

Date: May 16, 2016

To: City Council

Through: Natalie Lewis, Deputy City Manager
Ruth Giese, Community Service Director

From: Elizabeth Morales, Housing and Community Development Director
Ray Thimesch, Housing Revitalization Administrator

Subject: FY 2016/17 Annual Action Plan

Resolutions Authorizing:

1. Approval of the FY 2016/2017 Annual Action Plan
2. CDBG Funding for For-profit Organizations (FY 2016/2017)
3. CDBG Funding for Non-profit Organizations (FY 2016/2017)
4. CDBG Funding for City Department Projects (FY 2016/2017)
5. HOME Funding for For-profit Organizations (FY 2016/2017)
6. HOME Funding for Non-profit Organizations (FY 2016/2017)
7. HOME Funding for City Department Projects (FY 2016/2017)
8. ESG Funding for All Projects (FY 2016/2017)
9. Human Services for Non-profit Organizations (FY2016/2017)

Council District: Citywide

**Strategic
Initiatives**



Purpose and Recommendation

The purpose of this report is to request the Mesa City Council to approve the City of Mesa's FY 2016/17 Annual Action Plan ("FY 16/17 AAP") for submittal to the Department of Housing and Urban Development ("HUD"). Authorization is requested to approve the funding recommendations with resolutions authorizing the City Manager to proceed with an application to HUD for FY2016/2017 funding through the CDBG, HOME, and ESG programs. In addition,

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a single resolution approving the FY 16/17 AAP is also requested. Mesa's application is due to HUD 45 days prior to the 2016/17 fiscal year, but no later than July 1, 2016.

The above actions are requirements to receive the annual federal awards. The Master Housing Plan, published in 2003, sets the City of Mesa policy and guidance on how and where to spend the federal dollars allocated to the City by HUD; the Master Housing Plan is due to be updated soon. Staff will come back to request City Council direction to the design and process of the Master Housing Plan update by June 2016.

In addition, staff will be performing additional oversight and monitoring of the CDBG funding for Economic Development ("ED") activities due to their complex goals and outcomes; staff will be requesting quarterly narrative reports from the agencies performing the ED activities that demonstrate the accomplishments achieved towards the goals and outcomes stated in their original applications. Staff will evaluate these accomplishments and forward the report to Council. The non-profit organizations to be provided with CDBG funding for ED are NEDCO and West Mesa CDC.

Background

The FY 16/17 AAP includes the proposed activities and funding allocations for FY 2016/17 Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME) projects, Emergency Solutions Grant (ESG), and Human Services Programs to address the needs identified in the FY2015-2019 Five-Year Consolidated Plan that was approved in 2015. The FY 16/17 AAP is consistent with the City's Five-Year Consolidated Plan that incorporates objectives to foster the availability, accessibility, affordability, and sustainability of: 1) decent housing; 2) a suitable living environment; and 3) economic opportunity. The FY 16/17 AAP attempts to achieve these objectives through targeted efforts to address priority affordable housing, homeless, special needs and community development (non-housing) issues.

The following is the funding allocations the City received from HUD for the 2016/2017 fiscal year.

CDBG	\$3,224,529
HOME	\$996,826
ESG	\$287,998

There is an additional \$473,192 of prior year funding and program income that will be allocated to programs and projects.

In addition, Human Services funding from the ABC program and the general funds total \$770,000. This is contingent the Council approving an additional \$50,000 for Human Services in the budget process, Staff will seek direction from the Community & Cultural Development Committee on which agencies and programs will receive these additional funds. See Attachment A for a complete list of programs and projects funded for FY 2016/2017.

The funding recommendations included in the FY 16/17 AAP, which are set forth in Attachment A, have been presented and modified in several public forums over the past year. These forums include:

- Dec. 3, 2015: Public Hearing #1 - HOME: Soliciting public input and comment HOME projects at the Housing & Community Development Advisory Board (HCDAB) meeting.
- January 7, 2016: Public Hearing #1 - CDBG, ESG, and Human Services. Soliciting public input and comment for CDBG, ESG, and Human Services projects and program and HOME LIHTC Proposals at the HCDAB meeting.
- February 22, 2016: City Council Study Session - HOME LIHTC project proposals
- March 3, 2016: Public Hearing #2 - CDBG, ESG, and Human Services. Soliciting public input and comment for CDBG, ESG, and Human Services projects and program at HCDAB Meeting.
- March 9, 2016: HCDAB meeting - CDBG, HOME, ESG, and Human Services programs and projects.
- March 24, 2016: Public Hearing #3 - CDBG, HOME, ESG and Human Service projects and programs at the Community & Cultural Development Committee ("CCD").
- April 7, 2016: City Council Study Session for CDBG, HOME, ESG, and Human Services programs and projects.
- May 5, 2016 – Public Hearing #4 at HCDAB meeting for CDBG, HOME, ESG, and Human Services programs and projects.

The required 30-day public comment period concluded on May 10, 2016. The required 30-day public comment period concluded on May 10, 2016. Two comments were received during this period. Public comments included the concern of concentration of affordable housing in West Mesa and a recommendation of implementation of "Quality Life Neighborhoods" which is the model of neighborhood involvement used in Washington-Escobedo neighborhood. The public comments received during the 30-day public comment period will be forwarded to HUD as part of the FY 16/17 AAP as required.

Fiscal Impact

The City has received its FY 2016/17 award letter from HUD for CDBG, HOME and ESG funding. The City contributes \$612,000 of general funds for Human Services projects and programs.

Coordinated With

The proposed CDBG, HOME, ESG, and Human Services programs have been reviewed with applicants, citizens, other city departments, the HCDAB, and the CCD Committee.