



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

Thursday, March 21st, 2013

6:00 p.m.

**Mesa City Plaza Building, Room 170 East/West
20 E. Main Street
Mesa, Arizona, 85201**

- I. **Welcome and Introductions** – The chair convened the meeting at 6:00 pm, and the following members of the Board were in attendance: Steven Sparks, Stan Hosac, Ellen R., Kristina Ambri, Diana Yazzie Devine, Linda Starr, and Heather Kay.

Board members Siri Amrit Kaur Khalsa and Steve Schild were absent.

Staff attending the meeting was Tammy Albright and Ray Thimesch.

- II. **Approval of Minutes** – There are no minutes for approval at this time.

- III. **Items from Citizens Present** – no items from Citizens
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

A. Discuss the City of Mesa's HOME Application Process, Ray Thimesch, City of Mesa Development Project Coordinator. See Attachment 01_HOME Program Portfolio.

(RAY) We have sent off a few of our documents that we use and done our evaluations. The first document is Staff Rating Tool, Scoring Tool, copies of the HOME application for the HOME loan program. It outlines all the information that we're requesting on the application, particularly when they come in to the rental projects. Also included Underwriting Guidelines that describe some of the Underwriting Guidelines associated with HOME loans. We're here to try to establish your methodology on how to score the applications that come in. We have several applications that you're probably going to see here. Some are Tax Credit Projects. Maybe 2 or 3 of those, some from the Non-Profit Community, one which is a group home and one that's probably going to be a four-plex. We're probably also going to talk about the pre-award and how that works. We haven't seen anything yet to that level come across as far as an application. Most of the stuff that we've seen so far is a pretty detailed application. **(TAMMY)** We know of a few that will probably show up and at least one that will be in conjunction with their application for a Tax Credit. We need to discuss how you as a Board how you want to look at the pre-awards versus somebody that has a full-blown package. Once you give the pre-award that money is off-limit for 4 months. What happens if they don't accomplish what they wanted to accomplish, does that money go back to the next person that you already looked at or does it go back in the pot? The Pre-Award was thrown out as a pilot, as an idea of a way to try to help the non-profits. If there's a better way to do that, Council is open for that or if it doesn't work out, we will announce that. **(RAY)** A lot of the Tax Credit Projects are due at the first of May so it's very likely that you will probably have another normally not scheduled board meeting to look at those applications and make your grading. They will need some type of letter from us regarding our decision. **(TAMMY)** We have set a policy that we will only give Project Based Vouchers to those that receive Tax Credits. The City has approved this and recognized the importance of the Tax Credit Projects and the money they leverage and bring into the community.

V. Action Items:

A. Discuss and take action on the Board's evaluation methodology for the City's HOME Investment Partnerships (HOME) applications. The Board, with the help of staff, will further refine their role and the tools available at their disposal to evaluate, rank, and make final funding recommendations for the City's HOME Investment Partnerships (HOME) applications. See Attachment 02_Staff Rating Tool_CDBG-HOME-ESG and Attachment 03_HCDAB – CDBG-HOME-ESG-HOME Presentation Rating Tool.

(STEPHEN) I would like to identify the most important categories for an application and the application's ability to leverage other funds. Something to weight each application objectively, our top priority areas - Project Readiness,

Budget Readiness. **(TAMMY)** We use an Underwriting Tool that will show exactly how the project works out as far as the need for that funding versus not needing as much. That leverage tool will be completed and presented to you. **(STAN)** A lot of these things that are presented aren't thought out thoroughly or budgeted thoroughly. Are these folks limited on the funds they have available when they come in and ask for these Funds? **(TAMMY)** at the time of application they're asking for funds for a whole year later. They're kind of like pre-awards and Council says this XYZ agency we're going to give you money for you to use next year. As Staff we watch throughout the year to make sure that it's used for what it's supposed to be used for and it's eligible. We need to discuss how do we change things next year? You are the final sayers in who's going to get these funds. **(Lady at 15:42)** So whether it's a private home or a non-profit, they all go through the same application process? **(RAY)** It's a little different on a home. This is mainly for a loan program through the rental process. On the home situation, that's going to be a home owner kind of thing. It is a major substantial home rehab and we felt that you needed to see that and understand what it is. We're going to have a lot more of these come in where you may want to look at what do we want to do this or that? Can we do two of these versus one of those? **(TAMMY)** How do we streamline it so we can manage it, and its low-risk as far as being in non-compliance and pay back to HUD? That's what we're here to share with you as we bring up the ideas. **(STEPHEN)** Let's start to group together the areas which we think we need to be weighted as we look at the application: Project Readiness, Leverage, Condition of the property, Life Safety, Compliance History of the agency, Capacity, Documenting Financial Gap, Impact on the community, Need driven, De-concentration (HUD is strongly urging to not develop affordable housing in high minority concentrated areas), Energy Efficiencies, City commitment and investment to the project. The project has a total possibility of 100 points. **(STAN)** Do you give priority to those that have already been in the system for several years with Mesa, and that have already applied and received funds? **(RAY)** Because this is HOME money, it's only for the development of housing and focusing on rental projects **(STEPHEN)** What do we value the most? What are our top 5 priorities? **(TAMMY)** What's our next step? **(STEPHEN)** Rate their importance and then give them a percentage value to equal 100. The breakdown is as follows: 20% for Financial Leverage, 20% for Community Involvement and Impact, 15% for Project Readiness and Document Financial Gap, 15% for Access to Amenities and Transit, 10% for Compliance History and Capacity, 10% for City Support and Impact on Blight Areas, 5% for Energy Efficiency, and 5% for City Involvement. Clear definitions need to be given to each category. (Dee Dee will send the DEFINITIONS with drill-downs by Email). Applicants will also receive a copy of the breakdown. All are in Favor of this distribution. 75% was established as the minimum score to be considered. This can be revisited once the tool has been used. This is the rating score for multi-family rental projects. However, if someone has an application for HOME funds, the Board will use the same leverage points, eventually.

