



Housing and Community Development Advisory Board

Draft Minutes

Stephen Sparks – Chair
Christian Karas – Vice Chair

Kristina Ambri
Diana Yazzie Devine
Stan Hosac
Heather Kay

Siri Amrit Kaur Khalsa
Steve Schild
Linda Starr
Vacant
Vacant

Wednesday, January 9th, 2013

5:00 p.m.

Lower-Level Council Chambers
57 E. First Street
Mesa, Arizona, 85201

- I. **Welcome and Introductions** – Board Members present were: Stephen Sparks, Christian Karas, Kristina Ambri, Stan Hosac, Siri Amrit Kaur Khalsa, Linda Starr

Board members absent from the meeting included: Diana Yazzie Devine, Heather Kay, and Steve Schild

Staff present at the meeting included: Scott Clapp,

Citizens present at the meeting included:

- II. **Approval of Minutes from the December 6th, 2012 HCDAB Meeting** – Motion to approve from Stan Hosac and seconded by Christian Karas. Motion passed 6-0

- III. **Items from Citizens Present** – None at this time

Members of the audience may address the Board on any item. State statute prohibits the Housing and Community Advisory Board from discussing an item that is not on the agenda; however, the Board does listen to your concerns and has staff follow up on any questions you raise.

- IV. **Discussion Items: Public Hearing #1 (Part 2) - Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) Programs Proposal Review for FY**

2013/14 - Hear presentations from nonprofit organizations and/or city departments requesting funding for the City of Mesa's FY 2013/14 Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) Programs. Each agency will present for a maximum of three minutes per application, with an additional three minute period allowed for questions from the Board.

- A. Motion to Convene Public Hearing #1 (Part 2).** – Motion to convene from Stephen Sparks and seconded by Linda Starr. Motion passed 6-0.

- B. Anticipated Amount of funds available for the City of Mesa's FY 2013/14 CDBG, HOME, ESG and Human Services programs:** See staff presentation. - Anticipated funding amounts for FY 2013/14 Community Development Block Grant program we are anticipating level funding this year. The Program allocation is anticipated to be \$3,176,330. Prior year unallocated funds may be available. Anticipated funding amounts for FY 2013/14 for HOME Investment Partnerships Program: Program allocation is expected to also remain stable at \$943,082. Prior unallocated funds may be available. Emergency Solutions Grant for anticipated funding for FY 13/14, it is anticipated that we will have a program allocation of \$268,926 as well as prior year unallocated funds which is \$162,048 for a total of \$430,974. Human Services Program it's also anticipated that we have level funding for that program with a General Fund allocation of \$512,950 as well as ABC Contributions of \$108,000 for an approximate total of \$620,950.

- C. Amount of CDBG, HOME, and ESG resources anticipated to benefit income qualified persons within the City of Mesa** – The City of Mesa anticipates spending no less than 90% {incorrect dollar amount on the PowerPoint} of its allocated CDBG funds (excluding funds for administration and planning purposes) to benefit income qualified persons within the City of Mesa. For the last year reported (2011/12), approximately 93.38% of Mesa's CDBG funds benefited low- and moderate-income persons.

100% of HOME and ESG funds are expected to benefit income qualified persons within the City of Mesa.

- D. Plans by the City of Mesa to minimize the displacement of persons from the intended uses of CDBG, HOME, and ESG** – The City of Mesa does not anticipate undertaking any projects that will result in the displacement of any persons. However, should it do so, the City will strictly adhere to the Acquisition and Relocation Policies as put forth in its Citizen Participation Plan FY 2010-14 and adopted as part of the FY 2010-14 Consolidated Plan. A copy of the policy and the Plan can be found at <http://www.mesaaz.gov/housing/PDF/MesaConsolidatedPlan.pdf>.

E. Range of Activities – Eligible activities paid for with the City’s CDBG funds must meet one or more of the three National Objectives listed in CDBG Federal Statutes. They are as follows:

- Benefit low- and moderate-income persons;
- Prevent or eliminate slums or blight; or,
- Meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs.

The following range of activities may be undertaken by the City of Mesa:

- Slum and blight removal - Code enforcement / Abatement and demolition;
- Housing - housing rehabilitation programs;
- Community facility and public works projects;
- Public services programs including shelter services;
- Economic development programs ;
- Planning and/or administrative activities.

The following applicants will now present a brief overview of their application(s):

CDBG Slum and Blight Removal Activities:

1. COM, Development & Sustainability Department, *Code Enforcement Program*. Requesting: \$363,194. – Laura Hyneman, Deputy Director for COM Development and Sustainability, Requesting approximately \$363,194 for Code Enforcement, the funding for salaries and related expenses of 4 EFT full time code officer and 1 temporary code officer to work in CDBG eligible areas. {Question: Can you tell me the number of full-time code officers that you have on staff with the City? Answer: We currently have 7 officers, 4 of which work full time in the low to moderate income housing areas, which is 15 to 19% of the city and the other 3 cover the rest of the city} {Question: How effective has your program been? Answer: They’re challenged with a lot of work to be done. It’s been successful and this is measured by the high percentage of voluntary compliance} {Question: You currently have 7 and you’re requesting funding for 4 more? Answer: No, we currently have 4 officers assigned to the CDBG area, so this grant is to continue funding for those 4} {Question: So we would essentially be laying off existing city employees without this funding? Answer: Correct. They’re funded 100% through this grant} {Question: Can you tell me a little bit more about the temporary person? Is it shared between departments or a part-time staff? Answer: He is not a City employee. We identified the funds for a temporary employee in last year’s grant and is working through a temporary agency}
2. COM, Housing and Community Development Department in partnership with the Development & Sustainability Department, *Code Compliance Abatement and Demolition*. Requesting: \$100,000. –

Chris DeCaluwe: Housing Supervisor for COM Housing and Community Development. Requesting approximately \$100,000 to complete the securing and boarding-up of 8 properties and 6 complete demos of condemned properties for the next fiscal year. This year to-date, they have committed \$51,215 for 2 complete demos and 5 board-ups so far. Our typical cost for this program, delivery cost, is 4½% of the total budget, and has been unable to find additional funding for the demolition and abatement projects. {Question: What percentage of the total need of the City are you able to meet? Answer: So far we've been able to do all of the projects that were sent to us, but a couple of more projects are coming our way which we really don't have any funding for at this point} {Question: In a city this size, there's really only maybe 6 demos that are required in a year's time? Answer: It varies, sometimes more, sometimes less} {Comment: But the demos are in the CDBG eligible areas, so not the whole City} {Q: To clarify: you do the demolish, then sell the property and you get a little bit of the money back once the property is sold? A: It's the liens that are put on the property then the money will come back. We don't sell the properties. Q: So the property's owned by the original owner, we do the demolish it for blight and eyesore? A: Right, and abate that. Q: So when it's sold, the cost of the demolition, is that tax totaled into the lien? A: It's put on the lien and when the property is sold, it comes back to us. Q: How much money from last year has come back to the City of Mesa as the result of the sale of properties? A: The relationship between the when the lien is placed and when the property is sold, there is no direct relationship, a number of years could pass. I believe it was close to \$65,000 that came in over the last full year. Q: Do you believe \$100,000 is adequate to do what you need to do? A: This year, I believe that we need more than \$100,000, it's very expensive. The money from the sales comes back into the CDBG program. That \$65,000 was the entire city. I would have to get back to you on just the CDBG properties}

CDBG Economic Development Activities: These Economic Development projects were presented and discussed at Public Hearing #1, Part 1 held at the Economic Development Advisory Board (EDAB) on Tuesday, January 8th at 7:30 a.m. in the lower-level Council Chambers (57 E. First Street, Mesa, AZ 85201):

3. NEDCO, *Business Development Program*. Requesting: \$81,500.
4. West Mesa CDC, *Economic Development Program*. Requesting: \$90,000.

