



City Council

Date: May 9, 2019

To: City Council

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

From: Elizabeth Morales, Housing and Community Development Director

Subject: Housing and Community Development Funding
Council District: Citywide

Purpose and Recommendation

The purpose of this report is to present the City Council with the funding recommendations for the FY 2019/2020 Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME), Emergency Solutions Grant (ESG), and Human Services Programs. There is also prior year funding for HOME projects that is recommended to be carried over and to be included in the 2019/2020 funding.

As part of the preparation process of the City's Annual Action Plan (AAP) for FY 2019/2020, staff is requesting that City Council review, modify, and/or approve the attached recommendations.

In addition, this report requests approval of a new policy which states that any organization requesting federal funds from the City of Mesa must demonstrate that they have other funding sources, that are greater than 51% of the organization's total budget.

Background

The City of Mesa has participated in the federal CDBG Program for 42 years, the ESG Program for 30 years, and the HOME Program for 26 years. During this time, Mesa has been allocated over \$100 million for a variety of activities including capital improvements, housing, economic development, public services, homeless assistance, emergency shelter, and neighborhood improvements. This substantial investment by the federal government has benefitted many low- to moderate-income Mesa residents, while at the same time, significantly improving their quality of life.

Discussion

The City of Mesa was notified by the U.S. Department of Housing and Urban Development (HUD) of the funding award for FY 2019/2020 as shown below. In December 2018, Housing and Community Development Division utilized an application process to solicit proposals from non-profit agencies and City departments for use of its annual allotment of CDBG, ESG, and HOME funds, as well as the City's Human Services programs. A total of 60 applications were received as demonstrated in the following tables.

HUD Program	FY 2019/20 Allocation	Prior Year Funds	FY2019/20 Proposals Received	Applications Received
CDBG Public Service	\$559,423	\$24,443	\$663,081	9
CDBG Non-Public Service	\$2,399,724	\$0	\$3,090,560	10
HOME	\$1,220,634	\$700,000	\$1,556,810	2
ESG	\$288,990	\$0	\$773,394	6
Totals	\$4,468,771	\$724,443	\$6,083,845	27

FY2019/2020 Human Services program funding is expected to remain stable and is based on last year's initial allocation amounts. Anticipated amounts are as follows:

Human Services Program	FY2019/2020 Allocation	Prior Year Funds	FY2019/2020 Proposals Received	Applications Received
Total General Fund & ABC Contributions	\$720,000	\$0	\$1,249,683	33
Total HUD & Human Service	\$5,188,771	\$724,443	\$7,333,528	60

Proposals were reviewed and scored by evaluations committees comprised of City staff and community members for up to 70 points. On February 26 and February 27, 2019, the Housing and Community Development Advisory Board (HCDAB) heard presentations for each funding application and scored the presentations for up to 30 points. In preparation for Council review and action, the Housing and Community Development Director receives the compilation of scores and considers the Council Strategic Priorities and Goals to propose the draft recommendations. The process is designed to ensure the federal funding is invested fairly and wisely to serve Mesa's low-moderate income residents, businesses and neighborhoods. See attachment A for results.

At an April 4, 2019 Community and Cultural Development Committee (CCD) Meeting, committee members recommended for the FY 2019/2020 Community Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Solutions Grant (ESG), and Human Services Programs be approved with the reallocation of funding to include Arizona Brain Food under the Human Services Category as amended and approve a new funding request policy.

Based on this direction Arizona Brainfood was awarded \$19,000 in Human Service funds. The following agencies received adjustments between CDBG and Human

Service funding awards to make this possible: A New Leaf and Mesa Public Schools.

