



COUNCIL MINUTES

December 1, 2016

The City Council of the City of Mesa met in a Study Session in the lower level meeting room of the Council Chambers, 57 East 1st Street, on December 1, 2016 at 7:32 a.m.

COUNCIL PRESENT

John Giles
Alex Finter
Christopher Glover
Dennis Kavanaugh
David Luna
Dave Richins
Kevin Thompson

COUNCIL ABSENT

None

OFFICERS PRESENT

Christopher Brady
Jim Smith
Dee Ann Mickelsen

1. Review items on the agenda for the December 5, 2016 Regular Council meeting.

All of the items on the agenda were reviewed among Council and staff and the following was noted:

Conflict of interest: None.

Items removed from the consent agenda: None.

2. Hear a presentation, discuss and provide direction on the approval of up to \$676,176 in funding from the prior year allocations of Community Development Block Grant (CDBG) funds for public facilities and improvements in order to reduce a high amount of funds in the CDBG Treasury Account.

Housing and Community Development Director Liz Morales provided the background of the Community Development Block Grant (CDBG) funding recommendations. **(See Attachment 1)** She reported that the Community and Cultural Development (CCD) Committee recommended funding the following projects:

1. Kleinman Park, City of Mesa Parks, Recreation and Community Facilities \$250,000
2. Downtown Façade Improvement Program, City of Mesa, \$250,000
3. Demolition Program \$50,000

Ms. Morales explained the requirements of the United States Department of Housing and Urban Development (HUD), which include a funding deadline of April 30th to utilize 1.5 ratio of available

funds to expended funds on CDBG projects. She informed the Council that the \$250,000 recommended for the Downtown Façade Improvement Program may not be spent in the allotted timeframe, therefore staff requests the project funding be reduced to \$100,000 temporarily.

Ms. Morales indicated that in order to meet the HUD ratio requirements, staff requests increasing the CDBG funding to add two projects that were in the top three of the Housing and Community Development Advisory Board (HCDAB) recommendations and may be completed within the allotted timeframe as follows:

1. A New Leaf for improvements to the bathroom and laundry facilities at the East Valley Men's Shelter.
2. Paz de Cristo for improvements that address health and safety issues related to food preparation and exterior shelter for the summer months.

Councilmember Richins thanked staff for providing the HUD requirements and necessary timeframes. He inquired about the request for expansion from the East Valley Men's Shelter and suggested that no beds be added to any shelters until a thorough conversation can be held related to the City's homeless population.

Ms. Morales confirmed that the original application from the East Valley Men's Shelter did include an expansion, but the main focus is on bathroom and laundry facility improvements. She indicated that the application is being amended to exclude bed expansions at this time.

Councilmember Luna thanked staff for making the accommodations for A New Leaf and Paz de Cristo, and highlighted the hard work both agencies do in the community.

Vice Mayor Kavanaugh stated that he supports staff's recommendations. He added that he was excited about the Downtown Façade Improvement Program that has the potential of influencing many other community projects.

Mayor Giles thanked A New Leaf and Paz de Cristo for the work they do in the community. He concurred with Councilmember Richins on the need to focus more attention on the homeless population. He stated that he was proud of what Mesa has accomplished regarding homeless veterans and hopes to expand that to the broader homeless population.

Councilmember Finter recognized the life of Margie Frost and her great service to this community and noted that she helped start the East Valley Men's Center.

It was moved by Councilmember Luna, seconded by Councilmember Glover, that the recommendations of staff be approved.

Carried unanimously.

3. Information pertaining to the current Job Order Contracting projects.

Councilmember Kavanaugh commented on Item 3 (**Transit Lifecycle Asset Replacement FY 2017**) of the current job order contracting projects and stated that it is a great trend to see the expansion of bus shelters, the responsiveness to changes in service routes, and the rehabilitation of existing transit shelters.

4. Approval of minutes from an Executive Session held on September 29, 2016.

It was moved by Vice Mayor Kavanaugh, seconded by Councilmember Luna, that the minutes from an Executive Session held on September 29, 2016 be approved.

Carried unanimously.

5. Acknowledge receipt of minutes of various boards and committees.

5-a. Museum and Cultural Advisory Board meeting held on July 21, 2016.

5-b. Community and Cultural Development Committee meeting held on November 3, 2016.

Councilmember Richins requested that future advisory board minutes be received by Council in a timelier fashion.

It was moved by Councilmember Richins, seconded by Councilmember Luna, that the above-listed minutes be acknowledged.

Carried unanimously.

6. Hear reports on meetings and/or conferences attended.

Mayor Giles:	Merry Main Street Kick-Off
Councilmember Kavanaugh:	Fiesta Sports Complex Grand Opening
Councilmember Finter:	Salt River Indian Community Support

7. Scheduling of meetings and general information.

City Manager Christopher Brady introduced the new Chief Information Officer, Travis Cutright. He stated that the schedule of meetings and general information is as follows:

Saturday, December 3, 2016, 8:00 a.m. – Household Hazardous Waste Event

Saturday, December 3, 2016, 9:00 a.m. – Adaptive Playground Ribbon Cutting Ceremony at Dobson Ranch Park

Saturday, December 3, 2016, 2:30 p.m. – CycloMesa WinterFest 2016 at Alta Mesa Park

Sunday, December 4, 2016, 1:00 p.m. – Free Sunday at Arizona Museum of Natural History

Monday, December 5, 2016, 5:15 p.m. – Study Session

Monday, December 5, 2016, 5:45 p.m. – Regular City Council Meeting

8. Adjournment.

Without objection, the Study Session adjourned at 7:54 a.m.

