

## COMMUNITY & CULTURAL DEVELOPMENT COMMITTEE

August 25, 2014

The Community and Cultural Development Committee of the City of Mesa met in the lower level meeting room of the Council Chambers, 57 East 1st Street, on August 25, 2014 at 3:31 p.m.

### COMMITTEE PRESENT

David Luna, Chairman  
Dennis Kavanaugh

### COMMITTEE ABSENT

Dave Richins

### STAFF PRESENT

Natalie Lewis  
Alfred Smith

Chairman Luna excused Committeemember Richins from the entire meeting.

#### 1. Items from citizens present.

There were no items from citizens present.

#### 2-a. Hear a presentation, discuss and provide a recommendation on the priority uses for and a revised review schedule for a 2013/14 HOME funding request for proposal.

Housing and Community Development Director Tammy Albright and Development Project Coordinator Ray Thimesch addressed the Committee relative to this agenda item.

Ms. Albright displayed a PowerPoint presentation (**See Attachment 1**) and reported that last year, the Council awarded HOME Investment Partnerships (HOME) Program funds to four entities for Low Income Housing Tax Credit (LIHTC) projects. She explained that the monies were awarded contingent upon the projects receiving tax credits. She stated that only one project was successful in that regard, which resulted in the City having a pool of funds that are currently available.

Ms. Albright remarked that in an effort to assist those entities who wish to submit applications in a timely manner to the Arizona Department of Housing's LIHTC Program, staff would propose to separate the City's HOME funding process from its traditional federal funding process. She noted that this would enable staff to present the final funding recommendations to the Council possibly in late January 2015, after which time the Council would award the HOME funds for the LIHTC projects. She added that such a process would allow the City to provide those entities that are awarded HOME funds "a better commitment letter."

Ms. Albright commented that the applications for the LIHTC projects are due to the Arizona Department of Housing by March 2015. She explained that subsequent to the Council making

their final decision with respect to approving HOME funds for the LIHTC projects, such monies would be “rolled back” into the City’s Annual Action Plan, which is submitted to the U.S. Department of Housing and Urban Development (HUD). She added that the Committee was provided a document titled “HOME Investment Partnerships Program – Federal Funding Schedule for Fiscal Year 2015-16,” which outlines a tentative schedule for this process. **(See Attachment 2)**

Ms. Albright highlighted a chart illustrating the breakdown of available HOME funding, which totals \$1,590,893. (See Page 2 of Attachment 1) She stated that Encore on First West was the only project that received a tax credit. She also noted that HUD requires that 15% of the HOME funds be set aside for a Community Housing Development Organization (CHDO). She indicated that staff would recommend approximately \$300,000 be earmarked for a CHDO to offer a homebuyer program and an additional \$80,000 for a homebuyer assistance program.

Ms. Albright further commented that the City does not have a homebuyer program and stated that Mesa’s only CHDO provides rental housing. She explained that staff would recommend that the Request for Proposal (RFP) target a CHDO to conduct a homeownership program. She added that approximately \$1.2 million in HOME funding would remain for rental projects.

Ms. Albright, in addition, reported that LIHTC projects are very time consuming for staff to administer. She stated that it was staff’s recommendation that the Council focus on one or two LIHTC projects and award larger amounts of HOME monies for such projects. She noted that staff simply does not have the capacity to support, for instance, five or six LIHTC projects. She pointed out that HUD only provides \$99,000 for the City to administer the HOME Program on a yearly basis and added that one staff member can spend nearly an entire year working on a single LIHTC project.

Ms. Albright remarked that pending the Committee’s and the full Council’s approval of the proposal, staff would issue an RFP for HOME applications. She commented that once staff and the Housing and Community Development Advisory Board (HCDAB) complete the application review process, the funding recommendations would be forwarded on to the Council for final action.

Committeemember Kavanaugh remarked that in this calendar year, a number of entities requested tax credit approval from the Arizona Department of Housing. He inquired regarding the status of those applications and stated that one of the projects, Sycamore Station Apartments, was tabled without a decision from the Council.

Ms. Albright clarified that Encore on First West was the only project that received a tax credit. She explained that the other projects for which the Council approved funding, including El Rancho II and La Mesita Phase III, are “off the table.” She reiterated that the Council approved the HOME funds contingent upon the projects receiving tax credits for FY 2014/15.

In response to a question from Committeemember Kavanaugh, Mr. Thimesch clarified that in June of this year, the Arizona Department of Housing announced the names of the projects that received tax credits.

Committeemember Kavanaugh commented that it would have been helpful for the Council to be apprised of the announcement. He recounted that in early May, the Council reviewed the LIHTC

projects and were informed that the HCDAB recommended that Sycamore Station Apartments be funded. He also remarked that during that meeting, Councilmember Richins expressed concern regarding market rates. He noted that the Council deferred action on the project pending the results of the tax credit applications for all of the applicants. He added that the matter should have been brought back to the Council so that they could take further action in this regard.

Ms. Albright assured everyone that in the future, staff would provide the Council the results of the tax credit applications.

