



COUNCIL MINUTES

January 10, 2011

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 January 10, 2011 at 4:51 p.m.

COUNCIL PRESENT

Scott Smith
Alex Finter
Kyle Jones
Dennis Kavanaugh
Dave Richins
Scott Somers

COUNCIL ABSENT

Dina Higgins
COUNCIL-ELECT
Chris Glover

OFFICERS PRESENT

Christopher Brady
Debbie Spinner
Linda Crocker

Mayor Smith excused Councilwoman Higgins from the entire meeting.

1. Review items on the agenda for the January 10, 2011 Regular Council meeting.

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

Conflict of interest: 5-f, 5-g (Jones)

2-a. Hear a presentation, discuss and make recommendations on the FY 2011/2012 Community Development Block Grant (CDBG), HOME Investment Partnerships, and Emergency Shelter Grant (ESG) Program recommendations made by the Community and Neighborhood Services Committee.

Neighborhood Services Director Ray Villa, Housing and Revitalization Director Carolyn Olson and Management Assistant Scott Clapp addressed the Council relative to this agenda item.

Mr. Villa reported that during this funding cycle, the application review process was somewhat different in that staff solicited input from various entities, including the Housing Advisory Board (HAB) which, at two public hearings, reviewed and rated all of the funding proposals. He also noted that the Economic Development Advisory Board (EDAB), per the direction of the Council and the Community and Neighborhood Services Committee, prioritized the funding recommendations for the CDBG Economic Development proposals. Mr. Villa added that on three separate occasions, the Community and Neighborhood Services Committee reviewed and

made modifications to both Boards' recommendations, which are now being forwarded to the full Council for approval. He expressed appreciation to the members of the HAB, EDAB and the Community and Neighborhood Services Committee for their efforts and hard work throughout this arduous process.

Ms. Olson displayed a PowerPoint presentation (**See Attachment 1**) and briefly highlighted staff's proposed timeline with regard to the funding recommendations. (See Page 3 of Attachment 1) She stated that the remainder of the PowerPoint contains the funding proposals and the recommendations from the HAB and the Community and Neighborhood Services Committee respectively. (See Pages 4 through 13 of Attachment 1)

Mayor Smith commented that the Community and Neighborhood Services Committee conducted an extensive review of the funding proposals and inquired if any of the other Councilmembers had questions with respect to specific funding proposals.

Councilmember Richins, who serves as a member of the Community and Neighborhood Services Committee, thanked the members of the HAB and EDAB for undertaking extensive training to familiarize themselves with each program's goals and objectives, engaging in a thorough review process of each application, and assessing how the proposals coincide with the Council's Strategic Initiatives. He also acknowledged staff for their professionalism and hard work during the funding application process. Councilmember Richins added that the Community and Neighborhood Services Committee agreed with a majority of the HAB's recommendations and had a split opinion on a few proposals.

Mayor Smith remarked that in reviewing the proposals, there were specific items in which the Committee made some fairly significant changes, even to the extent of increasing the Board's funding recommendations. He requested that Councilmember Richins provide the Council a brief overview of the Committee's thought process in that regard.

Councilmember Richins clarified that in a few instances, the HAB did not recommend fully funding an agency's request and said that the Committee made an effort to restore those amounts. He stated that with respect to other proposals, the Committee attempted to be strategic with certain initiatives they anticipate will occur in the City of Mesa (i.e., light rail construction) and also build capacity in neighborhood organizations in order to meet those strategic opportunities.

Councilmember Richins further remarked that a majority of the Committee opposed funding certain City of Mesa Economic Development projects (i.e., 51-55 Main Street, 225 East Main Street Tenant Improvements) until the completion of light rail and preferred to concentrate on existing business preservation as opposed to new business attraction.

Councilmember Somers voiced concern relative to delaying the rehabilitation of 51-55 Main Street and 225 East Main until such time as light rail construction has been completed, which could take at least four years. He stated that because the Council was focused on bringing businesses into the downtown area, he preferred to see some funds invested in the building in the short-term so that the City could look toward an end user for the site.

