

COMMUNITY & CULTURAL DEVELOPMENT COMMITTEE

June 13, 2011

The Community & Cultural Development Committee of the City of Mesa met in the lower level meeting room of the Council Chambers, 57 East 1st Street, on June 13, 2011 at 8:30 a.m.

COMMITTEE PRESENT

Dave Richins, Chairperson
Christopher Glover
Scott Somers

COMMITTEE ABSENT

None

STAFF PRESENT

Alfred Smith
Natalie Lewis

1. Items from citizens present.

There were no items from citizens present.

2-a. Hear a presentation, discuss and make recommendations on amendments to the FY 2011 Annual Action Plan, including Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Shelter Grant (ESG) and Neighborhood Stabilization 3 (NSP3) Programs.

Housing and Community Development Department Acting Director Tammy Albright and Management Assistant Scott Clapp addressed the Committee relative to this agenda item.

Ms. Albright displayed a PowerPoint presentation (**See Attachment 1**) and reported that staff was seeking Committee direction regarding the City of Mesa submitting a potential Substantial Amendment to its FY 2011/12 Annual Action Plan, as required by the U.S. Department of Housing and Urban Development (HUD). She explained that the Annual Action Plan includes the following programs: Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Shelter Grant (ESG), and Neighborhood Stabilization Program 3 (NSP).

Ms. Albright stated that staff was also seeking input to streamline the Annual Action Plan in order to maximize the City's flexibility to address proposed projects as they occur throughout the year. She noted that staff was further requesting support to move forward with a separate NSP 3 Substantial Amendment, also required by HUD, that includes reference to potential Permanent Supportive Housing projects that may be considered under the program.

Ms. Albright remarked that because the City of Mesa was awarded \$3.1 million in Federal funding as opposed to the anticipated \$3.7 million, it was necessary for staff to amend the FY 2011/12 Annual Action Plan. She explained that staff proposes to restore the City's CDBG

Program to the previous Council-approved funding level by utilizing approximately \$450,000 of the \$948,977 in unallocated prior year funds. **(See Attachment 2)** Ms. Albright stated that prior year funds could not be used to restore Program Administration funding and said that the Housing and Community Development Department would experience a 16.5% cut in its funding.

Ms. Albright noted that a 15% cap on CDBG Public Service activities remains in effect. She said that staff further proposes to fund the CDBG activities conducted by Housing Our Communities (See Items 27 and 28 on Attachment 2) with available General Fund dollars from the ABC (A Better Community) Program and redistribute the Federal monies between the remaining Public Service activities. She said that such a proposal would restore funds in this category to the prior levels (\$70,000).

Responding to a question from Chairman Richins, Ms. Albright clarified that those agencies providing Public Service activities would have less restrictions placed on them by receiving General Fund dollars as opposed to Federal monies.

Ms. Albright also advised that pending the restoration of most of the CDBG projects to the previously approved FY 2011/12 levels, an estimated \$449,578 would remain in unallocated prior year funds. She explained that such funds could be utilized for new projects/activities and said that staff would meet with the City Manager's Office to consider options to maximize flexibility in addressing future projects mid-year and also streamline the Annual Action Plan.

In response to a question from Chairman Richins, Ms. Albright indicated that staff has been approached by two organizations with regard to mid-year projects.

Ms. Albright reiterated that concerning the NSP 3, staff would file a separate Substantial Amendment that includes a reference to potential Permanent Supportive Housing projects that may be considered under this program. She added that each project would still be presented to Council for approval.

Ms. Albright referred to a document titled "Substantial Amendment Proposal" (See Pages 7 and 8 of Attachment 1), which illustrates the CDBG funding summary by category. She also reviewed a proposed timeline with respect to moving this process forward. (See Page 9 of Attachment 1) Ms. Albright advised that the timeline included an additional meeting with this Committee, but said that if it was the consensus of the members that such a meeting was unnecessary, staff would move forward with the 30-day public comment period. She added that at the August 22, 2011 Regular Council meeting, staff would tentatively seek Council approval of the Substantial Amendment to the FY 2011/12 Annual Action Plan.

Ms. Albright further reported that in early July, staff anticipated that the City would enter into contracts with the subrecipients at the reduced funding levels in order to maintain services in the community. She stated that pending Council approval of the Substantial Amendment and the document being filed with HUD, staff would process contract amendments with said agencies in order to restore CDBG funding to the originally-approved allocations.