A copy of the Director Funding Recommendations for the CDBG, HOME, ESG, and Human Services programs can be found as the following attachments to this report:

- Attachment A - Funding Recommendations for the CDBG programs
- Attachment B –Funding Recommendations for the HOME and ESG programs
- Attachment C –Funding Recommendations for the Human Services programs
- Attachment D – HCDAB Scoring and Comments

Staff are recommending a new policy for future funding opportunities that would require organizations applying for federal funds to demonstrate that they have other funding sources, such as private donations, other federal and local grants, that are greater than 51% of the organization's total budget. This is to ensure that organizations are not solely dependent on City funding.

Alternatives

1. Revise the funding recommendations outlined in Attachments A, B and C –The can revise funding recommendations. It is the City Council's prerogative to make changes to the recommendations in order to closely align with Council Strategic Objectives.

Fiscal Impact

The CDBG, HOME, and ESG grants are federally funded and do not receive General Funds. Human Services Program receives \$612,000 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 CDBG, HOME, and ESG funding applications have been reviewed with applicants, citizens, other city departments, and the HCDAB. HCDAB scores and comments are provided in Attachment D. Staff presented recommendations to the CCD Committee in April. CCD supported the recommendations with the stipulation that Staff will include funding to Arizona Brainfood.

Final funding recommendations by Council will be included in the City's AAP that serves as its formal application to HUD for funding of the CDBG, HOME, and ESG programs. The AAP will be available for review starting May 13, 2019, and the residents of Mesa are encouraged to provide feedback during the required 30-day comment period that ends on June 11, 2019. Residents can also provide feedback during two public meetings on May 23 at 7:00 a.m. at Red Mountain Multigenerational Center or June 3 at 5:30 p.m. at Mesa City Plaza Room 170 East. Staff will return to City Council for final approval on June 17, 2019. The AAP will be submitted to HUD no later than June 30, 2019.

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

ATTACHMENT A - 19/20 CDBG Funding Awards

Agency	Project Name	Request Amt	Award
Save the Family	Homeless Families Intervention Project-Case Management	\$60,000	\$60,000
Community Bridges	Mobile Outreach and Crisis Stabilization Services	\$63,000	\$63,000
Marc Community Resources	Marc Navigation Services for Homeless Day Center and Community Court	\$130,081	\$95,081
A New Leaf	Supportive Services	\$85,000	\$85,000
A New Leaf	Homeless Shelter Services	\$60,000	\$34,785
Community Bridges	Homeless Navigation Services	\$165,000	\$165,000
Mesa Public Schools	Mesa K-Ready 2019	\$100,000	\$81,000
Total Public Service		\$663,081	\$583,866
Neighborhood Economic Development	Neighborhood Economic Development Corporation	\$125,000	\$125,000
Child Crisis Arizona	Human Services Campus Creation, Phase 2	\$250,000	\$250,000
Local First	Fuerza Local	\$25,000	\$25,000
A New Leaf	Integrated Health and Wellness Center	\$70,000	\$70,000
Boy's and Girl's Club	Facility Improvements	\$158,911	\$158,911
Chicanos Por La Causa, Inc	Mesa Royale Phase II Relocation Project	\$200,000	\$200,000
City of Mesa Parks	Jefferson Park	\$300,000	\$300,000
City of Mesa Energy Resources Department	Hibbert (Artspace) Urban Revitalization Project	\$1,065,649	\$327,682
City of Mesa	Downtown Façade	\$246,000	\$246,000
City of Mesa	Owner Rehab Program	\$650,000	\$650,000
Total NonPublic Service		\$3,090,560	\$2,352,593
19/20 Allocation		\$3,729,487	
CDBG Admin (20% Cap)		\$745,897	
CDBG Public Service (15% Cap)		\$583,866	
Amount Available to Allocate		\$2,399,724	

ATTACHMENT B - 19/20 HOME Funding Awards

Agency	Project Name	Request Amt	Amount2
City of Mesa	Tenant Based Rental Program	\$100,000	\$100,000
City of Mesa	Downpayment Assistance	\$200,000	\$200,000
Mesa Leased Housing	Broadway and Hawes Multifamily Development	\$500,000	\$500,000
Chicanos Por La Causa (CPLC)	Mesa Royale	\$1,000,000	\$1,000,000
Total			\$1,800,000
HOME FY18/19 &19/20 Funding		\$2,056,261	
HOME Admin (10% Cap)		\$135,626	
Amount Available to Allocate		\$1,920,635	