Committeemember Kavanaugh pointed out that the Council may have wished to make other final decisions based on the funds that were available, but were precluded from doing so.

Assistant to the City Manager Natalie Lewis stated that staff was prepared to discuss the issue of the remaining HOME funds and noted that it would be necessary for the Committee to forward its recommendation to the Council in that regard. She commented that if it were the Committee's recommendation that the Sycamore Station Apartments project be reconsidered, that issue could be included in this process that moves forward to the Council.

Committeemember Kavanaugh reiterated that the motion before the Council at a prior meeting was to table a decision regarding Sycamore Station Apartments until a determination was made regarding the tax credits. He suggested that whoever sets the agenda had the ability to bring back that matter to the Council. He further clarified that the Council recommended three projects for approval and inquired whether the City had the ability to reallocate those funds for those projects, regardless of whether they received the tax credits or not.

Ms. Lewis restated the scenario as follows: There were four projects on the table; the Council approved three of the projects and Sycamore Station Apartments was tabled pending the results. She stated that the idea at the time was if one or more of the projects had not been approved, then the Council could reconsider using those funds for the Sycamore Station Apartment project.

Responding to a question from Ms. Lewis, Deputy City Attorney Alfred Smith clarified that in his opinion, the money has rolled over into a separate pot since no action was taken by the Council after the Arizona Department of Housing announced the recipients of the tax credits. He stated that the best course of action would be for the Council to make a motion to reallocate those funds to the Sycamore Station Apartments project or any other worthy entity that they would prefer receive those monies in the coming year. He added that such a recommendation could move forward as part of the process being addressed under this agenda item.

Ms. Lewis noted that if the recommendation was forwarded to the Council and they approved the reallocation of the funds, she inquired whether it would be necessary for the developer of Sycamore Station Apartments to reapply for a tax credit or whether the entity would automatically receive some of those funds.

Councilmember Kavanaugh remarked that there was an available pool of money from which the Council could reallocate certain funds in some proportion to El Rancho II, La Mesita Phase III and Sycamore Station Apartments.

Mr. Smith indicated that he would review the minutes from the prior meeting in order to more clearly understand the motion in question.

Ms. Albright remarked that it was her recollection of the previous meeting that staff presented the four projects that applied for FY 2014/15 tax credits. She explained that from staff's perspective, if the entities were not successful in receiving the tax credits, the HOME funds that the Council approved would roll into a pot of unallocated funds for FY 2015/16 tax credits. She stated that staff would review the matter and added that if they were able to roll the money forward, they would do so.

Committeemember Kavanaugh stated that in his opinion, the money could roll forward as follows: 1.) As a pool to consider the above-referenced applications; or 2.) The funds go into a larger pool for FY 2015/16 and anyone can apply to receive those dollars.

Responding to a comment from Chairman Luna, Ms. Albright clarified that HUD provides only 10% of the administration funds for the HOME Program. She noted that most of the staff members are grant funded, which makes it difficult for them to support more than one or two LIHTC projects.

Mr. Smith restated that staff was being asked to determine whether the Council could reconsider the Sycamore Station Apartments project and the allocation of those dollars before such monies are rolled back into the general pool of HOME funding.

Ms. Albright stated that if the Committee was agreeable, staff would move this matter forward to the full Council once the issue related to Sycamore Station Apartments has been addressed.

Chairman Luna commented that the Committee concurred with Ms. Albright's recommendation.

2-b. Hear a presentation, discuss and provide a recommendation on creating a preference population for CDBG and HOME federal grants to Elderly Persons, Disabled Persons, Homeless Persons and Professional Persons per the new federal regulations.

Housing and Community Development Director Tammy Albright displayed a PowerPoint presentation (**See Attachment 3**) and reported that staff was seeking the Committee and the Council's direction with respect to adding population preferences to the City of Mesa Consolidated Plan FY 2010-14. She explained that HUD allows various preferences to be included in a participating jurisdiction's Consolidated Plan.

Ms. Albright noted that persons with disabilities, the elderly and homeless persons are listed in the City's Consolidated Plan as high priorities, but not preferences. She stated that per certain changes to federal regulations, HUD now allows a participating jurisdiction to include professionals, such as teachers and artists, as preferences. She noted that staff would recommend including such preferences and added that it would give the Consolidated Plan a certain degree of flexibility.

Ms. Albright cited, by way of example, if the City funded a number of HOME units in an apartment complex in an area of the community that had difficulty attracting teachers to work at a nearby school, teachers could be a desired preference population for such units.

Chairman Luna stated that it was the consensus of the Committee that this item move forward to the full Council.

Ms. Albright indicated that it would be necessary for the City to file a Second Substantial Amendment to the Consolidated Plan in order to add the population preferences. She commented that if the Council directs staff to proceed with this process, the City will conduct a 30-day comment period, after which time staff would return to the Council with a resolution for adoption.

2-c. Hear a presentation, discuss and provide a recommendation on a proposed Heritage Neighborhood Recognition Program.

Planning Director John Wesley displayed a PowerPoint presentation (**See Attachment 4**) and reported that the City of Mesa has an active historic preservation program, including the creation of seven national districts and 12 national and/or local landmarks.