CDBG Rehabilitation (Housing Needs) Activities:

5. COM, Housing and Community Development Department, *Homeowner's Rehabilitation Program*. Requesting \$1,088,400.

Chris DeCaluwe, COM Housing and Community Development. Requesting \$1,088,400 for rehab and/or repairs of 160 homes (125 emergency projects,

20 handicapped modifications and 15 lead based paint projects). The project delivery cost including salaries and equipment is 14% of the budget. Right now we have a waiting list of about 159 people; 54 are elderly, 34 are handicap, several large families, and 94 are female head of household. Over the years we have partnered with several external and internal agencies. We've partnered with Habitat for Humanity, The Marc Center, Save The Family, House of Refuge, Housing our Communities, our own Utility Department through a grant from the Gila River Indian Community, our Code Compliance Department and we also work with insurance companies and homeowners who work together to repair the homes. {Question: Talk about some of the partnerships that you've had this past year. Give us some examples. Answer: (breakdown from FY 09/10 on hand-out). We did a total of 259 projects for a total of \$6.6 million} {Q: How do these referrals come to you? With the Utility department you replaced 96 air-conditioners. Where do those referrals for those replacements come from? A: It was from a grant. Actually, we replaced 88 units at the House of Refuge East and we did some in the COM Electrical Department area; people that are applying for the program, we get referrals from churches, from family members that have had previous replacements. Q: Do you get referrals from MesaCan? A: Yes and from other non-profits}

6. House of Refuge, Inc., *Energy Efficiency Replacement Program*. Requesting: \$48,534
Nancy Marion, Executive Director at House of Refuge, Inc., Requesting \$48,534 for replacement of aging water heaters, refrigerators, and stoves in 88 homes at the House of Refuge. The House of Refuge is a transitional housing program for homeless families. On any given day, we house about 250 people on our property. The homes were built in 1973 and rehabed in 1996. Many of the stoves and refrigerators that are in the homes are the rehabed ones and we've replaced some throughout the years, but they're just getting old. We're coming to you with the first of a 2-year proposal to replace all stoves, refrigerators and water heaters in all 88 homes. {Question: With all the current and new development that's going on in that area, is there any question that you could be pushed out of the area? Answer: There isn't because we actually got that land conveyed to us through the Department of Health and Human Services and it was conveyed to us on a contingency that we are in the business of assisting the homeless for 30 years. When Power Road expansion just came through, we had to take a portion of the back of the land and give it back over to the City of Mesa in order to do that. That was quite an undertaking to get that little strip of land removed and put into the Power Road project, so it's not as easy as someone just coming and buying the land from under us. Q: I'm not that familiar with the project, but the down-side area of it is clean and is in good shape? A: It's 88 homes and it sits on the former Williams Air Force Base; it was the enlisted men's housing, and so yes, it's a very nice neighborhood. We've had some community partners come in to keep it in immaculate shape} (Q: You

said it a 2-year project, so are you requesting funding for half this year? A: My hope is that before next year, I'll be able to find a private donor; we're in conversation right now with a private donor, that will be able to help us with that second half. But in case we cannot locate that second donor, then we will be back next year to request that} {Q: Regarding the numbers to achieve this, have you put it out for bulk bid for 88 stoves, refrigerators, to various companies? A: Yes, we did} {Q: Are you only considering new items or recent model used items that may be still under warranty so that it's substantially less expensive? A: That's a very good question. We had not thought of that, but it is something to take into consideration. The bids that we received were for new items. Q: There are a lot of homes that are vacant where they're newly built homes and the appliances have only been used for a year or two. Is that something that can be used? A: I'm not sure but we could definitely look into that} {Q: Any pictures available for us to look at? A: No, but I could submit some to you by tomorrow night. What type of pictures would you be interested in? – The ones of the appliances that you intend to replace. Yes, we can certainly do that}

7. Arizona Bridge to Independent Living, *The Mesa Home Accessibility Program (MHAP)*. Requesting \$67,696.

Darryl Christensen, Vice President of Community Bridge and ABIL. Requesting \$67,696 for rehab activity. They provide accessibility modification to 16 original projects with low to moderate income tenants with disabilities. The overall project total is \$76,490, with almost \$8,800 being contributed through ABIL, other cash resources and in-kind contributions. It provides modifications to houses that include grab bars, ramps, high-rise toilets and other modifications to the bathroom. Goal is to increase the overall number of accessible available units. Also do independent living assessments and have referrals to other services at ABIL and other community resources. We look at this is a holistic package, not just structural in nature. For each person that we can keep in the community rather than in a nursing home, it saves the tax payers over \$27,000 per year per person. {Question: What is the average modification cost? Answer: About \$3,000} {Q: Do you do this in-house or do you contract it out? If you contract it out, do you use different contactors for different cities? A: We have 6 licensed and bonded contractors on our roster that have been pre-approved and have been working with us for a number of years. Q: Any Mesa contractors? A: I don't believe so} {Q: What percentage of the total need are you able to address? A: It really depends. We take in referrals and get as much as we can done. Otherwise we have to refer them over to other resources. Right now we have 8 completed 5 are in progress and we have another home visit later this week}

CDBG Public Facility Activities:

8. Community Bridges, Inc., *Center for Hope Nursery Expansion*. Requesting \$225,000
Kimberly Craig, Vice-President of Women and Children's Programs for Community Bridges. Requesting \$225,000 for a public service activity. Our request this year is for funding to expand the nursery that is currently on the campus of CFH. It's a transitional living facility for pregnant women and their children who have histories of disabling conditions such as substance abuse and mental health disorders. Our campus opened in 2005 and the program's original focus was for women to a more family focused program that addresses the developmental needs and parenting needs for women and children on our campus. At any time the campus serves 24 women and up to 32 children. (Pictures have been provided). Our total project cost has been estimated at \$486,000 and that includes architectural fees and permits. It's a high amount because we have to address drainage issues on the existing structure, relocate the playground, and for permits. {Question: So the \$225,000 is the hard building costs? Answer: The \$225,000 is part of the \$486,000 budget so we can allocate that any way we need to, but yes, it can be the hard building costs. Our foundation board has committed to \$50,000} {Q: Do you have any bids at this time? A: We do not}

9. A New Leaf Inc., *La Mesita Shelter Construction Project*. Requesting \$475,000.
(Conflict of interest declared by Board Member Devine) Michael Hughes, CEO, and Ms. Roarke, CFO of A New Leaf, Inc. Requesting \$475,000. The project will consist of a new 16 unit energy efficient family emergency homeless shelter. A New Leaf is planning to replace the current La Mesita Family Homeless Shelter that was built in the late 1940s with a newly constructed building to improve operational efficiency and cost. The total construction project cost is estimated at \$2.7 million. A New Leaf is embarking on a capital campaign to secure additional funding. The new shelter will be directly behind their new 80-unit apartment complex, of which 30 of the units will be supportive, permanent housing for families that are chronically homeless with special needs. (The annual report with the design of the apartment complex was handed out). Mesa families comprise 70% of the 472 individuals served at La Mesita this year. They are the only homeless family shelter in the East Valley for Mesa and other nearby communities. A New Leaf subsidizes La Mesita by about \$200,000 a year. {Question: What percentage of your annual operating budget goes for salaries, promotional materials, and things like that? Answer: Actually it's quite small. We get donations so we can send these programs out. The calendars are a very good way to show the community all of the services that we provide}

