIAL NEEDS TOTAL	\$ 112,900	232					
INFRASTRUCTURE/STREET IMPROVEMENTS (# of Public Facilities)							
Save the Family - Community Conference Center	\$ 500,000	1 facility	SLE 1	X			
Mesa Counts on College Access Center	\$ 520,188	1 facility	SLE 1	X			
Development & Sustainability - East Valley Adult Resources (EVAR) Senior Center Solar Panel Installation	\$ 110,000	1 facility	SLE 1	X			
Parks, Recreation, and Commercial Facilities - Guerrero Rotary Park Improvements	\$ 300,000	1 facility	SLE 1	X			
Parks, Recreation, and Commercial Facilities - Sherwood and Heritage Park Shade Structures	\$ 150,000	1 facility	SLE 1	X			
INFRA/STREET IMPROVEMENTS TOTAL	\$ 1,580,188	5					

PUBLIC SERVICE NEEDS (# of People Served)								
A New Leaf - Desert Leaf & La Mesita Apartments	\$ 42,000	94 people	DH 3	X				
A New Leaf - East Valley Men's Center (EVMC)	\$ 200,000	412 people	DH 1	X				
Chicanos Por La Causa Housing Counseling	\$ 50,000	900 people	SL 1	X				
Community Bridges - Mobile Community Outreach and Stabilization	\$ 65,000	3,400 people	SL 3	X				
Community Bridges - Center for Hope Housing Supportive Services	\$ 41,783	29 people	SL 1	X				
PUBLIC SERVICE TOTAL	\$ 398,783	5,015						
ECONOMIC DEVELOPMENT (# of Jobs Created and/or Businesses Assisted)								
NEDCO - Economic Development Program	\$ 81,500	60 businesses	EO 1	X				
West Mesa CDC - Ec. Dev. Program	\$ 90,000	19 jobs	EO 1	X				
ECONOMIC DEVELOPMENT TOTAL	\$ 171,500	79						
SLUM AND BLIGHT (# of Units)								
City of Mesa - Demolition and Hazardous Abatement	\$ 100,000	14 units	SL 3	X				
SLUM AND BLIGHT TOTAL	\$ 100,000	14						
CODE ENFORCEMENT (# of Units)								
City of Mesa - Code Enforcement Program	\$ 299,289	3,000 units	SL 3	X				
CODE ENFORCEMENT TOTAL	\$ 299,289	3,000						
Objective #1 = Suitable Living Environment (SLE)								
Objective #2 = Decent Housing (DH)								
Objective #3 Economic Opportunity (EO)								
Outcome #1 Availability/Accessibility								
Outcome #2 Affordability								
Outcome #3 Sustainability								

Objectives

Objectives to be achieved during action plan period are indicated by a check mark.

X	Objective Category Decent Housing Which includes:	X	Objective Category: Suitable Living Environment Which includes:	X	Objective Category: Expanded Economic Opportunities Which includes:
X	assisting homeless persons obtain affordable housing	X	improving the safety and livability of neighborhoods	X	job creation and retention
X	assisting persons at risk of becoming homeless	X	eliminating blighting influences and the deterioration of property and facilities	X	establishment, stabilization and expansion of small business (including micro-businesses)
X	retaining the affordable housing stock		increasing the access to quality public and private facilities		the provision of public services concerned with employment
X	increasing the availability of affordable permanent housing in standard condition to low-income and moderate-income families, particularly to members of disadvantaged minorities without discrimination on the basis of race, color, religion, sex, national origin, familial status, or disability		reducing the isolation of income groups within areas through spatial deconcentration of housing opportunities for lower income persons and the revitalization of deteriorating neighborhoods	X	the provision of jobs to low-income persons living in areas affected by those programs and activities under programs covered by the plan
X	increasing the supply of supportive housing which includes structural features and services to enable persons with special needs (including persons with HIV/AIDS) to live in dignity and independence		restoring and preserving properties of special historic, architectural, or aesthetic value		availability of mortgage financing for low income persons at reasonable rates using non-discriminatory lending practices
	providing affordable housing that is accessible to job opportunities	X	conserving energy resources and use of renewable energy sources	X	access to capital and credit for development activities that promote the long-term economic social viability of the community

The following is a synopsis of activities the City of Mesa will undertake in FY2014/2015 with **objectives** and the following **outcomes**:

	Availability/Accessibility	Affordability	Sustainability
Decent Housing	DH-1	DH-2	DH-3
Suitable Living Environment	SL-1	SL-2	SL-3
Economic Development	EO-1	EO-2	EO-3

Table 3A Summary of Specific Annual Objectives for City of Mesa							
Specific Objective		Source of Funds	Year	Performance Indicators	Expected Number	Actual Number	Percent Completed
DH 1.1	Rehabilitation of existing owner units.	CDBG	2010	units	37	74	200%
			2011	units	50	75	150%
			2012		50	77	154%
			2013		160		%
			2014		77		%
MULTI-YEAR GOAL (CP)					237	226	95 %
Decent Housing with Purpose of New or Improved Affordability (DH-2)							
DH2.1	Acquisition and/or Rehabilitation of rental units.	HOME, CDBG	2010	units	10	0	0%
			2011	units	4	0	0%
			2012		5	0	0%
			2013		4		%
			2014		105		%
MULTI-YEAR GOAL (CP)					26	0	0 %
DH2.2	Provide rental assistance to low-moderate income families.	Housing Choice Voucher Program, HUD Home	2010	vouchers	1,559	1,497	96 %
			2011	vouchers/units	1,599	1,723	107 %
			2012		1,634	1,833	112 %
			2013		1,584		%
			2014		1,634		%
MULTI-YEAR GOAL (CP)					7,795	5,053	65 %
DH 2.3	Provide homebuyer down payment support.	CDBG/ General Funds	2010	people	2,000	2,883	144%
			2011	people	6,750	0	0%
			2012		0	0	0%
			2013		0		%
			2014		0		%
MULTI-YEAR GOAL					14,750	2,883	19 %

DH 2.4	Production of new owner units.	HOME	2010	units	5	4	80%
			2011	units	11	0	0%
			2012		10	13	130%
			2013		5		%
			2014		0		%
			MULTI-YEAR GOAL (CP)		49	17	35 %
Suitable Living Environment with Purpose of New or Improved Availability / Accessibility (SL-1)							
SL 1.1	Undertake public service projects. Assist low and moderate income with public services.	CDBG	2010	people	4,252	1,069	25%
			2011	people	3,118	2,965	95%
			2012		2,397	30	1%
			2013		1,962		%
			2014		5,230		%
			MULTI-YEAR GOAL (CP)		16,724	4,064	24 %
SL 1.2	Undertake public facility projects	CDBG, Other	2010	public facilities	0	1	100%
			2011	public facilities	72	0	0%
			2012		68	0	0%
			2013		1		%
			2014		5		%
			MULTI-YEAR GOAL		75	1	1 %
Suitable Living Environment with Purpose of New or Improved Affordability (SL-2)							
SL 2.1	Assist low and moderate income dwelling units.	CDBG, Other	2010	units	61	0	0 %
			2011	units	61	204	334 %
			2012		0	0	0%
			2013		0		%
			2014		150		%
			MULTI-YEAR GOAL		182	204	112 %
Suitable Living Environment with Purpose of New or Improved Sustainability (SL-3)							
SL 3.1	Undertake public service projects. Assist low and moderate income with public services.	CDBG	2010	people	4,252	2,819	248%
			2011	people	3,000	2,055	69%
			2012		3,625	982	27%
			2013		3,500		%
			2014		900		%
			MULTI-YEAR GOAL (CP)		16,252	5,856	36 %
SL 3.2	Execute slum and blight removal projects.	CDBG, Other	2010	units	8,033	6,831	85%
			2011	units	9,533	6,716	70%
			2012		7,204	5,456	76%
			2013		4,229		%
			2014		3,014		%
			MULTI-YEAR GOAL		46,165	19,003	41 %

