



## City Council

**Date:** May 4, 2026

**To:** City Council

**Through:** Candace Cannistraro, Deputy City Manager  
Ruth Giese, Community Services Director

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

**Subject:** First Substantial Amendment to FY2021/2022 Home Investment Partnership Program American Rescue Plan Allocation Plan  
Council Districts: Citywide

### **Purpose and Recommendation**

This Substantial Amendment is brought forward to City Council to change the type of activities to be carried out with one-time Home Investment Partnership Program American Rescue Plan (HOME-ARP) funding awarded to the City of Mesa, and appropriated under section 3205 of the American Rescue Plan Act of 2021 (P.L. 117-2) (ARP) for the HOME Investment Partnerships Program (HOME) Funding in the amount of \$5,605,694 will be used for eligible activities under the HOME-ARP program as identified in the Substantial Amendment.

The purpose of this report is to request City Council approve a Resolution adopting the first Substantial Amendment to the FY2021-2022 HOME-ARP Allocation Plan for submittal to the U.S. Department of Housing and Urban Development (“HUD”), and authorizing the City Manager or his designated representative, to amend, sign, and submit the Substantial Amendment to HUD, and authorizing disbursement of funds received.

### **Background**

The City received \$5,605,694 one-time funding through the HOME-ARP program to allocate funding to eligible activities to prevent, respond to, and mitigate the effects of the COVID-19 pandemic. These funds must be expended by September 30, 2030.

City Council approved the HOME-ARP Allocation Plan on March 6, 2023, for development of non-congregate shelter funded under the HOME-ARP program. Staff are proposing an alternate use of the funds for eligible support services.

The City's 5-Year Consolidated Plan identifies housing and community development priorities for the use of federal funds, and the Substantial Amendment is consistent with these goals and strategies, including specific eligible activities to undertake with HOME-ARP funds.

### **Discussion**

A Substantial Amendment is required by HUD when changing the types of activities originally identified in the HOME-ARP Allocation Plan to be carried out with HOME-ARP funds.

24 CFR 91.505 requires the City of Mesa to amend applicable HUD Plans when the city 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 HOME-ARP Allocation Plan;
3. Change the purpose, scope, location, or beneficiaries of an activity.

The proposed changes in the Substantial Amendment meet the criteria under number one above. The regulation further requires that the City follow its Citizen Participation Plan, which identifies the criteria used for determining what constitutes a Substantial Amendment. The City's approved Citizen Participation Plan requires a Substantial Amendment when there is a proposed change in an activity, scope, or funding that deviates significantly from the original HUD Plan.

The Substantial Amendment was made available to the public during a fifteen-day public comment period. The public comment period was open April 20, 2026 – May 4, 2026. Any comments received during the public comment period will be included in the Substantial Amendment prior to submittal to HUD.

### **Fiscal Impact**

HUD requires a Substantial Amendment to the HOME-ARP Allocation Plan to use \$5,605,694 of HOME-ARP funding when changing from one eligible activity to another.

City staff is requesting City Council approve the Substantial Amendment allocating \$4,764,840 in HOME-ARP funds for eligible supportive services and \$840,854 to the City of Mesa for administration and planning as identified in the Substantial Amendment.

### **Alternatives**

Staff have identified alternatives regarding the Substantial Amendment.

1. Approve the Substantial Amendment – Approval of the Substantial Amendment to the HOME-ARP Allocation Plan will allow the City to utilize HOME-ARP funds for eligible activities and meet the HOME-ARP expenditure deadline of September 30, 2030.

2. Make changes to the Substantial Amendment – Make changes to the Substantial Amendment for the use of HOME-ARP funds. This is permitted but would require revisions to the Substantial Amendment, re-publishing a public notice, and holding a 15-day public comment period. This would delay the use of funds to address critical needs in the community and meet the HOME-ARP expenditure deadline of September 30, 2030.
3. Deny the Substantial Amendment – The Council could choose to deny the Substantial Amendment. This alternative prevents the City of Mesa from utilizing HOME-ARP funds for eligible activities.