10. Los Ninos Hospital, Inc., *Los Ninos Hospital – Mesa, AZ*. Requesting \$700,000. Requesting \$700,000 to build a 26 bed pediatric hospital in Mesa to serve medically fragile children requiring admission to a transitional acute care facility to extend medical services beyond a typical hospital stay. They currently have a licensed 16 bed hospital in central Phoenix. {Question: I want to clarify that you're not going to be competing with other hospitals with the support of Banner. Answer: No, because it's a sub-acute care step-down transitional hospital. Rhonda Anderson, CEO and President of Banner Desert and Carden Hospital, has been approaching us over the years to build something in Mesa} {Q: Are you recognized by most insurance companies for payments? A: We are; both with the commercial health care plans and the AHCCCS health care plans. We have about 24 contracts. The issue for Rhonda and other executives at the hospital is during the fall and winter months when the beds fill up, they don't have any place to put kids and they would love to be able to transition them to our hospital, thus freeing up beds for sicker kids in their hospitals} {Q: You have 16 beds in Phoenix but you're planning on 26 here in Mesa? A: Yes. Q: And the total construction cost is about \$5 million? A: Yes, about \$500,000 for equipment. The construction phase will be 47 workers and then once the hospital is constructed, we're going to have approximately 75 full time and 25 part time employees. Q: Do you have other committed dollars for the \$5 million? A: Yes. We received a grant from the Salt River Pima Maricopa Indian Community for \$200,000 and on our application you'll see that we raised another \$60,000 from other sources. Our project is \$5 million and at the beginning we wanted to raise about 20% which is \$1 million before we broke ground and with your assistance we would be at that mark}
11. Marc Center of Mesa, Inc., *McLellan Replacement Project*. Requesting \$156,800. (Conflict of interest declared by Board Member Devine) Requesting \$156,800 for a public facility, demolition and reconstruction of their property home at 833 W McLellan. This is a group home for individuals with severe developmental disabilities. (Pictures provided). In 2000, we purchased the home from the City at fair market value. Since that time, we've discovered that there have been 3 or 4 minor remodels or adjustments done on it. These include enclosing the car park, adding on a couple of bedrooms in the back, and adding on a bathroom to the back. That particular bathroom and amperage to the home are inadequate. The sewage continues to back up into the back yard and coming up the drains. {Question: Have you looked into going to another location? Answer: We did, but we own the property and it's been assessed at \$67,000, but given the amount of information that we know about this home, it's probably worth less than half of that. We can't sell the property to someone else without disclosing all these initial problems. Q: How many bedrooms? A: There are 5 individual bedrooms. Q: And only one bathroom? A: There are 2 bathrooms and the other bathroom is a small bathroom based on a 1965 design} {Q: What would happen to these gentlemen if you were to demolish the house, or move elsewhere, or

rebuild? A: Marc Center has temporary funds to house these individuals. We have an agreement with a motel that's kind of a kitchenette motel that we've had to move our folks to when we've had different problems with our different homes. We would displace those 5 with their staff to that location while the home is being demolished and rebuilt. This is where their family lives close to and this is where they want to stay} {Q: Would that amount cover the entire cost of demo and rebuilding? A: Correct. The only thing that we would probably have to seek out from different granting funds would be the technology that we put it in. We like to assist these individuals so that they can stay as independent as they can} {Q: Even though you couldn't sell the home, you basically say it's just worth the land, to demolish and rebuild is that still more cost effective than perhaps buying another home with the extremely depressed prices right now? A: The difficulty would be to find a home in that neighborhood. These 5 gentlemen, their families live close by and they want to stay in that area. There are not a lot of distressed homes in that area}

12. Mesa Community Action Network, Inc. (A New Leaf), *MesaCAN Parking Lot Rehabilitation*. Requesting \$350,000.

(Conflict of interest declared by Board Member Devine) Requesting \$350,000 for design, site preparation and rehabilitation of the west parking lot at the Mesa Community Action Network building located at 635 E Broadway. Provides services to low-income and/or working poor individuals and families in Mesa who are experiencing an economic emergency and are in chronic poverty with assistance and client services to reduce the immediate occurrence of eviction or utility disconnect. Services include rent, mortgage, utility assistance, case management and tax preparation, and resource referrals. In FY 2011/12, the program served 8,000 individuals, 2,880 households. The percentage of Mesa residents that are living below the poverty level has increased from 8.9% in 2006 to 11.5% this past year. Mesa CAN has been in operation for 27 years and merged with A New Leaf six years ago. A few years ago, they purchased the property to the west, so that they could expand. There are other businesses in that lot as well, including WIC, Marisol Bank, utility assistance and others. They have about 6,000 sq. ft. to be built out on the second floor and they could provide additional services to this part of the community, but they really need the parking to do that. {Question: Will the parking lot renovation take in the fact that there will be an expansion of space and services eventually? Answer: Yes. We really do need that parking lot expansion because it's very limited} {Q: What's the square footage of the parking lot? A: It's about $\frac{3}{4}$ of an acre. Currently it's a vacant lot that's kind of been fenced in, right now it's mostly dirt} {Q: Is this 100% of the project, to rehab the parking lot? A: Yes. The reason that the cost is so high is because of the water retention that we have to do; we have to put in water tanks underground. Q: How many parking spaces is this including? A: It will add an additional 75 parking spaces. Q: Do

you need that much? A: Yes, you would be amazed during the peak times at the number of people that use our services. Q: Do you foresee in the next 5 years or so building additional structures on that parking lot? A: We would like to not use that entire site for parking, so that we could expand the initial services offered there. Marisol and the county have expressed an interest in expanding their services offered. Q: Have you approached Marisol about potential assistance with financial help? A: Yes}

13. Project Veterans Pride, *Project Veterans Pride*. Requesting \$270,000. (Conflict of interest declared by Board Member Devine) Robert Meacham, CEO of Project Veterans Pride. Requesting \$270,000 for the Phoenix facility that will serve the entire valley and state. It will house a Crisis Shelter, Transitional Housing, Job Training Center, a Psychosocial Rehabilitation and Recovery Center (PRRC), permanent housing placement and Hospice Care. PVP individuals will receive immediate food, shelter, clothing and emergency services, but more importantly, this will be followed by a complete evaluation and development of an individualized treatment plan to overcome the crisis situation, and utilizing the appropriate services within the facility. PVPs target audience will include homeless veterans and non-veterans and their families, veterans with serious mental illnesses and disabled veterans. There are over 27,000 homeless and jobless veterans in Arizona. Eight to 10 percent of these are women, many with children. There currently is no other facility that offers this. {Question: What's the total cost of the project? Is it being built in Phoenix? A: It's being acquired in Phoenix. The total cost is between \$4 million and \$5 million. Q: How many housing units? A: The total project will have 240 housing units} {Q: Where is it located? A: It's up in the Metro Center area. Q: How much of the \$4-5 million have you acquired? A: We're getting close to reaching those numbers right now. What we're asking for is enough money to provide a couple of case managers hired directly from the City of Mesa and to do any modifications that we need to do to the intake facility to house Mesa residents. We're going to each city in the valley asking because we want to make it valley wide project. Homelessness is a valley wide problem} {Q: Did I read that 25% that you serve will not be veterans? A: Yes, they don't have to be veterans. It's a grant per diem federal fund for veterans, so we can't have more than 25%. {Q: How many have you served so far? A: This is a new facility.