Economic Opportunity with the Purpose of New or Improved Availability / Accessibility (EO-1)							
Specific Objective		Source of Funds	Year	Performance Indicators	Expected Number	Actual Number	Percent Completed
EO 1.1	Assist low and moderate income businesses.	CDBG	2010	businesses/jobs	175/4	311/90	177%/2250%
			2011	businesses/jobs	113/4	0/8	0%/200%
			2012		203/34	85/22	42%/65%
			2013		80/3		%
			2014		60/19		%
MULTI-YEAR GOAL					627 / 20	396 / 120	63 % / 600 %
Economic Opportunity with Purpose of New or Improved Sustainability (EO-3)							
EO 3.1	Assist low and moderate income individuals become self-sufficient.	CDBG	2010	people	15	9	60%
			2011	people	25	47	188%
			2012		80	47	59%
			2013		0		%
			2014		0		%
MULTI-YEAR GOAL					115	103	90 %
Homeless Objectives - Availability / Accessibility of Decent Housing (DH-1)							
DH1.1	Provide support for homeless facilities (emergency, transitional and permanent), prevention activities and priority support services for homeless people.	ESG, CDBG, HOME, Other federal, state and local resources	2010	people	670	744	111%
			2011	people	935	732	78%
			2012		1,308	430	33%
			2013		1,057		%
			2014		5,204		%
MULTI-YEAR GOAL (CP)					4,410	1,906	43 %
DH1.2	Provide support for homeless facilities (emergency, transitional and permanent), prevention activities and priority support services for homeless families.	ESG, CDBG, HOME, Other federal, state and local resources	2010	people	0	0	0%
			2011	people	10	10	100%
			2012		30	254	846%
			2013		0		%
			2014		0		%
MULTI-YEAR GOAL					40	264	660 %
Special Needs Objectives - Availability / Accessibility of Decent Housing (DH-1)							
DH 1.1	Provide support for special needs facilities and permanent housing as well as priority support services to both individuals and families that are not homeless but have special needs.	CDBG, HOME, Other federal, state and local sources	2010	people	163	239	147%
			2011	people	250	215	86%
			2012		16	0	0%
			2013		16		%
			2014		0		%
MULTI-YEAR GOAL (CP)					1,235	454	37 %

Goal Descriptions

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.215(b):

The tables on pages 41 and 42 highlight beneficiaries for affordable housing.

AP-35 Projects – 91.220(d)

Introduction

The following is a detailed listing by activity, funding source, funding amount, and dollars leveraged (from non-federal sources) of the activities the City is undertaking in the next fiscal year. The majority of the activities undertaken will be located in the designated CDBG Target Area.

Administration and Planning

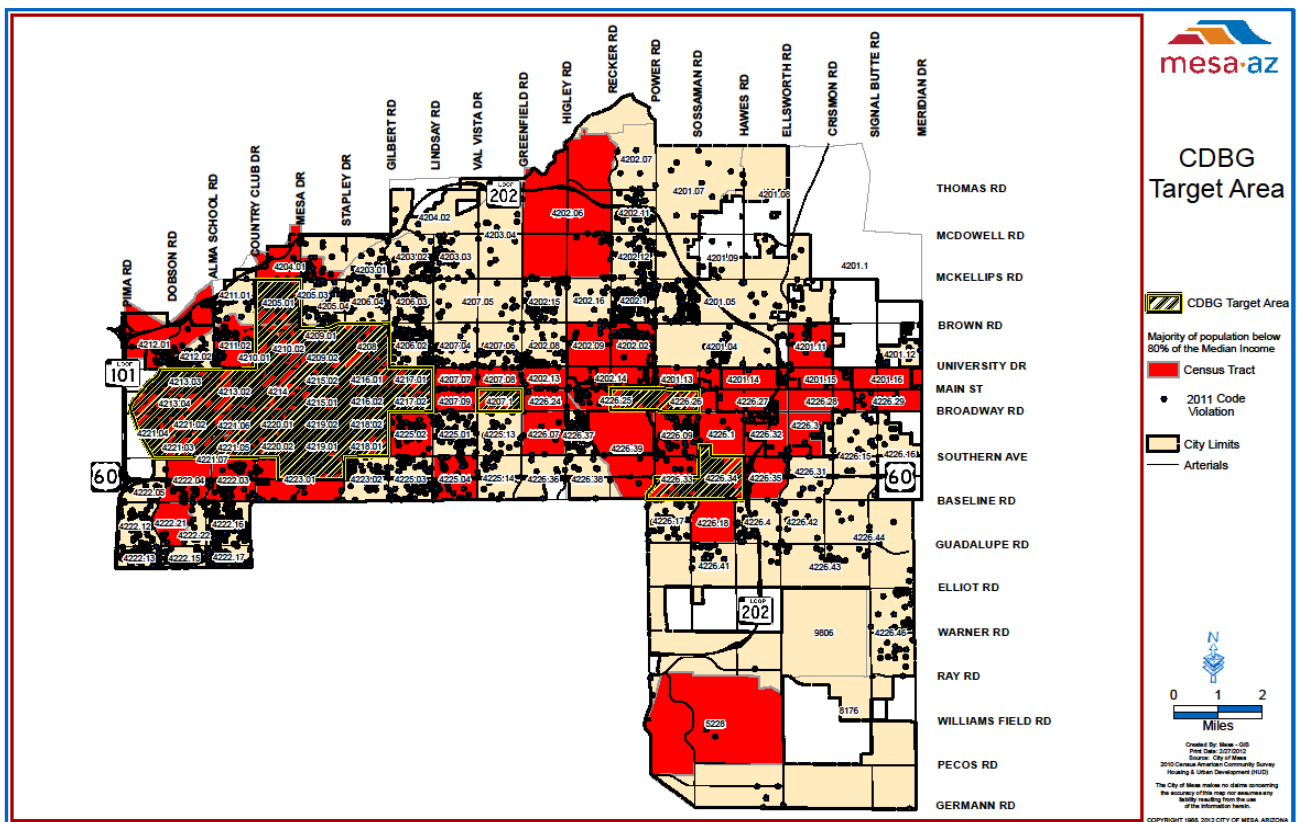
No more than 20 percent of the City's annual CDBG allocation may be used for general planning and administration of CDBG-assisted activities. This category includes: strategic planning, public hearings, fair housing, budgeting, preparing HUD-required documentation and reporting, professional services related to projects, program compliance and monitoring.

Code Enforcement program

The Code Enforcement Program has been in place since FY03-04. The CDBG program currently funds 2 FTEs to conduct code inspections, work collaboratively with property owners to resolve problems and to initiate enforcement actions when appropriate. As housing stock ages and economic distress continues to increase, it is anticipated that program needs will continue to increase. As more properties are abandoned, there will continue to be an increased need to eliminate blight, resolve health and safety issues and control further deterioration.

The Code Enforcement Program provides focused attention completely within the targeted neighborhoods. During FY12/13, there were 5,101 cases opened; 5,454 violations observed; 153 citations issued; 4,914 cases closed; and 9 properties were abated. All projects were coordinated by experienced, dedicated program staff. HOME and Housing Rehabilitation activities will be concentrated in the target area. Code Enforcement will also implement a voluntary compliance program that will provide additional assistance to residents in the neighborhoods.

The map below illustrates the 2011 Code Violations within the City of Mesa, showing a higher concentration in the CDBG Target Areas.



Public Services

It is the intent of the City to fund a variety of services that benefit residents of the City of Mesa; nearly all of the beneficiaries of these programs will be low/moderate income individuals and households. The City will continue to dedicate 15 percent of the CDBG entitlement allocation for public service projects. The City of Mesa funded a wide range of public service activities in recent years including: housing related services, senior services, homeless/homeless prevention services, domestic violence assistance, and assistance for persons with disabilities.

For FY 2014, the City has allocated \$475,940 in public service programs that benefit residents of the City of Mesa. Applications are reviewed by City staff in accordance with the goals set forth in the 2010-2014 Consolidated Plan service programs to Mesa residents. The CDBG funds dedicated to these projects amount to approximately 15 percent of the PY 2014 entitlement award.

Housing

The City will continue to offer a housing rehabilitation program, which will provide up to \$20,000 in assistance for low and moderate income Mesa homeowners. \$650,000 of PY 2014 CDBG funds will be assigned for housing rehabilitation, of that amount the City will utilize \$165,000 for the program, and the City anticipates three homes will receive rehabilitation loans in PY 2014. This project will address Housing Objective 4.3, Rehab 35 owner-occupied housing units.

