



U.S. Department of Housing and Urban Development

San Francisco Regional Office – Region IX

One Sansome Street, Suite 1200

San Francisco, California 94104-4430

www.hud.gov

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JUN 19 2019

Mrs. Liz Morales
Housing and Community Development Director
City of Mesa
20 E. Main St. Suite 250
Mesa, AZ 85201

Dear Mrs. Morales:

SUBJECT: Response to HUD Waiver Request to 24 CFR 570.505 Requirements

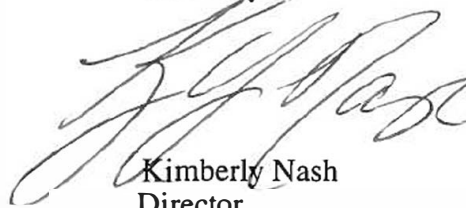
On March 30, 2018, the Department received the city of Mesa, Arizona's (City) request waive the requirements at 24 CFR 570.505, Use of Real Property. The City is requesting permission to transfer real property to a non-profit agency, A New Leaf, Inc., utilizing the Reversion of Assets requirements found at 24 CFR 570.503(b)(7) for real property acquired with Community Development Block Grant (CDBG) program funding. The three (3) real property units pertaining to this matter are located at **Main Property**, **Hobson Property**, and 217 W. University Drive; all properties are in the city limits of Mesa.

HUD has discussed the City's request to allow the transfer of the property to the nonprofit, while being compliant with CDBG requirements. HUD has determined that the City could transfer title, at any price, and could include provisions to allow A New Leaf to continue providing its existing services at the sites. Doing this will only change the tenure type of the real property and will result in a transfer of the real property without the need to waive the regulations. This alternative action was discussed with the City. Subsequently, the City created and provided legal instruments it intends to use in order to execute the transfer of the property, which includes a subrecipient agreement for a term of five years and a continued use requirement for a term of five years, resulting in a combined continued CDBG eligible use of 10 years for the properties noted above.

HUD has reviewed the legal instruments the City proposes to use and finds the instruments, as proposed, in compliance with the CDBG program. The documents are acceptable for transferring the real property to A New Leaf. HUD advises that the City that it will need to follow its Citizen Participation process to notify the public and those who use the facility of the proposed property transfer. If the City receives adverse comments from the public regarding the property transfer, it will need to satisfactorily address these issues before going to its City Council for approval of the transfer.

If you have any questions or require assistance, please contact Richard Thomason, Senior Community Planning and Development Representative at (602) 379-7177, or via email at Richard.M.Thomason@hud.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kimberly Nash', written in a cursive style.

Kimberly Nash
Director
Community Planning
and Development Division