



COUNCIL MINUTES

February 25, 2013

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 Monday, February 25, 2013 at 4:50 p.m.

COUNCIL PRESENT

Scott Smith
Alex Finter
Christopher Glover
Dina Higgins
Dennis Kavanaugh
Dave Richins
Scott Somers

COUNCIL ABSENT

None

OFFICERS PRESENT

Christopher Brady
Debbie Spinner
Dee Ann Mickelsen

1. Review items on the agenda for the February 25, 2013, 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-a. Hear a presentation, discuss and make final funding recommendations for the City's FY 2013/2014 Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Solutions Grant (ESG), and Human Services Programs.

Director of Housing and Community Development Tammy Albright displayed a PowerPoint presentation (**See Attachment 1**) and outlined the funding recommendations for the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Solutions Grant (ESG), and Human Services funding for FY 2013/14. She briefly summarized the scoring and rating process used to determine the funding recommendations as follows:

- Technical review and rating by staff is weighted at 70% of total score
- Presentations represent 30% of total score
- Total available score: 100 points (Federal grants), 50 points (Human Services)

Ms. Albright clarified that the proposed funding recommendations are based on an anticipated level of funding. She explained that in the event level funding is not obtained, the Community and Cultural Development Committee has recommended that the lowest rated commitments be eliminated, as opposed to reducing all commitments by an equal percentage. (See Page 5 of Attachment 1)

Ms. Albright briefly reviewed the Housing and Urban Development (HUD) grant requirements, the Human Services Funding Model and the Funding Schedule Timeline. (See Pages 6, 7 and 8 of Attachment 1) She said that staff is requesting that the Council approve the proposed funding recommendations and noted that the Annual Action Plan will need to be presented to HUD by May 15, 2013.

Councilmember Richins remarked that staff has created a schedule that provides the Council with a sufficient amount of time in which to make decisions.

Ms. Albright provided a short synopsis of the CDBG FY 2013/14 Applications for Funding, of which staff would recommend full funding of the Code Enforcement and Economic Development applications. She also pointed out that the City of Mesa's Housing and Revitalization funding request was reduced by 50%. (See Pages 9 through 11 of Attachment 1)

Ms. Albright explained that after closing out all of the past contracts, an additional \$1.2 million in prior year CDBG funding has become available. She said that staff is recommending that those funds be targeted towards some "one time only" large projects. She stated that these funds will provide the City with the ability to fully fund the La Mesita project, as well as the renovations at the Serrine Adult Day Care Facility. (See Page 12 of Attachment 1)

Ms. Albright reported that A New Leaf, West Mesa Community Development Corporation (West Mesa CDC) and Community Bridges applications were moved into the Public Service category. She discussed the CDBG applications and said that an additional \$164,557 in prior year monies could be used to fund any unforeseen projects that may arise throughout the year. (See Pages 13 and 14 of Attachment 1)

In response to a question from Councilwoman Higgins, Ms. Albright explained that the Federal government mandates that only 15% of the \$3.1 million CDBG award can be used for Public Service oriented activities.

Development Project Coordinator Ray Thimesch clarified that counseling or case management types of activities are considered Public Service.

Mayor Smith remarked that the "Community Development Block Grant" is intended to be used for buildings and other economic development. He said that many cities were diverting CDBG funds to pay for social services, therefore, Congress has mandated that only 15% of the funding can be used for social service types of activities.

Discussion ensued with regards to whether CDBG funds could be applied towards the City's required local match for federally funded projects.

Ms. Albright advised that staff will research and determine if CDBG funds can be applied towards the City's local match.

