

**FY 2023/24 HUD Annual Action Plan Substantial Amendment  
CDBG, CDBG-CV3, NSP1, NSP3 and Program Income Reallocation**

Public Comment Period: March 14, 2024 through April 14, 2024

**INTRODUCTION**

The City of Glendale's HUD Annual Action Plans (AAP) detail the community's funding strategy to expend Community Development Block Grant (CDBG), Emergency Solutions Grants (ESG), and HOME Investment Partnerships Program each year. The Plans implement the goals of the City's Five-Year Consolidated Plan by funding allocations to specific activities that advance these goals, and are developed through significant public input, analysis, and planning.

Title 24 Section 91.505 of the Code of Federal Regulations stipulates that communities shall amend their approved plans whenever they make one or more of the following decisions:

1. To make a change in its allocation priorities or a change in the method of distribution of funds;
2. To carry out an activity, using funds from any program covered by the Consolidated Plan (including program income) not previously described in the action plan; or
3. To change the purpose, scope, location, or beneficiaries of an activity.

The regulation further requires that jurisdictions identify in their Citizen Participation Plans the criteria they will use for determining what constitutes a substantial amendment. As a member of the Maricopa HOME Consortium the City follows the Consortium's FY Citizen Participation Plan. Consistent with these requirements, the City identified three criteria that will require a substantial amendment:

1. Changes in the use of CDBG/ESG funds from one eligible activity to another; or
2. An activity is undertaken that was not previously included in the Consolidated Plan or subsequent Annual Action Plans; or
3. More than twenty percent of an activity budget is proposed to be reallocated to another eligible program activity.

The proposed substantial amendment triggers all three of these criteria, including: 1. changing the use of CDBG and/or HOME funds from one eligible activity to another; 2. creation of a new activity not previously included in existing Annual Action Plans; and 3. reallocation of 20% or more in CDBG and/or HOME funds from one activity to another eligible activity.

**CONTENT OF THE SUBSTANTIAL AMENDMENT**

With this Substantial Amendment, the City proposes to allocate or reallocate prior year funding according to the following:

- Reallocate \$66,789.63 in FY 2022-23 CDBG from unspent public services grants to the City's Physical Improvement Program. Specifically, these funds will be used to complete Phase II of the Café Lighting Project that is currently underway. The project includes planning, engineering, labor compliance, site improvements and purchase and installation of new café-style lighting across Glendale Ave between 58<sup>th</sup> Avenue and 57<sup>th</sup> Drive in downtown Glendale.
- Reallocate \$193,204.79 in FY 2021-22 CDBG funds from the City's Voluntary Demolition Program to support the development of new affordable multifamily rental projects that receive allocations of Low-Income Housing Tax Credits from the Arizona Department of Housing.

Expenditures may include but are not limited to acquisition and related expenses (i.e. legal, loan origination, title fees, etc.) and construction.

- Program \$49,572.37 in CDBG program income on hand to administration (\$9,914.47) and to a new activity. This new activity will provide funding (\$39,657.90) to support case management services to participants in the City's HOME-funded Tenant Based Rental Assistance (TBRA) operated by A New Leaf. This activity is eligible under Title 24 of the Code of Federal Regulations, Part 570.201(k), Housing Services.
- Reallocate \$179,106.15 in CDBG- CV3 funds currently allocated to the City's Landlord Liaison activity to two (2) case management activities. The first case management activity will be funded at \$52,280 to support homeless individuals through the City's Heat Relief Respite Centers. The second case management activity will be funded at \$126,826.15 to the Glendale Works program. The Glendale Works Program provides homeless residents with paid day labor opportunities to clean up various city facilities and spaces. Reallocated funding will be used to pay for personnel costs of the program's case managers to provide street outreach and wraparound services to program participants so that they can obtain housing and self-sufficiency. The City is also applying to the Gila River Indian Community (GRIC) grant program to fund this activity, and reallocation of these funds is contingent upon receipt of these new grant funds. If GRIC funds are awarded, the City will not reallocate these funds to this activity and will reprogram funds pending an additional needs assessment.
- Program \$6,334.79 in HOME program income to the City's TBRA program. Funding will be used for administration and direct assistance to program participants for rent and utilities (including deposits).
- Reallocate a combined \$992,883.64 in entitlement and program income from the City's NSP1 and NSP3 allocations to support the development of new affordable multifamily rental projects that receive allocations of Low-Income Housing Tax Credits from the Arizona Department of Housing. Expenditures may include but are not limited to acquisition and related expenses (i.e. legal, loan origination, title fees, etc.) and construction.