19/20 ESG Funding Awards

Agency	Project Name	Request Amt	Award
A New Leaf	Homeless Shelter Services	\$175,000	\$161,659
CASS	Homeless Shelter Services	\$50,000	\$23,394
Total Shelter		\$175,000	\$185,053
60% CAP Shelter and Outreach		\$173,394	
Save the Family/SW Lutheran Social Services	Rapid Rehousing Collaborative Grant	\$200,000	\$103,937
Total			\$288,990
Total Rapid Rehousing		\$103,937	
ESG Funding Allocation 19/20		\$308,423	
ESG Administration up to 7.5% Cap		\$19,433	
Amount Available to allocate		\$288,990	

ATTACHMENT C - 19/20 Human Services Funding Awards

Agency	Project Name	Request Amt	Award
Paz de Cristo Community Center	Nightly Meal Program 2019-2020	\$60,000	\$57,000
Maggie's Place, Inc.	Shelter Services at The Hannah House	\$25,000	\$23,750
United Food Bank	Emergency & Supplemental Food Assistance (E&SFA) Program	\$25,300	\$24,035
Arizona Brainfood	Weekend Food Bags	\$20,000	\$19,000
Save the Family	Homeless Case Management and Supportive Services	\$150,000	\$142,500
A New Leaf	Autumn House	\$50,000	\$47,500
House of Refuge, Inc	House of Refuge Adopt A Home	\$36,300	\$34,485
East Valley Adult Resources	Meals on Wheels	\$30,000	\$22,500
Mesa Community Action Network	MesaCAN Client Services and Family Self Sufficiency Program	\$150,000	\$138,500
Mesa United Way	Mesa VITA Program	\$27,426	\$20,570
Marc Community Resources	Employment Training and Placement	\$74,965	\$56,230
Child Crisis Arizona	Emergency Children's Placement Services	\$50,000	\$37,500
Teen Lifeline	Crisis Services	\$40,000	\$30,000
The Boys & Girls Clubs of the East Valley	Building Greater Futures for Mesa Youth	\$20,000	\$15,000
Oakwood Creative Care, Inc.	Programs And Therapies For Older Adults with Cognitive and Physical Challenges	\$36,000	\$24,500
Ross Farnsworth East Valley Family YMCA	YMCA Y-Kidz: Afterschool and Summer Day Camp Programs	\$10,000	\$7,000
East Valley Adult Resources	Assistance for Independent Living Volunteer Services	\$30,000	\$19,930
FY19/20 Allocation		\$720,000	\$720,000

Attachment D - Housing and Community Development Advisory Board Scores and Comments

Agency	Project	Average Score (out of 50)	Compilation of Comments from HCDAB Members
A New Leaf	A New Leaf La Mesita Property Acquisition	32	Applicant stated will provide health and wellness services with those with AHCCCS, but there are medical services \$70,000 to fund re- development phase/ architects for wellness center. Health and Wellness Clinic [physical & Funding should not exceed 2018 monies.
A New Leaf	A New Leaf Health and Wellness Property	31	
A New Leaf	Supportive Services	35	
A New Leaf	A New Leaf's Rapid Re-Housing Program	39	No comments
A New Leaf	Homeless Shelter Services	39	No comments
A New Leaf	Autumn House	40	No comments
A New Leaf	Homeless Shelter Services	40	No comments
Ability360	Mesa Home Accessibilty Program(MHAP)	34	No comments
Arizona Brainfood	Weekend Food Bags	42	Please fund this! It is sad this program is even needed. A minimum basic income would make this program unnecessary. Why not funding food banks for parents to provide food? Does this disempower parents and
Arizona Burn Foundation	HOPE Services	33	
Best Buddies International, Inc.	Best Buddies City of Mesa Inclusion Program	30	No comments
Big Brothers Big Sisters of Central	Mesa Mentoring Program	37	No comments
Catholic Charities Community Services, Inc.	Catholic Charities` Parents as Teachers	30	No comments
Central Arizona Shelter Services	Providing our Neighbors with Shelter & Support	42	Heavy community partnership to keep operational cost low(ie. meds provided thru referrals to St.Vincent/ Andre Past committed funding makes this hard not to fund. % 200,000 for 20 families= 10,000 per family for this project. This is important to care for these families however per family cost is very high. Please support helping the
Chicanos Por La Causa, Inc	CPLC Mesa Royale Mobile Home Park Phase II Relocation Project	34	