Ms. Albright briefly summarized the HOME FY 2013/14 Applications for Funding and reported that the Council previously delegated the authority to the Housing & Community Development Advisory Board (HCDAB) to award individual HOME projects. She indicated, however, that some of the non-profits have advised staff that it was difficult to work with the banks and acquire property when the organization does not know whether it will be awarded funds. She said that staff is recommending a pilot program that would delegate the authority to the HCDAB to grant a four-month "pre-award" in order to meet the needs of the non-profits. She noted that currently the City of Mesa is required to underwrite the projects. (See Page 15 of Attachment 1)

Ms. Albright further commented that staff recommends a 50/50 split of the remaining HOME funds for homeownership programs and rental programs. (See Page 16 of Attachment 1)

Ms. Albright offered a short synopsis of the ESG FY 2013/14 Funding Applications and reported that last year, the City received a mid-year allocation of \$162,000, which was required to be used for Rapid Rehousing and Homeless Prevention. She explained that new Federal rules were issued at that time and stated that staff did not fully understand the new rules and, therefore, recommended to keep the program "in house."

Ms. Albright commented that now that staff has a better understanding of such rules, it was determined that the City does not have the necessary staffing to administer the program. She said, therefore, that staff recommends splitting the funding between A New Leaf and Save the Family, which are requesting Rapid Rehousing monies. She noted that A New Leaf's and Save the Family's funding requests were reduced in order to fund Central Arizona Shelter Services (CASS).

Ms. Albright discussed the Human Services/A Better Community (ABC) FY 2013/14 Applications for Funding and said that last year, some large contracts were moved from Human Services into CDBG funding. She stated that as a result, Save the Family ended up with some costs that were not eligible under CDBG guidelines. She noted that this year, a portion of the Save the Family contract will be funded by CDBG. (See Pages 19, 20 and 21 of Attachment 1)

Ms. Albright displayed a document titled "FY 2013/14 Applications for All Funding Sources." She said that this document, which was requested by the Community and Cultural Development Committee, lists the agencies, their total funding request and the total amount of funding recommended by staff. (See Pages 22 and 23 of Attachment 1)

Ms. Albright briefly summarized the Community and Cultural Development Committee's recommendations (See Page 24 of Attachment 1) as follows:

- Reduce funding by eliminating the lowest rated commitments
- Delegate the authority to the HCDAB to grant four-month pre-awards
- HOME grants: 50/50 split for homeownership and rental programs
- Approve funding awards as presented

Councilmember Kavanaugh thanked Councilmember Richins and staff for their efforts and indicated his support for the Community and Cultural Development Committee's recommendations.

Councilmember Richins expressed his appreciation for staff's efforts and said that it is exciting to be able to fund so many projects.

It was moved by Councilmember Richins, seconded by Councilwoman Higgins, that the funding recommendations for the City's FY 2013/2014 Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Solutions Grant (ESG), and Human Services Programs be approved.

Carried unanimously.

3. Acknowledge receipt of minutes of various boards and committees.

3-a. Audit, Finance and Enterprise Committee meeting held on February 4, 2013.

3-b. Community and Cultural Development Committee meetings held on January 31 and February 6, 2013.

3-c. Transportation Advisory Board meeting held on December 18, 2012.

It was moved by Councilmember Glover, seconded by Councilwoman Higgins, that receipt of the above-listed minutes be acknowledged.

Carried unanimously.

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

Councilwoman Higgins: 2013 VisitMesa.com Gateway Classic at Longbow Golf Club, National Kidney Foundation "Dancing with the Stars" Fundraiser

Mayor Smith: Mesa Man and Woman of the Year Awards Dinner, Heritage Academy Senior Government Class, Red Mountain United Methodist Church, Friends of Transit Annual Conference, Sunshine Acres Barbeque Fundraiser

5. Scheduling of meetings and general information.

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

Tuesday, February 26, 2013, 12:00 p.m. – Spring Training Kick-Off

Thursday, February 28, 2013, 7:30 a.m. – Study Session

Wednesday, February 27, 2013 – District 3 Mesa Drive Demolition event

6. Adjournment.

Without objection, the Study Session adjourned at 5:29 p.m.

SCOTT SMITH, MAYOR

ATTEST:

DEE ANN MICKELSEN, INTERIM 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 25th day of February 2013. I further certify that the meeting was duly called and held and that a quorum was present.