Discussion ensued relative to the fact that after the Council's summer break, staff will come back to the Committee to review goals, objectives, policies and methodology for future funding; that future funding reductions might be implemented next year and it was important for the Committee to provide input regarding the manner in which programs and projects should be

prioritized and/or funded; that the Council was interested in pursuing more Community Transformative projects; and a schematic drawing of a Permanent Supportive Housing project in Tempe (See Page 11 of Attachment 1), which represents a mixed-use, mixed income type of development.

Chairman Richins stated that in the next application cycle, he would encourage non-profit organizations to present more coherent and collaborative projects to the City. He cited, for instance, that a \$15,000 project “will struggle” in the application process and added that the Community Transformative projects would be looked upon more favorably. Chairman Richins added that the City no longer has the staff capacity to manage 30 CDBG contracts and stated that if he had an option, the City would administer no more than 10 contracts.

Ms. Albright advised that with respect to the HOME Program, staff was in the process of determining whether there were any prior year funds that might be available for reallocation. She stated that if such funds become available, staff would recommend restoring funding, if possible, to the previously approved levels.

Chairman Richins stated that it was the consensus of the Committee that a second meeting was not necessary and that staff move forward in the process to restore funding as outlined by Ms. Albright. He also noted that he and his fellow Committeemembers would be happy to meet with representatives of the non-profit organizations to discuss possible projects or programs.

It was moved by Committeemember Somers, seconded by Committeemember Glover, that staff be directed to move forward in the process relative to the submission of a Substantial Amendment to the City’s FY 2011/12 Annual Action Plan.

Carried unanimously.

Chairman Richins thanked staff for the presentation.

3. Adjournment.

Without objection, the Community & Cultural Development Committee meeting adjourned at 8:46 a.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Community & Cultural Development Committee meeting of the City of Mesa, Arizona, held on the 13th day of June, 2011. I further certify that the meeting was duly called and held and that a quorum was present.

LINDA CROCKER, CITY CLERK

Annual Action Plan Amendment for FY 2011/2012

Tammy Albright
Acting Director of
Housing and Community
Development Department



A Presentation to the Community and Cultural Development Committee
June 13, 2011

Why Are We Here?

- Seeking direction regarding a potential Substantial Amendment to the FY 2011/2012 Annual Action Plan (CDBG, HOME, and ESG programs).
- Determine possible direction for maximizing flexibility in the Annual Plan
- Requesting support to move forward with an Amendment to the NSP action plan for Permanent Supportive Housing

Substantial Amendment Proposal

- Restore funding of the CDBG program to its previously approved level.
 - Utilization of remaining unallocated prior year funds (\$948,977).
 - Administration activity can not be restored to prior level.
 - 15% cap on public service activity remains in effect.

Substantial Amendment Proposal

- **Restore funding of the CDBG program to its previously approved level.**
 - **Remove funding for Housing Our Community Projects – Refund with available ABC program funds.**
 - **Restore funding of remaining CDBG public service activities to prior levels using available unallocated prior year funds.**

Substantial Amendment Proposal

- Unallocated prior year funds can be utilized for new projects and/or activities.
 - Approximately \$449,578 remains unallocated after the restoration of most CDBG projects to their FY 2011/2012 levels.
 - Staff is examining ways to streamline the Annual Action Plan and maximize flexibility to address ad hoc projects.

Substantial Amendment Proposal

- Neighborhood Stabilization Program 3 (NSP3) funds require a separate Substantial Amendment.
 - Separate Substantial Amendment to include mention of potential permanent supportive housing projects that may be funded under the program.

Substantial Amendment Proposal

CDBG Funding Summary by Category	Council Approved	FY 11/12 Revised HUD Allocation (-16.6%)	Available Prior Year Funds	Proposed Amendment Funding Amount
Code/ Slum and Blight	\$ 627,306	\$ 523,241	\$ 104,065	\$ 627,306
Economic Development	\$ 536,500	\$ 447,499	\$ 89,001	\$ 536,500
Housing Needs	\$ 846,752	\$ 706,283	\$ 140,469	\$ 846,752
Public Facility	\$ 534,792	\$ 446,075	\$ 88,717	\$ 534,792
Public Service	\$ 534,421	\$ 445,765	\$ 77,147	\$ 465,046
Program Administration	\$ 643,336	\$ 536,612	\$ -	\$ 536,612
Total	\$ 3,723,107	\$ 3,105,475	\$ 499,399	\$ 3,547,008