**CITY OF MESA - Table 2A-2
PRIORITY HOUSING NEEDS/INVESTMENT PLAN GOALS 3/**

 CITY OF MESA PRIORITY NEED	5-YR. GOAL PLAN/ACT	YEAR 1 GOAL PLAN/ACT	YEAR 2 GOAL PLAN/ACT	YEAR 3 GOAL PLAN/ACT	YEAR 4 GOAL PLAN/ACT	YEAR 5 GOAL PLAN/ACT
Renters						
0 - 30% of MFI 4/	5,780	1,152	1,152	1,152	1,152	1,152
31 - 50% MFI 4/	1,920	384	384	384	384	384
51 - 80% MFI	0	0	0	0	0	0
Owners						
0 - 30% of MFI 1/	234	47	47	47	47	47
31 - 50% MFI 1/	546	109	109	109	109	109
51 - 80% MFI 2/	92	18	18	18	18	18
Homeless						
Individuals	3,353	671	671	671	671	671
Families	2,553	511	511	511	511	511
Non-Homeless Special Needs						
Elderly	350	70	70	70	70	70
Frail Elderly	125	25	25	25	25	25
Severe Mental Illness	40	8	8	8	8	8
Physical Disability	10	2	2	2	2	2
Developmental Disability	40	8	8	8	8	8
Alcohol/Drug Abuse	75	15	15	15	15	15
HIV/AIDS	25	5	5	5	5	5
Victims of Domestic Violence	40	8	8	8	8	8
Total	705	141	141	141	141	141
Total Section 215						
215 Renter	7,680	1,536	1,536	1,536	1,536	1,536
215 Owner	872	174	174	174	174	174

1/ 30% of total homeowner rehab goals from Table 2A-3 attributed to 0-30% MFI, with the balance for 31-50% MFI.

2/ All of homebuyer support from Table 2A-3 earmarked to 51 to 80% MFI.

3/ Excludes stimulus resources.

4/ Assignment of section 8 vouchers resources to income category.

Economic Development

The City of Mesa has allocated \$81,500 in PY 2014 CDBG funds for NEDCO assistance program. These funds will be used to provide micro-enterprise assistance resulting in five businesses assisted. The City of Mesa has allocated \$90,000 in PY 2014 CDBG funds to West Mesa CDC.

#	Project Name
1	FY 2014-15 CDBG- Administration
2	FY 2014-15 CDBG- Public Services
3	FY 2014-15 CDBG- Housing
4	FY 2014-15 CDBG- Code Enforcement
5	FY 2014-15 CDBG- Public Facilities
6	FY 2014-15CDBG- Economic Development
7	ESG13 City of Mesa
8	FY 2014-15 HOME- Administration
9	FY 2014-15 HOME- Tenant Based Vouchers

Table 6 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved nee

Projects

AP-38 Projects Summary

Activity	Funding Source	HUD Matrix Code	Funds Approved by Council	\$ Amount Leveraged Non-Federal	Goal No.
Community Development Block Grant (CDBG) – Code Enforcement/Slum and Blight					
Comprehensive Code Enforcement (SL3.2)	CDBG	15	\$199,289	\$0	3,000 housing units
CDBG Code Enforcement/Slum and Blight Sub-Total			\$199,289	\$0	3,000 housing units
Community Development Block Grant (CDBG) – Economic Development					
NEDCO Business Development (EO1.1)	CDBG	18C	\$81,500	\$401,709	60 businesses
West Mesa CDC Economic Development (EO1.1)	CDBG	18C	Prior year funds	\$0	19 Jobs
CDBG Economic Development Sub-Total			\$81,500	\$401,709	60 businesses & 19 jobs
Community Development Block Grant (CDBG) – Housing					
AZ Bridge to Independent Living (ABIL) Mesa Home Accessibility Program (MHAP)(DH2.1)	CDBG	14A	\$70,400	\$0	17 housing units
Demolition & Hazardous Abatement (SL3.2)	CDBG	04	\$100,000	\$0	14 housing units
Housing Homeowner Rehabilitation (DH2.1)	CDBG	14A	\$650,000	\$0	77 housing units
House of Refuge Safety & Flooring (DH2.1)	CDBG	14F	\$42,468.64	\$240,000	88 housing units
CDBG Housing/Rehabilitation Sub-Total			\$862,868.64	\$240,000	196 housing units
Community Development Block Grant (CDBG) – Public Facility					
Save The Family Community Conference Center (SL1.2)	CDBG	3E	\$500,000	\$1,468,000	1 public facility
Mesa Counts on College Access Center (SL1.2)	CDBG	3	\$310,376.50	\$140,000	1 public facility
Development & Sustainability – East Valley Adult Resources (EVAR) Senior Center Solar Panel Installation (SL1.2)	CDBG	3A	Prior year funds	\$0	1 public facility
Parks, Recreation, and Commercial Facilities – Guerrero Rotary Park Improvements (SL1.2)	CDBG	3F	Prior year funds	\$0	1 public facility
Parks, Recreation, and Commercial Facilities – Sherwood and Heritage Park Shade Structures	CDBG	3F	Prior year funds	\$0	1 public facility
CDBG Public Facility Sub-Total			\$810,376.50	\$1,748,000	5 public facilities
Community Development Block Grant (CDBG) – Public Service					
A New Leaf- Autumn House (DH1.1)	CDBG	05	\$42,500	\$0	215 people
A New Leaf - Desert Leaf & La Mesita Apartments (DH1.1)	CDBG	05	\$42,000	\$0	94 people
A New Leaf – East Valley Men’s Center (EVMC) (DH1.1)	CDBG	05	\$200,000	\$0	412 people
Chicanos Por La Causa Housing Counseling (SL3.1)	CDBG	05	\$50,000	\$0	900 people
Community Bridges Mobile Community Outreach & Crisis Stabilization (DH1.1)	CDBG	05	\$65,000	\$30,000	3,400 People
Community Bridges Center for Hope Housing Support Services (DH1.1)	CDBG	05	\$41,783	\$30,000	29 People
Save the Family Homeless Families Intervention Project (DH1.1)	CDBG	05	\$34,157	\$1,468,000	180 people

Annual Action Plan
2014

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CDBG Public Service Sub-Total			\$475,940	\$1,528,000	5,230 people
Activity	Funding Source	HUD Matrix Code	Funds Approved by Council	\$ Amount Leveraged Non-Federal	Goal No.
CDBG – Program Administration/Project Delivery					
CDBG Program Administration	CDBG	21A	\$634,587	NA	NA
CDBG Program Administration/Project Delivery Sub-Total			\$634,587	NA	NA
CDBG FY 14/15 Sub-Total			\$3,172,935	\$3,777,709	See specific activities
					\$100,000 Voluntary Compliance Program, \$90,000 West Mesa CDC Economic Development, \$209,811 Mesa Counts on College Access Center, \$110,000 East Valley Adult Resources Senior Center Solar Panel Installation, \$300,000 Guerrero Rotary Park Improvements, \$150,000 Kingsborough Park Shade Structure
CDBG Prior Year Reprogrammed Funds			\$959,811		
CDBG Prior Year Unallocated Funds			\$40,189		
CDBG FY 14/15 Unallocated Funds			\$108,374		
CDBG Total			\$4,132,746.14		
Emergency Shelter Grant (ESG) Program					
A New Leaf - East Valley Men's Center (DH1.1)	ESG	03T	\$25,000	\$0	412 people
A New Leaf – EMPOWER Rapid Re-Housing Program (DH1.1)	ESG		\$33,131	\$0	56 people
A New Leaf - La Mesita Homeless Shelter (DH1.1)	ESG	03T	\$42,500	\$0	330 people
Central Arizona Shelter Services (CASS) (DH1.1)	ESG	03T	\$41,051	\$30,000	15 people
Community Bridges Homeless Navigation Services (DH1.1)	ESG		\$45,693	\$30,000	15 people
Save The Family Rapid Re-Housing Program (DH1.1)	ESG		\$50,418	\$1,468,000	36 people
ESG Program Administration	ESG	21A	\$19,281	NA	NA
ESG Total			\$257,074	\$1,528,000	864 people

HOME Investment Partnerships Program					
Housing & Community Development Security/Utility Deposit Program – One time assistance (SL2.1)	HOME	05T	\$100,000	\$0	150 households
Community Bridges Tenant Based Rental Assistance (TBRA) – Assisted for up to 2 years (DH1.1)	HOME	05T	\$217,144	\$30,000	10 people
HOME Program Administration	HOME	21H	\$99,343	NA	NA
HOME Rental (DH-2)	HOME	14G	\$576,947	\$0	5
HOME Total			\$993,434	\$30,000	150 households & 10 people

AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

The City of Mesa was founded in 1878 and incorporated July 15, 1883 with an approximate population of 300 and an area of one square mile (Town Center). The Maricopa Association of Governments estimates the City of Mesa's population in 2012 at 439,041 with a large land area that is 137 square miles in size.

