

## COMMUNITY & CULTURAL DEVELOPMENT COMMITTEE

October 17, 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 October 17, 2011 at 4:00 p.m.

### COMMITTEE PRESENT

Dave Richins, Chairman  
Scott Somers

### COMMITTEE ABSENT

Christopher Glover

### STAFF PRESENT

Natalie Lewis  
Alfred Smith

Chairman Somers excused Committeemember Glover from the entire meeting.

#### 1. Items from citizens present.

There were no items from citizens present.

#### 2-a. Hear a presentation and discuss Mesa's Animal Management Program and goals; discuss and provide direction on cat management strategies.

Chairman Richins stated that this item was continued to a future date and time so that Committeemember Glover would have the opportunity to participate in the presentation and discussion.

#### 2-b. Hear a presentation and provide direction on the goals, objectives and application process for Federal entitlement grant funding distributions and methodology for possible Federally-mandated funding directions.

Director of Housing and Community Development Tammy Albright introduced Federal Grants Coordinator Ray Thimesch and Management Assistant Mischelle Durkovic, who were prepared to respond to any questions the Committee might have.

Ms. Albright displayed a PowerPoint presentation (**See Attachment 1**) and reported that on September 15, 2011, staff sought direction from the Committee regarding proposed changes to Mesa's Federal grant process. (See Pages 2 and 3 of Attachment 1) She explained that the changes to the City's Consolidated Plan, which will be incorporated into next year's application process, would add flexibility, streamline the process, and effectively monitor the grants for the U.S. Department of Housing and Urban Development (HUD) compliance.

Chairman Richins noted that he recently participated in a conference call with the City's Community Development Block Grant (CDBG) consultant and said that he was pleased with the helpful advice and direction that was offered regarding the City's efforts to simplify the manner in which it utilizes Federal funds.

Responding to comments from Chairman Richins, Ms. Albright clarified that as staff moves forward through next year's grants application selection process, she has no doubt that additional areas of improvement will be identified. She stated that if such improvements are of a significant nature, staff would present those items to the Committee in an effort to seek further direction.

Ms. Albright, in addition, remarked that after conferring with the consultant, staff determined that the City's Consolidated Plan was written in a broad enough manner that would allow for a certain degree of flexibility. She noted that as a result, staff is recommending no changes to Mesa's current targeted activities. (See Page 5 of Attachment 1)

Ms. Albright also reported that staff recommends utilizing the Mixed Approach, in which the City may have a formal or limited application process. She said it would allow the City to set aside a certain portion of funds, such as Home Investment Partnerships Program (HOME) or Neighborhood Stabilization Program (NSP) monies, for targeted developments/areas throughout the year. She advised that staff would also utilize the current Formal Application Process for projects when it "makes sense" to accept applications on an annual basis.

Chairman Richins commented that staff's proposal would focus on the Council's economic development priorities, which would be funded by "a targeted pot of money" and stated that "not everything would go through a competitive application process."

Responding to a question from Committeemember Somers, Ms. Albright clarified that when staff presents the Annual Plan to the Committee, they would designate a certain portion of funds and recommend possible targeted activities. She stated that the more specific staff can be with respect to the type of project (i.e., specific areas, mixed use, mixed income projects along the Main Street corridor), the easier it will be for the project to be developed.

Chairman Richins suggested that it might be appropriate for the City to reserve \$500,000 for a "transformative community project" along the light rail corridor. He explained that when Mesa "signals the market" that it has set aside funds for a special project, hopefully it would attract developers who are interested in building those types of projects.

Mr. Thimesch noted that the Mixed Approach would allow the Council to assess their priorities in the City so that staff could set aside monies for those particular projects.

Chairman Richins stated that with the Mixed Approach, the City would "not be fighting every year over \$25,000, \$30,000 projects," but rather accomplishing, for instance, affordable housing or economic development projects in a specific corridor of the community.

Mr. Thimesch explained that an example of the type of project referenced by Chairman Richins would be one in which \$500,000 in HOME funds are allocated to a developer to construct a 200-unit apartment complex, providing that a certain number of units are dedicated toward low-income housing.

