



HHSC Memorandum

Neighborhood Resources - Memo No. NR26-013

Date: April 8, 2026

To: Housing and Human Services Commission

Thru: Riann Balch, Neighborhood Resources Director

From: Karin Bishop, Community Development Senior Program Manager

Subject: Recommend that City Council pass and adopt Resolution No. 5997 approving and authorizing the City Manager or designee to execute and submit the Community Development Block Grant ("CDBG") Fiscal Year ("FY") 2026-2027 Annual Action Plan to the United States Department of Housing and Urban Development ("HUD"); authorizing execution of all contracts and subrecipient agreements; and authorizing the City Manager to take all action necessary or prudent to implement the approved FY 2026-2027 Annual Action Plan.

Background: Each year, the City of Chandler receives federal CDBG funding, administered by HUD, to develop viable urban communities by providing decent housing and a suitable living environment and by expanding economic opportunities, principally for persons with low and moderate incomes. Funds support a wide range of community development activities directed toward revitalizing neighborhoods, economic development, and providing improved community facilities and services.

As a prerequisite for receiving CDBG funding, the City of Chandler is required to prepare and submit an Annual Action Plan that serves as the formal application for the use of entitlement funds that are received by the City of Chandler. The Annual Action Plan defines the one-year activities in relationship to the five-year goals and objectives of the 2025-2029 Consolidated Plan approved by City Council on April 24, 2025.

The city conducted a public survey for a period of 21 days to identify and prioritize community needs in the areas of housing, public services, public facilities, public improvements and neighborhood revitalization. The survey, which was available in English and Spanish, was distributed widely through mechanisms including the city's website and public facilities, Chandler Public Housing's Resident Advisory Board, the Housing and Human Services Commission, and community non-profit partners. A total of 113 responses were received from Chandler residents.

Preserving and developing affordable housing for all incomes was identified as the top priority, followed closely by providing public services to vulnerable residents.

In compliance with HUD regulations and the Citizen Participation Plan, the city held a 30-day public comment period regarding the draft FY 2026-2027 Annual Action Plan, which included the CDBG funding recommendations based on formula funding expected in FY 2026-2027 and a contingency plan for a potential increase or decrease in funding. The public comment period began Monday, March 2, 2026, and ended Thursday, April 2, 2026. In addition, two public hearings were held on February 11, 2026, and March 4, 2026, to ensure multiple opportunities for input from the community regarding the draft FY 2026-2027 Annual Action Plan. No public comments were received during the public comment period.

Discussion: At HUD's guidance, the City of Chandler has prepared funding recommendations and a contingency plan based on anticipated formula funding that it received in the prior fiscal year. A total of \$1,486,156 in CDBG funding recommendations are included in the FY 2026-2027 Annual Action Plan. The city will utilize \$297,231 for program administration, \$222,923 for Public Services, and \$966,002 for Capital Projects, Housing, and Neighborhood Revitalization.

The contingency plan states that any increase or decrease in CDBG funding for FY 2026-2027 will be applied to the City of Chandler's Public Housing Youth Program. Funding for Public Services will adhere to the fifteen percent statutory cap. An increase in funding for Capital Projects, Housing, and Neighborhood Revitalization will be primarily applied to the City of Chandler's Homeowner Rehabilitation Program. A decrease in funding for Capital Projects, Housing, and Neighborhood Revitalization will be primarily applied to Public Facility Infrastructure Improvements. The formula amount for program administration will also be adjusted based on the total CDBG allocation to the city.

Financial Implications: The City of Chandler will utilize CDBG federal entitlement funds to support recommended program activities. No match is required. The City of Chandler pays for services supported by CDBG funds and then submits a request for reimbursement to HUD.

ATTACHMENT:
Resolution No. 5997