Responding to a question from Mayor Smith, Ms. Olson clarified that if the City used CDBG dollars to fund the 51-55 Main Street project, it would be required to front the money for tenant

improvements, which would be reimbursed by the U.S. Department of Housing and Urban Development (HUD) only when low-to-moderate income jobs were created at that site.

Councilmember Richins commented that if the City of Mesa was interested in doing tenant improvements at the facility, they should use a funding source other than CDBG that did not have “strings attached” like the Federal monies do.

Mayor Smith stated that the purpose of the application review process that staff, the Boards and the Committee participated in was to avoid a detailed discussion at the Council level. He stated that it appeared as though that process proved to be a success.

Councilmember Richins suggested that staff solicit input from the boardmembers and applicants in order to improve the process in the future.

Mayor Smith commented that most people are unaware of the fact that with the exception of certain grants, CDBG funds are the only monies that the City receives from the Federal government. He explained that once the dollars are allocated to an agency, they are used for a specific purpose in a short amount of time. Mayor Smith also remarked that the Federal government sets aside an estimated \$4 billion in its budget for CDBG funding, of which Mesa’s share is approximately \$3.7 million. He noted, however, that in the upcoming Federal budget, it was his understanding that such funding could be cut by as much as 25%.

Mr. Villa requested clarification that staff was directed to move forward with the Community and Neighborhood Services Committee’s funding recommendations.

Mayor Smith confirmed Mr. Villa’s statement and thanked staff for the presentation.

3. Appointments to boards and committees.

BOARD OF ADJUSTMENT

Danette Harris – Term Expires June 30, 2011

ECONOMIC DEVELOPMENT ADVISORY BOARD

Dan Olson – Term Expires June 30, 2013

It was moved by Councilmember Somers, seconded by Vice Mayor Jones, 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. Acknowledge receipt of minutes of various boards and committees.

4-a. Audit and Finance Committee meeting held October 28, 2010.

4-b. Community and Neighborhood Services Committee meeting held December 13, 2010.

4-c. Public Safety Committee meeting held December 6, 2010.

It was moved by Councilmember Finter, seconded by Vice Mayor Jones, that receipt of the above-listed minutes be acknowledged.

Mayor Smith declared the motion carried unanimously by those present.

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

Councilmember Kavanaugh:	National League of Cities Board meeting
Councilmember Somers:	National Emergency Medical Services (EMS) Advisory Council meeting; Second Annual "Run, Walk and Roll" Benefit for Disabled Sports 10K race;
Mayor Smith:	"State of the State" address; Chamber of Commerce event; attended the "Amazing Arizona Comic Con"
Councilmember Richins:	Participated in a Boy Scout Merit Badge event

6. Scheduling of meetings and general information.

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

Wednesday, January 12, 2011, 6:00 p.m. – Celebration of Service for Vice Mayor Jones

Thursday, January 13, 2011, 7:30 a.m. – East Valley Partnership Breakfast with the Governor

Thursday, January 13, 2011, 9:30 a.m. – Study Session

Saturday, January 15, 2011, 6:00 p.m. – Martin Luther King, Jr. Dinner

Monday, January 17, 2011, 11:00 a.m. – Martin Luther King, Jr. Day Parade

Monday, January 17, 2011, 12:00 p.m. – Martin Luther King, Jr. Day Festival

Tuesday, January 18, 2011, 6:00 p.m. – Building Strong Neighborhoods Meeting, District 5

Thursday, January 20, 2011, 7:30 a.m. – Study Session

Monday, January 24, 2011, TBA – Study Session

Monday, January 24, 2011, 5:45 p.m. – Regular Council Meeting

7. Prescheduled Public Opinion Appearances.

7-a. Hear from Craig Stellpflug regarding mold issues.

