

HUMAN SERVICES ADVISORY BOARD
CITY OF MESA
MESA CITY COUNCIL CHAMBERS
57 EAST 1ST STREET, LOWER LEVEL
February 26, 2004
REVISED
-MINUTES-

MEMBERS

Ms. Susan Klecka, Chair (Excused)
Dr. Carlos Vallejo, Vice Chair
Ms. Mary Bolig
Ms. Teresa Cotton
Mr. Raymond Jones
Ms. Judy Kent
Ms. Kim Reynolds (Excused)
Mr. Ken Salas
Ms. Linda Starr

STAFF

Ms. Kathleen Kelly
Ms. Ruth Anne Norris
Ms. Lisa Hembree
Ms. Lisa Wilson
Ms. Debbie Cooke
Ms. Angela Duncan

Guests

Bob Archie
Janet Brandon

WELCOME AND INTRODUCTIONS

Dr. Carlos Vallejo chaired the meeting and welcomed those in attendance.
Citizen comments would be held for later and item seven of the agenda will be switched with item four.

REVIEW MINUTES OF JANUARY 22, 2004 MEETING

The January 22, 2004 minutes were unanimously approved with changes. Susan Klecka was incorrectly identified as Vice Chair. Ms. Klecka is the Board's chairperson.

SELECTION OF HOUSING GOVERNING BOARD CANDIDATE

Ruth Anne Norris discussed the appointment of a Section 8 resident to the Housing Governing Board. She introduced two candidates to the Housing and Human Services Advisory Board (H&HSAB). Janet Brandon addressed the Board regarding her desire to serve and listed experiences that would qualify her for the appointment. Bob Archie, also a Section 8 resident addressed the Board with his desire to serve and listed his qualifications as a candidate.

Ms. Norris then provided the Board members with secret ballots to vote for the best candidate. These ballots would be given to the Mayor as a recommendation from the H&HSAB.

REVIEW OF CDBG/HOME APPLICATIONS

Lisa Hembree presented information on the CDBG/HOME application recommendations to the Board. Kathleen Kelly stated that staff made their initial funding recommendations to the Mesa City Council. The recommendations would be published for review on the City's website. Monday, March 1, 2004 will begin the 30-day Comment Period. City Council would approve the final recommendations on April 5, 2004.

Ms. Kelly explained the spreadsheet showing the staff's recommendations. Ms. Hembree added that there are \$4,119,000 CDBG funds available and a total of \$8,502,299 requested. The available HOME funds are \$1,239,225 with \$1,532,800 requested.

Ms. Hembree informed the Board that the American Dream Downpayment Initiative (ADDI) program was signed into law on December 16, 2003. The City of Mesa is eligible to receive a little over \$185,000 to help first-time homebuyers with downpayments and closing costs.

04/05 ESG RECOMMENDATIONS FOR DISCUSSION & APPROVAL-CONDUCT PUBLIC HEARING

Ms. Kelly reviewed the funding recommendations with the Board. There is an additional \$29,914 in Emergency Shelter Grant (ESG) funds to award. The new HUD funds would be redistributed to the three current ESG providers in a prorated fashion.

Dr. Vallejo asked for a motion to approve that the additional funds be used for other agencies. Ms. Kent made the motion to accept the funding recommendations made by staff. Teresa Cotton seconded and the motion passed unanimously.

MONTHLY HOUSING REPORT

Ms. Norris provided the Monthly Housing Report. The vouchers for housing are 95% leased. The goal is 98-99% leased by the end of the year, which depends on Section 8 funding and Request for Housing remains level.

Ms. Norris stated that the challenge for Mesa Housing Services is renting the three and four bedroom units. Prospective low-income clients can't afford the units or the utility bills that would follow. There are issues with prospective clients that don't pass the HUD required credit or background checks and also age restrictions on children of the opposite sex occupying the same bedroom.

Linda Starr asked if a tour of Escobedo could be arranged for the H&HSAB members so they may become familiar with the units. Ms. Norris stated that she would be happy to plan a tour for the Board members.

CONSIDER & APPROVAL OF ANNUAL AGENCY PLAN

Deborah Cooke, Senior Housing Specialist, of Mesa Housing Services addressed the Board to answer any questions or concerns regarding the Annual PHA Plan. The plan is due to HUD by May 15, 2004. Ms. Norris requested that the plan be forwarded to the Housing Governing Board for approval. Ms. Cotton made the motion to forward the plan to the Housing Governing Board and Linda Starr seconded. The motion was passed unanimously.

