



## Housing and Community Development Advisory Board

# 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, December 6<sup>th</sup>, 2012

6:00 p.m.

Lower Level Council Chambers

57 E. First Street

Mesa, Arizona, 85201

- I. **Welcome and Introductions** -- the meeting convened at 6:00 p.m.
  - A. Staff – The following City of Mesa staff were in attendance at the meeting:
    - Scott Clapp, Community Revitalization Specialist
    - Tammy Albright, Housing and Community Development Director
    - Mary Berumen, Housing Director
    - Ray Thimesch, Development Project Coordinator
    - Rob Schweitzer, Community Revitalization Coordinator
    - Deanna Grogan, Community Revitalization Specialist
    - John Meza, Special Assistant to the City Manager
  - B. Board Members – the following Board members were in attendance at the meeting:
    - Linda Starr, District 3
    - Christian Karas, District 3
    - Siri Amrit Kaur Khalsa, District 2
    - Stephen Sparks, District 3
    - Kristina Ambri, District 1
    - Stan Hosac, District 5

The following Board Members were not in attendance:

- Diana Yazzie Devine, District 1 (excused)
- Heather Kay, District 4 (excused)
- Steve Schild, District 3

## II. Items from Citizens Present

Members of the audience may address the Board on any item. State statute prohibits the Housing and Community Development 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.

There were no items from citizens present.

## III. Action Items

- Discuss and take action on a motion recommending a chair of the Housing and Community Development Advisory Board.** Mr. Karas made a motion to nominate Mr. Stephen Sparks as Chair of the Board. The motion was seconded by Ms. Amrit Kaur Khalsa. The motion passed by a vote of 6-0.
- Discuss and take action on a motion recommending a vice chair of the Housing and Community Development Advisory Board.** Ms. Linda Starr made a motion to nominate Mr. Christian Karas as Vice Chair of the Board. The motion was seconded by Ms. Amrit Kaur Khalsa. The motion carried by a vote of 6-0.
- Discuss and take action on a motion approving the draft by-laws for the Housing and Community Development Advisory Board.** These by-laws were reviewed by the City Attorney to be in conformance with legal protocol and essentially include the language from the ordinance that established the board. Members from the Board did have various questions as follows:

Ms. Amrit Kaur Khalsa asked how many individuals were on Board. There are currently 10 members of the Board.

Mr. Hosac inquired about the regular meeting times each Thursday. Unless the Board has a different preference, the regularly scheduled meeting time will be the first Thursday of each Month at 6:00 p.m. in the lower level council chambers.

Mr. Karas made a motion to approve the by-laws as written. Mr. Sparks seconded the motion, and the motion carried by a vote of 6-0.

## IV. Discussion Items

- Discuss the role and function of the Board.** Staff provided the Board with an overview of their upcoming roles and responsibilities. The Housing Master Plan will need to be updated. Housing Consolidated Plan will need to be

updated as well. The Board will also have the final say on HOME application funding recommendations. The Board will begin to take a lot more involvement in Community Development and Human Services. This Board will be taken to a new level.

- B. Discuss the FY 12-13 City of Mesa CDBG/HOME/ESG and Human Services funding process and Annual Plan process (see funding schedule and rating tools).** Mr. Schweitzer discussed the current funding schedule. Applications were received in October. Staff has conducted a technical evaluation of the applications, and in January there will be a Public Hearing (Public Hearing #1) that will occur over the course of a 3 days. This Board will participate in evaluation of the presentations on January 9<sup>th</sup> and 10<sup>th</sup>, 2013. Ms. Albright pointed out this Board will not meet prior to staff's recommendations being forwarded to the Community and Cultural Development Committee of Council. Staff will make sure that Board receives a copy of staff's recommendations prior to this committee meeting. The Board expressed a desire to see a copy of each application on disk prior to the public hearings in January.

On March 7<sup>th</sup>, Council will make their final approvals for the funding recommendations, and on April 4<sup>th</sup> the second Public Hearing will occur regarding the Annual Action Plan.

Mr. Schweitzer, also at this time, summarized the grant requirements and some of their restrictions.

