



Housing and Community Development Advisory Board

DRAFT Meeting Minutes

Stephen Sparks – Chair
Donna Bleyle – Vice Chair

Susan Brenton
Diana Yazzie Devine
Heather Kay
Tom Stapley

Linda Starr
Ericka Varela
Kris Woolley

Thursday, September 1, 2016

6:00 p.m.

Lower-Level Council Chambers

57 E. First Street

Mesa, Arizona 85201

I. Welcome and Introductions

- A.** HCDAB members present at meeting introduced themselves. All members were present except Susan Brenton and Tom Stapley.
- B.** Kent Westover sent the Board a letter of resignation in May. His service over the last three years is appreciated. Donna asked if, and Constance confirmed, that the board members are automatically renewed each year. Upon resigning, a letter of resignation should be sent to the Mayor, since he is the one that sends the welcome letter.
- C.** Staff present at meeting – Constance Bachman, Dennis Newburn, Liz Morales, Emily Greco, Maurice Brundidge, Ra’Chel’Ni Mar’Na, and Patricia Pearson. Liz announced that Constance is now training Emily Greco to be the Board Liaison. She thanked Constance for her many years of service.

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Si necesita asistencia o traducción en español, favor de llamar al menos 48 horas antes de la reunión al 480-644-2767.

II. **Approval of Minutes**

Constance will send out the draft of May's meeting minutes so that they can be approved at the next meeting.

III. **Items from Citizens Present**

There were no citizens present

IV. **Discussion Items**

A. FY2016/17 CDBG-HOME-ESG-HS Application Presentations: Follow up to last board meeting

– Liz stated that there was an additional \$50,000 approved by Council after the Board met last. With the additional funds from FY15/16, and unspent Human Services funds, Council approved support for the House of Refuge. Approximately 11-12 families were served. The funds were officially spent as of August 15th. (see **Attachment B**)

B. FY2017/2018 Application Process and Timeline

– The Section 8 Program will go before Council to review items, and want to include comments of the HCDAB members. (*Liz Morales referred to handout which is attached at the end of the Minutes below*)

We are ready to start our funding cycle. We are asking all developers to submit information for LIHTC funds. Based on things that occurred last year, Council wasn't aware of the process, so we will try to have smooth process going forward. Notices will be sent out in September, evaluations will be sent to the H&CD Board in January, study sessions will be held in February, and final approvals soon after. Diana asked how new council members will be briefed. Liz noted that we will be using our Housing Master Plan, which should be completed by December. This will help to drive the decision making and need for affordable housing. This also gives an opportunity to tell our story. After January, the group will look at the recommendations to bring them up to date. Liz also noted that Council prefers to have various committees that are focused on our programs, which helps make our reports stronger. These things will be addressed beforehand. Emily will inform the HCDAB members when the Community and Cultural Development (CCD) Board meets. The CCD Board includes Councilmember Richins, Vice Mayor Kavanaugh, and Chairperson Councilmember Luna. Donna noted that not all affordable housing is the same, and would like to have ways in which the Board can learn the specifics. Stephen stated some housing examples which may change people's perception: Encore and Art Space is an innovative way for our community to champion that need,

and Heather concurred. Recommendations for Phase II of the Housing Master Plan will help paint a clearer picture.

- C. Unspent Prior Year CDBG Funding Allocation** – Staff’s recommendation is to offer a special round of project funding focusing on Public Facilities. The most popular CDBG category is for Public Service, but that category has a 15% cap which has already been reached. Staff recommends that we limit the committed funds to 60% in case of an emergency or unexpected needs, which is still in alignment with the City’s Annual Plan. Diana asked if these funds were allocated before. Liz noted that some of the agencies didn’t use their funds, but for the most part, they did a good job. Dennis noted that structure repairs are Public Facilities Funds and persons directly affected are Public Service Funds. With the statutory cap, it makes it difficult to find those activities.

Liz stated that the Housing Governing Board will meet on September 8th to discuss opening the waitlist for the Housing Choice Voucher Program. This last occurred three years ago. Public Notices will go out, landlords, non-profits, developers, etc. will all be notified.

D. Discussion on 2016/17 Housing Master Plan

Was discussed under Item IV, B

V. Action Items

There were no Action Items.

VI. Staff Announcements/Reminders

- A.** Stephen requested more opportunities for board members to build their knowledge. Constance has been working on a draft schedule for presentations and will work with Emily to put it into effect. Stephen would like to make that a future agenda item.
- B.** Heather suggested that since new screens have been installed, that the Board go paperless.
- C.** Diana appreciated the opportunity to make a LIHTC presentation with Liz and Brian Swanton at the Housing Forum in Tucson last month. Liz congratulated Diana for an award she received recently. Diane also noted that Susan has been working hard on the Mobile Home Park Study and Constance said that she expects to hear more on the subject in the coming months.
- D.** Next HCDAB Meeting – October 6, 2016 at 6:00 PM in the Lower-Level Council Chambers.