Ms. Albright indicated that with the Formal Application Process, staff cannot respond to “the changing environment,” but noted that the Mixed Approach would allow them to set aside funds for a project such as the one outlined by Mr. Thimesch. She noted that if the project was not viable, the City could reopen the application process and reallocate those funds. Ms. Albright added that the Mixed Approach would increase demands on staff time due to a midyear application process, but stated that in staff’s opinion, it would be the best use of Federal funds.

Committeemember Somers inquired if the mixed-use, mixed income projects would work in this environment with so many housing choices in today’s market.

Chairman Richins commented that the policy decision is to set aside monies for a project, while the developers would conduct market studies to ensure that their projects “work in the real world.” He stated that if a project was not viable, the developer would not qualify for the Low Income Housing Tax Credit (LIHTC).

Discussion ensued relative to the fact that per HUD guidelines, “low income” is defined as 60% of the median income level; that the City has monitoring commitments with respect to NSP; that in addition to grants, the City can also provide other types of funding to developers, such as low-interest or no-interest loans; and that the monies generated from such loans would be reinvested into new projects and pay for staff to meet the City’s monitoring commitments.

Chairman Richins expressed support for staff moving forward with the Mixed Application Process. He stated that if it proves not to be successful, the City could return to the Formal Application Process or conduct a mid-year application process.

Responding to a question from Assistant to the City Manager Natalie Lewis, Ms. Albright clarified that once the Committee provides direction regarding the recommended changes, staff would incorporate those changes in the City’s Consolidated Plan, and proceed with the changes in the Annual Plan, which would be forwarded to Council for approval. She stated that alternatively, staff could present the proposed changes to the Consolidated Plan to the Council for their direction prior to opening the grant application selection process.

Further discussion ensued relative to the fact that it was staff’s proposal that the applications for economic development activities be presented to the Economic Development Advisory Board (EDAB); that applications for housing or Human Services be presented to a newly formed Housing and Human Services Advisory Board (combining the Housing Advisory Board and the Human Services Advisory Board); and that staff would make their recommendations to the Committee for approval, which would then be forwarded on to the full Council for final action.

In response to a question from Committeemember Somers, Mr. Thimesch indicated that if it was the Council’s direction to allocate a certain amount of funding for economic development projects, staff would do so.

Ms. Albright clarified that staff was merely requesting Committee approval that the City’s Consolidated Plan be modified to include the Mixed Application Process in order to award contracts when proposals are completed. She noted that the City does not have any defined projects at this time and would first seek Council direction with respect to the type of projects they would like to see move forward.

Ms. Albright displayed flowcharts illustrating the City's current process for grants application allocation (See Page 7 of Attachment 1) and the proposed streamlined process. (See Page 8 of Attachment 1)

Additional discussion ensued relative to the fact that A Better Community (ABC) Program monies are used in the City's Consolidated Plan as Mesa's required matching funds; and that from a funding standpoint, the City is attempting to handle CDBG, ESG, HOME and General Fund/ABC grants as a "holistic package."

Ms. Albright further reported that staff was seeking direction from the Committee with respect to a new Application Rating System, which will more clearly delineate the manner in which the applicant's scores would be calculated. **(See Attachment 2)** She also stated that staff recommends that Mesa's entire CDBG target area, which is included in the City's Consolidated Plan, be considered "Priority Housing Areas," which would encompass all of the neighborhoods in the community that have the greatest housing needs.

Chairman Richins stated that there was Committee consensus to approve the proposed changes to the Consolidated Plan, as outlined by Ms. Albright, with the stipulation that this agenda item be brought back to the Committee for review after the application process is completed.

Ms. Albright, in addition, remarked that staff would like to pursue Project-Based Vouchers (the maximum per HUD regulations is 20%), which would assist with financing for permanent supportive housing projects. She noted that staff proposes to keep the percentages much lower than 20% since the vouchers have an entirely different set of administration rules.

Committeemember Somers commented that he looked forward to receiving feedback from the applicants with respect to the streamlined Federal grant application selection process.

Ms. Albright also noted that staff would conduct training with the applicants to apprise them of the proposed changes to the grant application selection process and the new rating system.

Chairman Richins thanked staff for the presentation.