**Mesa's current targeted activities include:**

- Code Enforcement
- Economic Development
- Housing Activities
- Public Facilities
- Public Services
- Emergency Shelters

Level funding is anticipated for all programs for program year 2013/14. In the current year, FY 12/13, CDBG received \$3, 176,330, HOME received \$944, 491, and ESG received \$268,926. The City has experienced steady decreases in these programs.

**All CDBG programs must meet HUD's national objectives that include:**

- Benefitting low- and moderate-income persons.
- Prevention and elimination of slum and blight

- Meeting an urgent need.

Mr. Hosac inquired if all programs were federally funded. The CDBG, HOME, and ESG programs are funded by HUD. The Human Services program is funded by general funds and contributions by residents to the ABC program.

**Some of the general restrictions of the CDBG program include:**

- Stabilize Communities – most flexible
- Restrictions on New Construction Projects.
- 20% cap on Administration
- Staff Salaries (one area that could be reduced by HUD)
  - Training and Process Improvements
  - Process of Reimbursement Requests
  - Contract Preparation, Environmental Reviews and Monitoring
  - Audit Preparation and Responses
  - City Attorney, Accounting and Rehab staff cost
- 15% cap on Public Service Activities.
  - Family Self Sufficiency Services
  - Counseling and Education services
- Required Set-aside – 70% of funds must be used for 80% or less of median income.
- Monitoring Commitments – Depends on activity.
- Staff is reviewing pre-commitment of funds in an effort to recommend larger projects and fewer contracts.

**Some eligible activities include:**

- Acquisition of real property.
- Relocation and demolition.
- Code enforcement.
- Rehabilitation of residential and non-residential structures.
- Public services, with a 15% cap.
- Provision of assistance to profit-motivated businesses to carry out economic development and job creation/retention activities.
- Construction of public facilities and improvements, such as water and sewer facilities, streets, neighborhood centers, and the conversion of school buildings for eligible purposes.
- Activities relating to energy conservation and renewable energy resources.

Mr. Sparks mentioned the IDA program as a possible match or way to leverage CDBG funds. Ms. Albright mentioned that the City would be willing to explore this possibility.

**HOME Investment Partnership Program General Restrictions:**

- Create affordable housing for low-income, for grants, direct loans, loan guarantees or rental assistance or security deposits.
- 10% Cap for Administration.
  - Staff Salaries
  - Training and Process Improvements
  - Process of Reimbursement Requests
  - Contract Preparation , Environmental Reviews and Monitoring / Affordability Period
  - Materials and Supplies
- Minimum of 15% set aside for CHDO operations (Community Housing Development Organization – Development of Housing).
- Match: 25% match on every dollar.
- Monitoring 20 years for new construction of rental housing; 5-15 years for construction of homeownership housing and housing rehabilitation, depending on the amount of HOME subsidy.
- Administration cost and program income must be used to sustain the program for the monitoring / affordability period
- PJs have two years to commit funds (including reserving funds for CHDOs) and five years to spend funds.
- HOME-assisted rental housing must comply with certain rent limitations. HOME rent limits are published each year by HUD. The program also establishes [maximum per unit subsidy limits](#) and [maximum purchase-price limits](#).

**Eligible HOME Activities:**

- Home purchase or rehabilitation.
- Financing assistance to eligible homeowners and new homebuyers.
- New construction.
- Build or rehabilitate housing for rent or ownership, or for "other reasonable and necessary expenses related to the development of non-luxury housing," including:
  - a) Site acquisition or improvement,

- b) Demolition of dilapidated housing to make way for HOME-assisted development,
  - c) And payment of relocation expenses.
- Participating Jurisdictions (PJs) may use HOME funds to provide tenant-based rental assistance (TBRA). This can include utility or security deposit assistance.

Ms. Albright reiterated that this is the grant that council has delegated final funding authority to this Board.

Applications will be coming from the City of Mesa for HOME program funding.

**Emergency Solutions Grant General Restrictions:**

- Street Outreach and Emergency Shelter. 60% Cap or the greater of the amount of FY 2010 grant funds committed to street outreach and emergency shelter activities.
- Grant Administration. 7.5% Cap.
- New construction not permitted.
- Matching funds required (100%).

