



# City Council Report

**Date:** June 6, 2016  
**To:** Community and Cultural Development Committee  
**Through:** Natalie Lewis, Deputy City Manager  
Ruth Giese, Community Services Director  
**From:** Elizabeth Morales, Housing and Community Development Director  
Ray Thimesch, Housing Revitalization Administrator  
**Subject:** Love Your Neighborhood Program

## Strategic Initiatives



## ***Purpose and Recommendation***

The purpose of this report is to present the Community and Cultural Development Committee (CCD) with a recommendation for a focus area/neighborhood for the “Love Your Neighborhood” Program, formerly referred to as the Transforming Neighborhoods Pilot. In addition, this report will discuss the components and requirements of a pending Request for Proposal and the timeline for this program.

## ***Background***

At the request of Council, the Community Services Department was asked to devise new strategies to approach blight issues that build on the existing services in Code Enforcement and the Building Stronger Neighborhoods initiative. The Love Your Neighborhood Program is aimed at combatting and reducing blight through enhanced neighborhood information and outreach and by investing Community Development Block Grant (CDBG) funds to create visual improvements in the neighborhood.

By utilizing data from cross-departmental effort to create a ‘Blight Index Map,’ staff identified areas in Mesa with blight challenges. Coupling that information with CDBG eligible census tracts, and the designated Code Enforcement area, staff developed criteria to identify potential neighborhoods that would most benefit by the Love Your Neighborhoods Program.

## ***Discussion***

Utilizing the set criteria, data, overlay maps and on-site visits, staff narrowed the selection down to two neighborhoods. The top two neighborhoods that best meet the program objectives are:

- Neighborhood #1: Main Street to Broadway Road between Extension Road and Robson;
- Neighborhood #2: Sunset Manor, Main St to University Dr., between Dobson Rd and Tempe Canal.

Both neighborhoods are located within a CDBG eligible census tract and located with the CDBG Target Area approved in Mesa's Five Year Consolidated Plan.

Staff is recommending Neighborhood #1 to be the primary neighborhood for the Love Your Neighborhood Program, based on the following criteria:

- Its ability to maximize visual impact to a declining area.
- Scored high in the blight category based on the Blight Index data.
- Good mix of single family, multifamily and businesses, which includes 283 housing units.
- Proximity to downtown and light rail.
- Lower median income with residents who have less disposable income to make needed improvements to their homes.

Staff's goal is to maximize resources and focus first on Neighborhood #1. At mid-point in the program year (by January 2017), staff wants the option to expand (or not) the program into Neighborhood #2. The reason to expand would be to ensure all allocated funds and strategies are fully tested and invested this year. Neighborhood #2 was selected as a secondary option for the following criteria:

- A smaller neighborhood, 123 housing units, but meets similar criteria listed above as Neighborhood # 1 in relation to visual impact and blight index.

An important consideration and requirement for use of CDBG funds is the need to have a large number of low- to moderate-income homeowners in the neighborhood. In addition, low- to moderate-income homeowners are more inclined to participate in programs to address code violations and to improve the exterior of their property because of the financial assistance which comes in the form of forgivable loans.

For those who are not low- to moderate-income homeowners, there are other incentives and opportunities to participate and improve their property and/or neighborhood in the following ways:

- For non-low-to moderate-income homeowners, rental properties, and businesses, the City will offer no-interest loans to address code violations and to make exterior improvements to their property that will benefit the neighborhood collectively.
- Love Your Block small grant assistance will be available to make overall neighborhood improvements.
- Additional resources and education to assist and support those residing in rental housing.

The City will be releasing a Request for Proposal (RFP) to solicit proposals from experienced agencies committed to make a lasting impact in neighborhood where Love Your Neighborhood Program will be implemented. The chosen proposal, which can be a single agency or a collaboration of agencies, will be expected to manage rehabilitation contracts, work with homeowners and businesses to improve the curb appeal of their properties, meet project schedules, conduct homeowner education classes, provide follow up inspections and education, leverage additional funds, resources, and/or materials, provide job opportunities for low-income households in the neighborhood, and provide contract opportunities for women and minority owned businesses. The evaluation criteria of the RFP proposals will include experience, program delivery model, collaborations, and cost. Proposers will be expected to meet program goals and outcomes to ensure the success of the program. The RFP will be released in July with selection of proposer in August and onboarding of RFP partner by September 2016. Additional requirements may be added after the neighborhood is selected and has been evaluated on its needs.

The timeline for the Love Your Neighborhood Program is:

**June-August 2016**

- Neighborhood Assessment and Surveying
- RFP Release and Selection
- Feedback from Various City Departments on Neighborhood

**September**

- Program Kickoff

**January 2017**

- Mid-point Evaluation and update to Council

**May**

- Final Report on Pilot

***Fiscal Impact***

The City has already allocated \$417,000 of FY2016/17 CDBG funds to the project. In addition, the City has set aside half (\$325,000) of the Housing Rehab allocation for the purpose of providing additional interior rehabilitation for eligible homeowners.

***Coordinated With***

The following project recommendations were coordinated with Neighborhood Outreach, Housing & Community Development, Housing Rehabilitation, Code Enforcement, Police, Economic Development and a cross-departmental team that created the blight index mapping.