



City Council Report

Date: April 23, 2009
To: City Council
Through: Karolyn Kent, Deputy City Manager
From: Ray Villa, Neighborhood Services Department Director
Subject: FY2008/2009 Annual Action Plan Amendment for Community Development Block Grant-Recovery Act (CDBG-R) and Homeless Prevention & Rapid Re-Housing Program (Recovery Act HPRP)

Purpose and Recommendation

The purpose of this report is to request that the City Council authorize the City Manager or his designated representative to proceed with an Annual Plan Amendment adding these activities to the FY 2008/2009 funding through the CDBG program. The proposed FY 2008/2009 Annual Plan Amendments will add funding specifically for job creation, economic benefit, homelessness prevention, and assistance to rapidly rehouse persons who are homeless.

Discussion

The City of Mesa will receive \$918,932 in Community Development Block Grant-Recovery (CDBG-R) funding from the United States Department of Housing and Urban Development (HUD) through the American Recovery and Reinvestment Act of 2009 (ARRA or "the Recovery Act"). This funding, referred to as "CDBG-R," is separate from the regular, annual CDBG funds that the City receives every year.

The CDBG program enables local governments to undertake a wide range of activities intended to create suitable living environments, provide decent affordable housing and create economic opportunities, primarily for persons of low and moderate income. The full range of CDBG-eligible activities and projects will be considered for CDBG-R funds based on further guidance as provided by HUD; however, the Recovery Act directs that priority be given to projects that can award contracts based on bids within 120 days from the date the funds are made available. Staff is estimating that funds will be available September 1, 2009.

Due to the need for "shovel ready" projects, staff recommends A New Leaf to receive the funds to complete a freestanding kitchen and dining facility, a freestanding basic needs building, and a shower/restroom expansion at the East Valley Men's Center. A New Leaf submitted this project for CDBG funding during this year's application process. A New Leaf ensures staff that they can meet HUD's timeline, and based on information received to date about CDBG-R eligible uses, staff feels confident that this project will meet the Recovery Act guidelines.

The City of Mesa is also receiving \$1,405,094 in Homeless Prevention and Rapid Re-Housing Program (HPRP) funds under the Recovery Act. The HPRP funds will provide rental assistance for homeless prevention and to re-house those persons who will become homeless. Eligible participants for the program must be homeless or about to become homeless. Activities will consist of rental assistance, rapid re-housing, security deposits, housing relocation, and stabilization services for homeless prevention. Rental and utility assistance can only be made on behalf of individuals or families if they are currently not receiving subsidies for those same services. Staff is estimating that this funding will be available September 1, 2009 as well.

After consulting with our non-profit partners regarding their capacity to administer this program as well as eligible uses and restrictions of the program, the recommended allocations were based on their feedback. Staff is recommending that A New Leaf receive \$100,000 to provide utility assistance and deposits for households currently not receiving assistance. Staff is recommending that Save The Family be allocated \$70,000 for rental assistance for homeless prevention. Because of the many similarities to the Housing Choice Voucher program, staff is recommending that the Housing and Revitalization Division assist with the administration of the balance of the funds for rental assistance and a rapid re-housing program. The program requires intense case management of each individual or family receiving assistance, with the family being eligible for rental assistance up to 18 months. Before funds can be provided for rental assistance the organization must comply with HUD's rent reasonableness standard on each unit, perform an inspection on each unit, and verify all income sources by the Housing Choice Voucher process. Any HPRP assisted property may not be owned by the grantee, subgrantee or the parent, subsidiary or affiliated organization of the subgrantee.

A 30-day comment period regarding this proposed Annual Action Plan Amendment began on April 5, 2009 and will end on May 6, 2009. A public hearing will be held by staff on April 27, 2009 at the Mesa City Plaza building. Staff has received no public comments regarding the proposed amendment to date. A second public hearing will be held by staff on May 14, 2009 at the Mesa City Plaza building to take public comments to add this activity to the FY 2008/2009 Annual Plan.