Allocation or reallocation of these funds is necessary to realign final activity expenditures with existing Annual Action Plan allocations and repurpose unexpended funding from completed or cancelled activities. The following table outlines the changes to the PY 2023-24 Annual Action Plan by funding type, organization, activity name, and funding to be reallocated.

FY 2023/24 HUD Annual Action Plan Substantial Amendment				
CDBG, CDBG-CV3, HOME & NSP Reallocations				
	Activity Name	Funding Year	Current Remaining Allocation	Reallocation
CDBG	Ballet Arizona (public service grant)	2022-23	\$ 7,505.49	
	Copa Health (public service grant)	2022-23	\$ 8,298.05	
	Duet (public service grant)	2022-23	\$ 1,476.71	
	One Step Beyond (public service grant)	2022-23	\$ 246.12	
	Operation Enduring Gratitude (public service grant)	2022-23	\$ 32,098.26	
	Sounds of Autism (public service grant)	2022-23	\$ 12,668.00	
	Goldensun Peace Ministries (public service grant)	2022-23	\$ 4,497.00	
	Physical Improvement Program - these funds have already been committed to Phase II of the Café Lighting Project currently underway; this is a cleanup item	2022-23		\$ 66,789.63
	Subtotal 2022-23 Public Service Grant reallocations		\$ 66,789.63	\$ 66,789.63
	COG - Voluntary Demolition Program	2021-22	\$ 193,204.79	
	Program Income (unallocated)	2023-24	\$ 49,572.37	
	Case Management (A New Leaf Tenant-Based Rental Assistance)			\$ 39,657.90
	New Rental Development (Low-Income Housing Tax Credit projects)			\$ 193,204.79
Administration			\$ 9,914.47	
Subtotal Non-public services grant reallocations:		\$ 242,777.16	\$ 242,777.16	
	TOTAL CDBG TO REALLOCATE		\$ 309,566.79	\$ 309,566.79
CDBG-CV3	COG - Landlord Liaison	2020-21	\$ 179,106.15	
	Phoenix Rescue Mission - Glendale Works Case Managers <sup>1</sup>	2020-21		\$ 126,826.15
	Phoenix Rescue Mission - Heat Relief Network Case Managers	2020-21		\$ 52,280.00
	Subtotal CDBG-CV1 to reallocate:		\$ 179,106.15	\$ 179,106.15
HOME	Program Income (unallocated)	2023-24	\$ 6,334.79	\$ -
	Administration	2023-24		\$ 633.48
	A New Leaf - Tenant-Based Rental Assistance	2023-24	\$ -	\$ 5,701.31
	Subtotal HOME to reallocate:		\$ 6,334.79	\$ 6,334.79
NSP	NSP1 Program income (unprogrammed)	2008-09	\$ 821,166.89	
	NSP3 Entitlement (unprogrammed)	2008-09	\$ 109,742.00	
	NSP3 Program income (unprogrammed)	2008-09	\$ 61,974.75	
	NSP1 Program income - administration	2008-09		\$ 25,000.00
	New Rental Development (Low-Income Housing Tax Credit projects)			\$ 967,883.64
	Subtotal NSP to Reallocate:		\$ 992,883.64	\$ 992,883.64
Grand Total Amount to Reallocate (all funding sources):			\$ 1,487,891.37	\$ 1,487,891.37

1. Reallocation of \$126,826.15 in CDBG-CV1 funds to the Glendale Works Program is requested contingent upon receipt of alternative grant funding requested through the Gila River Indian Community (GRIC). Should the City receive the GRIC funding, reallocation of CDBG-CV1 funds will not be necessary and these funds will remain unallocated pending future needs assessment.