### 3. Adjournment.

Without objection, the Community & Cultural Development Committee meeting adjourned at 4:23 p.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 17<sup>th</sup> day of October, 2011. I further certify that the meeting was duly called and held and that a quorum was present.

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LINDA CROCKER, CITY CLERK

# **Community Development Block Grant Program**

## **HOME Investment Partnerships Program**

## **Emergency Shelter Grants (ESG) Program**



**Presentation to the Community & Neighborhood Services Committee  
October 17, 2011**

# **Proposed Consolidated Plan Changes and Direction Required**

## **To Add Flexibility, Streamline the Process and Effectively Monitor the Grants for HUD compliance.**

- Outline all available activities in the Consolidated Plan in HUD approved major categories to maximize flexibility but focus annual funding to larger projects and less contracts
- Approve a Mixed Application Process in order to award contracts when proposals are completed
- Approve New rating system.
- Defined CDBG target areas as “Priority Housing Areas”.
- Redefine a substantial amendment.

# **Proposed Consolidated Plan Changes and Direction Required**

## **To Add Flexibility, Streamline the Process and Effectively Monitor the Grants for HUD compliance.**

- Determine who will approve a project (Staff, Housing Board, Council Subcommittee or Council)?
- Add Project Based Vouchers to Plan.
- Option for dealing with possible reductions in funding.
- Combine the Human Services and Housing Advisory Boards
- Streamline the approval process between Economic Development request and Housing request

# HUD Grant Requirements

## National Objectives

- Benefit to low-and moderate- income (LMI) persons.
- Aid in the prevention or elimination of slums or blight.
- Meet a need having a particular urgency.

## Outcomes

- Decent Housing
- Suitable Living Environment
- Economic Development

# Mesa's Current Targeted Actives

- Code Enforcement / Slum and Blight Removal
- Economic Development
- Housing
- Public Facilities
- Public Services
- Emergency Shelters
- Staff Recommends no changes

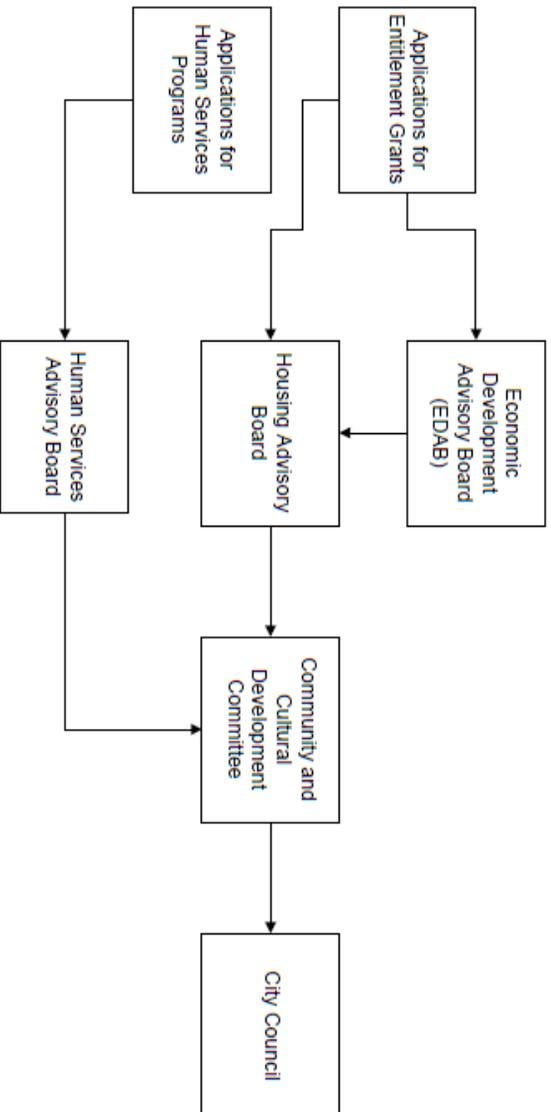
# Grants Application Selection Process

HUD approves 4 options:

- The Formal Application Process (Current).
- The Limited Application Process.
- The Open Door or Unsolicited Application Process.
- The Mixed Approach:  
(See Attachment).
- Staff recommends – Mixed Approach.