14. COM, Housing and Community Development Department, *Sirriner Adult Day Services Renovation*. Requesting \$627,582.

Scott Rigby, COM Housing and Community Development and Sherry Friend, Executive Director Requesting: \$627,582 for an extensive renovation of the SIRRINER Adult Day Care facilities located at 247 N MacDonald St. They provide family caregiver services to adults with Dementia, Parkinson's or other disabilities. Facility is in need of ADA accessibility, HVAC, flooring and other

renovations to meet current city code. This is a city-owned facility that houses both Serrine Adult Day Care and East Valley Adult Resources. We serve Mesa residents at two locations; Town Center at 247 N MacDonald and also at the Multi-Generational Center on Power and University. We have been in the Town Center location since 1987. Serrine serves the frail elderly and persons with disabilities. Individuals may experience dementia, Parkinson's, stroke, or Huntingtons Disease. They come to us during the day for a safe, nurturing and loving environment. We provide community outings, therapeutic recreational activities, nursing care, personal care, and we also provide services to the family members. The Town Center location has never really experienced any type of renovation. We have some ADA compliance issues with the restrooms and showers not being handicap accessible and the kitchen is no longer within code compliance and needs to be totally renovated. Our facility is also over-stimulating to some of their participants. {Question: How many individuals do you currently serve daily? A: We're averaging about 17 a day. Q: What is your capacity? A: At the location, we're licensed for 50} {Q: How long is the lease with the city? A: 5 years} {Q: What's the total square footage of the building? A: I believe it's just over 4,100 square feet} {Q: So with this request amount, you're really going to work it over, basically start over? A: Yes. If you were to take a tour of the facility, you would definitely say that it needs it. It's a tired, institutional facility with linoleum floors and old lighting that's not really an environment that works for the type of clients that come into the facility} {Q: What is the source of your operational funding? A: We have private-paying participants that pay by the hour. We also have contracts with the area agencies on Aging and also Medicaid programs. We're also working diligently to get a contract with the V.A. over the next year or so.

Scheduled Break – 10 minutes

CDBG Public Service Activities:

15. A New Leaf, Inc., *Autumn House*. Requesting \$42,500
(Conflict of interest declared by Board Member Devine) Dana Martinez, Program Manager for Autumn House. Requesting \$42,500 to support program operations at Autumn House Domestic Violent Shelter. In 2013, Autumn House will be open for 30 years. Our target population is those that are in need of safety due to domestic violence situations; we serve female and male adult clients with or without children. As Mesa's only emergency domestic violent shelter, there is unfortunately a high demand for our services. In the first nine months of this year, Mesa Police Department alone has reported over 1,800 calls of domestic violence. There's also the statistic that one in four women will experience domestic violence at some time during their life. There's also the turn-away factor to consider. DES reported that 4,286 individuals were turned away in Maricopa County during 2011 simply due to a lack of space. {Question: Could you be more specific about program operations, what's the money being used for? A: It will support one, full-time staff and other operation expenses. We provide food, clothing, hygiene items, and the food budget is probably one of the largest items of our budget}
16. A New Leaf, Inc., *East Valley Men's Center*. Requesting \$150,000.
(Conflict of interest declared by Board Member Devine) Tom Hutchinson, Executive Vice President and Community Services of A New Leaf. Requesting \$150,000. EVMC provides the region's only emergency and transitional shelter for homeless men by targeting the key barriers to their success including mental illnesses, substance abuse, financial instability, social isolation and limited employment and/or education. The target audience is single adult, homeless men, 18 and older, from the communities of Mesa, Chandler, Gilbert, Guadalupe, Tempe, Scottsdale, and the Salt River Pima Maricopa Tribal Community. About 70 percent are from Mesa. Often they have exhausted all resources that they have available to them, through their family and other support systems. The program is very much needed. The 2012 Maricopa Association of Government's street count supports this. This occurs each January in the valley. There were 1,400 single, homeless men identified about a year ago. About 300 of these were counted in the East Valley cities. I can also report that about 1,200 individuals seeking services, we were not able to provide services to them. We have an occupancy rate of about 97%. The turn-rate is very low in any given week. We have 76 emergency beds and 18 transitional housing beds. {Question: What was the

number of individuals served? Answer: 301 were served in this fiscal year}
{Q: What type of programs do you offer them to help them redevelop themselves? A: We have a wide array of support services including case management, education in terms of GED assessment and connecting them to educational opportunities in the community, we do life skills on weekends, we have health care for the homeless that come in and case managers that help with job skills}

17. A New Leaf, Inc., *Desert Leaf & La Mesita Apartments*. Requesting \$25,000.
(Conflict of interest declared by Board Member Devine) Beth Noble, Grant and Contract Specialist with A New Leaf. Requesting \$25,000 for supportive services for the Desert Leaf and La Mesita Permanent Supportive Housing program. The La Mesita Apartments will offer 30 units and Desert Leaf Apartments will offer 18 units for homeless families and individuals in a safe area. Both programs are getting underway; we have recently opened up the 18 unit Desert Leaf and we're under construction for the La Mesita 30 units which will open up in December of next year. This request is to have supportive services available to help support the program participants. The goal of the program is for the residents to obtain self-sufficiency and live successfully in permanent housing. By offering this housing to the chronically homeless and those with special needs, this will help to provide long term solutions to a very persistent issue. This program will be uniquely effective by offering an informal system of referrals and service collaboration to ensure access to needed support services. The program is going to accommodate homeless individuals, adults and the families. We've seen that about 17% of the chronically homeless adults in Maricopa County utilize well over half of the shelter resources. Many of these individuals cycle between the community emergency shelters, hospitals, jails, and detoxification facilities, and this costs the county a minimum of \$40,000 per year. It also reduces the emergency shelters capacity for individuals and families with children who may only need short term assistance. We offer support services that include parenting, basic life skills, counseling, case management, work force development and services for at-risk youth and families. {Question: Since this a new permanent housing project, is this a new staff person? Answer: It is a new staff position because the projects are new. The \$25,000 is ¾ of this position. We are also seeking funding from other sources}

18. Aid to Adoption of Special Kids (AASK), *Special Friends Mentoring Program*. Requesting \$5,000.

Julie Turco, Development Director. Requesting \$5,000 for supportive services for a mentoring program focusing on foster youth that reside in institutional settings and after having spent years in care are at risk for aging out of care at 18. The issue we are addressing is this: the number of children in Arizona's foster system is at a critical all-time high. Over 14,000 children are in this children's state system. At the same time, the number of licensed foster care

families has decreased, leaving an increasing number of foster children residing in group homes and shelters rather than being placed with families. Everyone agrees and research has made it abundantly clear that this is not good for children. We recruit and train volunteer, adult mentors specifically for foster children in congregate care. AASK has had a contract with that state that offers Special Friend Mentoring since 2006, but in 2009 all state funding was cut and we've only been able to continue it by soliciting alternate resources. Our total program budget is about \$350,000 but we have reasonable expectations for funding for about 75% of that. We're looking to close the gap of about \$70,000. For every 100 children who are matched with a mentor, historically we would expect about 10% of those to reside in Mesa. We're not looking to Mesa to close the entire gap. We serve children throughout Maricopa County, but we wanted to make the request proportionate for the expectation of the number of children served here. {Question: What are some of the specific things that money goes to? Answer: The majority of the expense for this program is employee expenses. There are travel costs and we do offer orientations in training all over the valley as much as possible to make it accessible for every area. So there are quite a few costs associated with that as well}