DEE ANN MICKELSEN, INTERIM CITY CLERK

bdw
(attachment 1)

Community Development

Block Grant (CDBG) Program

HOME Investment

Partnership (HOME) Program

Emergency Solutions Grant

(ESG) Program

Human Services Funding



Presentation - City Council Study Session – February 25, 2013

Federal Grant Purpose and Process

- Finalize funding recommendations for CDBG, HOME and ESG funding for Council approval.
- Technical review and rating by staff weighted at 70% of total score.
- Presentation score weighted at 30% from Housing and Community Development Advisory Board.
- Total available score is 100 points.

Human Services and ABC Purpose and Process

- Finalize funding recommendations for ABC and Human Services Funds for Council approval.
- Technical review and rating by staff weighted at 70% of total score.
- Presentation score weighted at 30% from Housing and Community Development Advisory Board.
- Total available score is 50.

Mesa Funding Cycles

Program	2011/12	2012/13	2013/14
CDBG	3.7 million	3.1 million	3.1 million
HOME	1.3 million	944 thousand	944 thousand
ESG	151 thousand	269 thousand	269 thousand
ABC/Human Services	657 thousand	620 thousand	620 thousand

Anticipated level funding for FY 2013/14

Total Prior Year unallocated CDBG funds = \$1,266,955

Methodology for possible funding reduction

Option 1 (Community & Cultural Development
Committee Recommendation)

- **Eliminate the lowest rated commitments**

Option 2

- **Reduce all commitments by an equal
percentage**

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 per Mesa's Consolidated Plan

- Decent Housing
- Suitable Living Environment
- Economic Opportunity

Human Services Funding Model

Engage in programs that:

- Impact community safety services.
- Encourage independence and self-sufficiency.
- Avoid duplicating efforts.
- Provide diverse financial support and sustainable success.
- Prevent long-term dependence on public resources.
- Have specific outcomes for the public good.

Funding Schedule Timeline

ACTIVITY	DATE(S)
Applications due	November 5, 2012
Public Hearing #1 (Parts 1, 2, and 3) – Review of application presentations by HCDAB & EDAB	January 8, 9, and 10, 2013
Community & Cultural Development Committee – Review/modify board recommendations	January 31, 2013 February 6, 2013
Council – Review and Approval of Community & Cultural Development funding recommendations by Council	February 25, 2013
Council Study Session – Review and Approval of Community & Cultural Development funding recommendations by Council (if needed)	March 7, 2013
Annual Action Plan – 30-day public comment period	March 10 – April 11, 2013
Public Hearing #2 – Annual Action Plan review	April 4, 2013
Council Meeting – Annual Action Plan approval by Council	April 15, 2013
Annual Action Plan to HUD	May 15, 2013

CDBG FY 2013/14 Applications for Funding

Funding Source	Code Enforcement	Agency Request	Staff Recommend
CDBG	COM Housing and Revitalization Division – Demolition and Hazardous Abatement Program	\$100,000	\$100,000
CDBG	COM Development and Sustainability – Code Enforcement Program – 4 FTE Code Officers	\$363,194	\$363,194
CDBG	<i>Code Enforcement Subtotal</i>	<i>\$463,194</i>	<i>\$463,194</i>

CDBG FY 2013/14 Applications for Funding

Funding Source	Economic Development Applications	Agency Request	Staff Recommend
CDBG	Neighborhood Economic Development Corporation (NEDCO) – Business Development Program	\$81,500	\$81,500
CDBG	West Mesa CDC – Economic Development Program	\$90,000	\$90,000
CDBG	<i>Economic Development Subtotal</i>	<i>171,500</i>	<i>\$171,500</i>

CDBG FY 2013/14 Applications for Funding

Funding Source	Acquisition and/or Rehabilitation (Housing Needs) Applications	Agency Request	Staff Recommend
CDBG	Arizona Bridge to Independent Living (ABIL) – Mesa Home Accessibility Program (MHAP)	\$67,696	\$67,696
CDBG	COM Housing and Revitalization Division – Homeowner Rehabilitation Program	\$1,088,400	\$557,680
CDBG	House of Refuge– Energy Efficiency Replacement Program	\$48,534	\$48,534
CDBG	Acquisition and/or Rehabilitation (Housing Needs) Subtotal	\$1,204,630	\$673,910

