



Memorandum

Human Services Department

DATE: April 9, 2015

TO: Mayor and City Council

FROM: Craig Hittie, Interim Housing Manager
Naomi Farrell, Human Services Director

SUBJECT: CDBG/HOME Programs; 5 Year Consolidated Strategic Plan; FY2015 Annual Action Plan; Analysis of Impediments to Fair Housing

HISTORY & FACTS: Every 5 years the U.S. Department of Housing and Urban Development (HUD) requires the City, to complete a Consolidated Strategic Plan and Analysis of Impediments to Fair Housing Choice. Additionally, on an annual basis, the City must complete an Annual Action Plan. The Action Plan describes the proposed uses of Community Development Block Grant (CDBG) and HOME funds that the City expects to receive for fiscal year 2015/2016. As part of this process, on April 2, 2015, the City held the first public hearing. The purpose of the public hearing was to secure input on the specific needs, priorities, objectives and strategies to address affordable housing, homeless and special needs housing over the forthcoming five years from FY 2015-2019.

The FY 2015-2019 City of Tempe Consolidated Plan (CP) represents a needs assessment and investment guide for federal funds during a five-year planning horizon regarding affordable housing, homeless, supportive housing and community development needs objectives and strategies.

The purpose of this Work Study Session is for City Council to review the 5 Year Consolidated Strategic Plan, Analysis of Impediments and the recommended selection of activities to be funded using CDBG, HOME and program income for the fiscal year 2015/2016 Action Plan.

A second public hearing for citizen comment and Council approval of the Resolution adopting the Consolidated Plan, Annual Action Plan and Analysis of Impediments to Fair Housing in Tempe is scheduled for April 16, 2015.

Proposed CDBG Program Activities for Funding Year 2015

AMOUNT OF CDBG FUNDS ANTICIPATED TO BE RECEIVED: \$ 1,362,162

Staff recommends the following program eligible activities:

Program Administration; 20% of CDBG entitlement; maximum allowed under HUD Regulations	272,432
Public Service Activities; (15% of the CDBG entitlement) Maximum allowed under HUD Regulations. CDBG funding is combined with general fund dollars as part of the Tempe Community Council Agency Review process.	204,324
Emergency Repairs; <i>Affordable Housing</i> Funds will be used to rehabilitate emergency and handicapped accessibility items in homes for the City's Housing Improvement program.	500,000
Public Facilities; <i>Escalante Park Improvements</i> These funds will be used for improvements and renovations to Escalante Park, including improvements to the multi-use field, volleyball court and play area extension and new equipment.	385,406

Proposed HOME Program Activities for Funding Year 2015

AMOUNT OF HOME FUNDS TO BE ALLOCATED TO TEMPE: \$303,163

The City receives HOME funds from Maricopa County through participation in the Maricopa County Consortium (Consortium members: Maricopa County, Avondale, Chandler, Gilbert, Glendale, Peoria, Scottsdale, Surprise and Tempe). For FY2015, there is an estimated \$303,163 in HOME funds reserved for Tempe.

The HOME program, unlike the CDBG program, requires a 25% non-federal match for the City to receive these funds. For FY2015 the city's match requirement will be \$75,791.

Staff recommends the following program eligible activities:

Program Administration; (5% of HOME entitlement) Maximum allowed under Maricopa County Consortium Agreement.	\$18,948
Downpayment Assistance; <i>Affordable Housing</i> Funds will be used for the Section 8 and Community Assistance Mortgage Programs (CAMP). The City's first-time homebuyer programs provide direct subsidy to the homebuyer for downpayment and closing costs assistance.	\$284,215

Recommended Program Income Activities

In FY 2015, it is anticipated that approximately \$50,000 will be received in program income. This amount represents rehabilitation loan or CAMP loan pay-offs and/or on-going repayments under the amortized loan program. This program income will be used to augment the HOME Housing Improvement and Downpayment Assistance programs.

Drafts of the Consolidated Plan, Annual Action Plan and Analysis of Impediments to Fair Housing can be found at: www.tempe.gov/housing.