19. Save the Family Foundation of Arizona, *Homeless Families Intervention Project*. Requesting \$62,000.

Laura Scotniki, COO, Jackie Taylor, CEO. Requesting \$62,000 to provide intensive case management and utilities for their transitional housing program for homeless families with children. We've been in the city since 1988. Unfortunately according to the National Coalition to end Homelessness, 44% at any given time of the homeless population are homeless families with children. For 2011/12, Save the Family served 157 families within our Homeless Families Intervention Project, consisting for 497 adults and children. We collaborate with other programs to house families as well. Tonight we're asking specifically for our signature program, which is our Homeless Families Intervention Project. We have 62 transitional housing units. We're a scattered site model and we specifically chose that because we wanted to maintain families in the community that they're living in. They are dispersed throughout the City of Mesa. All of our families focus on financial, parental, and personal self-sufficiency. We provide intensive case management by providing Critical Time Intervention. Last year we also provided staff to the Mesa Police Department to provide on-going training on the culture of poverty so that when the police department is interacting with low-income families, they knew what to expect. {Question: You have 62 transitional housing units around the Mesa area? Answer: They're scattered throughout Tempe, Chandler, Scottsdale and Mesa, but 88% of them are in the City of Mesa. Those are 2 and 3 bedroom apartments and a couple of 4 bedroom houses} {Q: How many families did you serve? Answer: We served 157 families and the average length of stay, even though we're a 24-month

program, has been 9 months}

CDBG Program Administration Activity:

20. COM, Housing and Community Development Department, *CDBG Administration*. Requesting \$635,226. (No presentation required.)

HOME Applications:

1. Affordable Rental Movement of Save the Family Foundation of Arizona, *CHDO Operating*. Requesting \$40,000.

Laura Scotniki, COO. Requesting \$40,000 to support operational costs for the continued development of affordable rental units. Save The Family actually has two 5013Cs. The first one is the transitional housing side with the CTI program, which helps people get jobs and improve their credit, but they couldn't find a place to live. In 1992, Save the Family became a Community Housing Development Organization (CHDO). As part of being a CHDO, we're certified in the state of Arizona as well as in the city of Mesa to operate affordable housing. It's housing that's operated below 60% of area median income. We have two projects before you, after the Operating project. This is in support of those projects, and that's to help support the cost of our Leasing Agent to do marketing and lease-up for the units. Also for our Property Development Officer who is going to be overseeing the property project, design and development. It's to help support salaries. {Question: Can you give us a sense of the successes? You talk about the need, but can you talk about some of the successes you've had getting families into affordable housing and what actually had to transpire there? A: We started very slow. In the past, we acquired very small amounts of properties; two, three and four units. This past year, we were awarded a low income Tax Credit Project, which is going to be rehabbing and completely re-doing the Escobedo Washington neighborhood, which is Phase 1. It's going to be 70 units of additional low income housing Tax Credit Project for low income families. We also have 135 scattered site housing units, and additional funds for the acquisition and purchase of 11 more. We're going to be coming to you with a funding request for Phase 2, which will actually finish off that 13 acre parcel of land. Some of our successes: in the last six months, we've had 2 families become home buyers in Mesa, and since 1992, we've 52 families go on to be home owners} {Question: Is this funding for your scattered sites? A: This is for Escobedo Phase 2. Comment: So this would be one big package} {Q: The people that you put in the rentals, are they pretty stable?} A: About half of our clientele are formerly homeless, and they're clientele that we've worked with through our transitional housing program. About the other half are

coming from the community, they can be anybody in the community who's earning below 60% of the area median income and we also have some NSP properties which are below 50% of the area median income. For our Phase 1 project, which we've already been funded for, we're going to have 15 units for seriously mentally ill and in Phase 2, we are targeting 30 permanent, supportive housing units. Those are for families who are coming out of homelessness, who also have a disability or are very low income} {Q: Do you own these units or do you just find rentals that are available? A: We are actually the landlords. We're constantly on the properties to make sure that they're maintained}

2. Affordable Rental Movement of Save the Family Foundation of Arizona, *Escobedo at Verde Vista Phase 2*. Requesting \$500,000.

Laura Scotniki, COO, Jackie Taylor, CEO. Requesting \$500,000 for funds for Phase II of Escobedo at Vista Verde to assist with 5 (1-1 bedroom, 2-2 bedroom and 2-3 bedroom apartments) of the 54 proposed located at 418 N Hibbert. At the beginning of December we had the opportunity to break ground in Escobedo I (designs provided of entire plot) and are constructing 70 affordable units at 60, 50 and 40 percent of area median income. One of the exciting things about the Phase I build is that across the street, we had the opportunity to rebuild Save The Family's headquarters which are our administrative and supportive services offices. In total, Phase I has brought in about \$16 million of revenue development into this neighborhood. Now we're looking at completing the development of this plot, which brings us to Escobedo Phase II. We've worked really hard to create a quality product, with really top-notch quality construction, but reasonable prices for the people of the community who need affordable housing. I don't want you to think that we're greedy. We beg for your indulgence in going for \$500,000 in each pot, but I guess you might say we're hedging our bets and giving you maximum flexibility and funding opportunities. We really need a grant from the City for our low income housing Tax Credit application and it's worth 10 points to get that leverage. We'll be leveraging about \$12 million in Tax Credit dollars with that contribution from the City. Our intention is not to just work these new units, but the entire Escobedo Washington community surrounding the new building. {Question: These are permanent, rental properties? Answer: Yes. The way that the Tax Credit program works, is that at the end of the 15 years the non-profit (Save The Family) will have the opportunity to buy out the project for any remaining debt on the project and at that time, in our proposal to the Department of Housing, we want to be able to try to make these units available for purchase by low income families that may be living in them. So that's our long range intent. We operate under Fair Housing guidelines and some apartments will be available for 30% of area median income} {Q: When you say you're hedging your bets, do you need both \$500,000 grants? A: To be frank, it would be lovely, but we do not. We really believe that there are limited dollars this year for the Tax Credit

program. It's fiercely competitive and because there are fewer dollars, it's more competitive than ever. We really believe that we stand a chance of scoring extremely highly in this process. We have some vouchers for permanent, supportive housing that will also help with our point structure} {Q: What's your demand? A: It's a tremendous demand. There are not enough quality, affordable housing in our community. The annual earning income for this neighborhood is \$15,000} {Q: How much did the City fund for Phase I? A: \$543,000. What we did in Phase I, we had been awarded to buy some scattered site units, but when we saw that all of this was going to come to fruition, we went back and amended our contract and asked that it be rolled in to Escobedo. To be fully self-disclosing: if the City were not able to go the full \$500,000, we could work with less than that. We see the demand, we know the competition, and we want to be fair to our partners. {Q: Since you've set the ceiling, what's the absolute floor? A: A \$250,000 award would be phenomenal for us. At the time that we submitted to the panel, we didn't know exactly what we needed}

3. Affordable Rental Movement of Save the Family Foundation of Arizona, *Escobedo at Verde Vista Phase 2, CHDO Set-Aside*. Requesting \$500,000. (Refer to HOME Project 2)
4. Community Bridges, Inc., *Center for Hope Permanent Supportive Housing*. Requesting \$292,000