Geographic Distribution

Target Area	Percentage of Funds
CDBG	67

Table 7 - Geographic Distribution



Left: The City is located in the east-valley, Phoenix-Mesa metropolitan area of south central Arizona. Mesa is the third largest community in the State of Arizona, after Phoenix and Tucson and is located 16 miles east of the City of Phoenix, within the County of Maricopa, one of the fastest growing counties in the nation with a population of over 3.2 million¹ and one of the largest counties in terms of land area at 9,226 square miles.

Rationale for the priorities for allocating investments geographically

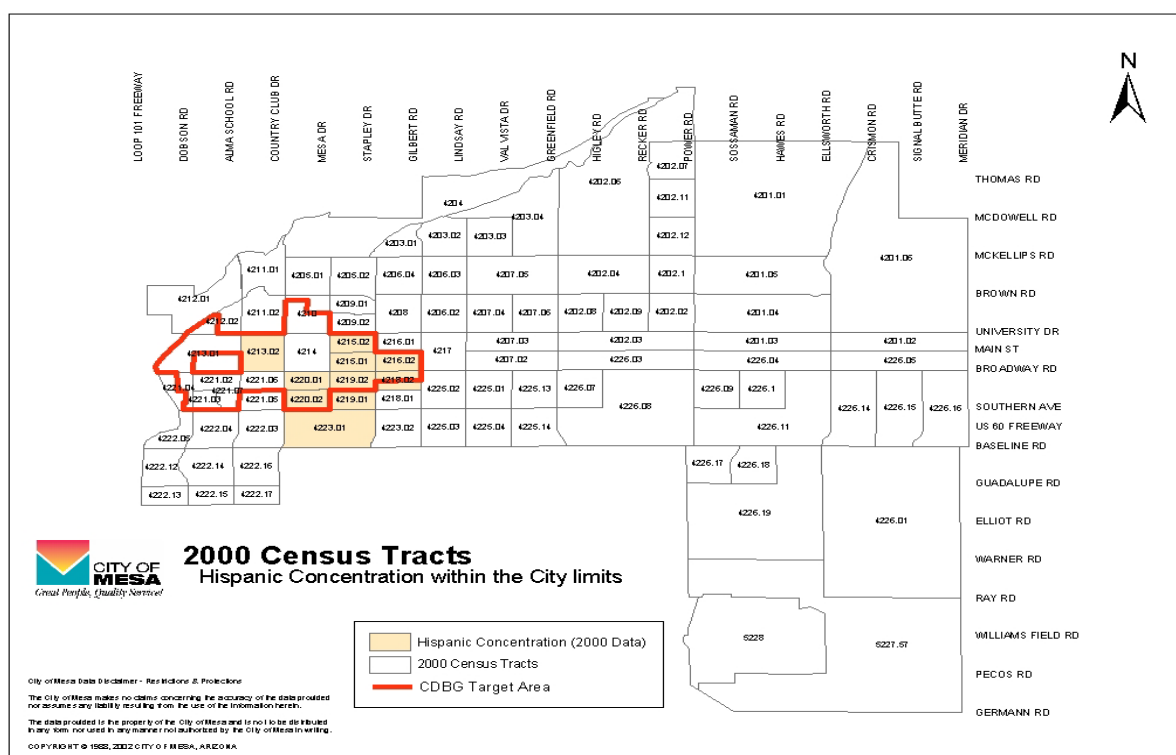
The Community Development Block Grant (CDBG) and the majority of the Emergency Solutions Grant

¹ Source: Maricopa County

(ESG) funds are invested in the neighborhoods around the original Town Center in west central Mesa to approximately Gilbert Road and along the Main Street east-west corridor, which comprise the majority of the City's low-moderate income census tracts. Housing funds for both the CDBG and HOME programs are distributed throughout the City. However, the older parts of the City generally receive the most investment in housing rehabilitation from these programs.

Discussion

For non-housing projects, many area benefit activities will be located in the designated CDBG Target Area. The Target Area includes the area generally bound by Gilbert Road on the east, the City limits on the west, Brown Road on the north, and Southern Avenue on the south. (Please see below.) The designated Target Area is the oldest section of the City and contains the original square mile known as Town Center. This area has the oldest housing stock, lowest income households, and greatest concentration of minorities. In addition, activities to address, prevent, or eliminate slum and blight will be undertaken in the CDBG target area.



Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

It is Mesa's goal to:

- **Increase the quality of owner-occupied housing** by offering housing rehabilitation assistance to low- and moderate-income homeowners.
- **Improve the habitability of owner-occupied housing** with emergency repair assistance.
- **Increase the availability of owner-occupied housing** through down payment and closing cost assistance to low- and moderate-income first-time homebuyers.
- **Increase and preserve the supply of affordable rental housing** by providing assistance with acquisition and rehabilitation.
- **Preserve existing rental assistance in the private sector rental market** through administration of the Housing Choice Voucher program.
- **Expand rental assistance to people in need** by applying to HUD for additional rental assistance if it becomes available

One Year Goals for the Number of Households to be Supported	
Homeless	1,044
Non-Homeless	0
Special-Needs	232
Total	1,276

Table 8 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	1,794
The Production of New Units	0
Rehab of Existing Units	165
Acquisition of Existing Units	0
Total	1,959

Table 9 - One Year Goals for Affordable Housing by Support Type

Discussion

Table 12 below details beneficiary goals for affordable housing. City of Mesa Affordable Housing Goals FY 14/15

Grantee Name: City of Mesa Program Year: 2014	Expected Annual Number of Units to be Completed	Actual Annual Number of Units Completed	CDBG	HOME	ESG	Other
Beneficiary Goals (Sec. 215 Only)						
Homeless households	1,044		☒	☐	☒	☐
Non-homeless households			☐	☐	☐	☐
Special needs households ABIL, Autumn House	17 HH/ 215 people		☒	☐	☐	☐
Total Sec 215 Beneficiaries*	1,276		☒	☐	☒	☐
Rental Goals (Sec. 215 Only)						
Acquisition of existing goals			☐	☒		☐
Production of new units			☐	☒		☐
Rehabilitation of existing units	88 units		☐	☒	☐	☐
Rental Assistance COM HCV COM TBRA Community Bridges TBRA	1,794		☐	☒		☒
Total Sec 215 Affordable Rental*	1,882		☐	☒	☐	☒
Homeowner Goals						

(Sec. 215 Only)						
Acquisition of existing goals			☐	☐		
Production of new units			☐	☐		
Rehabilitation of existing units Homeowner Rehab	77		☒	☐		
Homebuyer Assistance	10		☐	☒		☒
Total Sec 215 Affordable Owner*	87		☒	☒	☐	☒
Combined Rental and Owner Goals (Sec. 215 Only)						
Acquisition of existing goals			☐	☐		☐
Production of new units			☒	☐		☐
Rehabilitation of existing units	165		☐	☒	☐	☐
Rental Assistance	1,794		☐	☒		☐
Homebuyer Assistance	10		☐	☒		☐
Combined Total Sec 215 Goals*	1,969		☒	☒	☐	☐
Overall Housing Goals(Sec. 215 and other Affordable Housing)						
Annual Rental Housing Goal	1,882		☒	☒	☒	☒
Annual Rental Housing Goal	87		☒	☒	☒	☐
Total Overall Housing Goal	1,969		☒	☒	☒	☒

AP-60 Public Housing – 91.220(h)

Introduction

The City of Mesa does not own or operate any HUD public housing units at this time within its corporate limits so this question is not applicable to the community. For informational purposes, the Mesa Housing Authority administers the Housing Choice Voucher program. The Resident Advisory Board (RAB) represents Housing Choice Voucher participants regarding the Annual PHA Plan, the 5-Year Plan, the Administrative Plan and the opportunity to serve on the Governing Board and take part in decisions related to the administration, operation, and management of the Housing Choice Voucher tenant-based assistance program when these items are brought before the Housing Governing Board.

