



**City of Phoenix**  
**Substantial Amendment to the 2021-2022 Annual Action Plan**  
**HOME Investment Partnership (HOME) American Rescue Plan (ARP) Funds**

**Background**

The city of Phoenix Annual Action Plan details the funding strategy for the Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), HOME Investment Partnership (HOME), and Housing Opportunities for Persons with AIDS (HOPWA) programs. Additionally, the Annual Action Plan describes how funds will be used to address the priorities and goals outlined in the 2020-2024 Consolidated Plan.

The city's Citizen Participation Plan (CPP) describes the efforts that the city will take to encourage its residents to participate in developing these plans. It also provides requirements for public process when a substantial amendment to the Annual Action Plan is proposed. The following changes constitute a substantial amendment and require public notice as described in the CPP:

- Any single change in the planned actual use of CDBG, ESG, HOME and HOPWA funds, as stated in the Consolidated Plan Annual Action Plan, which exceeds 20 percent of the City of Phoenix's annual entitlement amount, or
- Any collective change in the planned or actual use of CDBG, ESG, HOME and HOPWA funds that when accumulated for a new use or adding funds to an existing use, exceeds 20 percent of the city of Phoenix's annual entitlement amount

**Proposed Substantial Amendment**

The city is proposing the following substantial amendment to add HOME Investment Partnerships Program (HOME) American Rescue Plan Act of 2021 (ARP) allocations authorized under Section 3205 of the American Rescue Plan Act of 2021, Public Law 117-2, enacted on March 11, 2021, for the purposes of 1) providing homelessness assistance and supportive services due to the continued impact of the COVID-19 pandemic on the economy, public health, state and local governments, individuals, and businesses and; 2) waiving the matching contribution requirements and; 3) waiving the set-aside requirements for Community Housing Development Organizations (CHDOs) and; 4) waiving the requirements for the 24-month deadline for the commitment of funds and; 5) waiving the requirements for homebuyer or existing homeowner activities in the National Affordable Housing Act (NAHA) and; 6) implementing all HOME-ARP waivers. The following outlines how the City of Phoenix intends to utilize these funds and waivers to provide homelessness assistance and supportive services in response to the continued impact of the COVID-19 pandemic:

1. Add HOME Investment Partnerships Program (HOME) American Rescue Plan Act of 2021 (ARP) allocations authorized by the American Rescue Plan Act of 2021:

a. Add the HOME-ARP allocation of \$21,354,777 to support the following activities:

- Production or Preservation of Affordable Housing
- Supportive Services including services designed at 24 CFR 578.53€,
- Examples: homeless prevention services, and housing counseling.
- Purchase and development of Non-Congregate Shelter
- Operating Costs for Community Housing Development Organizations (CHDOs), other non-profit organizations, and homeless providers.
  - Maximum allocation allowed for this activity is 5% or \$1,067,289

2. Implement all HOME -ARP waivers as authorized by the CPD memo dated September 8, 2021

### **Analysis**

This proposal qualifies as a substantial amendment based on the following criteria:

- Any collective change in the planned or actual use of CDBG, ESG, HOME and HOPWA funds that when accumulated for a new use or adding funds to an existing use, exceeds 20 percent of the city of Phoenix's annual entitlement amount

The addition of the HOME-ARP allocation authorized under Section 3205 of the American Rescue Plan Act of 2021 (ARP) exceed 20% of the city's 2021 HOME entitlement amounts.

### **Public Process**

As part of the HOME-ARP, HUD requires that proposed substantial amendments be made public and provide for a 15-day public comment period. Additionally, as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), Public Law 116-136, HUD approved an abbreviated process to allow flexibility to institute more streamlined requirements to address immediate needs relative to the coronavirus.

The HUD abbreviated process includes the following:

- The reduction of the 30-day public comment period and the implementation of a public comment period of no less than 5 days in an effort to expedite the consolidated plan substantial amendment process and allow the city to respond as quickly as possible to the immediate needs in the community.
- The elimination of the in-person public hearings and the implementation of virtual public hearings when 1) national and or local health authorities recommend social distancing and limiting public gatherings for public health reasons; and 2) virtual hearings provide reasonable notification and access for citizens in accordance with Phoenix' certifications, timely responses from local officials to all citizen questions and issues, and public access to all questions and responses.

The city of Phoenix published a 15-day comment period and public hearing notice in the Arizona Republic on August 29<sup>th</sup>, 2022, as part of the CPP requirements.

The public comment period is scheduled from September 13, 2022, to September 27, 2022.

A virtual public hearing will be held to provide an opportunity for public comment on September 12, 2022 at 5:30PM. Residents can participate in the virtual public hearing by registering at the following link:

<https://cityofphoenix.webex.com/cityofphoenix/onstage/g.php?MTID=e508ae898c88bc174d5776b7877d91396>

Comments may also be provided to Stanko Zovko, Housing Manager, by email or phone at [stanko.zovko@phoenix.gov](mailto:stanko.zovko@phoenix.gov), or 602-261-8756.

Attachment A

Activity	Funding Amount	Percent of Allocation	Statutory Limit
Supportive Services	\$2,500,000		
Non-congregate Shelter	\$8,209,649		
Tenant-based Rental Assistance	\$0		
Rental Housing	\$8,209,649		
Non-profit Operating	\$300,000	1%	5%
Non-profit Capacity Building	\$0	0%	5%
Administration and Planning	\$2,135,478	10%	15%
<b>Total HOME-ARP Allocation</b>	<b>\$ 21,354,777</b>		