CDBG FY 2013/14 Applications for Funding

Funding Source	Public Facility Applications	Agency Request	Staff Recommend
CDBG *	A New Leaf – La Mesita Shelter Project	\$475,000	\$306,796
CDBG **	COM Housing and Revitalization Division – Sirrine Adult Day Services Facility Renovation	\$627,582	\$627,582
CDBG	Community Bridges, Inc. – Center for Hope Nursery Expansion	\$225,000	\$225,000
CDBG	Los Ninos Hospital, Inc. – Construct 26 bed pediatric Hospital	\$700,000	\$700,000
CDBG	Mesa Community Action Network, Inc. (A New Leaf)- Parking lot preparation and rehabilitation	\$350,000	--
CDBG	Project Veterans Pride – Project Veterans Pride Project	\$270,000	--
CDBG	Public Facility Subtotal	\$2,647,582	\$1,859,378

Amounts in red are prior year funding.

*** A New Leaf – La Mesita \$306,796 is from prior year funds to equal \$1.5 million request**

****COM – Sirrine Adult Day Services Facility Renovation is funded with \$627,582 from prior year funds**

CDBG FY 2013/14 Applications for Funding

Funding Source	Public Service Applications – (15% Maximum Allowable Amount - \$476,445)	Agency Request	Staff Recommend
CDBG	A New Leaf – Autumn House Domestic Violence Shelter operations	\$42,500	\$42,500
CDBG	A New Leaf – East Valley’s Men Center (EVMC) operations	\$150,000	\$180,000 +\$18,000
CDBG	Save the Family Foundation of Arizona – Homeless Families Intervention Project	\$62,000	\$85,000
CDBG	A New Leaf – Desert Leaf and La Mesita Apartments supportive services	\$25,000	\$25,000
CDBG	West Mesa CDC – Community Compliance	\$60,000	\$60,000
CDBG	Community Bridges – Mobile Community Outreach	\$65,000	\$65,000
	Public Service Subtotal	\$404,500	\$475,500

CDBG Public Services (15%)cap is \$476,445

CDBG FY 2013/14 Applications for Funding

Funding Source	Administration	Agency Request	Staff Recommend
CDBG	COM Housing and Revitalization Division – Administration	\$635,226	\$635,226
	<i>Administration Subtotal</i>	\$635,226	\$635,226

Total Prior Year unallocated CDBG funds = \$1,266,955
 Less: La Mesita (committed in IDIS \$1,193,204) = \$306,796
 Less: Sirrine Rehab = \$627,582
 Less: A New Leaf EVMC = \$18,000
 Less: A New Leaf Desert Leaf La Mesita Apts = \$25,000
 Less: West Mesa CDC Code Compliance = \$60,000
 Less: Community Bridges Mobile Outreach = \$65,000
Remaining prior year unallocated CDBG = \$164,557

HOME FY 2013/14 Applications for Funding

Funding Source	Non Profit Agency Applications	Agency Request	Staff Recommend
HOME	Community Bridges, Inc. – Center for Hope Permanent Supportive Housing Four Month Pre-Award	\$292,000	--
HOME	ARM of Save the Family – Affordable Rental Movement Escobedo at Verde Vista Phase II	\$500,000	--
HOME	Non Profit Agency Subtotal	\$792,000	--

Funding Source	CHDO Set-Aside Applications (15% Minimum Required - \$141,674)	Agency Request	Staff Recommend
HOME	ARM of Save the Family – Affordable Rental Movement Escobedo at Verde Vista Phase II	\$500,000	\$300,000
HOME	ARM of Save the Family – Affordable Rental Movement CHDO Operating	\$40,000	\$40,000
HOME	CHDO Set-Aside Subtotal	\$540,000	\$340,000