Actions planned during the next year to address the needs to public housing

N/A

Actions to encourage public housing residents to become more involved in management and participate in homeownership

The Mesa Housing Authority also administers the First Time Homebuyer Program and Family Self-Sufficiency programs. These programs encourage residents to become economically and socially self-sufficient with dignity without risk of losing their housing assistance. The benefits of these programs are marketed to all Housing Choice Voucher program participants.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

The Housing Authority is rated a "high performer" by HUD under the Section Eight Management Assessment Program (SEMAP).

Discussion

The number of units of Housing Choice Vouchers for Mesa, as of March 2014, is 1,559. Each year the Housing Authority experiences a turnover of families receiving assistance, however the lease-up rate continues to be quite healthy at 98 %. Project Based Vouchers (PBV) are anticipated during the next year by the Housing Authority.

HUD HA Code	Name of Housing Authority	Locality	Program Type	Low Rent Units	Activity Status	Housing Choice Vouchers
AZ005	City of Mesa Housing Authority	Mesa	Housing Choice Voucher	0	Active	1,424
AZ005	City of Mesa Housing Authority	Mesa	Mainstream Voucher	0	Active	100
AZ005	City of Mesa Housing Authority	Mesa	VASH	0	Active	110

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

The City of Mesa will continue to utilize multiple funding sources, as shown in attachment 3, to meet the needs of the homeless and prevent homelessness. From the funding of emergency and transitional shelters, to mortgage foreclosure intervention, Mesa remains committed to addressing this serious problem with a multi-faceted approach.

The action plan will address the objectives of the Five Year Consolidated Plan and its priority needs to end homelessness through a regional approach and by addressing the City of Mesa's specific needs. Through its regional planning efforts, the Maricopa Association of Governments (MAG) facilitates and staffs the Continuum of Care Committee on Homelessness and the Homeless Planning Sub-committee, in which the City of Mesa participates.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Please see tables 10 and 12 which outline the one-year goals and actions for reducing homelessness.

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

In partnership with the Maricopa Association of Governments (MAG) Continuum of Care, The City of Mesa participated in the Point-in-Time (PIT) Homeless Street Count on January 28, 2014. Training of community volunteers took place on January 15th. A survey was utilized to document the needs and status of Mesa's homeless population.

Volunteers were deployed in groups to count and interview homeless individuals and families in specific areas throughout the City.

Addressing the emergency shelter and transitional housing needs of homeless persons

MAG's Regional Plan to End Homelessness seeks to address homelessness by influencing policy, providing preventative tolls and improving access to benefits, services and safe housing options.

The City of Mesa supports MAG's Regional Plan to End Homelessness by:

1. Collaborating with other municipalities through the Maricopa Association of Governments and League

of Arizona Cities and Towns to maintain current funding for the Continuum of Care and to support efforts to develop new funding potential.

2. Continued participation in the Homeless Street Count.

3. Supporting non-profit organizations that provide affordable housing opportunities for low- and moderate-income individuals and families.

4. Providing CDBG funds for programs that help maintain Mesa's housing stock, and enable low-income individuals to stay in their homes through the Home-Owner Rehabilitation program.

5. Contributing/cooperating with the City of Chandler, the Town of Gilbert, City of Scottsdale, and the City of Tempe to assist in the operational cost of a New Leaf's East Valley Men's Center, La Mesita Family Shelter and Autumn House Domestic Violence Shelter and the Child Crisis Center of the East Valley's Emergency Children Shelter located in Mesa. The City of Mesa also provides funds for emergency shelter for women in Phoenix at Central Arizona Shelter Services (CASS) and rent and utility assistance for homeless prevention through A New Leaf's Community Action Program.

6. Examining alternative housing projects which could include a more viable use of group homes for housing of previously homeless, supportive housing projects termed "Housing First" rather than shelter services as the first option, and shelter alternatives that allow mental health or substance abuse issues to be addressed while in supportive housing.

7. Advocating to secure funding for homeless programs and participates in policy development through the Arizona Coalition to End Homelessness.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

The City and its service partners will use CDBG and ESG funds for the following activities that will address the emergency shelter, transitional housing, and service needs of homeless individuals and families with children, as well as to prevent extremely low-income households from becoming homeless.

- Two CDBG projects propose to serve homeless persons.

- Two ESG projects that will provide emergency rent assistance and/or utility assistance that will prevent people from being evicted from their homes thereby becoming homeless.
- One CDBG project that will provide mortgage assistance and foreclosure counseling that will prevent people from being losing from their homes thereby becoming homeless.
- One CDBG project for the purpose of constructing a new homeless shelter

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

Discussion

In November 2013, the City also participated with the Maricopa Association of Governments (MAG) Continuum of Care Human Services in ranking the allocation of Social Service Block Grants (SSBG). Results from this ranking help the Arizona Department of Economic Security (DES) develop a funding formula which will target four groups which include: Adults, Family and Children; Persons with Disabilities; Elderly; and Persons with Developmental Disabilities.

One year goals for the number of households to be provided housing through the use of HOPWA for:
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family N/A
Tenant-based rental assistance N/A
Units provided in housing facilities (transitional or permanent) that are being developed, leased, or operated N/A
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds N/A
Total

AP-75 Barriers to affordable housing – 91.220(j)

Introduction

Year Five Action Plan Barriers to Affordable Housing response:

- The City of Mesa will continue to provide down payment and closing cost assistance for first time homebuyers with HOME and NSP funds.
- The City of Mesa will provide rental assistance through HUD's Housing Choice Voucher Program in an attempt to provide critical and appropriate housing for those most in need as identified in the CHAS data and the Arizona Affordable Housing Profile for the City of Mesa. Those below the affordability gap (23% AMI) would primarily be assisted through this program.
- The City of Mesa will continue to use CDBG funds for programs that help maintain our housing stock and enable low- and/or moderate-income individuals to stay in their homes. This strategy will continue to address the barriers to affordable housing presented by the high percentage of housing stock (71.4%) that was built in Mesa prior to 1989.
- The acquisition of existing units for homeownership housing continues to be a priority for the use of available funds. The City of Mesa requires that any investment of its federal funds for the acquisition of housing include rehabilitation of the units to meet decent, safe, and sanitary conditions.
- The City of Mesa will continue to promote and encourage partnerships with the private sector, nonprofit providers, financial lending institutions, other public entities and funding sources in creating and maintaining, as well as removing barriers to, affordable housing for all classes of people.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

Discussion

AP-85 Other Actions – 91.220(k)

Introduction

Mesa continues to operate with the lowest budget per capita in the Phoenix Metro Area. The ability to maintain service levels at the status quo remains a challenge due to the lack of a stable revenue source.

Staffing and funding for the City's Office of Human Services have been reduced over time and highlight the need to cultivate public/private partnerships with various non-profit agencies. These partnerships are more critical than ever to address the needs of the elderly, disabled homeless, victims of domestic violence and mentally ill persons.

In addition, both elected officials and City staff will remain active with the Continuum of Care administered by Maricopa Association of Governments (MAG). The City of Mesa will use Federal, State and local private and public resources that are available by continuing to fund non-profit agencies that provide assistance to independent living, healthcare assistance, transportation, treatment, counseling and other support services for the high priority, non-homeless, special needs population. As a member of the Arizona Coalition to End Homelessness and with participants in the organization's Legislative Committee, the City of Mesa continues to provide support for legislation that promotes human services. Finally, the City continues efforts to ensure the accessibility of public facilities and programs for persons with disabilities.

Please refer to the following table that details resources, actions and amounts of money for various activities the City of Mesa will undertake in program year 2014 that address obstacles to underserved needs.

The City of Mesa Housing Authority manages 1,635 Housing Choice Vouchers (1,425 + 100 Mainstream + 110 VASH) and maintains a waiting list of approximately 900 individuals. The City also works with the Maricopa Association of Governments (MAG) on the distribution of McKinney-Vento Homeless Assistance Act funds.