Chicanos Por La Causa, Inc	Phase 2- Townhomes	22.3	#1 - An organization with good track record and a good yet flexible plan. Greatest concern is the relatively small number of affordable homes that result from investment. I hope the City is continuing to explore options on provision of spectrum of affordable homes. Apartments as this project will be a part of the solution but much more is needed. #2 - What started out as a blighted mobile home park problem has certainly sky rocketed into a major development project on Main St. Reminds me of the redevelopment of blighted areas in Chicago where the affordable housing was removed for the gentrification of neighborhood. #3 - While I believe the best avenue for future growth of this area is ownership, I am concerned by the apartments. This is not been discussed and described previously. Apartments in that area are not conducive to balance of schools and neighborhoods. #4 - Great project- longterm vision for redevelopment of large mobile home park. #5 - Cost per unit too high, design is not marketable, number of units too low. Did not pursue LIHTC funding. Appears HOME funds are not being used in the most effective way. This is a redevelopment effort, not an affordable housing effort. #6 - Why three stories? If Mayor and City staff already support then why is it being presented?
Child Crisis Arizona	Child Crisis Arizona Human Services Campus Creation, Phase 2	35	The expansion should not be concentrated in West Mesa using CDBG funds. Funds should be spread out around the city.
Child Crisis Arizona	Early Education Services - Mesa Early Head Start	33	No comments
Child Crisis Arizona	Emergency Children's Placement Services	38	No comments
Chrysalis Shelter for Victims of Domestic Violence, Inc.	Shelter Services	40	No comments
Circle the City	East Valley Neighborhood Partnership	44	No comments
City of Mesa Energy Resources Department	Hibbert (Artspace) Urban Revitalization Project	21	Underground utility for \$1 million could be funded by other municipal sources/ taxes. Who does this truly benefit?
Community Bridges	CBI Homeless Navigation Services	35	Improving aesthetics can increase rental cost and does not seem more necessary than any other location, nor a No comments
Community Bridges	Mobile Outreach and Crisis Stabilization Services	39	Do you know the cost savings estimate this program provides public safety and emergency medical services annually? Social impact financing
Desert Sounds Performing Arts	Jeremy Project Mesa	32	Consider the impact \$13,700 will have for this organization also consider funding \$7,450 to fund 10 instrument
Desert Sounds Performing Arts	Mariachi Sones del Desierto	31	Can City of Mesa sustainably fill the education funding gap? Instrument cost could be a tremendous support.
East Valley Adult Resources	Assistance for Independent Living Volunteer Services	39	No comments
East Valley Adult Resources	Meals on Wheels	43	Essential program.
Habitat for Humanity Central Arizona	Owner Occupied Housing Repair, Accessibility Modifications, and Aging in Place Services	33	No comments
Homeless Youth Connection	Empowering Youth For The Future	42	Only asking \$15k which is good return on investment
Homeless Youth Connection	Empowering Youth For The Future	40	No comments
Homeless Youth Connection	Empowering Youth For The Future	40	No comments
House of Refuge, Inc	House of Refuge Adopt A Home	40	Critical service for vulnerable families
House of Refuge, Inc	Sewer Replacement	39	Sewer replacement is a critical need and obligation for public facilities. 31 out of 88 sewers replaced with this money shows substantial funding found through other sources. No brainer! Please fund.
International Rescue Committee	Holistic Services for Refugees, Asylum Seekers, and Foreign National Victims of Crime	34	No comments