VII. Adjourn the meeting

Diane Yazzie-Devine motioned to adjourn the meeting, Donna Bleyle seconded; motion carried by a vote of 7-0. Meeting adjourned at 7:05 pm.



Housing and Community Development Advisory Board 9/1/16

FY 17/18 Federal Funding Process Timeline

Last Year's Process

1. proposals for projects applying for LIHTC credits and the City's federal HUD funding
2. all other proposals for CDBG, ESG, HOME and Human Service funding.

Additional Process:

3. LIHTC proposals that are not seeking federal HUD funding from the City, but rather only a letter of support for the project.

The proposed timeline, detailed for the upcoming year is as follows:

FY 2017-2018 Funding Timeline	LIHTC-- No City HUD Funding Contribution	LIHTC-- With City HUD Funding Contribution	CDBG/ESG/Human Services/HOME
Notice of Funding Availability	N/A	9/29/16	1/2/17
Notice of Intent to submit LIHTC project	9/29/16	N/A	N/A
Proposal Submission Deadline to City	11/17/16	11/17/16	2/6/17
Evaluation by Staff	12/22/16	12/22/16	2/10/17
Evaluation by H & CD Board	1/5/17	1/5/17	3/7/17
Recommendations by Comm. & Cultural Dev. Committee	1/19/17	1/19/17	3/30/17
Public Notices and Comment Period	N/A	3/24/17 to 5/15/17	3/24/17-5/15/17
Council Study Session	2/2/17	2/2/17	4/13/17
LIHTC Support Letters	2/9/17	2/9/17	N/A
Final Council Hearing for Approval	N/A	5/1/17	5/1/17

Housing Master Plan Update

The purpose of a Housing Master Plan is to provide a broad and comprehensive set of data related to all housing inventory types and varieties in Mesa as well as policies to help City Council make informed and consistent decisions for housing proposals throughout the City, on fact-based, demonstrated need. The Housing Master Plan will supplement the Consolidated Plan which identifies housing and community development priorities for the purpose of focusing funding for CDBG, ESG and HOME on the priorities.

To ensure a comprehensive and transparent Plan update process, staff recommends that this project be completed in two phases:

PHASE 1: DATA GATHERING AND RESEARCH (approximately September 2016 - December 2016). The City would retain a consultant (through a Request for Proposals process) to research the current housing inventory and collect supporting information on the impact of housing development that has occurred in the last 10 years in Mesa. The consultant would also be tasked with providing projections on housing trends for the next 10 years, based on local, state and national development trends, census data, surveys and housing market data software to identify appropriate variables and data points to include in the Plan, such as the analysis of existing housing stock, rental and ownership costs, and income levels. Once this information is gathered, the results will be presented to City Council and the community at large.

PHASE 2: COMMUNITY ENGAGEMENT AND RECOMMENDATIONS (approximately January 2017 - April 2017). The second phase will be to develop recommendations for housing policy to be carried out for the next 10 years. This process will be inclusive of Mesa residents, professionals in the field of planning and development and other applicable disciplines. Once the recommendations have been drafted, they will be presented to City Council for direction. Following the direction of City Council, City staff will then use the information collected to work on updating the language of the Plan that would be presented to City Council at a later date.

Unspent Prior Year CDBG Funding Allocation

Every year, H&CD has unspent funding from the prior year HUD federal funding contracts or funds collected from program-related income. This year, the amount of unspent CDBG funding from GFY 15/16 is significant enough (\$751,519) to cause management to recommend we City staff bring this to Council to receive feedback on how the funds will be reinvested. The amount of unspent prior year funding can vary from year to year, this year it included \$532,350 in program income.

Staff's recommendation is to offer a special round of project funding limited to the CDBG eligible activity category of Public Facilities and Improvements which allows for funding to be spent on projects such as parks, public buildings and infrastructure improvements. The most popular CDBG category is for Public Service, but that category

has a 15% cap which has already been reached. Staff recommends we limit the funds committed to no more than sixty percent of the amount available (\$450,911) in order to have funding that may be used for emergency or unexpected needs, yet still in alignment with the City's Annual Plan.

Priority for the special round of funding is recommended in the following order:

1. Applications submitted for the FY16/17 application process that were not funded.
2. Activities proposed by nonprofit organizations or other City Departments that are engaged in activities that meet CDBG eligibility requirements.

A second option would be to roll all or a portion of the funding into the FY17/18 funding competition. If Council is interested in this option, staff would need to carefully monitor the funding ratio to ensure we continue to meet HUD funding commitments as HUD requires that entitlement communities, like the City, keep their ratio of unexpended funds below 1.5 by April 30th each year. To ensure a comprehensive and transparent Plan update process, staff recommends that this project be completed in two phases:

Congress has not yet finalized federal funding allocations for FY 17/18, however current allocation by the Department of Housing and Urban Development for CDBG, HOME and ESG funding is used as a guideline.

HUD Program	FY2016/17
CDBG	\$3,224,529
HOME	\$ 996,826
ESG	\$ 287,998
Totals	\$4,509,353