**Eligible Emergency Solutions Grant Activities:**

- Street Outreach Component
- Emergency Shelter Component
- Homelessness Prevention Component
- Rapid Re-housing Component
- Homeless Management Information System (HMIS) Component
- Administration Activity

The City is now required to coordinate its ESG activities with the Maricopa Association of Government's Continuum of Care. This is a requirement of the HEARTH Act.

The City utilizes the Human Services and ABC funds as its match for the ESG program. Now the City can use CDBG funds as a match for the ESG program as long as they are not used as a match anywhere else. The City is now

requiring its non-profit organizations to come up with 50% of the match from their own funds.

**Mesa’s Human Services Programs are designed to:**

- Assist citizens to achieve or maintain independence and self-sufficiency.
- Prevent long-term dependence on public resources.
- Encourage partnerships between all levels of government, the private sector, charitable and other community organizations, and service providers in addressing human service needs.
- Avoid duplication of services.
- Provide specific outcomes for the public good.

The City is considering using Human Services funds as a match for non-profits’ indirect costs. This maybe something the City wants to consider for the next fiscal year.

Ms. Amrit Kaur Khalsa inquired if the City had ever considered using unpaid interns, from someone like Mesa Community College, to assist in this area. The non-profit community does utilize interns to assist with their efforts. The City does bring in temporary help to assist with its programs; but, they’re limited as to what they can do.

**Anticipated funding for the Human Services Program are:**

General Fund:	\$512,950
ABC Contributions:	<u>\$108,000</u>
Total:	\$620,950

**Rating Methodology:**

- Rating by Board accounts for 30% of overall score.
- Rating by Staff accounts for 70% of overall score.

The Board will be using handout #6 as their rating tool.

**Use of Strategic Initiatives**

- Does the project support one or more of the Council’s Strategic Initiatives? The Board is going to want to keep these in mind when rating the presentations.

**Methodology for possible reductions:**

- Eliminate commitments with the lowest rating. This was the same methodology that Council preferred last year.

Staff requested that the Board submit their Conflict of Interest Forms at this time.

- C. City of Mesa General Plan, Housing Master Plan, Consolidated Plan, and CAPER – status report.** There was not a report at this time.

**V. Staff Reports and Announcements**

- A. Department Update – status report.** Ms. Albright has met with the City's PIO to try and publicize the ABC program. The funds for this program are shrinking faster than anticipated. The Homelessness Point in Time Count will occur on January 29<sup>th</sup>, 2013 as part of the Continuum of Care. HUD has rolled out a twenty-page survey that each municipality is to use. Mesa is considering beginning their count at 5:00 a.m. until 9:00 a.m. Training for the volunteers will begin in the near future. Some City staff will be participating as well. Ms. Albright indicated that usually there was something that the municipalities could offer the homeless for their participation; however, this year there were not funds available for any incentives. Mr. Sparks recommended giving the homeless coffee for their participation and seeking donations from a corporation such as Starbucks. The Neighborhood Outreach Office is actively working in identifying the high-concentration areas.

Mesa has about 1600 vouchers and we're converting some of them to project-based vouchers. Council has also agreed to provide a letter of support for Save the Family for their Escobedo project that's also being funded by \$500,000 in HOME funds.

The Board expressed an interest in going on some site visits to some of the non-profit recipients.

There is considerable investment in the area around the light rail. LISK has agreed to identify specific areas for development.

Ms. Amrit Kaur Khalsa expressed an interest in having the Planning & Zoning Administrator, Gordon Sheffield, address the Board. Ms. Amrit Kaur Khalsa

**DRAFT**

Khalsa would like to see more cooperation between Code and the Housing Master Plan. Form-based code has been implemented in the City, and it's more flexible and innovative than what existed before.

Corporate matching for the ABC program is also a desirable program that's been favored by the Board.

Mr. Sparks would like to institute a Board retreat sometime in the future to allow the Board to identify priorities and goals.

- B. **Neighborhood Stabilization Program 3 (NSP 3) – status report.** Council has asked us to look at some type of marketing plan to get the houses that the city is carrying down to a smaller amount.

**VI. Adjourn** – The meeting was adjourned at approximately 7:55 p.m.

Submitted by,

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Scott Clapp, Community Revitalization Specialist

Date