With the Section 108 loan guarantee approved and extended into the next year, the City will utilize such funds for economic development purposes as further described in the Section 108 Loan Application.

Actions planned to address obstacles to meeting underserved needs

The table below represents the resources for the upcoming year that will be utilized to address the obstacles to meeting underserved needs:

Resource	Priority Need	Program	Amount
General/ABC Funds	Emergency Assistance	United Food Bank – Food Link Program Emergency Food Boxes	\$18,000
General/ABC Funds	Emergency Assistance	Mesa Community Action Network, Inc. – Client Services	\$132,500
General/ABC Funds	Long-Term Support	Mesa Community Action Network, Inc. – Family Support Services	\$24,747
General/ABC Funds	Disaster Assistance	American Red Cross – Direct Financial Assistance to Victims of Disaster	\$10,000
General/ABC Funds	Emergency Shelter for Children	Child Crisis Center – Shelter for Children	\$11,500
General/ABC Funds	Crisis Services	Teen Lifeline – Teen Crisis/Suicide Prevention Hotline	\$15,000
General/ABC Funds	Senior Services	East Valley Adult Resources, Inc. – Meals on Wheels Program	\$20,000
General/ABC Funds	Homeless Families	Save the Family – Homeless Families Intervention	\$100,843
General/ABC Funds	Homeless Women	Lutheran Social Services of the Southwest – Interfaith Homeless Emergency Lodging Program (IHELP)	\$27,000
General/ABC Funds	Domestic Violence Services	Sojourner Center – Supportive Services	\$60,500
General/ABC Funds	Homeless Families	A New Leaf – Housing Navigation	\$32,500
General/ABC Funds	Crisis Services	Community Legal Services – Removing Barriers to Justice for Low-Income Mesa Residents	\$48,000
General/ABC Funds	Shelter for Families	A New Leaf –La Mesita Operations	\$30,000
General/ABC Funds	Long-Term Support	Big Brothers Big Sisters – Mentoring Service Program	\$12,000
General/ABC Funds	Long-Term Support	East Valley Adult Resources – Assistance for Independent Living (AIL)	\$27,000

General/ABC Funds	Crisis Services	Labor's Community Service Agency – Foreclosure Intervention Program	\$30,000
General/ABC Funds	Shelter for Women and Children	A New Leaf – Autumn House Domestic Violence Shelter	\$25,000
General/ABC Funds	Mentally Disabled	MARC Center of Mesa, Inc. – Center Based Employment Services	\$29,500
General/ABC Funds	Senior Services	Oakwood Creative Care – Meals & Music Therapy	\$30,000
General/ABC Funds	Crisis Services	Community Legal Services – Mesa Tenant's Rights Helpline	\$29,134
GENERAL / ABC FUND CONTRIBUTIONS TOTAL			\$702,000
Emergency Solutions Grant	Emergency Shelter for Families w/Children	A New Leaf - La Mesita Family Shelter	\$42,500
Emergency Solutions Grant	Street Outreach	CBI Homeless Navigator Services	\$45,693
Emergency Solutions Grant	Emergency Shelter for Men	A New Leaf - East Valley Men's Center (EVMC)	\$25,000
Emergency Solutions Grant	Emergency Shelter	Central Arizona Shelter Services – Shelter for Adults	\$41,051
Emergency Solutions Grant	Homelessness Prevention and Rapid Re-Housing	A New Leaf- EMPOWER Rapid Re-Housing Program	\$33,131
Emergency Solutions Grant	Homelessness Prevention and Rapid Re-Housing	Save the Family Rapid Re-Housing Program	\$50,418
Emergency Solutions Grant	Program Administration	ESG Program Administration	\$19,281
ESG TOTAL			\$257,074
McKinney-Vento Homeless Assistance Act SHPR	Transitional Housing	Homeless families, mothers, homeless men, substance abuse	\$1,150,005
Housing Choice Voucher Rental Assistance	Rental Assistance	Rental Voucher	\$9,994,386
OTHER GRANT TOTAL			\$11,144,391
CDBG	Refer to table on page 30		\$4,132,746
HOME	Refer to table on page 32		\$993,434
CDBG / HOME TOTAL			\$5,126,180

Notes:

McKinney-Vento Homeless Assistance amount consists of the following:

- COC City of Mesa grant amount remaining from 5-yr agreement \$353,440
- COC City of Mesa agency grant awards \$796,565
 - o Community Bridges – Center for Hope (Permanent & Transitional Housing) \$177,671 and \$344,610
 - o Save the Family – Transitional Housing/Supportive Services \$215,406
 - o A New Leaf - EVMC \$58,878

Housing Choice Voucher Rental Assistance consists of only the Housing Choice Voucher (HCV) Housing Assistance Program (HAP) amount of \$9,994,386

Actions planned to foster and maintain affordable housing

See removing barriers to affordable housing on page 49.

Actions planned to reduce lead-based paint hazards

All housing assisted with federal CDBG and HOME funds in the City of Mesa follow lead based paint testing and abatement per the regulation found at 24 CFR Part 35.

CITY OF MESA LEAD BASED PAINT PROGRAM

REQUIREMENTS PER 24 CFR PART 35 SUBPART 3

PURPOSE

HUD's regulation is to protect young children, pregnant woman and elderly from lead-based paint hazards in housing that is financially assisted by the federal government or sold by the government. This regulation applies only to assist housing that was built **before 1978**.

A. Exempted properties

The following properties are not covered by the Lead Based Paint regulations, either because lead paint is unlikely to be present, or because children will not occupy the house in the future:

- Housing built after January 1, 1978
- Housing exclusively for the elderly or people with disabilities, unless children under the age of 6 are expected to reside there.
- Zero bedroom dwellings, including efficiency apartments, single-room occupancy housing, dormitories, or military barracks.
- Property that has been found to be free of lead-based paint by a certified lead-based paint inspector.
- Property where all lead-based paint has been removed.
- Unoccupied housing that will remain vacant until it is demolished.
- Non-residential property.
- Any rehabilitation or housing improvement that does not disturb a painted surface.

Also, emergency repair actions needed to safeguard against imminent danger to human life, health or safety or to protect property from further structural damage are exempted.

LEAD BASED PAINT

All deteriorated paint must be stabilized or abated, except when the paint is found not to be lead-based paint or when the deterioration is limited to hairline cracks or small nicks, scratches or nail holes. In addition, "safe work practices" (occupant protection, worksite preparation and specialized cleaning) must be used during stabilization or abatement only when the area of paint being disturbed is greater than:

- 20 square feet on exterior surfaces; or
- 2 square feet in an interior room; or
- 10% of a building component with a small surface area (such as a painted window frame)

Requirements for Dwellings Where a Lead-poisoned Child has been Identified:

In most cases in which there is continuing HUD assistance, a risk assessment of the child's dwelling must be completed within 15 days after the owner is notified of the presence of a lead-poisoned child by a health department or other medical health care provider. If lead based paint hazards are identified, they must be corrected within 30 days after the risk assessment has been completed. For the purposes of this

requirement, a lead-poisoned child is defined as a child of less than 6 years of age with a blood lead level of 20 µg/dL (micrograms per deciliter) or greater for a single test or 15-19 µg/dL in two test taken at least three months apart. This is called an "environmental intervention blood lead level" in the regulation. It follows the guidelines on blood lead screening and environmental investigation from the centers for Disease Control and Prevention (CDC).

Requirements for Rehabilitation Assistance

1. Property receiving less than or equal to \$5,000 per unit
 - Provision of pamphlet
 - Paint testing of surfaces to be disturbed, or presume LBP
 - Safe work practices in rehab
 - Repair disturbed paint
 - Notice to occupant

2. Property receiving more than \$5,000 and up to \$25,000
 - Provision of pamphlet
 - Paint testing of surfaces to be disturbed, or presume LBP
 - Risk assessment
 - Interim controls
 - Notice to occupants
 - Ongoing LBP maintenance if HOME or CILP

3. Property receiving more than \$25,000 per unit
 - Provision of pamphlet
 - Paint testing of surfaces to be disturbed, or presume LBP
 - Risk assessment
 - Abatement of LBP hazards
 - Notice to occupants
 - Ongoing LBP maintenance

Actions planned to reduce the number of poverty-level families

See other actions on page 50.