Karen Kurtz, Grants Consultant. Requesting \$292,000 to acquire and rehabilitate one 4-plex to be used as permanent supportive housing for women (and their children) completing the Center for Hope transitional housing program. We talked about the Center for Hope, where women come in who are homeless, they are pregnant, they have substance abuse and mental health issues that they are dealing with. Most of them have absolutely no income. They come into the center and they can live there for up to two years, but most of them choose to leave at about the one year point, basically after they've delivered their baby and they want to go to more of a community-based center. What we found, is that when they did want to leave, they didn't have the capacity yet to pay market rent to go live out in the community. So we started developing permanent supportive housing for women, where they could pay an affordable rent, that most of the time would be subsidized by Community Bridges. The women stay connected to our out-patient services, so they get counseling, they get peer-support, they get in-home visits so that somebody is checking to make sure that someone is taking care of the home and that they don't have issues taking care of the child. That's who is living in this permanent supportive housing. This would be the fourth 4-plex that we're trying to acquire to rehab. (Pictures of the other 3 units passed around) {Question: How long do you subsidize that individual? Answer: We are able to charge them up to 30% of their income, so they are paying some money. As long as they don't cross the HOME regulations on income limit. Most of them typically move

out before then. Q: If I understand the funding that you're requesting, is part of that subsidy that you offer to them or not? A: No. The funding is to acquire and rehab the property. Q: Do you have current bids on all this work? A: We wouldn't get bids until we actually have money in hand. We wouldn't acquire a property until we at least know that we have an award} {Q: Is the amount requested what you generally have paid for a 4-plex? A: What we did with that is I took the last two properties that we did and averaged the cost per square foot to rehab those} {Q: How long have you been in existence? A: We've been in business for 30 years, but have been providing permanent, supportive housing for the last 4}

5. COM, Housing and Community Development Department, *Security/Utility Deposit Program*. Requesting \$100,000.

Mary Brandon, Housing Revitalization Division. Requesting \$100,000 to provide one-time security and utility deposit assistance to low-income families and individuals moving to housing units in Mesa. We have done an application for the last few years, and we are here again asking for some funding from the HOME TBRA funds. All funds requested will go to the deposits, there is no Admin cost at all for what we are asking for. The Housing Choice Voucher clients use this program when moving to a new unit and is available for any Mesa resident who qualifies in the 50% or less area median income. The last two years, it was set up so that if they wanted they would receive both if they wanted and that they couldn't just receive the utility deposit. It is a one-time, lifetime assistance, and we keep a list of who has received help so that they can't come back every year, or every other year. It is only the refundable portion of the security or utility deposit and it cannot exceed the monthly rent amount. The security deposit stays with the tenant. It's an incentive for the tenant to keep the unit nice and then they can take it to their next unit. In 2011, we helped 77 families with security deposits and 43 of those also got utility deposits, but our \$44,000 was spent in 3 months. In 2012/13, we've already spent our \$50,000 that was awarded. We helped 79 families (some with Veterans Assistance vouchers) and 41 of them were utility deposits and that was gone in 4 months. With the \$100,000, the City of Mesa Housing Authority would be able to help 150-200 families in the 2013/14 year. {Question: Average deposit per person is? A: Somewhere between \$500 and \$600. Q: Do you coordinate with Mesa Community Action when they do utility and move-in assistance program so you're at least leveraging and working together? A: If they are a Housing Choice Voucher participant or a VASH participant, they're unable to get assistance from them}

6. COM, Housing and Community Development Department, *Major Rehabilitation Program*. Requesting \$103,232.75.

Chris DeCaluwe. Requesting \$103,232.75 for substantial rehab on a city

owned, single family home located at 701 W 1st Pl., returning it to habitable condition and to provide affordable housing for a low to moderate income family or individual. If the funding is not provided, the property might sit vacant for an extended period of time. Has a potential of being vandalized and becoming a neighborhood eye-sore, deteriorating and falling into blight conditions. Our target population is elderly, disabled, female head of household and low to medium income households. Right now, we have 75 people waiting for this program, for major reconstruction. {Question: Is it more worthwhile just to sell the property, could we sell it as-is? Answer: This was owned previously by a low-income buyer and was being sold for back taxes. The City had existing CDBG liens on the property, so in order to recapture our interest in it, and not let those liens go away because we then would be responsible to HUD for why we let that happen. We had an opportunity at first refusal and to acquire the property during the foreclosure process. We're looking at acquiring the property, rehabbing it again, bringing it back up to decent living condition, and putting another affordable family in there. We're trying to fix up the neighborhood and improve that area in the neighborhood. Q: If you sold it, could you satisfy all your liens? A: You might be able to sell it for the price of the HOME dollars that we're putting into it. We can't sell it any more than what HUD has as market conditions. If we don't return it to a low income family and if we were to sell it, it would be a failed project and we would owe HUD back the original amount of money. So there's a whole cycle to protecting the original investments. We don't have to pay HUD back with the General Funds. Q: So your intent is bring it up to standards and lease it out? A: We would sell it to a low-income buyer. Q: You'd be able to recap this request along with covering your liens? A: And meet HUD's requirements. It might not capture everything, and most of the times these don't, but the intent of the HOME program is to get affordable housing.

7. COM, Housing and Community Development Department, *Major Rehabilitation Program*. Requesting \$127,480.75.

Chris DeCaluwe. Requesting \$127,480.75 for a substantial rehab of a project that was scheduled to be completed 3 years ago and was cancelled because of budget cuts. This project is an occupied structure right now. We will provide decent and sanitary living conditions for the family currently occupying this unit. The homeowner is disabled and lives on a very modest Social Security Disability income. The property is located in the 85204 NSP target area. {Question: What will happen to Mr. Ruiz during the rehab and repairs of the property? Answer: Most of the time, they live in the house during the rehab because we don't do all of it at one time. In this situation, the homeowner has made arrangements to stay with family} {Q: Is this a city owned property? A: This is not city owned. It's a private homeowner. Q: How did a private home owner come to qualify for such a large amount of money

to be spent? A: It's under the Major HOME Owner Rehabilitation program and they have to income-qualify to qualify under the program. They have to be at less than 80% of the area median income to qualify. Lien requirements: On Major projects like this, people do make monthly payments for a portion of it and a permanent lien would be placed on the rest of it, and will stay on it until the property is sold, changes hands, or any other way it's turned over. The monthly payments are usually scheduled over a 20-year period} {Q: What are the returns if they were to sell the property? A: It comes back to the HOME funds, basically Program Income. Q: And if they pay a portion of it? Would that also come back to the HOME funds? A: Yes} {Q: I wonder how to justify so much being spent on one family when we've heard all evening of other programs that for even less money could benefit dozens of individuals or families, and is it the wisest use of this funding? A: This program has been in existence for probably about 10 years. We used to get set funding for it and then funding got cut. This was one of the projects that was still scheduled at that time. It fell through the cracks and we're trying to get it funded so that we can do what we promised to do. Q: So before, the funding would have come from a different program? A: No, it would have been from HOME funds} {Q: How old is the house? A: It was built in the early '60's}

HOME Program Administration Activity:

8. COM, Housing and Community Development Department, *HOME Administration*. Requesting \$94,449. (No presentation required.)

