



City Council Report

Date: July 10, 2017
To: City Council
Through: Natalie Lewis, Deputy City Manager
Ruth Giese, Community Service Director
From: Elizabeth Morales, Housing and Community Development Director
Subject: FY 2017/18 Annual Action Plan
Council District: Citywide

Purpose and Recommendation

The purpose of this report is to request the Mesa City Council to approve the City's FY 2017/18 Annual Action Plan (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 file an application with HUD for resolutions authorizing:

1. Approval of the FY 2017/2018 Annual Action Plan (AAP)
2. Community Development Block Grant (CDBG) Funding for For-profit Organizations (FY 2017/2018)
3. Community Development Block Grant (CDBG) Funding for Non-profit Organizations (FY 2017/2018)
4. Community Development Block Grant (CDBG) Funding for City Department Projects (FY 2017/2018)
5. HOME Investment Partnerships Program (HOME) Funding for For-profit Organizations (FY 2017/2018)
6. HOME Investment Partnerships Program (HOME) Funding for Non-profit Organizations (FY 2017/2018)
7. HOME Investment Partnerships Program (HOME) Funding for City Department Projects (FY 2017/2018)
8. Emergency Solutions Grant (ESG) Funding for All Projects (FY 2017/2018)
9. Human Services for Non-profit Organizations (FY 2017/2018)

The above actions are requirements to receive the annual federal awards.

Background

The Annual Action Plan (AAP) includes the proposed activities and funding allocations for FY 2017/18 Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG), and Human Services programs to address the needs identified in the FY 2015-2019 Five-Year Consolidated Plan. The AAP is consistent with the FY 2015-2019 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 Consolidated Plan priorities which are: affordable housing, homeless, special needs, and community development (non-housing) issues. The FY 2015-2019 5-Year Consolidated Plan was approved by City Council in 2015.

Funding recommendations were presented and approved by City Council on May 11, 2017. The public comment period opened from June 7- June 20, 2017. The final step by City Council is the approval of the Annual Action Plan.

Discussion

The following is the funding allocations announced by U.S. Department of Housing and Urban Development (HUD) on June 15, 2017 for the 2017/2018 fiscal year.

CDBG	\$3,210,202
HOME	\$1,018,678
ESG	\$290,296

There is an additional \$883,975 (CDBG and HOME) of prior year and program income that are not yet allocated to programs and projects. Staff will return to Council in Fall 2017 with additional recommendations for this funding. See Attachment A for programs and projects funded for FY 2017/2018.

In addition, Human Services funding from the ABC program and the General Funds amounts to \$780,000, of which \$60,000 is carried over from FY 2016/2017.

The funding recommendations included in the FY 2017/18 Annual Action Plan (Attachment A) have been presented and modified in several public forums over the past year. Housing and Community Development staff provided four pre-application trainings and four public hearings.

The required 14-day public comment period concluded on June 20, 2017. All comments received during the 14-day public comment period will be forwarded to the U.S. Department of Housing and Urban Development (HUD) as part of the Annual Action Plan (AAP) as required. As of June 20, 2017, three comments were received which recommended funding activities, using federal dollars, addressing homeless issues and affordable housing within the area of the light rail.

Alternatives

1. Approve the Annual Action Plan as recommended
2. Revise the funding recommendations outlined in Attachment A – The Council could choose to revise the funding recommendations to more closely align with Council Strategic Objectives.
3. Reject the recommendation – This will impact the ability to meet HUD’s required submission date of August 16, 2017, which could result in zero funding for the 2017/2018 fiscal year.

Fiscal Impact

The CDBG, HOME, and ESG grants are federally funded and do not receive General Funds. Human Services Program receives \$672,000 from City General Funds and \$108,000 from ABC program, which is funded with donations given by City of Mesa utility customers.

Coordinated With

The proposed CDBG, HOME, ESG, and Human Services programs have been reviewed with applicants, residents, other City departments, the Housing and Community Development Advisory Board (HCDAB), and the Community and Cultural Development (CCD) Committee.