



City Council

Date: July 8, 2020
To: City Council
Through: Natalie Lewis, Deputy City Manager
Ruth Giese, Community Services Director
From: Michelle Albanese, Housing and Community Development Director
Subject: FY 2020-2024 Five-Year Consolidated Plan, FY 2020/2021 Annual Action Plan, Analysis of Impediments to Fair Housing Choice, and FY 2020/2021 CDBG, HOME, and ESG Funding Recommendations
Council District: Citywide

Resolution Authorizing:

A resolution approving and authorizing the submittal of the City of Mesa Five-Year Consolidated Plan for FY 2020/2021(CP) through 2024/2025, Analysis of Impediments to Fair Housing (AI), and the Annual Action Plan for FY 2020/2021 (AAP), and authorizing the submittal of applications to receive Entitlement Funds for FY 2020/2021 under the United States Department of Housing and Urban Development Community Development Block Grant Program (CDBG), Emergency Solutions Grant Program (ESG) and the HOME Investment Partnerships Program (HOME) to fund activities approved by the City Council, and authorizing the disbursement and expenditure of funds received pursuant to the amendments.

Purpose and Recommendation

The purpose of this report is to request the City Council approve the City's CP, AI, AAP and funding recommendations for CDBG, HOME, and ESG Programs. These actions are requirements of HUD to receive the annual federal awards of CDBG, HOME, and ESG funding.

Background

The City of Mesa has participated in the federal CDBG Program for 44 years, HOME Program for 28 years, and ESG Program for 32 years and has received over \$100 million to deliver critical services to low- to moderate-income persons whose income falls below 80% of the area median income (AMI.) This substantial investment, provided through the Department of Housing and Urban Development (HUD), has benefitted many Mesa residents by significantly improving their quality of life, while also revitalizing and preserving neighborhoods. These federal programs fund a variety of activities including capital improvements, housing, public services, homeless assistance, emergency shelter and transitional housing, and neighborhood improvements.

Recipients of HUD funds are required to develop a plan every five years to assess the needs of the community and prioritize services to be provided to meet those needs. The CP contains a range of goals, objectives, and outcomes formulated to address needs identified for homelessness, other special needs, affordable housing, community development, barriers to affordable housing, and lead-based paint hazards. The main sections of the CP include a Housing Market Analysis, Housing and Homeless Needs Assessment, Five Year Strategic Plan, consultation and citizen participation, and public comments received. The AAP identifies how priorities will be addressed each year and includes the proposed activities and funding allocations for FY 2020/2021 CDBG, HOME, and ESG funding.

Recipients of grant funds from HUD are required to complete an AI as part of their obligation to affirmatively further fair housing under the Fair Housing Act. Identifying impediments provides municipalities the opportunity to determine which of those impediments fall within their control and capacity and identify steps to address those impediments.

Discussion

Proposed activities and funding allocations for FY 2020/2021 CDBG, HOME, and ESG programs are included in the AAP to address the needs identified in the CP. The AAP is consistent with the CP and incorporates HUD's 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 issues of affordable housing, homelessness, special needs, and non-housing community development.

Fiscal Impact

HUD notified the City on February 24, 2020 of the FY 2020/21 funding allocations for CDBG, ESG and HOME. There is an increase in funding of 9% for CDBG, 11% for HOME, and 6% for ESG. Unallocated prior year's funding and program income is also available and will be reprogrammed for eligible HOME and CDBG projects.

	FY 2020/2021 Estimated Allocation	FY 2020/2021 Final Allocation	Increase in HUD Funding
Community Development Block Grant	\$3,729,487	\$4,066,246	\$336,759
Home Investment Partnership Program	\$1,356,261	\$1,510,846	\$154,585
Emergency Solutions Grant	\$308,423	\$327,701	\$19,278

The City anticipates receiving \$4,066,246 in CDBG funds for FY 2020/21 and has an additional \$1,943,150 available for reprogramming, for a total of \$6,009,396. The estimated HOME allocation for FY 2020/21 is \$1,510,846, plus \$239,800 available for reprogramming, for a total of \$1,750,646. The estimated ESG allocation for FY 2020/21 is \$327,701. These funding amounts are based on HUD's preliminary allocation notice and are subject to change until the Final Award Letter is received and the Funding Agreement is executed. The Housing and Community Development Director may adjust the allocations of CDBG, HOME, and ESG funds as necessary (increase or decrease)

based upon final HUD allocations.

At the April 23, 2020 City Council Study Session meeting the Council approved the CDBG, HOME, and ESG funding recommendations for the FY 2020/2021 AAP. City staff has prepared a resolution for City Council approval.

The CP, AAP and AI was developed in consultation with Mesa residents, non-profit agencies, city departments, other partnering agencies, and local jurisdictions. The draft plans were presented to and modified as a result of several public forums over the past year, including grant training sessions for subrecipients.

The development of the CP, AAP and AI require public participation to ensure the community has an opportunity to provide input and comment. The City hosted two focus group meetings, two community meetings, and two public hearings throughout the process. Presentations were made to the Housing and Community Development Advisory Board and Community and Cultural Development Committee.

The required 30-day comment period concluded on May 26, 2020. Comments received at the public hearings and during the 30-day comment period have been incorporated in the CP. The public hearings conducted, and 30-day public comment period meet the Citizen Participation requirements set by HUD.

Alternatives

Staff has identified alternatives regarding the FY 2020-2024 Five-Year Consolidated Plan, FY 2020/2021 Annual Action Plan, Analysis of Impediments to Fair Housing and funding for FY 2020/21 CDBG, HOME, and ESG Programs.

1. Approve the FY 2020-2024 CP, FY 2020/2021 AAP, AI and funding recommendations outlined in Attachment A – Approval of the plans and acceptance of the attached recommendations will provide a balanced mix of housing activities, public services, homeless services, and assistance to non-profit agencies that will help improve the quality of life for Mesa residents and Mesa neighborhoods. These funding recommendations are consistent with the goals outlined in the 5-Year HUD Consolidated Plan.
2. Make changes to FY 2020-2024 CP, FY 2020/2021 AAP, or AI or modify the funding recommendations in the AAP and outlined in Attachment A – Make additional changes to the CP, AAP, AI or funding recommendations. This is permitted but would require republishing public notices and holding new public meetings. This would require a special Council meeting and possibly result in late submission of required documents to HUD.
3. Deny the FY 2020-2024 CP, FY 2020/2021 AAP, AI and FY 2020/2021 funding recommendations outlined in Attachment A – The Council could choose to deny the CP, AAP, AI and funding recommendations. This alternative prevents the City of Mesa from receiving federal CDBG, HOME, and ESG funds from HUD.

Coordinated With

The FY 2020-2024 CP, FY 2020/2021 AAP, AI and FY 2020/2021 funding applications and recommendations have been made public and reviewed with applicants, citizens, other city departments, the Housing and Community Development Advisory Board (HCDAB) and Community and Cultural Development (CCD) Board.