

COUNCIL MINUTES

February 20, 2014

The City Council of the City of Mesa met in a Study Session in the lower level meeting room of the Council Chambers, 57 East 1st Street, on February 20, 2014 at 7:30 a.m.

COUNCIL PRESENT

Scott Smith
Alex Finter
Christopher Glover
Dennis Kavanaugh
David Luna
Dave Richins

COUNCIL ABSENT

Scott Somers

OFFICERS PRESENT

John Pombier
Debbie Spinner
Dee Ann Mickelsen

(Mayor Smith excused Councilmember Somers from the entire meeting.)

1. Review items on the agenda for the February 24, 2014 Regular Council meeting.

All of the items on the agenda were reviewed among Council and staff and the following was noted:

Conflict of interest: None

Items removed from the consent agenda: None

2. Hear a presentation, discuss and provide direction regarding amendments to the FY 2011-12, 2012-13 and 2013-14 Annual Action Plans (HOME Program) and for designation of prior year unallocated HOME funds and program income.

Director of Housing and Community Development Tammy Albright displayed a PowerPoint presentation (**See Attachment 1**) indicating three potential amendments to the Fiscal Years 2011-12, 2012-13 and 2013-14 Annual Action Plans (HOME Program). She explained that due to the closing of the agency that provided services to the HOME Program, there is a total of \$442,559 unallocated.

Ms. Albright outlined a proposal to change the HOME Program approval process from the Housing and Community Development Advisory Board (HCDAB) back to the City Council. She stated that staff received over \$1.4 million in requests to participate in the Low Income Tax Credit projects from the Arizona Department of Housing. She illustrated a chart (See Page 5 and 6 of Attachment 1) outlining prior year funds available to be converted to rental funds and a timeline that included a 30-day public comment period.

In response to a question from Councilmember Richins related to promoting homeownership, Ms. Albright indicated that staff has compiled several documents outlining the homeownership program and added that staff will be issuing a Request for Proposal (RFP) this summer for the purpose of partnering with local and regional agencies to help build the necessary capacity to promote homeownership. She stated that the U.S. Department of Housing and Urban Development (HUD) will be initiating a training seminar to interested organizations and individuals on Community Housing Development Organization status to promote the homeownership program.

Councilmember Kavanaugh thanked Ms. Albright for the recommendations and added that he is glad to see an interest and participation from the applicants. He commented that State deadlines are often difficult for applicable cities to meet certain requirements and asked how the City plans to communicate with interested applicants, both today and later in the program, in order to meet State requirements.

Ms. Albright confirmed that a letter was submitted to the State outlining the process and program timeline and added that the details of the project will be presented to the Council at a later date. She stressed that one of the difficulties is not being able to provide the requested funding to the applicants due to the low tax credit; and that many are seeking Qualified Allocation Plan (QAP) financing. She advised that HUD requires a subsidy layering review to determine the finance amount and stated the importance of complying with those requirements.

It was moved by Councilmember Kavanaugh, seconded by Councilmember Richins, that the recommendations be approved.

Mayor Smith declared the motion carried unanimously by those present.

3. Appointments to Boards and Committees.

Mayor Smith recommended the following appointments to boards and committees:

BOARD OF ADJUSTMENT

Shelly Allen – Term Expires June 30, 2014

HUMAN RELATIONS ADVISORY BOARD

Karen Frias-Long – Term Expires June 30, 2014

Juan Panchano – Term expires June 30, 2014

It was moved by Councilmember Kavanaugh, seconded by Councilmember Glover, that the Council concur with the Mayor's recommendations and the appointments be confirmed.

Mayor Smith declared the motion carried unanimously by those present.

4. Information pertaining to the current Job Order Contracting projects.

(This item was not discussed by the Council.)

5. Hear reports on meetings and/or conferences attended.

Councilmember Kavanaugh:	La Fiesta Chamber of Commerce
Mayor Smith and Vice Mayor Finter:	Science in the School Day at Keller and Roosevelt Elementary Schools
Councilmember Glover:	Mesa's Man and Woman of the Year

6. Scheduling of meetings and general information.

City Manager Christopher Brady stated that the meeting schedule is as follows:

Saturday, February 22, 2014, 8:00 a.m. – District 6 Pancake Breakfast/ Fire Station 219

Monday, February 24, 2014, TBA – Study Session

Monday, February 24, 2014, 5:45 p.m. – Regular Council Meeting

7. Adjournment.

Without objection, the Study Session adjourned at 7:51 a.m.

SCOTT SMITH, MAYOR

ATTEST:

DEE ANN MICKELSEN, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the City Council of Mesa, Arizona, held on the 20th day of February, 2014. I further certify that the meeting was duly called and held and that a quorum was present.

DEE ANN MICKELSEN, CITY CLERK

abg
(attachment – 1)

Substantial Amendments for Mesa's FY 2011-12, 2012-13, and 2013-14 Annual Action Plans & Prior Year Fund Designation

Tammy Albright
Director of

Housing and Community
Development Department



Council Study Session
February 20, 2014

Why Are We Here?

- Seeking direction regarding three potential Substantial Amendments to the FY 2011-12, 2012-13 and 2013-14 Annual Action Plans (HOME program).
 - Change homeownership funds to rental housing funds.
 - Modify the HOME project approval process.
- Determine direction for designating prior year unallocated HOME funds and program income.

Substantial Amendment Proposal

- Modify FY 2011-12 and all prior year unallocated funds or program income to rental housing.
- Modify FYs 2012-13 and 2013-14 homeownership and unallocated funds in the amount of \$442,559 to rental housing.
- Change the HOME project approval process from the Housing and Community Development Advisory Board to the City Council.

Prior Year funds and Program Income

- Unallocated prior year funds and program income can be utilized for rental housing projects:
 - Approximately \$430,387 remains unallocated HOME funds or program income prior to FY2012-13.
 - Staff has received over \$1.4 million in requests to participate in Low Income Tax Credit applications for the Arizona Department of Housing 2014 process.

Substantial Amendment Proposal

Program Year	Approved HOME Ownership Less Committed funds	Approved HOME Rental	Available Unallocated funds and Program Income	Funds Committed or Awarded (ownership and rental)	Available HOME rental funds (after amendment)
FY2010/11	N/A	N/A	\$39,486		\$39,486
FY2011/12	N/A	N/A	\$527,341	\$136,440	\$390,901
FY2012/13	\$410,000	\$200,158	\$1268	\$357,268	\$254,158
FY2013/14	\$188,401	\$188,402	\$0	\$188,402	\$188,401
Estimated 2014/15 funds		\$458,000			\$458,000
Total					\$1,330,946

TIMELINE

ACTIVITY	DATE(S)
City Council Study Session	February 20, 2014
30-Day Public Comment Period	February 24 – March 25, 2014
Housing and Community Development Advisory Board (Public Hearing)	March 6, 2014
City Council Approval of Resolutions	April 7, 2014
Amendment Submission to HUD	April 14, 2014
City Council Approval of FY2014/15 Annual Action Plan	April 21, 2014
FY2014/15 Annual Action Plan Submitted to HUD	May 15, 2014

Questions and Discussion