Substantial Amendment Proposal

CDBG Funding Summary by Recipient Type	Council Approved	FY 11/12 Revised HUD Allocation (-16.6%)	Available Prior Year Funds	Proposed Amendment Funding Amount
City Departments	\$ 2,065,642	\$ 1,722,969	\$ 235,949	\$ 1,958,918
Non Profit Agencies	\$ 1,657,465	\$ 1,382,506	\$ 263,451	\$ 1,588,090
Total	\$ 3,723,107	\$ 3,105,475	\$ 499,399	\$ 3,547,008

Total Available Prior Year Funds: \$865,560
Remaining Prior Year Funds: \$366,161
Public Service Cap (15% of Total Allocation): \$465,821

TIMELINE

ACTIVITY	DATE(S)
Community and Cultural Development Meeting	June 13, 2011
Subrecipient meeting	June 16, 2011
Community and Cultural Development Meeting	June 20, 2011
30-Day Public Comment Period	July 6 – August 4, 2011
Public Hearing – Housing Advisory Board	August 4, 2011
Amendment Approval by Council	August 22, 2011
Amendment Submission to HUD	September 1, 2011

Next Steps?

- Meeting with committee after break to review goals, objectives, policies, methodology for future funding
- Future cuts possible
- Use of prior year funds
- Community Transformative Projects
- Permanent Supportive Housing becoming a trend



Questions and Discussion



FY2011/2012 CDBG APPLICATIONS FOR FUNDING - Revised HUD Allocation (-16.6%)

	FY 10/11 Received	FY 11/12 Request	FY 11/12 HAB Recommend	FY 11/12 C&NS Committee & Council Approved*	FY 11/12 Revised HUD Allocation (-16.6%)	Available Prior Year Funds	Proposed Amendment Funding Amount
CDBG - Code Enforcement / Slum and Blight							
1	Code Enforcement Program	\$489,433	\$ 434,498	\$ 354,000	\$ 434,498	\$ 362,418	\$ 434,498
2	Demolition and Hazardous Abatement Program	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 33,364	\$ 40,000
3	Community Engagement Program for Slum/Blight Areas	\$122,808	\$ 122,808	\$ 122,808	\$ 122,808	\$ 102,435	\$ 122,808
4	Community Compliance Program - WM CDC	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 25,023	\$ 30,000
CDBG - Economic Development							
5	51-55 Main Street, Downtown Mesa	\$ -	\$ 500,000	\$ 350,000	\$ -	\$ -	\$ -
6	225 E. Main Street - Tenant Improvements	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ -
7	Downtown Project Manager	\$115,000	\$ 115,000	\$ 100,000	\$ 115,000	\$ 95,922	\$ 115,000
8	Sprinkler Cost Assistance Program	\$100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -
9	Mesa Minority/Micro Small Business Development Center	\$ 74,481	\$ 74,435	\$ 74,435	\$ -	\$ -	\$ -
10	Economic Development Program	\$ 81,500	\$ 81,500	\$ 81,500	\$ 81,500	\$ 67,980	\$ 81,500
11	The Business Development Program	\$177,379	\$ 177,379	\$ -	\$ -	\$ -	\$ -
12	Light Rail Business Assistance Program	\$ -	\$ 250,000	\$ 150,000	\$ 250,000	\$ 208,527	\$ 250,000
13	Economic Development Program - WM CDC	\$ 90,000	\$ 90,000	\$ -	\$ 90,000	\$ 75,070	\$ 90,000
CDBG - Housing Needs							
14	The Mesa Home Accessibility Program (MHAP)	\$ 74,418	\$ 77,409	\$ 77,409	\$ 77,409	\$ 64,568	\$ 77,409
15	Homeowner Rehabilitation Program - COM	\$940,000	\$ 1,000,000	\$ 500,000	\$ 500,000	\$ 417,054	\$ 500,000
16	Homeowner Rehabilitation Program	\$ -	\$ 1,000,000	NA	\$ -	\$ -	\$ -
17	Discovery Point Kitchen Rehab (Phase II)	\$307,587	\$ 269,343	\$ 200,000	\$ 269,343	\$ 224,661	\$ 269,343
CDBG - Public Facility							
18	Indoor Plumbing Rehabilitation Projects	\$ -	\$ 750,000	\$ 450,000	\$ 380,925	\$ 317,733	\$ 380,925
19	HR Insulation Project	\$ -	\$ 70,818	\$ 55,137	\$ 70,818	\$ 59,070	\$ 70,818
20	Save the Family Main Building Repairs	\$ -	\$ 75,000	\$ 60,000	\$ 75,000	\$ 62,558	\$ 75,000
47	Emergency Shelter Roof Replacement	\$ -	\$ 8,049	\$ 8,049	\$ 8,049	\$ 6,714	\$ 8,049
CDBG - Public Service							
21	FSS Support Services	\$ 1,875	\$ 2,150	\$ 2,150	\$ 10,000	\$ 8,341	\$ 10,000
22	Washington Activity Center	\$200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 166,822	\$ 200,000
23	Project H3, Homeless Navigator Services	\$ -	\$ 32,089	\$ -	\$ 32,089	\$ 26,766	\$ 32,089
24	Mesa Tenants Rights Helpline	\$ 40,000	\$ 44,496	\$ 44,496	\$ 44,496	\$ 37,114	\$ 44,496
25	Removing Barriers to Justice for Low-Income Mesa	\$ 45,000	\$ 50,961	\$ 50,961	\$ 50,961	\$ 42,507	\$ 50,961
26	Assistance for Independent Living (AIL) Program	\$ 17,500	\$ 17,500	\$ 17,500	\$ 17,500	\$ 14,597	\$ 17,500
27	Homebuyer Education, Counseling, and Client Intake/Referral	\$ 58,775	\$ 58,775	\$ 58,775	\$ 58,775	\$ 49,025	\$ -
28	Mesa Foreclosure Prevention Education & Counseling	\$ -	\$ 10,600	\$ 10,600	\$ 10,600	\$ 8,842	\$ -
29	Foreclosure Intervention Program	\$ 25,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 25,023	\$ 30,000
30	Advocates for the Disabled	\$ 17,732	\$ 20,000	\$ 10,000	\$ 20,000	\$ 16,682	\$ 20,000
31	Mercy Housing Live in Hope Financial Literacy Program	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -
32	Neighborhood Safety Program - WM CDC	\$ 8,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 8,341	\$ 10,000
33	Mesa Neighborhood Academy - WM CDC	\$ -	\$ 5,000	\$ -	\$ 15,000	\$ 12,512	\$ 15,000
48	Homeless Families Intervention Project	\$ -	\$ 35,000	\$ 26,250	\$ 35,000	\$ 29,194	\$ 35,000
CDBG - Program Administration							
34	CDBG Administration	\$ 593,369	\$ 643,336	\$ 643,336	\$ 643,336	\$ 536,612	\$ 536,612