DISCUSS PROPOSED ESCOBEDO APARTMENTS RENT INCREASE

Ms. Norris requested that the Board approve a recommendation to Council that ask for an increase in rent for the Escobedo housing units. The rates have not been adjusted since the mid-1990s, which place the units significantly below the fair market rents set by HUD.

Ms. Norris offered two alternatives:

1. Adopt a rental increase of 10% for the minimum rent, effective August 1, 2004 with conceptual approval to increase rents 7% annually for the following two years subject to annual approval of rent adjustments by the City Council. This approach would allow the Escobedo Apartments to break even within three years, assuming a 10% vacancy rate and the current level of maintenance. Staff would review rents on an annual basis thereafter and propose rental adjustments to the City Council as necessary to maintain self-sufficiency.
2. Adopt a rental increase of 5% for the minimum rent, effective August 1, 2004 with conceptual approval to increase rents 5% annually for the following four years subject to annual approval of rent adjustments by the City Council. This approach would allow the Escobedo Apartments to break even within five years, assuming a 10% vacancy rate and the current level of maintenance. Staff would review rents on

an annual basis thereafter and propose rental adjustments to the City Council as necessary to maintain self-sufficiency.

Mesa Housing staff recommends alternative one. Ms. Norris asked the H&HSAB members for their support.

The Board discussed concerns regarding current tenant's ability to afford the increase and also their utilities. Ms. Norris said there are five families in extreme hardship for which she would like the ability to waiver the rent increase.

Ms. Kent wanted to know what improvements would be made to the current units to validate the rent increase and wanted to post-poner the vote until the concerns were addressed. Ms. Norris added that the units are decent, safe and affordable. There are rehabilitation projects scheduled but explained that the units are basic. Ms. Cotton asked if the increase could be "Grandfathered" in for new tenants. Ms. Norris stated that she didn't know how long it would take to break even using that approach.

Dr. Vallejo asked for a vote on alternative one to be forwarded to City Council for recommendation. Five members voted for the rent increase using alternative one. Ms. Kent and Ms. Cotton voted against the rent increase. Ms. Klecka, Chair and Ms. Reynolds were not present during the vote.

Ms. Norris stated she would note the discussion and forward concerns to the City Council.

DISCUSS PROPOSED HIRING OF CONSULTANT FOR ESCOBEDO REVITALIZATION

Ms. Norris asked for the H&HSAB to recommend to City Council that a consultant be hired to evaluate feasibility of revitalizing the Escobedo Apartments. The units were built in 1942-43 to house military personnel.

The options include but are not limited to:

- Maintain the complex as we currently do, limiting repairs to must-do items
- Rehabilitate the units to meet current codes and provide a more energy efficient environment;
- Renovate the units, including remodeling the interiors to create larger, more useable spaces or innovate by creating live/work spaces that could complement downtown revitalization efforts
- Rebuild the complex, with the goal of creating a higher density, mixed-income project that could house current and new tenants.

Ms. Norris stated that hiring an architect would be less costly than using City staff's time and the expertise would be necessary to do an adequate evaluation. James Abell of Abell & Associates has submitted a proposal to complete the review study for the Escobedo Apartments for a cost of \$5,645.

Ms. Norris informed the Board that the current property value (10 acres) is \$1.5 million. The consultant would help the City decide which direction to take regarding the property. The other alternative is to take no action at this time and continue to operate the complex as is for the foreseeable future, which would postpone the time when the property will require significant reinvestment or face possible closure.

Ms. Kent made the motion to recommend that City Council approve the hiring of Abell & Associates to evaluate the property. Ms. Starr seconded the motion. The motion passed unanimously

STAFF REPORT

Ms. Kelly provided an update on the status of the Housing Master Plan (HMP). She spoke of the article, "Mesa Targets Mobile Homes" that was published in the Tribune and the issues that were raised. Mesa citizens of the manufactured and mobile home community came to the meeting. City Council held off on the approval of the Housing Master Plan due to citizen concerns and asked the Task Force to reconvene. The CHTF reconvened on

February 10, and examined and discussed the plan using the resident's input. Goal three stated, "...replace at least 50% of mobile homes age 25 years or older"... There also was the concern of the pre-1979 homes being replaced. The Task Force decided to delete goal three and return the plan back to City Council for approval in March.

CITIZEN COMMENTS

There were no citizen comments. Dr. Vallejo tallied the votes and the H&HSAB members selected Janet Brandon as the new Housing Governing Board member. The recommendation would be sent to the Mayor.

ADJOURN

Dr. Vallejo asked for a motion to adjourn. Ms. Kent moved to adjourn and Ms. Cotton seconded. The motion passed unanimously. The meeting adjourned at 7:00 P.M.

Respectfully Submitted,

Nichole V. Ayoola, Human Services Specialist

lw/NA