



City Council Report

Date: April 20, 2015

To: City Council

Through: Michael Kennington, Chief Financial Officer

From: Tammy Albright, Housing and Community Development Director
Ray Thimesch, Development Project Coordinator

Subject: FY 2015-2019 Five Year Consolidated Plan, FY 2015/2016 Annual Action Plan, and Analysis of Impediments to Fair Housing Choice

Resolutions Authorizing:

1. Approval of the FY 2015/2019 Five Year Consolidated Plan and Analysis of Impediments to Fair Housing Choice
2. Approval of the FY 2015/2016 Annual Action Plan
3. CDBG Funding for For-profit Organizations (FY 2015/2016)
4. CDBG Funding for Non-profit Organizations (FY 2015/2016)
5. CDBG Funding for City Department Projects (FY 2015/2016)
6. HOME Funding for For-profit Organizations (FY 2015/2016)
7. HOME Funding for Non-profit Organizations (FY 2015/2016)
8. HOME Funding for City Department Projects (FY 2015/2016)
9. ESG Funding for All Projects (FY 2015/2016)
10. Human Services for Non-profit Organizations (FY2015/2016)

Council District: Citywide

**Strategic
Initiatives**



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Purpose and Recommendation

The purpose of this report is to request that City Council approve the City's FY 2015/2019 Five Year Consolidated Plan (CP), the FY 2015/2016 Annual Action Plan (AAP), and the Analysis of Impediment to Fair Housing Choice (AI) for submittal to the Department of Housing and Urban Development (HUD). The CP will provide the City guidance for future goals based on the needs identified in the AI. The AAP includes the proposed activities and funding allocations for the FY2015/2016 Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), and Emergency Solutions Grant (ESG) programs to address the needs identified in the CP and AI.

Background

The City of Mesa's CP and AI outline the priorities and preferences by which the City's Community Development Block Grant (CDBG) Program, HOME Investment Partnership (HOME) Program, and Emergency Solutions Grant (ESG) Program funds will be invested over the next five years and the new boundaries of the CDBG target area. The AAP provides the City the opportunity to address those priorities and preferences for each fiscal year.

On November 3, 2014, the City Council approved the second substantial amendment to the FY 2010/2014 Five Year Consolidated Plan. The amendment established a preference for the following individuals:

1. Persons with disabilities as defined by HUD;
2. The elderly (62-74) and the frail elderly (>75);
3. Homeless persons as defined by HUD; and,
4. Professionals per federal regulation changes (Examples: teachers and artists)

It is the intent of the Housing and Community Development staff to continue to have these preferences in the new consolidated plan.

Based on a Needs Assessment and Market Analysis, the CP identified and ranked 7 priority needs. In addition, the City of Mesa's AI reviewed data from many sources to determine whether barriers may exist to fair housing choice in the community. The AI identified three such impediments and proposed recommendations. A copy of the CP and AAP (Attachment A) and the AI (Attachment B) has been provided for review. In addition, a summary of the CP priorities and priority levels and the summary of impediments and recommendations can be found as the following attachments to this report:

- Attachment C – 2015-2019 Consolidated Plan Summary of Plan Priorities
- Attachment D – 2015-2019 Analysis of Impediments Summary of Impediments and Recommendations

Housing and Community Development and Information Technology staff also examined data from the 2006-2010 American Community Survey and created a new proposed CDBG target area.

The CP, AAP, AI and the new CDBG target area were presented to the Housing and Community Development Advisory Board on February 5, 2015. The board recommended the approval of the CP, AI, and AAP and the new proposed CDBG target area with the following modifications to the summary documents:

- Priority Need #2 – Increase and Maintain Affordable Housing Stock: Remove reference to units with 3+ bedrooms.
- Priority Need # 3 – Decrease Homelessness: Clarify that there is a need for both shelter and permanent facilities for both single men and women. The recommendation was to create an additional bullet point in the associated activities to clarify the current needs.
- Priority Need #5 – Implement Transit-Oriented Strategies for Community Development: Change the priority level of from Medium to High.

The CP, AAP, AI and the new proposed CDBG target area were presented to the Community and Cultural Development Committee on February 5, 2015. The committee recommended the approval of the CP and AI with the following modifications:

- Priority Need #5 – Replace Execute slum and blight removal projects along the light rail corridor with Address slum and blight removal projects along the light rail corridor.

The Committee also recommended that a second option for the CDBG target area be added. The second proposed CDBG Target Area would encompass an area from University Drive to Broadway Road from the western border of Mesa to Meridian Road. Copies of the two proposed CDBG target areas can be found as the following attachments:

- Attachment E: Option 1 – CDBG Target Area 1
- Attachment F: Option 2 – CDBG Target Area 2

The funding recommendations included in the AAP and Human Services have been presented and modified in several public forums over the past fiscal year. These forums include:

- Public Hearing #1- Soliciting public input and comment for CDBG, ESG, and HOME projects for the upcoming fiscal year FY 15/16 October 12, 2014
- Housing and Community Development Advisory Board (HCDAB) – January 7 & 8, 2015
- Economic Development Advisory Board (EDAB) – January 6, 2015

- Community & Cultural Development Committee – February 5 & 9, 2015
- City Council Study Session – February 26, 2015
- Housing and Community Development Advisory Board - April 2, 2015 (Required Public Hearing #2)

Discussion

Mesa's Annual Action Plan for FY 2015/2016 contains the short-term goals and strategies, including specific activities recommended for funding through the CDBG, HOME, and ESG programs. The AAP is consistent with the Five-Year Consolidated Plan that incorporates objectives that foster the availability/accessibility, affordability, and sustainability of: 1) decent housing; 2) a suitable living environment; and 3) economic opportunity. The AAP attempts to achieve these objectives through targeted efforts to address priority affordable housing, homelessness, special needs and community development (non-housing) issues.

The following is the funding allocations the City received from HUD for the 2015/2016 fiscal year.

CDBG	\$3,199,268
HOME	\$932,007
ESG	\$282,825
Human Services	\$720,000

See Attachment H for projects funded for FY 2015/2016.

Authorization is requested to approve the 5-year CP, the AI, and AAP funding recommendations with resolutions authorizing the City Manager to proceed with the submission to HUD for FY2015/2019 CP, AI, and FY2015/2016 AAP funding through the CDBG, HOME, and ESG programs. Mesa's application is due to HUD by May 15, 2015.

Authorization is also requested to approve the FY 2015/2016 funding for the Human Services to the nonprofit organizations.

The required 30-day public comment period concluded on April 16, 2015. All comments received during the 30-day public comment period will be forwarded to the Department of Housing and Urban Development (HUD) as part of the Annual Action Plan as required. As of March 31, 2015, the following comments have been received (see Attachment G).

Staff has recommended the approval of the CP, AAP, and AI with the Option 2 – CDBG Target Area 2.

Fiscal Impact

As an entitlement community, the City of Mesa is required to submit to the Department of Housing and Urban Development (HUD) a 5 year Consolidated Plan, Annual Action Plan and the associated Analysis of Impediments. If these documents are not submitted to HUD, the City of Mesa could lose Federal HUD funding.

Coordinated With

The proposed CP, AI, AAP and CDBG target area have been reviewed with citizens, City departments, the Housing and Community Development Advisory Board, and the Community & Cultural Development Board.

These meetings meet the Citizen Participation requirements set by HUD for participation in these federal programs.