

FY 2026/2027 Annual Funding Recommendations

City Council Study Session

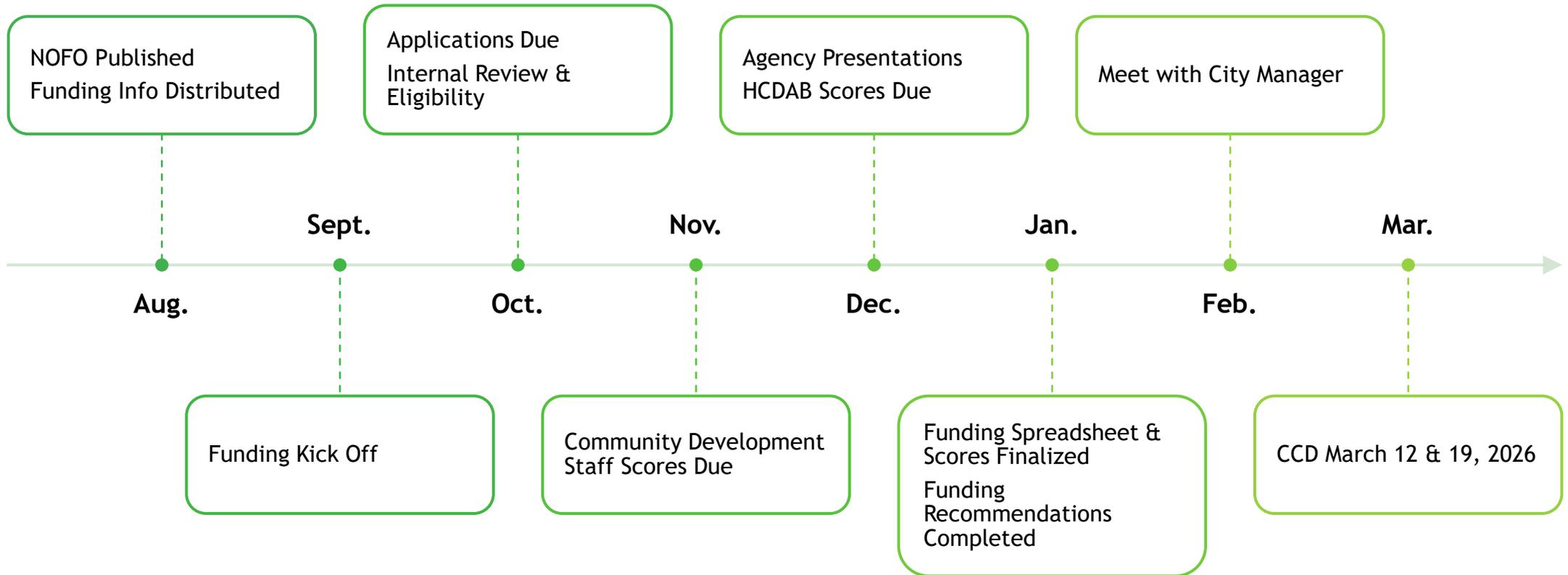
**Michelle Albanese, Housing and Community Development Director
Justin Boyd, Housing and Community Development Administrator**

March 26, 2026

HUD and Local Funding Sources

- Federal Programs: Community Development Block Grant (CDBG)
- HOME Investment Partnerships Program (HOME)
- Emergency Solutions Grant (ESG)
- Local Programs: Human Services and A Better Community (ABC)

Timeline



Funding Considerations



City Council
Strategic Priorities



Eligible Activity



Regulatory
Compliance



Agency Capacity



HCDAB & Staff
Scoring

Community Development Block Grant (CDBG)

- CDBG is a federal HUD program that provides flexible funding to cities to address community development needs
- Funds primarily benefit low- and moderate-income residents
- Typical uses include housing rehabilitation, public facility improvements, neighborhood infrastructure, and limited public services

Eligible CDBG Activities

- Public Service Activities (subject to 15% cap):
 - Homeless services and housing stability programs
 - Senior services, youth programs, and food assistance
 - Case management and supportive services
- Non-Public Service Activities:
 - Housing rehabilitation programs
 - Public facility and accessibility improvements
 - Neighborhood infrastructure improvements (sidewalks, lighting, drainage)
 - Code enforcement and blight removal
 - Economic Development

Lower-Risk CDBG Non-Public Service Activities

- Emergency Rehabilitation Programs - Health and safety repairs for low-income homeowners
- Public Facility Improvements - Parks, community centers, and ADA accessibility modifications
- Neighborhood Infrastructure Improvements - Sidewalks, lighting, drainage, and accessibility improvements
- Code Enforcement and Blight Removal - Addressing unsafe structures and neighborhood deterioration

Higher-Risk CDBG Non-Public Service Activities

- Economic development activities -
 - Projects that rely on job creation or retention requirements
 - Require detailed documentation showing jobs primarily benefit low- and moderate-income persons
- Property acquisition for future redevelopment -
 - Development timelines can delay project completion and expenditure deadlines
 - Projects dependent on future financing, environmental review, other regulatory requirements - increase project costs
- Large multi-partner development projects -
 - Activities involving multiple funding sources or development partners that
 - Increase administrative complexity and implementation timelines

FY 26/27 CDBG Estimated Funding Available

CDBG Entitlement	\$	3,675,410
20% Program Administration	\$	735,081
65% Non-Public Services	\$	2,389,017
15% Public Services	\$	551,312