Craig Stellpflug expressed a series of concerns regarding toxic mold and the lack of City regulations to ensure the safe habitability of rental properties in Mesa. He stated that he and his daughter were forced to vacate their apartment at Tierra Del Sol due to toxic mold spores and noted that the apartment management denied any responsibility with regard to the incident. Mr. Stellpflug provided the Council a series of documents related to this matter and urged the

Council to consider developing mold standards similar to those that have been adopted in other communities.

In response to a question from Mayor Smith, City Attorney Debbie Spinner clarified that the City of Mesa has instituted a Residential Inspection Program, which only allows entry into a residence with the written permission of either the landlord or the tenant. She stated that in addition, various remedies would be available under the Arizona Residential Landlord and Tenant Act.

Development and Sustainability Department Director Christine Zielonka confirmed Ms. Spinner's comments. She also explained that because Mr. Stellflug vacated his apartment, the apartment management has not given the City written authorization to enter the residence and conduct an inspection. Ms. Zielonka added that the City of Mesa does not have local regulations relative to mold abatement and neither does the Occupational Safety and Health Administration (OSHA) or the Environmental Protection Agency (EPA).

Mayor Smith thanked Mr. Stellflug for addressing the Council.

8. Items from citizens present.

There were no items from citizens present.

9. Adjournment.

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

SCOTT SMITH, MAYOR

ATTEST:

LINDA CROCKER, 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 10th day of January 2011. I further certify that the meeting was duly called and held and that a quorum was present.

LINDA CROCKER, CITY CLERK

Community Development Block Grant (CDBG) Program

HOME Investment Partnership (HOME) Program

Emergency Shelter Grant (ESG) Program



**Presentation to Council at a Special City Council Study Session
January 10, 2011**

Why Are We Here?

- Seeking direction regarding funding allocations for FY 2011/2012 CDBG, HOME, and ESG programs.
- Housing Advisory Board rated the FY 2011/2012 CDBG, HOME, and ESG applications. Economic Development Advisory Board prioritized CDBG Economic Development proposals.

TIMELINE

ACTIVITY	DATE(S)
Applications due	October 19, 2010
Housing Advisory Board Public Hearing #1 – review applications & make recommendations	November 3 and 4, 2010
Community and Neighborhood Services Committee – review/modify board recommendations	November 15, 2010 December 13, 2010 December 13, 2010
Approval of Community & Neighborhood Services Funding Recommendations	January 10, 2011
Annual Plan Public Comment Period	January 24 – February 24, 2011
Annual Plan Approval by Council	March 7, 2011
Annual Plan to HUD	May 13, 2011

CDBG FY 2011/12 Applications for Funding

Funding Source	Code Enforcement / Slum and Blight Applications	Agency Request	HAB Recommend	C&NS Committee Recommend
CDBG	COM Development and Sustainability – Code Enforcement Program – 6 FTE Code Officers	\$434,498	\$354,000	*\$434,498
CDBG	COM Development and Sustainability – Demolition and Hazardous Abatement Program	\$40,000	\$40,000	\$40,000
CDBG	COM Neighborhood Outreach Division – Community Engagement Program – 1 FTE Outreach Coordinator	\$122,808	\$122,808	\$122,808
CDBG	West Mesa CDC – Community Compliance Program – 1 FTE Community Compliance Specialist	\$30,000	\$30,000	\$30,000
CDBG	<i>Code Enforcement / Slum and Blight Subtotal</i>	\$627,306	\$682,241	\$627,306

*Chairperson Higgins recommended funding the Code Enforcement Program at \$354,000