Actions planned to develop institutional structure

The City of Mesa has and will continue to work with develop instructional structure with HUD and technical assistance providers.

Actions planned to enhance coordination between public and private housing and social service agencies

The City will continue to create partnerships between public institutions, non-profit organizations, and private industry for the delivery of affordable housing and community development activities for low- and moderate-income households, neighborhoods, and at risk populations. The use of non-profit agencies to deliver such services has expanded dramatically over the past several years, thus increasing the coordination and cooperation between the City and these entities.

The City continues to play an active role in enhancing coordination between social agencies by participating in Project Homeless Connect with Mesa United Way, Valley of the Sun United Way, and the cities of Chandler and Scottsdale. Project Homeless Connect offers instant access to the resources people in the community need to work toward health, financial stability and housing including access to goods - like food and clothing - and services such as counseling and job placement. Volunteers and service providers such as DES, Save the Family, the Motor Vehicle Department, Paz de Cristo, and the East Valley Men's Center participate.

The City of Mesa works with other governmental jurisdictions and agencies in the implementation of its strategies. Mesa is an active participant in the Maricopa County Continuum of Care, partnering with other cities and the State Office of Housing and Infrastructure Development as well as other State departments.

As part of its strategy to assist the homeless population, the city staff and elected officials are participating in a regional Continuum of Care plan that encompasses the City of Mesa, City of Phoenix, Maricopa County and all jurisdictions as well as unincorporated areas within the County. This process is led by the Maricopa Association of Governments (MAG). Development of the Continuum of Care plan requires coordination between the participating entities in providing services for the homeless and in recognizing the gaps in service. The city assists in developing and supports local applications for HUD SuperNOFA funding for homeless and special needs populations.

The City participated in an East Valley Needs Assessment, along with the Mesa United Way, Valley of the Sun United Way, Tempe Community Council and the Maricopa Association of Governments (MAG), the cities of Chandler, Scottsdale, and Tempe and the Town of Gilbert. Each community conducted its own method of reaching out to residents. The results have given a better understanding of the needs and resources unique to each community and also help coordinate services throughout the East Valley.

Discussion

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

Introduction

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan
3. The amount of surplus funds from urban renewal settlements
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan.
5. The amount of income from float-funded activities

Total Program Income

Other CDBG Requirements

1. The amount of urgent need activities

**HOME Investment Partnership Program (HOME)
Reference 24 CFR 91.220(l)(2)**

**HOME Investment Partnership Program (HOME) Reference 24 CFR
91.220.(l)(2)**

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

The City of Mesa does not use forms of investment not described in §92.205(b).

The City uses HOME funds in the form of grants for CHDO operating funds. All other HOME funds are contracted in the form of interest-bearing loans, non-interest-bearing loans, deferred payment loans and grants that is secured by a contract and a security instrument (promissory note, deed of trust, declaration of restrictive covenants) that extends for the term of the period of affordability. The deferred loan may be forgiven at the end of the period of affordability. City of Mesa operating guidelines require that the sub-recipient and/or CHDO identify matching funds and sources of match at the time of application and that accrued match be available and documented at the point of reimbursement for HOME funded activities.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

The City will use either the resale or recapture options based on the type of assistance and which option is better for the City and the sub-recipient, contractor, or developer of the project. All sub-recipients, CHDO's, and other entities that provide homebuyer assistance will be required to use the resale or recapture provisions outlined in the Annual Action Plan. Any variation of these provisions will need City and HUD approval before they can be implemented.

Under the Resale provision, the City will ensure, if the housing does not continue to be the principal residence of the family for the duration of the period of affordability that the housing is made available for a subsequent purchase only to a buyer whose family qualifies as a low-income family and will use the property as its principal residence. The Resale requirement will also ensure that the price at resale provides the original owner a fair return on investment (including the homeowner's investment and any capital improvement) and ensure that the housing will remain affordable to a reasonable range of low-income homebuyers. For the purpose of the Resale provision, "fair return on investment" shall be defined and determined as follows:

Fair Return on Investment – a monetary gain or loss, dependent on market conditions, as a result of the sale of the property.

Capital improvements performed on the property will be considered as a basis for calculating fair return on investment. To be considered capital improvements, the upgrades (such as upgrade bathrooms and kitchens with new cabinets, granite or marble countertops, and natural

stone flooring such as travertine, granite, and marble, solar panels, swimming pool) or additions (livable square footage or usable square footage such as a covered patio, detached garage, storage building, or guest house) must add value to the property. However, the value of these upgrades and additions are dependent upon what the current sales market will support, so not all upgrades or additions will add value above what the owner's original purchase price was for the property. In addition, any of the upgrades or additions must have been done with the required building permits and in compliance with all local building and zoning codes. The workmanship of the construction shall be equal to or greater than the industry standard and as defined by the State of Arizona Registrar of Contractors.

The following formula will be used to determine the owner's fair return on investment:

Sales Price (based on Market value)

- Senior lien balance

- Closing Costs

- Realtor fees

- Owner's Original Contribution

= Proceeds multiplied by the percentage of time the owner occupied the property during the period of affordability equals "Fair return of Investment"

For Example: The market sales price for the house is \$100,000. The closing costs are \$5,000. The realtor fees are \$6,000. The down payment assistance provide to the owner was \$15,000. The affordability period is 15 years. The owner lived in the house 6 years and 3 months. The owner purchased the house for \$90,000 and provided \$5,000 in down payment when it was purchased.

	Sale Price -	\$100,000
	Senior Lien Balance -	\$68,800
	Closing Cost -	\$5,000
Realtor Fees -		\$6,000
	<u>Owner's Original Contribution -</u>	<u>\$5,000</u>
Proceeds -		\$15,200

Since the owner occupied the property for 6years and 3 months, the percentage of time that the owner occupied the property would be 75 months (6 years & 3 months) divided by 180 months (15 year affordability period) equals 41.6 percent. So the "Fair Return of Investment" would be 41.6 percent of \$15,200 or \$6,323.20. All remaining proceeds will be provided to the new HOME low-income eligible homebuyer if needed to make the home affordable. If the new homebuyer does not need the remaining proceeds to make the property affordable, then the owner may keep all the remaining proceeds; however, a minimum of \$2,000.00 of the remaining proceeds will go to the new homebuyer for closing costs assistance.

In addition, the resale provision will ensure that the housing will remain affordable to a "reasonable range of low-income homebuyers". The "reasonable range of low-income homebuyers" will be defined as those households at or between 60%-80% of area median income (AMI). To ensure affordability for the next buyer, the City will provide down payment and closing cost assistance so the mortgage payment is within the Front- end and Back-end percentages established under the City of Mesa Down Payment and Closing Costs Assistance Program. Upon

the purchase of the property by the next buyer, the affordability period will reset based upon the Affordability Period table for the total amount of the HOME funds that have been invested in the property.

The period of affordability will be based on the total amount of HOME funds invested in the housing. The City will use a declaration of restrictive covenants placed on the property to ensure that the property is sold to another qualified low-income family who agrees to make it their principal residence for the remainder of the period of affordability. The affordability restrictions may terminate upon occurrence of any of the following events: foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD. The City may use purchase options, rights of refusal or other preemptive rights to purchase the housing before foreclosure to preserve affordability. The affordability restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the termination event, obtains an ownership interest in the housing.

The Resale provision will be used where the City, sub-recipient, CHDO, or other entity will be financing the loan for the homebuyer and the sub-recipient, CHDO, or other entity have a long term vested interest in the project (such as land trust) or where the sub-recipient, CHDO or other entity has established an agreement with the homebuyer's lender that will ensure compliance with the resale provisions even in the event of a foreclosure or transfer in lieu of.

Under the Recapture provision, if the homebuyer transfers the property, voluntarily or involuntarily, the City will recapture only HOME funds that were used as a direct subsidy to the homebuyer for the purchase of the property. The direct subsidy can only be recaptured from the "net proceeds" of the sale of the property. The "net proceeds" shall be defined as sales price minus superior loan repayment (other than HOME funds) and any closing costs. The City will not recapture more than what is available from the "net proceeds" of the sale of the property.