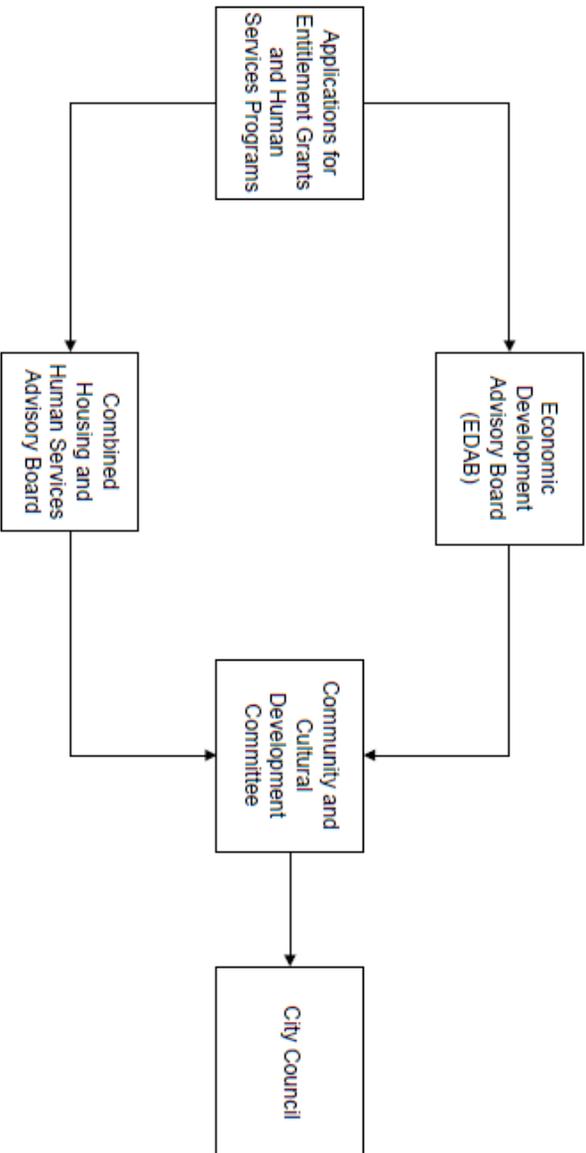
# Grants Application Allocation (Current Process)

## Current Application Process



# Grants Application Allocation (Proposed Process)

## Proposed Application Process



# Boards and Citizen Participation

- **Role of Boards**
  - Resident Advisory Board (Section 8)
  - Housing Advisory Board (CDBG, HOME, ESG)
  - Human Services Advisory Board (Human Services)
- **HUD regulation on Citizen Oversight**
  - Citizen Participation Plan
- **Combining of Boards**
  - Will streamline application process for Entitlement grants and general fund grants (Human Services).

# Methodology For Possible Reduction

- Option 1 - Prorate all commitments by a percentage.
  - Could prohibit construction of a project.
  - Could increase liability of grant payback from general funds.
- Option 2 - Eliminate commitments with the lowest rating.
- **Staff recommends – Option 2.**