B. Discuss and make a recommendation to the City of Mesa's Plan Advisory Committee (PAC) on how Housing should be included as a General Plan element within Mesa's 2040 General Plan update. Discussion will focus on whether Housing should remain as a separate General Plan element or be included as a subset of various other elements within the Plan. See attached Timeline and visit <http://www.thisismymesa.org/GeneralPlan.aspx> for more information regarding Mesa's 2040 General Plan update. See Attachment 04_Housing Element_Mesa General Plan and Attachment 05_Mesa 2040 Timeline.

(STAN) The Tax-Credit review process takes 4 months, what will we be doing over the next 6-8 months? **(TAMMY)** We need to set up the process for next year, how we can make this better for next year, with all the things coming down from HUD, things are getting more complicated, we don't have the staff capacity, we need to have a message of what do we think our community needs and what we should be spending the funds that we can send to Council as far as a recommendation. We're also in the process of updating the General Plan, move on to the Housing Plan and then we need to move on to the Con Plan. That's all part of this Board, defining our process, goals and objectives and outposts for the next 5-25 years and where should these funds go and where do we want our community to look like. There's a lot for this Board to work on, rather than just dealing with the funding parts. **(STAN)** One thought that I had that we should really be involved in during that part of the year, is RFPs. Why are we not working on putting committees on getting more funding and to work on RFPs? There are a lot of other areas that can be pursued for funding. **(TAMMY)** This would certainly be something to explore. Right now, I don't think that we have the staff capacity to get all kinds of different grants with different regulations. Right now we pretty much deal with the Entitlement grants. We don't actually go out and apply for any. **(STEPHEN)** This presents a conflict of interest for the City to apply with funds in competition with other non-profits. **(TAMMY)** We'll look for other opportunities to find other funding, but for the biggest thing for us right now, over the next year is really nailing down for a recommendation for Council on is where the City should be in 5 years and what we should be focusing our funds on and having a plan of attack for 5 years **(RAY)** Look at what this city needs. Do we need more community centers, do we need more senior centers, do we need more shelters, those types of things and saying this is what we feel that we should fund next year. Do we need to work on Capital Improvements within the City? Are there areas that can use these Capital Improvements within the City and infrastructure improvements **(TAMMY)** That's the update of the Consolidated plan. That is what we file with HUD. For the next 5 years, these are our goals and this is what we'll use our Federal dollars to try to accomplish these goals. And so we're due for an update and it has to be in. That's what we need to focus on this next year. That's why an item on the agenda tonight was to discuss Goals and Objectives of the General Plan. The next level down in the Housing Plan, which will be our next step once this is laid out. And then you build the Consolidated plan on how we're going to spend our federal dollars to meet our goals over the next 5 years. // This is what John kind of talked about last week. This is the current Housing section in the General Plan now, as it states it. I'll jump over to the Goals under page 7-6. What we want to do over the next few meetings is we want to be able to nail down our goals and objectives, and policies so that we can hand that off to Planning and they can take that information and make sure that from a General Plan standpoint we have the guidance we need to build these other documents on. And this is where we talked about these projects being in compliance with these

plans. These would be the kind of plans that we need compliance on. Do you have any ideas on how you want to do this? **(STAN)** Why don't we start with the top goals and see if there's anything that we would like to see changed. In order to make any calculated decisions on this, we need a map to see where the blighted areas are. **(RAY)** We may not want to do this tonight. There's a lot to absorb. **(STAN)** What are you asking us to do? **(RAY)** Take a look and review it, is there something that's missing? What do you want to add to this? What is your input? **(TAMMY)** You don't want to get too detailed in a General Plan because it could be outdated in 2 years. I think instead of looking at the details of all of these, is to look at the general concepts. Do your big picture goals outline where we should be in 25 years? I think there are some missing elements here. Transit wasn't even a thought-process at this time. **(STEPHEN)** In the interest of time, as a committee, we should individually look at the Policies. Let's come back at our next meeting and be prepared to add to what you feel need to be added to the Goals and Objectives and discuss it as a group and come to some sort of agreement. Does everyone else here agree that that's a good thought process? YES. That will be on the agenda for next time. And how we can augment it for HOME. **(TAMMY)** What was the last thing on the agenda? **(RAY)** Goals and objectives, which we pretty much discussed. **(STEPHEN)** Before we get to the Goals and Objectives, it would be good to have the context. (Tammy will provide this). **(STEPHEN)** We've had a great discussion and accomplished a lot. We've actually got a tool flushed out. Can I get a Motion to Adjourn? Motion given. All in Favor. *(THIS WILL BE AN ON-GOING AGENDA ITEM)*

- C. **Discuss and make a recommendation to the City of Mesa's Plan Advisory Committee (PAC) regarding the composition of the Housing Element (including the Housing goals, objectives and policies) that should be included within Mesa's 2040 General Plan update.** See Attachment 04_Housing Element_Mesa General Plan and Attachment 06_Housing Master Plan. *(THIS ITEM WAS NOT ADDRESSED AT THIS TIME. NO ACTION WAS TAKEN)*

VI. **Adjourn the meeting**