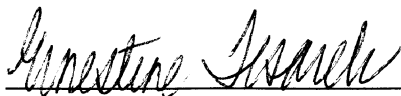
Alternatives

1. Approve the Amendment to FY 2008/2009 CDBG Annual Action Plan to include the CDBG-R funding and the Homeless Prevention and Rapid Re-housing funding to bring additional funding to the City of Mesa to prevent homelessness.
2. Take no action and do not amend the FY 2008/2009 CDBG Annual Plan. This is not recommended because the CDBG-R and Homeless Prevention and

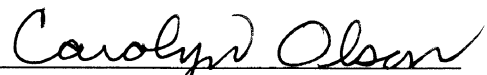
Rapid Re-housing Program are funds that will provide basic needs to Mesa residents and assist those persons who are homeless or near homeless.

Fiscal Impact

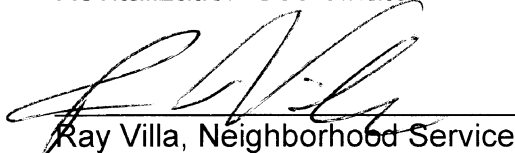
There would be no fiscal impact to the City of Mesa general funds. All funds are federal funds from the Department of Housing and Urban Development (HUD).



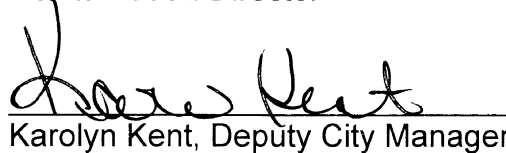
Ernestine Tesarek, Community Revitalization Coordinator



Carolyn Olson, Housing and Revitalization Director



Ray Villa, Neighborhood Services Department Director



Karolyn Kent, Deputy City Manager

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FY2008/09 STIMULUS AMENDMENTS

CDBG-Recovery Act Funding Amendment - Non Profit Agencies This project must be under contract within 120 days of the signed HUD agreement.	Activity Type	FY08/09 Recommend
<p>A New Leaf</p> <p>City of Mesa CDBG funds will be used to build freestanding kitchen and dining facility, a freestanding basic needs building, a recreation building addition and expand the shower and restroom facilities for the East Valley Men's Center.</p>	<p>Freestanding Kitchen & Dining Facility \$ 534,039</p> <p>Freestanding Basic Needs Building \$ 305,657</p> <p>Shower/Restroom Expansion \$ 79,236</p>	<p>\$ 534,039</p> <p>\$ 305,657</p> <p>\$ 79,236</p>
<p>New Roof, new air conditioning units, remodeled restrooms, new electrical wiring, new ceiling, interior painting (Match)</p>	<p>\$ 497,000</p>	<p>\$ 497,000</p>
<p>Project Total</p>	<p>\$ 1,415,932</p>	<p>\$ 918,932</p>
<p>CDBG-R Funding Amendment - Non Profit Agencies</p>		
		<p>FY08/09 Recommend</p>
		<p>\$ 918,932</p>



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FY2008/09 STIMULUS AMENDMENTS

Homeless Prevention and Rapid Re-Housing - Non Profit Agencies and City Departments	Activity Type	FY08/09 Recommend
A New Leaf Provide utility assistance and deposits for households not receiving utility assistance. Save the Family	Utility Asst.	\$ 100,000
Provide rental assistance for homeless prevention. Rental assistance payments cannot be made on behalf of eligible individuals or families for the same period of time and for the same cost types that are being provided through another federal, state or local housing subsidy program. An assisted property may not be owned by the grantee, sub-grantee, or the parent subsidiary or affiliated organization of the sub-grantee.	Rental Asst.	\$ 70,000
Housing and Revitalization Provide rental assistance, rapid re-housing, security deposits, utility assistance, utility deposits, moving costs, storage (up to 3 months), hotel/motel vouchers (up to 30 days), housing relocation and stabilization services for homeless prevention. Rental assistance payments cannot be made on behalf of eligible individuals or families for the same period of time and for the same cost types that are being provided through another federal, state or local housing subsidy program. An assisted property may not be owned by the grantee, sub-grantee, or the parent subsidiary or affiliated organization of the sub-grantee.	Rental Asst.	\$ 1,235,094
		\$ 1,405,094
Homeless Prevention and Rapid Re-Housing Funding Summary - Non Profit Agencies and City Departments		
		\$ 1,405,094