Discussion between Board Members and Staff: **(TAMMY)** To clarify a couple of things on the last two requests. If you remember last year, Counsel and per the new HOME rules, you can't award HOME money if you don't have a specific location. Counsel deferred to this Board to be the final decision maker of granting those. You could make a decision to either grant them or not grant them from last year's fund and they're off the charts, they're not even part of this funding process. Remember that nothing has come forward from last year. We could have not put them as part of this year's funding request, and they could have been separate items on your agenda, with you being the final decision for 11/12 funding. **(BOARD MEMBER)** I agree with that. I don't think that we had enough information to really make a decision on those. **(TAMMY)** Ok. **(BOARD MEMBER)** We're just speaking in reference to the \$127,000? **(TAMMY)** Yes, just those two. Counsel approved so much money going to rental housing and so much to home ownership and deferred to this Board as the final decision making on this specific project, where that money will go. You could say yes or no from last year's money, or they could go forward from this year's pot of money, with a recommendation from you, and then Counsel will be involved. It's entirely up to you. **(BOARD MEMBER)** Well funding-wise, there are very few proposals and considering the first proposal through Save The Family, that uncharacteristic kind of candor, I did the math already and we could have funded

all of them, essentially, knowing where that floor was. However, being able to free money up even more and giving more flexibility, if we were to fund the two projects with last year's fund, how much would we have? **(RAY)** Last year we set aside \$200,000 for rental, we set aside \$400,000 for home ownership and we haven't used any of it or had any applications come forward yet. These could be your applications. This year, we're probably going to have to look at that a little differently, even now. Some of the applications that you saw that were submitted tonight, a lot of those don't have a site location. **(BOARD MEMBER)** What about Escobedo? **(RAY)** You're going to see that again because they haven't submitted any of the pro forma? or any of that to us. Under new HOME rules, there are underwriting guidelines and underwriting tools that we have to use. It's a requirement. We have to receive that, evaluate that and review that, and then come back to you with it and say what we found; what we feel is an adequate project and you can make that sort of decision. **(BOARD MEMBER)** So are you saying that the funding request may have been ahead of itself? **(TAMMY)** They do have a specific location, but there's a lot of pro forma stuff that they will have to give us. **(BOARD MEMBER)** Their pro forma will be done with the mark-up application right? **(TAMMY)** Yes, but the fact that they're applying for the tax credits, pretty much the stuff that they would have to provide the state to qualify for those tax credits, they would have to provide us to qualify for our HOME. In the Escobedo project you have a location; if they are awarded their tax credit, then you could make the approval contingent **(BOARD MEMBER)** I was going to say, you could make it contingent upon due diligence and everything else **(TAMMY)** Yes that's kind of different because there already is a location **(BOARD MEMBER)** Same with Community Bridges **(RAY)** Community Bridges is the same thing. There is money there, there is money available in HOME and we can leave that and open that option up. One thing that we can look at is put more per rental and less for homeownership this year if you wanted to do so. **(BOARD MEMBER)** Does the money roll over? **(RAY)** Yes, we have two years to obligate it **(BOARD MEMBER)** So we have a two year window? **(RAY)** Yes **(BOARD MEMBER)** What currently exists that's coming due? **(RAY)** Last year's money. We're coming up on a year. **(TAMMY)** We are cleaning up a lot of past contracts. This year we've finally been able to clean up several years worth. We do believe there is some prior year funding there that may be available. I'm not comfortable saying how much yet, because with our new City system, until we can match our City system with the HUD system, there may be some prior year funding that can go into that pot for specific projects once an address has been picked and they can come to this board with a specific location and a specific request. **(RAY)** It's going to be a first-come, first-serve thing **(BOARD MEMBER)** It will become an open application process **(RAY)** Yes. We plan on putting that out there very soon. I've completed the application for HOME so that it will be on-line and so that they can fill it in. **(BOARD MEMBER)** For any kind of fund? **(RAY)** Yes. Once we receive it and we review it and if it looks good we're going to take it to you and these will be coming out throughout the year, if they come in. We don't want to commit money and write a contract

and it sit for a year and they do nothing or decide they can't do anything. I would prefer that it be out there and anybody has an opportunity to grab it. Even for-profit could come forward. **(BOARD MEMBER)** With the Escobedo property, they need this kind of guarantee for their tax credits **(TAMMY)** That's what happened last year with them. As part of the process you can say contingent upon them receiving the tax credits, Counsel will approve that. We will prepare a letter for their application process that commits that money provided they provide that **(RAY)** I didn't get a clear picture on the amount of money that they had to have. I just heard that they had to have a grant. And here's the thing with Save The Family or ARM, they are the only CHDO we have, so they're automatically going to get a grant from us **(BOARD MEMBER)** A minimum of \$40,000 or whatever that minimum is **(RAY)** That automatically guarantees that they're going to get the 10 points because they didn't say that they needed a minimum amount of dollars to get the 10 points. They just said they needed a grant from the City and they're going to get that with their CHDO Set-aside. **(TAMMY)** Again, at Counsel's direction from last year, we really want to start moving towards more money into single projects, not a lot of contracts. So this is a great opportunity for something like that to happen. Instead of minimizing what they get, you maximize what they get and use other avenues for some of the others **(BOARD MEMBER)** If it gets funded, it will have gone through an enormous amount of underwriting **(RAY)** We have to do our own though **(BOARD MEMBER)** The leverage for the tax credits is huge too. The current Phase I is \$14 million coming into the City of Mesa. For that project, you'll get a huge amount of money coming into Mesa as leverage for that investment which is a lot more **(TAMMY)** We as Staff are not advocating any of this. We're letting you know the processes and reminding you how Counsel had set this up from last year. **(BOARD MEMBER)** Back to those two homes, if it were not owned by the City of Mesa, if those two properties were owned by individuals and they had liens against them, would they logically make the decision at that point in time to go dump another \$100,000 or \$127,000 into that home in hopes of selling it to get even? **(TAMMY)** They may not. That's part of what these programs are set up for is to help disadvantaged families that will never be able to afford to maintain their property **(BOARD MEMBER)** Could those funds be used for some of these other programs, the funds that are going to these homes? **(BOARD MEMBER)** The one that's owned by the City of Mesa, if they don't get it back in compliance the capture will be General Fund money **(TAMMY)** We have to pay HUD up front out of our General Fund pot **(BOARD MEMBER)** So you're putting more HUD money into it to save it but if gets recaptured it will come out of General Funds **(TAMMY)** Right **(BOARD MEMBER)** So it will give us less money to give to other applicants **(RAY)** What we're looking at too, is one of these homes are in the area. The other thing we're looking at is our CDBG areas that we're working in for Code Compliance. Part of that Code Compliance requirement is that not only you notify or find code violations, but you use funds to correct those code violations. That's something that has not been done in the past. What we're looking at is what we can do to improve those neighborhoods and put funds.