# Questions?

**2011 APPLICATION RATING SHEET**

Project Name: \_\_\_\_\_

**2011 CDBG/HOME APPLICATION - PRIORITY FACTORS  
SUMMARY RATING SHEET\***

**Applicant Name:** \_\_\_\_\_

**Project Name:** \_\_\_\_\_

**Amount Requested:** \_\_\_\_\_

	Points Allowed	Points Earned	Section Score	TOTAL:
<b>1. Consolidated Plan (ConPlan) Priority (25%)</b>	<b>100</b>			<b>_____ X 25% = _____</b>
ConPlan Community Development Goals	65	_____		
Priority Community Development Needs	35	_____		
<b>2. Project Readiness (25%)</b>	<b>100</b>			<b>_____ X 25% = _____</b>
Timely Completion/ Expenditure of funds	45	_____		
Environmental Review Requirements	35	_____		
Additional Actions Needed	20	_____		
<b>3. Project Impact and Delivery (20%)</b>	<b>100</b>			<b>_____ X 20% = _____</b>
Achievement of Expected Results	30	_____		
Target Clientele	25	_____		
Number of Persons/Households to Benefit	25	_____		
Business/Operations Plan Approach	20	_____		
<b>4. Financial Considerations (15%)</b>	<b>100</b>			<b>_____ X 15% = _____</b>
Sufficiency and Leveraging of Resources	35	_____		
Fiscal Support and Viability	35	_____		
Project Budget Detail/Use of Funds	30	_____		
<b>5. Applicant Attributes (15%)</b>	<b>100</b>			<b>_____ X 15% = _____</b>
Project/Program Management Ability and Capacity	40	_____		
Past Performance/Experience	30	_____		
Quality of Application	30	_____		
<b>TOTAL SCORE</b>				_____
<b>Bonus Points</b> (see pg. 14)				_____
<b>FINAL SCORE</b>				_____

**Date:** \_\_\_\_\_

**2011 APPLICATION RATING SHEET**

Project Name: \_\_\_\_\_

**1. Consolidated Plan (ConPlan) Priority (25%)**

The project proposal shall be examined in relation to the County’s community development goals and funding priorities as presented in the Urban County of San Luis Obispo 2010-2015 Consolidated Plan (ConPlan). The ConPlan is available on the County of San Luis Obispo’s Department of Planning and Building’s web site at: [www.sloplanning.org](http://www.sloplanning.org). The ConPlan is a five-year plan, developed with community input, studies and assessments, that serves as a key strategic planning tool; providing guidance and direction for the Urban County in administering its federal program funds to address its community development goals and priority needs over the ConPlan’s five-year period. The 2010-2015 ConPlan is effective for the period of July 1, 2010 through June 30, 2015.

HUD measures the County’s performance on its accomplishment of its ConPlan goals. As such, project proposals that are consistent with the County’s ConPlan community development goals and assessment of its priority community need level shall be rated accordingly.

	<u>Points Allowed</u>	<u>Points Earned</u>
<u>Con Plan Community Development Goals</u>	65	_____
65 pts    Maximum Impact: Project is consistent with the ConPlan. It supports a strategic goal, addresses the problem/need, and <b>is an activity identified in the ConPlan</b> . Information and supporting documentation provided in the application is comprehensive, and provides reasonable and clear indication that the project is expected to completely satisfy an unmet HUD strategic goal and activity, and will fully generate the expected outcome(s) as identified in the ConPlan.		
50 pts    Substantial Impact: Project is consistent with the ConPlan. It supports a strategic goal, addresses the problem/need, and <b>is an activity identified in the ConPlan</b> . The information and supporting documentation presented is not as clear and comprehensive, but it appears very probable that the project is expected to completely satisfy an unmet strategic goal and activity, and will generate the expected outcome(s) as identified in the ConPlan.		
30 pts    Moderate Impact: Project is consistent with the ConPlan. It supports a strategic goal, addresses the problem/need, and <b>is an activity identified in the ConPlan</b> . The information and supporting documentation presented is minimally sufficient; however, it also appears that it will only somewhat address and it is unclear as to the degree of which the project will satisfy an unmet HUD strategic goal and activity, and generate the expected outcome(s) as identified in the ConPlan.		
10 pts    Minimal Impact: Project is consistent with the ConPlan. It supports a strategic goal, addresses the problem/need, and <b>is an activity identified in the ConPlan</b> . The information and supporting documentation presented is incomplete, inaccurate or contradictory to the need it proposes to address OR the ConPlan goal and expected outcome has already been fulfilled and/or the problem/need has already been addressed.		
0 pts    No Impact: Project is inconsistent with the ConPlan (does not address a strategic goal, problem/need or activity identified in the ConPlan).		

**2011 APPLICATION RATING SHEET**

Project Name: \_\_\_\_\_

		<u>Points Allowed</u>	<u>Points Earned</u>
	<u>Priority Community Development Needs</u>	35	_____
35 pts	Maximum Impact: The need has been identified as a High priority community development need pursuant to the ConPlan. The project goals and objectives are clearly consistent with addressing this High priority need.		
20 pts	Substantial Impact: The need has been identified as a High priority community development need pursuant to the ConPlan. The project goals and objectives are somewhat consistent with addressing this High priority need.		
10 pts	Moderate Impact: The need has been identified as a Medium priority community development need pursuant to the ConPlan.		
0 pts	Minimal Impact: The need has been identified as a Low priority community development need pursuant to the ConPlan.		
0 pts	No Impact: The need is not identified as a priority community development need pursuant to the ConPlan.		