CDBG FY 2011/12 Applications for Funding

Funding Source	Economic Development Applications	Agency Request	HAB Recommend	C&NS Committee Recommend
CDBG	COM Economic Development Department – 51-55 Main Street, Downtown Mesa	\$500,000	\$350,000	*--
CDBG	COM Economic Development Department – 225 E. Main Street Tenant Improvements	\$400,000	--	*--
CDBG	COM Economic Development Department – Downtown Project Mgr.	\$115,000	\$100,000	\$115,000
CDBG	COM Economic Development Department – Sprinkler Cost Assistance Program	\$100,000	--	--
CDBG	Maricopa Community College District – Mesa Minority Micro/Small Business Development Center (MCCD SBDC)	\$74,435	\$74,435	--
CDBG	Neighborhood Economic Development Corporation (NEDCO) – Economic Development Program	\$81,500	\$81,500	\$81,500
CDBG	Neighborhood Economic Development Corporation (NEDCO) – Business Development Loan Program	\$177,379	--	--
CDBG	Neighborhood Economic Development Corporation (NEDCO) – Light Rail Business Assistance Program	\$250,000	\$150,000	\$250,000
CDBG	West Mesa CDC – Economic Development	\$90,000	--	\$90,000
CDBG	<i>Economic Development Subtotal</i>	\$1,788,314	\$755,935	\$536,500

*Chairperson Higgins recommended funding the 51-55 Main Street Project at \$350,000 and the 225 E. Main Street Tenant Improvements at \$400,000

CDBG FY 2011/12 Applications for Funding

Funding Source	Housing Needs Applications	Agency Request	HAB Recommend	C&NS Committee Recommend
CDBG	Arizona Bridge to Independent Living (ABIL) – Mesa Home Accessibility Program (MHAP)	\$77,409	\$77,409	\$77,409
CDBG	COM Housing and Revitalization Division – Homeowner Rehabilitation and Reconstruction Program	\$1,000,000	\$500,000	*\$500,000
CDBG	AE3Q – Homeowner Rehabilitation and Reconstruction Program	\$1,000,000	NA	--
CDBG	East Valley Adult Resources – Discovery Point Kitchen Rehab (Phase II)	\$269,343	\$200,000	\$269,343
CDBG	<i>Housing Needs Subtotal</i>	\$2,346,752	\$777,409	\$846,752

*Chairperson Higgins did not recommend funding the City of Mesa Housing Rehabilitation and Reconstruction Program

CDBG FY 2011/12 Applications for Funding

Funding Source	Public Facility Applications	Agency Request	HAB Recommend	C&NS Committee Recommend
CDBG	A New Leaf – Indoor Plumbing Rehabilitation Projects	\$750,000	\$450,000	\$380,925
CDBG	House of Refuge, Inc. – HR Insulation Project	\$70,818	\$55,137	\$70,818
CDBG	Save the Family – Save the Family Main Building Repairs	\$75,000	\$60,000	\$75,000
CDBG	<i>Public Facility Subtotal</i>	\$895,818	\$565,137	\$526,743

CDBG FY 2011/12 Applications for Funding

Funding Source	Public Service Applications	Agency Request	HAB Recommend	C&NS Committee Recommend
CDBG	COM Housing and Revitalization Division – FSS Support Services	\$2,150	\$2,150	\$10,000
CDBG	COM Parks and Recreation Department – Washington Activity Center	\$200,000	\$200,000	\$200,000
CDBG	Community Bridges – Project H3, Homeless Navigator Services	\$32,089	--	\$32,089
CDBG	Community Legal Services – Mesa Tenants Rights Helpline	\$44,496	\$44,496	\$44,496
CDBG	Community Legal Services – Removing Barriers to Justice for Low-Income Mesa Residents	\$50,961	\$50,961	\$50,961
CDBG	East Valley Adult Resources, Inc. – Assistance for Independent Living (AIL) Program	\$17,500	\$17,500	\$17,500
CDBG	Housing Our Communities – Homebuyer Education, Counseling, and Client Intake/Referral	\$58,775	\$58,775	\$58,775
CDBG	Housing Our Communities – Mesa Foreclosure Prevention Education & Counseling Program	\$10,600	\$10,600	\$10,600
CDBG	Labor’s Community Service Agency – Foreclosure Intervention Program	\$30,000	\$30,000	\$30,000