One of the things that we're trying to do is target our funds. We're going to look at all of the HOME applications; are you in our CDBG code compliance area because we're going to put a lot of weight on that. That makes a difference. You're not going to change the neighborhood by just writing violations. You need to put money into it as well **(BOARD MEMBER)** Could those two homes be used for a different purpose, rather than just turning around and selling them? **(RAY)** Short of all we would end up doing is turn it over to a non-profit and they would use it as a rental. But it's affordable housing either way. The homeowner is paying back and we are recapturing those funds. With Affordable housing for non-profits, we never get that money back, it's never come back to us. It's in an affordability period and at the end of that affordability period it's theirs. **(TAMMY)** Plus homeownership does add a stable element to it in the neighborhood. The one that the City owns, we foreclosed on that to save ourselves from having to pay HUD back. We have to get that back on the street and we can't do that until we rehab it. **(BOARD MEMBER)** Should we make a recommendation on that one? **(SCOTT)** You can't do it now because I don't have an Action Item on this agenda for us to take action. **(TAMMY)** I caught that they were on here and they should have been a separate action item and not part of this funding recommendation **(BOARD MEMBER)** I would have liked that because I would have liked to have all of this information before filling out that score thing and handing it in. In fact, I'd like my sheets back **(TAMMY)** If you guys choose to use last year's money, those will be taken off, it will not be part of this year and at next month's hearing we will bring them as items **(BOARD MEMBER)** Can we do that without it being an Action Item? **(SCOTT)** The next time we meet, we'll have these as full Action Items. We'll have a complete briefing and prior to voting on that Action, we'll get you all kinds of detailed information on the projects **(TAMMY)** So you would just choose to eliminate them from this process **(BOARD MEMBER)** Do we have an official Vote Action Item for tomorrow night? **(SCOTT)** I cannot change tomorrow night's agenda. We're within 24 hours of the beginning of that meeting, so that agenda is set in stone. But I think administratively that we as Staff can take these off of here. We are the applicant for these, so we can take them out of this process, withdraw our application. We'll make it work so that there's nothing required by you guys tonight. **(BOARD MEMBER)** Maybe we can find out how much is owed on each one of those **(TAMMY)** Only the one is owned by HUD. The other one is a disabled homeowner that was supposed to receive those funds. We used to do three to five major rehabs a year. They were for really needy families. Liens are placed on their properties so that they can pay it back. With the cancelling of the funding years ago, all of that stopped. With this gentleman, we had actually received bids, we were moving forward and then we got cut and him and his family have kind of been in hiatus for the past three years and the home has continued to decline. **(BOARD MEMBER)** You're saying that these funds for these two homes have to be used for something like this, they couldn't be deferred for instance to a homeless shelter **(RAY)** No. Home funds are very limited to housing, and it has to be permanent housing. **(TAMMY)** Each one of the grants has very specific

criteria and populations they're serving, things you can do with them and different things like that. **(BOARD MEMBER)** And you said that 50% has to be permanent lien, 25% can be recaptured and 25% is forgiven **(TAMMY)** We can bring you a lot more of this information as an application next month and withdraw our applications from this funding cycle, because we have money from last year that we should be tapping into before we're tapping into the HOME fund **(BOARD MEMBER)** The last thing that is here is the \$94,000 that is for Administrative costs. If you take the two out, we actually have enough money to fund all of the projects, realistically. **(TAMMY)** One of the things, again remember the rules, you have to have a specific address for us to pre-award, but one of the things that Community Bridges brought to us was their concern about having to have that address is that it kind of makes it hard for them to negotiate and try to get a place if they don't know that for sure they've got the funds. It's possible and we're going to start talking to Counsel about this. From a HUD standpoint, it is not awarded until there's a specific address. There may be some way that we can do pre-awards for a few months through this Board. Have them come, say what they're going to do, their general guidelines and the Board could say okay, we'll pre-award you \$300,000 for 3 months to find a location, but before your final approval you have to bring all the details back to us. That allows them to know that for at least for a 3-month time period they can commit to those funds **(BOARD MEMBER)** But the problem with that is that they might find something for \$200,000 or \$175,000 **(TAMMY)** They wouldn't do final approval until they've brought the actual project back to you. And so that might be a way to meet some of their needs. We're meeting with Counsel next week and are going to start talking about those kinds of issues that they've brought forward to us and maybe some potential issues. **(BOARD MEMBER)** So yes or no, we need to decide if our job is to account for the \$943,000 or at this point does it matter? **(TAMMY)** If you have something in front of you that has a specific location you can award it. Escobedo is the only one in front of you with a specific location and you could do a contingency approval and that would go as part of our annual action plan and we would be able to give them a letter. What you really need to be doing is deciding how much of the rest of it do you think should go to rental and how much should go to homeownership. That's what Counsel will approve. The individual amounts and individual projects will be approved by this Board. **(BOARD MEMBER)** Do they have appraisals that support these requests? What are they submitting that proves to us the actual value? **(RAY)** That's part of the package. They have to submit to us an appraisal of what the cost is. It's very important to us that they're not over inflating that price. That's part of our underwriting requirements. One of the things that I want to bring up is that there is TBRA and the CHDO operations for Save The Family, those are things that you can grade and approve this time through because that's not associated with any of the open applications for affordable housing. **(TAMMY)** And keep in mind that what you guys are really doing is just rating what you've heard in front of you. All those scores will be combined with the Staff analysis and the ultimate decision and approval will fall with Counsel. I just wanted to say that there was a

different option for these. **(BOARD MEMBER)** Clarifying: CDBG is all fine, we have the score sheets with 30% of our ratings. The scoring sheets for basically the other three HOME projects, the utility and the other two projects, does that same system apply? 30% Staff input and then it goes to Counsel? **(TAMMY)** When we submit our annual plan to HUD, what they're going to look for is those things that Counsel could have made a decision to fund, basically steps to follow the HOME rules, that there's a specific location, everything like that. The CHDO Set-Aside, the Operating, are things that would be approved as part of the Annual Action Plan. The other part, and this is just like we submitted last year, would be the remaining pot is categories. This much should go to rental and this much should go to homeownership. So what we really need to do, you should say out of what's left that Counsel doesn't fund, what you would recommend be spent on rental versus ownership. **(BOARD MEMBER)** At the end of the day, how do we support these projects and within the budget context that we have. We have a pot of money. How do we allocate it responsibly within the regulations?

- F. **Public Comment** – The general public is encouraged to actively participate in the priority setting process and may do so by providing feedback regarding the City of Mesa's potential projects for its FY 2013/14 Annual Action Plan. Members of the general public are encouraged to provide their input at this time. Written comments will also be accepted and may be submitted in writing to The City of Mesa, Housing and Community Development Department, Attn: Tammy Albright, Director, P.O. Box 1466, Mesa, AZ 85211-1466; or by email to housing.info@mesaaz.gov. – No comments from the Public
- G. **Next Step - Public Hearing #1, Part 3** will occur on Thursday, January 10th, 2013 at 5:30 p.m. in the lower-level Council Chambers (57 E. First Street, Mesa, AZ 85201). At this time, the Board will hear and evaluate presentations from applicants requesting funding from the City's FY 2013/14 ESG and Human Services programs.

All funding recommendations (CDBG, HOME, ESG, and Human Services) from Public Hearing #1 (Parts 1, 2 and 3) will be reviewed by the Mesa City Council's Community and Cultural Development Committee at 9:00 a.m. (immediately following the Council Study Session) on Thursday, January 31st, and at 7:30 a.m. on Wednesday, February 6th, 2013, in the lower-level Council Chambers (57 E. First Street, Mesa, AZ 85201). The Committee's funding recommendations will then be forwarded to the Mesa City Council for review at the Council Study Session on Thursday, February 21st, 2013 at 7:30 a.m. in the lower-level Council Chambers (57 E. First Street, Mesa, AZ 85201). Council is tentatively scheduled to approve the Committee's funding recommendations at the Council Study Session on Thursday, March 7, 2013 at 7:30 a.m. in the lower-level Council Chambers (57 E. First Street, Mesa, AZ 85201). All approved funding

recommendations will be included in the City's FY 2013-14 Annual Action Plan that is submitted to the U.S Department of Housing and Urban Development (HUD).

H. Motion to Adjourn Public Hearing #1, Part 2

V. Action Items – There are no action items at this time.

VI. Adjourn the meeting – Motion to adjourn passed 6-0 at 9:15 pm