HOME FY 2013/14 Applications for Funding

Funding Source	City Department Applications	Agency Request	Staff Recommend
HOME	COM Housing and Revitalization Division – Security/ Utility Deposit Program	\$100,000	\$100,000
HOME	COM Housing and Revitalization Division – HOME Administration	\$94,449	\$94,449
HOME	City Department Subtotal	\$194,449	\$194,449

**Remaining FY 13/14 HOME funds for \$410,042
 Community And Cultural Development Committee Recommends
 50% for Homeownership and 50% for Rental programs.**

Remaining prior year HOME funds \$322,644

- \$179,286 available for Home Ownership programs
 (New Homebuyer Assistance Program – Down payment and Closing Cost)
- \$143,358 available for Rental Programs

ESG FY 2013/14 Applications for Funding

Funding Source	Non Profit Agency Applications	Agency Request	Staff Recommend
ESG	A New Leaf – La Mesita Family Homeless Shelter	\$42,500.00	\$42,500.00
ESG	A New Leaf – East Valley Men's Center	\$80,000.00	\$22,264.00 +(\$24,786 HS)
ESG *	A New Leaf- EMPOWER Rapid Rehousing Program	\$38,300.00	\$28,300.00 +\$81,023.77
ESG	Community Bridges Inc., - CBI Homeless Navigator Services in Mesa	\$45,693.00	\$45,693.00
ESG **	Save the Family– Rapid Rehousing Program	\$100,000.00	\$80,000.00 +\$81,023.78
ESG	Central Arizona Shelter Services, Inc.- Emergency Shelter Services	\$30,000.00	\$30,000.00 (moved from HS)
ESG	<i>Non Profit Agency Subtotal</i>	<i>\$336,493.00</i>	<i>\$410,804.55</i>

* A New Leaf – Empower \$81,023.77 is from prior year funds

** Save the Family- Rapid Rehousing Program \$81,023.78 is from prior year funds

60% cap on outreach/shelter = \$161,355

Proposed \$140,457

ESG FY 2013/14 Applications for Funding

Funding Source	Applications	Agency Request	Staff Recommend
ESG	COM Housing and Revitalization - Administration	\$20,169	\$20,169
ESG	<i>Administration Subtotal</i>	\$20,169	\$20,169

Human Services/ABC FY 2013/14 Applications for Funding

Funding Source	Non Profit Agency Applications	Agency Request	Staff Recommend
HS/ABC	United Food Bank –Food Link Program	\$18,000	\$18,000
HS/ABC	Paz de Cristo – Evening Meal Service	\$40,000	\$40,000
HS/ABC	American Red Cross – Local Disaster Relief Program	\$10,000	\$10,000
HS/ABC	Community Bridges – Mobile Community Outreach	\$65,000	\$65,000
HS/ABC	East Valley Adult Resources (EVAR) – Meals on Wheels Program	\$20,000	\$20,000
HS/ABC	Mesa Community Action Network, Inc.- MesacAN Client Services	\$132,500	\$132,500
HS/ABC	East Valley Adult Resources (EVAR)- Assistance for Independent Living	\$24,000	\$24,000
HS/ABC	Save the Family- Homeless Families Intervention	135,000	\$50,000 +(\$85,000 CDBG)
HS/ABC	Teen Lifeline – Teen Crisis/Suicide Prevention Hotline	\$15,000	\$15,000
HS/ABC	A New Leaf, Inc. – Autumn House Emergency Shelter	\$25,000	\$25,000
HS/ABC	Marc Center – Job Training Support for the Disabled	\$29,500	\$29,500
HS/ABC	Community Legal Services– Mesa Tenants Rights Helpline	\$40,000	\$40,000