15% Public Services + Program Income \$21,928 = \$573,240

CDBG Funding

Public Services

Agency	Project Name	Recommended Award
Family Promise - Greater Phoenix	Mesa Family Shelter Program	\$ 85,820
Child Crisis Arizona	Early Education Services for Low-Income Mesa Families	\$ 80,000
Central Arizona Shelter Services (CASS)	Emergency Shelter for Mesa Adults & Seniors - Single Adult Shelter & The Haven Senior Shelter	\$ 63,191
A New Leaf	Housing Support Services - La Mesita & Desert Leaf	\$ 51,703
COM - Office of Homeless Solutions	Navigation Services	\$ 292,526
	Total	\$ 573,240

Non-Public Services

Agency	Project Name	Recommended Award
City of Mesa (Set Aside)	Emergency Rehabilitation Program	\$ 2,389,017
	Total	\$ 2,389,017

HOME Investment Partnerships Program

- HOME is HUD's primary program for creating and preserving affordable housing.
- Funds support development and rehabilitation of affordable rental housing.
- Additional uses include homebuyer assistance and tenant-based rental assistance for low-income households.

FY 26/27 Estimated Funding Available

HOME		
HOME Entitlement	\$	1,293,065
Less 10% Program Administration	\$	129,306
Less 15% CHDO	\$	193,960
Prior Year Funds	\$	5,325,339
Total Funding Available	\$	6,295,138
Less Project Set Asides	\$	3,221,788
Funding Allocated	\$	3,073,350

HOME Investment Partnership Program

Agency	Project Name	Recommended Award
City of Mesa (set-aside)	Rental and Utility Deposit Program	\$ 400,000
A New Leaf	La Mesita Phase 4 Construction	\$ 2,673,350
	Total	\$ 3,073,350

Emergency Solutions Grant (ESG)

- ESG supports a community's homelessness response system.
- Funds may be used for emergency shelter operations, rapid rehousing, and homelessness prevention.
- Programs also support street outreach and coordinated entry services.

FY 26/27 Estimated Funding Available

ESG		
ESG Entitlement	\$	340,016
Less 7.5% Program Administration	\$	25,501
Total Funding Available	\$	314,515
Funding Allocated	\$	314,515

Emergency Solutions Grant (ESG)

Agency	Project Name	Recommended Award
Save the Family Foundation of Arizona	Rapid Rehousing for Mesa Families	\$ 110,505
Tempe Community Action Agency (TCAA)	I-HELP Emergency Shelter	\$ 40,000
A New Leaf	East Valley Men's Center	\$ 164,010
	Total	\$ 314,515

60% Cap on Shelter Services Operations

Human Services and A Better Community (ABC)

- **Human Service Activities**
 - Crisis Services
 - Prevention & Early Intervention Services
 - Transitional Services
 - Long-Term Support
- **Human Service Funding**
 - Local funding supporting human services activities.
- **ABC**
 - Donated funding supporting human services activities.

FY 26/27 Estimated Funding Available

Human Services & ABC		
Human Services	\$	547,163
ABC	\$	104,500
Total Funding Available	\$	651,663
Funding Allocated	\$	651,663

A Better Community (ABC)

Agency	Project Name	Recommended Award
Valley of the Sun YMCA	Pathways to Success: Quality Childcare & Early Education for Every Family - Ross Farnsworth	\$ 35,000
House of Refuge, Inc.	Transitional Housing for Homeless Families	\$ 50,000
Arizona Brainfood	Weekend Food Bags	\$ 19,500
	Total	\$ 104,500

Human Services Funds

Agency	Project Name	Recommended Award
City of Mesa	Off The Streets Program*	\$ 547,163
	Total	\$ 547,163

*Staff is continuing to look for alternate funding.

Human Services Funds - Non-Profits (Alternate)

Agency	Project Name	Recommended Award
Arizona Brainfood	Weekend Food Bags	\$ 30,500
Oakwood Creative Care, Inc.	Comprehensive Day Care Services for Low-Income, Older Adults in Mesa w/ Cognitive & Physical Impairments - Two Mesa Locations	\$ 40,000
Teen Lifeline	Youth Crisis Services	\$ 50,000
Aster Aging, Inc	Meals on Wheels - Mesa Downtown and Red Mountain Centers	\$ 50,000
Paz de Cristo Community Center	Relief Services to Empower Individuals	\$ 50,000
Matthew's Crossing	Meals to Grow Program	\$ 35,000
Homeless Youth Connection, Inc	Empowering Youth for the Future	\$ 25,940
Oakwood Creative Care, Inc.	Community Hub Community Engagement Services for Low-Income, Older Adults in Mesa	\$ 10,000
United Food Bank	Mesa Emergency Food Assistance	\$ 50,000
Maggie's Place, Inc	Shelter Services at the Hannah House	\$ 50,000
Save the Family Foundation of Arizona	Pathways to Stability for Mesa Families & Children Experiencing Homelessness	\$ 44,293
Catholic Charities Community Services, Inc.	My Sister's Place/Pathways: Walking Alongside Survivors of DV	\$ 50,000
East Valley Institute of Technology	Hope Tech	\$ 50,000
Big Brothers Big Sisters of Central Arizona (BBBSAZ)	Healthy Habits, Healthy Minds for Mesa Youth	\$ 11,430
Total		\$ 547,163

Next Steps

March 30,
2026
(tentative)
30-Day Public
Comment
Period

May 4, 2026
City Council
Approval

May 15, 2026
Funding
Submittal to
HUD

Thank you...



Questions?