**2. Project Readiness (25%)**

Project readiness assesses the project’s ability to start upon receiving funding and be completed in a timely manner. Consideration shall be given to proposals which demonstrate project readiness - projects which exhibit the greatest likelihood to start immediately upon receiving CDBG or HOME funding (hereinafter referred to as “Grant Funds”) approval (expected on or about October 2011) and the practicability to expend Grant Funds within or less than a one-year period; and be without factors which would cause undue delays. It is to the applicant’s benefit that its project budget clearly demonstrates that Grant Funds will be encumbered (committed) and expended within the desired one-year time frame or less. Factors to be considered in this area include (a) the Project Schedule (start and completion timetable), (b) the availability of resources (including all non-Grant Funds, federal, state, county or private funding sources, and sufficient funds to pay federal and/or state prevailing wages, if applicable), and (c) any additional actions that may affect the timely implementation of the project.

Completion Timetable. In order to satisfy HUD timeliness standards, CDBG projects are intended to be **completed by June 30 for public services to eighteen months (if involving construction)** of funding. HOME projects must be committed within two years from the beginning of the program year (July 1<sup>st</sup>) and must be expended within five years. Evaluate the **Project Schedule** to determine if the project schedule is reasonable (that the project can start by the planned schedule date and can be completed within the scheduled period of time), that the project is ready to commence upon approval/receipt of the funding (estimated date of October 2011) and that the CDBG funds to be utilized are drawn-down and expended in a timely and regular manner within a one-year time frame or less.

**2011 APPLICATION RATING SHEET**

Project Name: \_\_\_\_\_

		<u>Points Allowed</u>	<u>Points Earned</u>
<u>Timely Completion/Expenditure of Grant Funds</u>		45	_____
40 - 45 pts	<p><b>Maximum Pace:</b> The project schedule is comprehensive and includes evidence/clear documentation that the project is ready to start upon approval/receipt of funding and/or is very likely to be completed in less than one year of project funding. Project milestones (activities) and other critical elements necessary to accomplish the project are identified in the schedule and assigned time periods for each activity appear reasonable and achievable. It is certain or highly probable that the Grant Funds will be fully expended <u>within the first 11 months (from October 2011 to August 2012)</u> of the project's funding or less.</p>		
30-35 pts	<p><b>Substantial Pace:</b> The project schedule is comprehensive. Documentation indicates that the project will be ready to start within one month of approval/receipt of funding (by November 2011) and/or may take 12 months or slightly longer to be completed. Project milestones (activities) and other critical elements necessary to accomplish the project are identified in the schedule and assigned time periods for each activity appear reasonable and achievable. It is somewhat likely the Grant Funds will be fully expended by the first 12 months of the project's funding (by September 2012) and very probable that it will be expended within the first 15 months (by December 2012).</p>		
15-20 pts	<p><b>Moderate Pace:</b> The project schedule is comprehensive. Documentation indicates that the project is more likely to start later than one month from approval/receipt of funding and/or not be completed within the first 15 months of funding. Project milestones (activities) and other critical elements necessary to accomplish the project are identified in the schedule and assigned time periods for each activity appear reasonable. It is not likely the Grant funds will be fully expended by the first 15 months of the project's funding and probable that it may take up to 18 months to be fully expended (by March 2013).</p>		
5-10 pts.	<p><b>Minimal Pace:</b> The project start date is somewhat uncertain or has not been established and the project schedule is inadequately prepared with key information missing from the schedule and/or time periods are not reasonable. It is likely that the full expenditure of the Grant Funds will extend beyond the first 18 months of the project's funding.</p>		
0 pts	<p>The project schedule is poorly prepared and/or time periods are unrealistic and/or not achievable. It is highly likely that the expenditure of the Grant Funds will extend beyond the first 24 months of the project.</p>		