CDBG Funding Summary By Category		FY 11/12 Request	FY 11/12 HAB Recommend	FY 11/12 C&NS Committee and Council Approved	FY 11/12 Revised HUD Allocation (-16.6%)	Available Prior Year Funds	Proposed Amendment Funding Amount
Code / Slum and Blight Subtotal	\$ 627,306	\$ 546,808	\$ 627,306	\$ 523,241	\$ 104,065	\$ 627,306	
Economic Development Subtotal	\$ 1,788,314	\$ 755,935	\$ 536,500	\$ 447,499	\$ 89,001	\$ 536,500	
Housing Needs Subtotal	\$ 2,346,752	\$ 777,409	\$ 846,752	\$ 706,283	\$ 140,469	\$ 846,752	
Public Facility Subtotal	\$ 895,818	\$ 573,186	\$ 534,792	\$ 446,075	\$ 88,717	\$ 534,792	
*Public Service Subtotal	\$ 501,571	\$ 460,732	\$ 534,421	\$ 445,765	\$ 77,147	\$ 465,046	
Program Administration Subtotal	\$ 643,336	\$ 643,336	\$ 643,336	\$ 536,612	\$ -	\$ 536,612	
	\$ 6,803,097	\$ 3,757,406	\$ 3,723,107	\$ 3,105,475	\$ 499,399	\$ 3,547,008	

CDBG Funding Summary - Non Profit Agencies and City Departments		FY 11/12 Request	FY 11/12 HAB Recommend	FY 11/12 C&NS Committee and Council Approved	FY 11/12 Revised HUD Allocation (-16.6%)	Available Prior Year Funds	Proposed Amendment Funding Amount
City Department Total	\$ 3,557,792	\$ 2,312,294	\$ 2,065,642	\$ 1,722,969	\$ 235,949	\$ 1,958,918	
Non Profit Agency Total	\$ 3,245,305	\$ 1,445,112	\$ 1,657,465	\$ 1,382,506	\$ 263,451	\$ 1,588,090	
Total CDBG Funds	\$ 6,803,097	\$ 3,757,406	\$ 3,723,107	\$ 3,105,475	\$ 499,399	\$ 3,547,008	

Total Available Prior Year Funds \$ 865,560
 Remaining Unallocated Prior Year Funds \$ 366,161
 *Public Service Total Can Not Exceed 15% of Total HUD Allocation \$ 465,821