Human Services/ABC FY 2013/14 Applications for Funding

Funding Source	Non Profit Agency Applications	Agency Request	Staff Recommend
HS/ABC	Community Legal Services – Removing Barriers to Justice	\$45,000	\$45,000
HS/ABC	Child Crisis Center – Emergency Shelter for Children	\$11,500	\$11,500
HS/ABC	A New Leaf – Mayfield Alternative Youth Center	\$10,000	\$10,000
HS/ABC	A New Leaf – Court Advocacy	\$12,500	\$12,500
HS/ABC	House of Refuge – Employment Services	\$21,000	\$21,000
HS/ABC	Sirrine Adult Day Care – Meals and Music Therapy	\$30,000	\$30,000
HS/ABC	A New Leaf – Empower Program	\$7,500	\$7,500
HS/ABC	Central Arizona Shelter Services (CASS) – Shelter services for homeless women	\$30,000	(funded with ESG)
HS/ABC	Aid to Adoption of Special Kids (AASK) –Special Friends Mentoring Program	\$5,000	\$5,000 (moved from CDBG)
HS/ABC	Lutheran Social Services – IHelp Shelter Program for Homeless Women	\$27,000	\$27,000
HS/ABC	A New Leaf – La Mesita operations	\$40,000	\$24,786 +(\$22,264 ESG)
HS/ABC	Mercy Housing Southwest – intergenerational Out of School Time Program	\$12,664	\$12,664
HS/ABC	A New Leaf – Desert Leaf Apartments	\$50,000	--

Human Services/ABC FY 2013/14 Applications for Funding

Funding Source	Non Profit Agency Applications	Agency Request	Staff Recommend
HS/ABC	A New Leaf – Peer Navigator Desert Leaf Apartments	\$35,000	--
HS/ABC	Boys and Girls Club of the East Valley – Academic Success at the Grant Woods Branch	\$25,000	--
HS/ABC	Tumbleweed Center for Youth Development – Supportive Services to Homeless Youth	\$10,000	--
HS/ABC	West Mesa CDC – Safety Education and Crime Prevention	\$10,000	\$10,000
HS/ABC	West Mesa CDC – Mesa Neighborhood	\$20,000	--
	<i>Non Profit Agency Subtotal</i>	\$891,164	\$620,950

FY 2013/14 Applications for all Funding Sources

Agency	Total Agency Request	Total Staff Recommend
Aid to Adoption of Special Kids (AASK)	\$5,000	\$5,000
American Red Cross	\$10,000	\$10,000
A New Leaf, Inc.	\$1,033,300	\$808,168
Arizona Bridge to Independent Living (ABIL)	\$67,696	\$67,696
ARM of Save the Family	\$1,040,000	\$300,000
Boys and Girls Club of the East Valley	\$25,000	--
Central Arizona Shelter Services (CASS)	\$60,000	\$30,000
Child Crisis Center	\$11,500	\$11,500
City of Mesa	\$2,279,176	\$1,748,456
Community Bridges	\$627,693	\$335,693
Community Legal Services	\$85,000	\$85,000
East Valley Adult Resources (EVAR)	\$44,000	\$44,000
House of Refuge	\$69,534	\$69,534
Los Ninos Hospital, Inc.	\$700,000	\$700,000
Lutheran Social Services	\$27,000	\$27,000

FY 2013/14 Applications for all Funding Sources

Agency	Total Agency Request	Total Staff Recommend
Marc Center	\$29,500	\$29,500
Mercy Housing Southwest	\$12,664	\$12,664
Mesa Community Action Network, Inc. (A New Leaf)	\$482,500	\$132,500
Neighborhood Economic Development Corporation (NEDCO)	\$81,500	\$81,500
Paz de Cristo	\$40,000	\$40,000
Project Veterans Pride	\$270,000	--
Save the Family	\$297,000	\$296,024
Teen Lifeline	\$15,000	\$15,000
Tumbleweed Center for Youth Development	\$10,000	--
United Food Bank	\$18,000	\$18,000
West Mesa CDC	\$180,000	\$160,000

Action Items and **CCD Recommendations**:

- A mythology for dealing with reduced funding – **Recommended option 1 to Eliminate the lowest rated commitments**
- Approve process to pre-award HOME funds and delegate that authority to the Housing and Community Development Board – **Recommended approval as outlined by staff**
- HOME grant percentage split for homeownership vs. rental programs – **Recommended a 50% / 50% split**
- Funding awards – **Recommended approval as presented**

Questions and Discussion