CDBG FY 2011/12 Applications for Funding

Funding Source	Public Service Applications – Continued	Agency Request	HAB Recommend	C&NS Committee Recommend
CDBG	The Marc Center, Inc. – Advocates for the Disabled	\$20,000	\$10,000	\$20,000
CDBG	Mercy Housing Mountain Plains – Mercy Housing Live in Hope Financial Literary Program	\$20,000	--	--
CDBG	West Mesa CDC – Neighborhood Safety Program	\$10,000	\$10,000	\$10,000
CDBG	West Mesa CDC – Neighborhood Academy	\$5,000	--	\$15,000
CDBG	*Child Crisis Center – Emergency Shelter Roof Replacement	\$8,049	\$8,049	\$8,049
CDBG	*Save the Family Foundation of Arizona – Homeless Families Intervention Project	\$35,000	\$26,250	\$35,000
<i>Public Service Subtotal</i>		\$501,571	\$468,781	\$542,470

*Funding recommendations for these projects were moved from the Emergency Shelter Grant (ESG) program per direction from the Community & Neighborhood Services (C&NS) Committee.

CDBG FY 2011/12 Applications for Funding

Funding Source	Administration	Agency Request	HAB Recommend	C&NS Committee Recommend
CDBG	COM Housing and Revitalization Division – Administration	\$643,336	\$643,336	\$643,336
	<i>Administration Subtotal</i>	<i>\$643,336</i>	<i>\$643,336</i>	<i>\$643,336</i>

HOME FY 2011/12 Applications for Funding

Funding Source	Non Profit Agency Applications	Agency Request	HAB Recommend	C&NS Committee Recommend
HOME	ARM of Save the Family – CHDO Operating	\$50,000	\$50,000	\$50,000
HOME	Community Bridges, Inc. – Center for Hope Permanent Supportive Housing	\$260,810	\$260,810	\$260,810
HOME	Habitat for Humanity – Land Acquisition & Infrastructure	\$250,000	\$250,000	\$250,000
HOME	Housing Our Communities – CHDO Operating	\$25,000	\$25,000	\$25,000
HOME	Housing Our Communities – New Opportunities for Homeownership Program	\$301,150	--	--
HOME	<i>Non Profit Agency Subtotal</i>	\$886,960	\$585,810	\$585,810

Funding Source	CHDO Set-Aside Applications	Agency Request	HAB Recommend	C&NS Committee Recommend
HOME	ARM of Save the Family – Affordable Rental Movement	\$537,600	\$401,949	\$401,949
HOME	Housing Our Communities – New Opportunities for Homeownership Program	\$200,100	\$300,100	\$300,100
HOME	<i>CHDO Set-Aside Subtotal</i>	\$737,700	\$702,049	\$702,049

HOME FY 2011/12 Applications for Funding

Funding Source	City Department Applications	Agency Request	HAB Recommend	C&NS Committee Recommend
HOME	COM Housing and Revitalization Division – HOME Administration	\$148,651	\$148,651	\$148,651
HOME	COM Housing and Revitalization Division – Security Deposit Program	\$50,000	\$50,000	\$50,000
<i>HOME</i>	<i>City Department Subtotal</i>	<i>\$198,651</i>	<i>\$198,651</i>	<i>\$198,651</i>

ESG FY 2011/12 Applications for Funding

Funding Source	Non Profit Agency and City Department Applications	Agency Request	HAB Recommend	C&NS Committee Recommend
ESG	A New Leaf – Autumn House	\$37,135	\$27,851	\$37,135
ESG	A New Leaf – East Valley Men’s Center	\$80,000	\$57,942	\$74,832
ESG	A New Leaf – La Mesita Family Homeless Shelter	\$32,500	\$24,375	\$32,500
ESG	COM Housing and Revitalization - Administration	\$6,076	\$6,076	\$6,076
<i>ESG</i>	<i>Non Profit Agency and City Department Subtotal</i>	<i>\$198,760</i>	<i>\$116,244</i>	<i>\$150,543</i>

Questions and Discussion