Jewish Family and Children's Service	Integrated Health Navigation & Bridging Mental Health and Primary Care Services	36	JFCS has strong history of wholistic Health care clinics. Why expand to Mesa?
Junior Achievement of Arizona	Providing Junior Achievement's Critical	36	High volunteer engagment.
Labor's Community Service Agency	Securing Help in Family Transportation SHIFT	36	Why maintenance is important? How have you seen financial goals.
Local First Arizona Foundation	Fuerza Local (continuing project)	36	No comments
Maggie's Place, Inc.	Shelter Services at The Hannah House	41	No comments
Marc Community Resources	Marc Navigation Services for Homeless Day	40	No comments
Marc Community Resources	Employment Training and Placement	42	No comments
Mesa Community Action Netowrk	MesaCAN Client Services and Family Self Sufficiency Program	43	No comments
Mesa Community Action Netowrk	MesaCAN's Assets to Opportunity Program	36	Very similar to Newtown CDC, who New Leaf already partners with.
Mesa Public Schools	Mesa K-Ready 2019	34	Great Resource but shows no collaboration on other funding streams. Budget and Documentation do not appear thorough.
Mesa United Way	Mesa VITA Program	39	Large return on investment for low income Mesa residents. Cost saving from not paying tax preparing services. Why it's important to do year round tax services.
Neighborhood Economic Development Corp.	Neighborhood Economic Development Corporation (NEDCO)	38	Great service goals, but other applicant with similar service breaks down what it offers more thoroughly and appears to do more with less CDBG funds.
Oakwood Creative Care, Inc.	Programs And Therapies For Older Adults with Cognitive and Physical Challenges	38	No comments
Paz de Cristo Community Center	Nightly Meal Program 2019-2020	42	.90 cents per meal for this funding seems ro be excellent ROI Talked about volunerring, 650 volunteers @ meals - 800 per month total.
Purple Ribbon Council to Cut Out	BLOOM IT UP Mesa	38	New program in Mesa(2012) but with locations/ services(staff of 12). founded 2006. How long has Blom been
Ross Farnsworth East Valley Family YMCA	YMCA Y-Kidz: Afterschool and Summer Day Camp Programs	36	No comments
Save the Family	Homeless Families Intervantion Project-Case Management	43	Comprehensive support services provided to vulnarable families. Very important & needed program.
Save the Family	Homeless Case Management and Supportive Services	41	No comments
Save the Family- Lutheran Social Services of the SW Collaborative Grant	Lutheran Social Services of the SW Collaborative Grant	39	65% will enter permanent housing 50% will maintain that housing for 6 months post program- so that's 32% of families , \$200,000 to help families [6-7 singles] be in stable housing 6 months after the program that not good ROI (High need but not high benefit for long term investment).
Si Se Puede Foundation	Si Se Puede Foundation Science, Technology, Engineering, and Mathematics (STEM) program	37	No federal funding background but local. Partnerships with funding partners as well as academic partners such as ASU and Local school volunteers. Please fund this program!
Southwest Fair Housing Council	Fair Housing Education and Enforcement	37	No comments
Teen Lifeline	Crisis Services	43	Application did not specifically answer application questions, also proposed budget not complete. Reduce first responder costs.
The Boys & Girls Clubs of the East Valley	Building Greater Futures for Mesa Youth	35	35% increase funding for staff salary 60-70% of students at the school attending.

United Food Bank	Emergency & Supplemental Food Assistance (E&SFA) Program	43	No comments
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