

# City Council Report

**Date:** January 27, 2020

**To:** City Council

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

**From:** Michelle Albanese, Housing and Community Development Director

**Subject:** FY 2019/2020 First Substantial Amendment to FY2019/2020  
Annual Action Plan for the HOME Investment Partnership Program  
(HOME)

Council Districts: City Wide

## ***Purpose and Recommendation***

The purpose of this report is to request that City Council approve a resolution authorizing the City of Mesa's First Substantial Amendment ("Amendment") to the FY 2019/2020 Annual Action Plan ("AAP") for submittal to the U.S. Department of Housing and Urban Development ("HUD"). Authorization is requested to approve the funding recommendations with a resolution authorizing the City Manager to proceed with submittal of the Amendment to HUD for FY2019/2020 HOME program funding.

The Amendment is necessary to reallocate Five-Hundred Thousand (\$500,000) of HOME funds awarded to Mesa Leased Housing Associates I, LP ("Developer") for the Legends of Mesa Senior Affordable Housing Project, as the Developer has declined their award of those funds. City staff is proposing City Council approve the Amendment allowing for the reprogramming of these HOME funds for the following activities:



20 E Main St Suite 250, P.O. Box 1466, Mesa, AZ 85211-1466  
480.644.3536 Tel, 480.644.2923 Fax, 711 (AZ TDD Relay)  
**Office Hours: Monday-Thursday 7:00 a.m. – 6:00 p.m., Closed Fridays.**



If you are a person with a disability and require a reasonable accommodation in order to participate in the programs and services at the City of Mesa, please contact the Director of Housing and Revitalization at 480-644-3536 (Voice). You may be required to provide information to support your reasonable accommodation request.

## **HOME Investment Partnership Program (HOME)**

- \$50,000 towards the City of Mesa Tenant Based Rental Assistance (TBRA) Program to assist individuals and families with security deposits and utility deposits.
- \$450,000 HOME Homeowner Rehabilitation Program to assist individuals and families with the full rehabilitation of their home.

### ***Background***

The City's Five-Year (2015-2019) Consolidated Plan ("Consolidated Plan") identifies housing and community development priorities and the AAP for FY 2019/2020 contains the goals and strategies for the 2019/2020 fiscal year, including specific activities recommended for funding through the Community Development Block Grant (CDBG), Emergency Solutions Grants (ESG), and HOME programs. These federal, formula grant program funds are allocated annually to the City from HUD. The AAP is a formal application to HUD, made by the City, which describes the specific projects and activities that will take place during the FY 2019/2020 program year.

### **Regulatory Basis**

The AAP is required to be consistent with the Consolidated Plan, approved by City Council on April 20, 2015, which sets forth the City's objectives for 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 priority affordable housing, homeless, special needs and community development (non-housing) issues.

24 CFR 91.505 requires the City of Mesa amend its approved Consolidated Plan whenever it plans to:

1. Make a change in its allocation priorities or a change in the method of distribution of funds;
2. Carry out an activity, using funds from any program covered by the Consolidated Plan, not previously described in the AAP; or
3. Change the purpose, scope, location or beneficiaries of an activity.

The regulation further requires that the City identify in its Citizen Participation Plan the criteria used for determining what constitutes a substantial amendment. The City's approved Consolidated Plan notes that a substantial amendment will be necessary when there is a proposed change in activity, scope or funding that deviates significantly from the overall intent of the most recent Consolidated

Plan. The proposed changes in the Amendment all meet one of these criteria, thus requiring a substantial amendment.

### ***Discussion***

The Amendment is necessary because the City is proposing to reallocate (reprogram) funding approved for the 2019/2020 fiscal year.

The Housing & Community Development Advisory Board, in a December 5, 2019 meeting, made a formal recommendation for the Amendment to be adopted by City Council as submitted.

A 30-day public comment period for the Amendment began on November 11, 2019 and concluded on December 10, 2019. A public hearing for the Amendment was held at the Mesa City Plaza located at 20 E. Main St., Room 170W, Mesa AZ 85201 on November 25, 2019 to provide the general public with an opportunity to comment in person on the Amendment. No comments were received at the public hearing.

### ***Fiscal Impact***

HOME funds are required by HUD to be used in timely manner. Failure to approve the Amendment would leave \$500,000 in funding unallocated to activities. For HOME program funds, this would affect the City's ability to comply with HUD expenditures for the HOME program resulting in HUD recapturing the \$500,000 in HOME program funds.

### ***Coordinated With***

The proposed Amendment was released to the public, applicants, other city departments and the Housing and Community Development Advisory Board for review and/or comment and met the Citizen Participation 30-day comment period requirements set by HUD for participation in these federal programs.