



City Council Report

Date: November 15, 2018
To: City Council
Through: Natalie Lewis, Deputy City Manager
Ruth Giese, Community Services Director
From: Elizabeth Morales, Housing and Community Development Director
Subject: Housing and Community Development FY 2019/2020 Application Funding Process

Purpose and Recommendation

The purpose of this report is to provide an update on the Housing and Community and Development (H&CD) funding process for fiscal year (FY) 2019/2020 and receive direction on the items presented. H&CD requests direction from the City Council on the following:

FY 19/20 Funding Process Timelines – timelines for the awarding of U.S. Housing and Urban Development program funds for the following activities: Community Development Block Grants (CDBG); HOME Investments Partnership Program (HOME); Emergency Solutions Grants (ESG); the Federal Low-Income Housing Tax Credit Program (LIHTC); and the City of Mesa Human Services funds (combination of General Funds and Utility Donations).

Background and Discussion

The City is a designated entitlement community and receives annual grants on a formula basis to provide funding to be used towards affordable housing, a suitable living environment, and expansion of economic opportunities, all principally for low- and moderate-income persons.

H&CD holds an annual application process in which non-profits and developers may apply for funds to support eligible activities under the respective programs. The annual application process culminates with the City Council determining the funding awards, subject to approval by HUD.

The Arizona Department of Housing (ADOH) also conducts an annual process to receive and review proposals for the LIHTC Program. The role of the City Council in the LIHTC process is to provide a letter indicating support or non-support for proposed projects in Mesa applying for LIHTC credits. H&CD will review the proposed LIHTC projects and provide City Council with a report that identifies project merits, as well as compliance with requirements established in the City's Consolidated Plan and the City's Housing Master Plan.

The following is the proposed timeline for the upcoming FY 19/20 Funding Timeline Process:

	LIHTC	HOME	CDBG, ESG, and Human Services
Application Process Opens	11/5/18	11/5/18	12/10/18
Proposal Submission Deadline to City	12/27/18	1/16/19	1/16/19
Technical Review by City Staff	12/21/18-1/2/19	1/22/19-1/31/19	1/22/19-1/31/19
Presentations to and Evaluations by Housing and Community Development Advisory Board	1/3/19	2/26/19-2/27/19	2/26/19-2/27/19
Recommendations by Community and Cultural Development (CCD) Committee	2/14/19	TBD	TBD
Hearing Process and 30-day Public Comment Period	N/A	TBD	TBD
City Council Study Session	2/28/19	TBD	TBD

Alternatives

1. Approve the FY 19/20 federal funding and human services process timeline which meets needed timing guidelines set by HUD as set forth above.
2. Provide an alternate timeline more suitable with City Council priorities.
3. Deny approval of the FY 19/20 federal funding and human services process timeline which could result in the City missing deadlines established by HUD with possible impacts to future funding allocations.

Fiscal Impact

Congress has not yet finalized federal funding allocations for FY 19/20; however, current allocation by the Department of Housing and Urban Development for CDBG, HOME, and ESG funding is used as a guideline and for planning purposes.

Estimates of FY 19/20 federal funding are as follows:

CDBG	\$3,634,821
HOME	\$1,451,891
ESG	\$ 288,990
Total	\$5,375,702