The following Recapture options will be used for all direct subsidies to a HOME low-income eligible homebuyer:

Reduction during the Period of Affordability. This option will be used if the only HOME funds in the property were in the form of a direct subsidy to the homebuyer to reduce the amount of the mortgage and pay for closing costs; or in addition to a direct subsidy, HOME funds were used to rehabilitate the property and the amount of the rehabilitation was less than the direct HOME subsidy. The City will reduce the amount of the direct HOME subsidy on a pro-rata basis for the time the homebuyer has owned and occupied the property, measured against the required period of affordability. The following ratio will be used to determine the amount of the direct HOME subsidy that will be captured from the available "net proceeds".

- Divide the number of years the homebuyer occupied the home by the period of affordability,
- Multiply the resulting figure by the total amount of direct HOME subsidy originally provided to the homebuyer.

Number of years homebuyer occupied the home X Total direct HOME subsidy = Recapture
Period of affordability Amount

Shared and Prorated Net Proceeds. This option will be used if the amount of HOME funds used to rehabilitate the property were equal to or greater than the amount of the direct subsidy to the homebuyer. The homebuyer shall receive a pro rata share of the net proceeds based on a percentage of time (on a monthly basis) the homebuyer has occupied the property during the period of affordability and the City shall receive all the remaining net proceeds. The homebuyer's percentage of the net proceeds is calculated by taking the number of months the homebuyer has occupied the property (rounding up) divided by the number of months in the period of affordability.

- Divide the number of months the homebuyer occupied the home by the number of months in the period of affordability,
- Multiply the resulting figure by the total amount of net proceeds

Number of months homebuyer occupied the home X Total Net Proceeds = Recapture
Amount
Number of months in Period of Affordability

The period of affordability will be based on the total amount of direct HOME subsidy (down payment assistance, home buyer subsidy, closing costs) provide to the homebuyer. The City will use a promissory note, which will be secured with a deed of trust placed on the property, to ensure that the period of affordability is met. In the event the property is sold, the City will recapture from the available "net proceeds" all or a portion of the direct HOME subsidy provided to the homebuyer.

The affordability restrictions may terminate upon occurrence of any of the following events: sale, short sale, foreclosure, and transfer in lieu of foreclosure or assignment of an FHA insure mortgage to HUD. The City may use purchase options, rights of refusal or other preemptive rights to purchase the housing before foreclosure to preserve affordability.

The Recapture provision will be used where the homebuyer uses a financial institution, such as, but not limited to, a bank, mortgage company, or credit union, to finance the principal amount of the purchase of the property and the City, sub-recipient, CHDO, or other entity does not have an agreement with the homebuyer's lender to ensure the period of affordability through the resale provision.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

The City will use the following table in determining the Period of Affordability for the Resale provision of Homebuyer activities:

<u>Total HOME Investment in Unit</u>	<u>Period of Affordability</u>
Under \$15,000	5 years
\$15,000 & \$40,000	Between 10 years
Over \$40,000	15 years

The City will use the following table in determining the Period of Affordability for the Recapture provision of Homebuyer activities:

<u>Direct HOME Subsidy in Unit</u>	<u>Period of Affordability</u>
Under \$15,000	5 years Between
\$15,000 & \$40,000	10 years Over \$40,000
15 years	

***Note: Repayment of the direct HOME subsidy does not terminate the period of affordability and the homebuyer is still subject to the principal residence requirement unless the repayment is the result of a transfer, either voluntarily or involuntarily. ***

The City will use the following table in determining the Period of Affordability for all rental project activities:

<u>Total HOME Investment in rental Project</u>	<u>Period of Affordability</u>
Under \$15,000	5 years Between
\$15,000 & \$40,000	10 years Over \$40,000
15 years New Construction	20 years

The City will use either the resale or recapture provisions as outlined in number 2 above to enforce the period of affordability for homebuyers. All written agreements with the homebuyers will outline the period of affordability, principal residence requirement, and the resale or recapture provision that will be used to ensure the period of affordability. The City will secure the all HOME investments for homebuyer and rental activities with proper security instruments, such as promissory notes, deeds of trust, and declarations of restrictive covenants, placed upon the property to ensure the period of affordability.

Upon the satisfaction of the period of affordability by the homebuyer, the homebuyer shall be entitled to all "net proceeds" for the sale of the property and/or will no longer be obligated to use the property as their principal residence.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

Mesa does not use HOME funds to refinance existing debt secured by multifamily housing that is being rehabilitated with HOME funds.

**Emergency Solutions Grant (ESG)
Reference 91.220(l)(4)**

1. Include written standards for providing ESG assistance (may include as attachment)

Evaluating Individual and Family Eligibility

The City and any recipient agencies will conduct an initial evaluation to determine each individual or family's eligibility for ESG assistance and the amount and types of assistance the household needs to regain stability in permanent housing. The evaluation will be conducted in accordance with the centralized assessment requirements of the Maricopa County Continuum of Care.

Eligibility requirements for the rapid re-housing and prevention components of the program include:

- The program participant must meet the criteria under paragraph (1) the "at risk of homelessness" definition or who meet the criteria in paragraph (2), (3), Or (4) of the homeless definition in 576.2 for homeless prevention assistance.
- City of Mesa resident for at least 3 months or evicted from Mesa residence within past 1-4 months.
- Household must meet both of the following circumstances: (1) no appropriate subsequent housing options have been identified; and (2) the household lacks the financial

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

Coordination among emergency shelter providers, essential services providers, homeless prevention and rapid re-housing assistance providers, other homeless assistance providers, and mainstream services and housing providers will be done through ongoing participation in the Maricopa County COC, HMIS sharing, the City of Mesa HCDAB and its homeless subcommittees formed over time and efforts by Mesa to foster case managers to share information and resources to assist each other and their clients. Mesa and all ESG recipients will continue to be active member of the COC. The City of Mesa continues to work with the Maricopa County COC to institute a centralized or coordinated assessment system over time that works for all members and supportive housing providers throughout the region.

After initial evaluation, a program participant will meet with his or her caseworker on a monthly

basis. The recipient will be connected to appropriate supportive services.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

The City of Mesa plans on continued implementation of the ESG program with sub-recipients to administer emergency shelter support and other eligible activities. All ESG providers shall be selected via a competitive process under the auspices of the Mesa Housing and Community Development Advisory Board (HCDAB). ESG provider selections and allocations by the HCDAB will be based on a combination of both technical and presentation scores. Mesa Housing and Community Development Department staff makes recommendations to the HCDAB and Cultural and Community Development subcommittee for their review and consideration, with final adoption made by the City Council.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

The City of Mesa may establish an interim Homeless Advisory Subcommittee to the HCDAB which would provide homeless individuals direct input policy and funding decisions. Homeless participation is and will continue to be secured through consultation with the Maricopa Association of Governments.

5. Describe performance standards for evaluating ESG.

Agencies that are awarded ESG resources will be monitored to insure that program guidelines are being followed. In addition, before reimbursement can be made, verification will be required including certification of homelessness, and supporting documentation as specified in our sub recipient contract.

Specific performance objectives and outcomes for all City of Mesa programs are:

Case Management Services:

- 80% of program participants have a monthly services transaction and housing plan in HMIS
- 30% of program participants will see an increase in self-sufficiency scores by 20 percent

Coordination of Services:

- Improved Care coordination between housing partners and mainstream resources

Tenant Based Rental Support Under Rapid re-Housing:

- At Least 20 households assisted with rental support

Housing Relocation & Stabilization Services Under Rapid Re-Housing and Homeless Prevention:

- At least 10 households assisted.

The City of Mesa has consulted and will continue to consult with the CoC regarding the performance standards for activities funded under ESG by discussing how best the HMIS system and the CoC can produce uniform reports for all recipients and provide detailed and improved reports for the ESG program.

Discussion

The consistency with the Consolidated Plan, annual action plan and CAPER, will be used as a guide for which performance standards will be recorded, tracked and produced in monthly or quarterly reports. Further assessments such as what worked using HUD funds, the most pressing needs for clients, barriers to permanent and transitional housing, the connection of other mainstream resources and outcomes of families and individuals upon completion of a program will be reported to the CoC.

The City of Mesa will continue to use monitoring standards outlined in the Consolidated Plan as well as other procedures. Mesa has, and will continue, to assess and update its monitoring standards and staffing commitment to effectively implement ESG regulations now and going forward in a way that responds to dynamic community needs.