JOHN GILES, MAYOR

ATTEST:

DEE ANN MICKELSEN, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the City Council of Mesa, Arizona, held on the 1st day of December, 2016. I further certify that the meeting was duly called and held and that a quorum was present.

DEE ANN MICKELSEN, CITY CLERK

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(Attachment – 1)



Date: December 1, 2016
To: City Council
Through: Natalie Lewis, Deputy City Manager
From: Ruth Giese, Community Services Director
Elizabeth Morales, Housing and Community Development Director
Subject: Reallocation of Prior Year CDBG funds
Council District: Citywide

Strategic Initiatives



Purpose and Recommendation

The purpose of this report is to approve the allocation of prior year CDBG funds for public facilities and improvement to the following projects/activities:

1. Kleinman Park, City of Mesa Parks, Recreation and Community Facilities \$250,000
2. Downtown Façade Improvement Program, City of Mesa \$100,000
3. Demolition Program \$50,000
4. Paz de Cristo for \$ 64,176
5. A New Leaf \$262,000

Background

At the September 8, 2016 Study Session, Community Services informed Council of the availability of \$750,000.00 in prior years' allocations that are available for reprogramming. Council directed the Department to announce the availability of \$500,000 in federal Community Development Block Grant (CDBG) funding to be used for the funding of eligible public facilities and improvement projects. HUD sets a funding deadline of April 30th to utilize 1.5 ratio of available funds to expended funds on CDBG projects, to ensure that the City does not have an excessive amount of federal funds unspent which should be used on eligible projects.

For the purpose of expending the unallocated funds and meeting the federal requirement by April 30th, a Notice of Funding Availability (NOFA) was issued on September 18th seeking proposals requesting funds for public facilities and improvements. Proposals from interested parties was due on or before October 10, 2016. Proposals were required to meet CDBG eligibility requirements, including benefit to persons of low-to moderate income.

On October 27th, the Housing and Community Development Advisory Board (HCDAB) reviewed the proposals and submitted their recommendations to the Community and Cultural Development Committee (CCD).

On November 3rd, CCD reviewed and discussed the recommendations provided. CCD

determined the funding would be best used for larger, transformative projects rather than multiple smaller grants as follows:

1. Kleinman Park, City of Mesa Parks, Recreation and Community Facilities \$250,000
2. Downtown Façade Improvement Program, City of Mesa \$250,000
3. Demolition Program \$50,000

Discussion

In addition to the CCD recommendation above, staff now request consideration by Council for additional projects for the purpose of expending funds to meet the federal requirement. These additional recommendations are aligned with CCD's desire to keep the funding to larger transformative projects. As previously reported, the City has approximately \$750,000 of unspent CDBG funding and it was recommended to spend no more than \$500,000 should there be an unexpected need in the coming year. Staff would like to increase the funding to ensure we meet the HUD funding requirements as some of the existing capital and improvement projects from FY 14/15 and 15/16 will not be completed by the April 30th HUD deadline. It is staff's recommendation to utilize \$676,176 of the funding, leaving approximately \$75,000 should there be any new funding needs that arise in the next year.

The two projects, Paz de Cristo and A New Leaf are being recommended by staff and were in the top three of HACDB recommendations. Both these projects have significant impacts to serving those experiencing homelessness. Paz de Cristo will utilize their funding to make improvements that address health and safety issues related to food preparation and expanding exterior shelter for the summer months. A New Leaf's project will make much needed improvements to bathroom and laundry facilities at the East Valley Men's Shelter. These two projects meet the CCD desire to make significant impact as the City projects also accomplish.

As discussed in the Nov. 3rd meeting, Resurrection Ministries was in the top three recommendations, but due to the facility being leased and not owned, CCD felt that the funds would be better used in these other projects. In addition, it is anticipated that \$100,000 (reduced from \$250,000) will be utilized by April 30th, and additional funding requirements can be applied for in FY 17/18. The \$50,000 for demolition will be funded with 17/18 funds as there are no immediate properties identified for demolition by April 30th.

Alternatives

City Council reserves the right to modify or reject any and all funding recommendations provided by Community and Cultural Development (CCD) Committee.

Fiscal Impact

Expenditure of these prior year CDBG funds will allow the City to comply with HUD program requirements which require grantees to have minimal amounts of unused HUD funds in U.S. Treasury accounts.

Coordinated With

The Public Facilities and Improvement NOFA was reviewed at two Public Hearings and recommendations forwarded from the Housing and Community Development Advisory Board and Community and Cultural Development Committee.