Mr. Wesley explained that certain neighborhoods, such as Washington Park and Lehi, have expressed an interest in some type of historic recognition. He noted, however, that the neighborhoods do not necessarily meet the requirements for the traditional Historic District designation. He cited, for instance, that Washington Park has great historical significance, but said that the area lacks architectural integrity, with many buildings having been demolished or rebuilt. He also remarked that although Lehi has maintained a rural character, it has few buildings that would be considered of historical significance.

Mr. Wesley commented that staff would propose to create the Heritage Neighborhood Recognition Program, which would be based on recognizing socially and culturally important neighborhoods. He said that the program could be adopted by resolution as opposed to ordinance; that it would encourage the preservation of the scale and feel of a neighborhood; and that it would require the residents to actively document the history of the neighborhood.

Mr. Wesley spoke regarding the benefits of the program. (See Page 5 of Attachment 4) He noted that the program would bring neighbors together and improve a sense of place. He added that signage and markers could be placed in the neighborhoods, which would recognize their participation in the program.

Mr. Wesley indicated that staff made a presentation to the Historic Preservation Board (HPB) concerning the proposal. He stated that pending the Committee's approval of the program, staff would conduct public outreach to solicit input from citizens; return to the HPB for further discussion and consideration; and present the program to the full Council for adoption.

Committeemember Kavanaugh commented that the Heritage Neighborhood Program is an option for many Mesa neighborhoods that would not otherwise meet the Historic District designation.

Responding to a question from Committeemember Kavanaugh, Mr. Wesley clarified that he attempted to research similar programs throughout Arizona, but was unable to find anything similar to staff's proposal.

In response to a question from Chairman Luna, Mr. Wesley assured everyone that staff would work with the community leaders from the Washington Park area concerning the program. He also remarked that the Neighborhood Outreach Office has identified certain neighborhoods that might be interested in the program and said that staff would reach out to those individuals as well. He added that the City would not expect buy-in from an entire neighborhood, but rather a core group of active residents who would conduct a meeting to solicit support from their neighbors.

Committeemember Kavanaugh expressed support for staff's proposal and said that it was a way in which to create a sense of pride for neighborhood residents. He said it would also work well in concert with the City's successful Neighborhood Registration Program.

Mr. Wesley further reported that the Heritage Neighborhood Recognition Program would be administered by existing staff. He explained that it would be necessary for staff to establish a budget in order to pay for the signage and markers. He also remarked that in the future, staff would envision the neighborhoods paying for their respective signage or perhaps seek funding through the Community Development Block Grant (CDBG) Program.

Chairman Luna stated that it was the consensus of the Committee that staff move forward with the Heritage Neighborhood Recognition Program.

2-d. Hear an update presentation, discuss and provide a recommendation on a proposed Neighborhood Signage Program.

Neighborhood Outreach Coordinators Cynthia Ezcurra-Garza and Lindsey Balinkie addressed the Committee relative to this agenda item.

Ms. Ezcurra-Garza displayed a PowerPoint presentation (**See Attachment 5**) and provided a brief historical overview of the Neighborhood Signage Program. She explained that over a period of time, Mesa residents have approached staff regarding the concept of identifying their neighborhoods with some type of signage. She stated that in September 2013, staff first came to the Community and Cultural Development Committee with the idea of creating such a program.

Ms. Ezcurra-Garza reported that staff researched sign programs that other communities throughout the Valley have implemented. She pointed out that in Phoenix, residents in a particular neighborhood sign a petition requesting a sign, then manufacture and install the sign. She noted that in Tempe, grant funding, which is derived from the General Fund, is available to pay for the cost of neighborhood signage. She added that Tempe designs, manufactures and installs the signs throughout the community.

Ms. Ezcurra-Garza further commented that staff also learned that in most communities, sign toppers are utilized to identify neighborhoods. She displayed several photographs illustrating examples of such signs. (See Page 3 of Attachment 5)

Ms. Ezcurra-Garza also remarked that at the conclusion of staff's presentation at the September 2013 meeting, the Committee directed staff to implement a cost-efficient sign program that would enhance the quality and character of a neighborhood. She stated that staff was also

encouraged to create innovative sign designs. She briefly highlighted some of the benefits of a sign program in Mesa. (See Page 5 of Attachment 5)

Ms. Balinkie briefly spoke regarding the proposed implementation of the sign program as follows:

- In the first year of the program, Neighborhood Outreach Office staff would select six registered neighborhoods (one in each Council district).
- Each sign would cost \$50, which would be funded by the Neighborhood Outreach Office.
- Staff would anticipate that most of the neighborhoods that participate in the program would be situated in west and central Mesa.
- An online application process would be implemented in the future.

Ms. Balinkie also discussed the eligibility requirements for the sign program (See Page 7 of Attachment 5) and the proposed design of the sign. (See Page 8 of Attachment 5) She explained that the neighborhood signs would be circular in shape and placed opposite of stop signs. She further commented that the signs, which would be manufactured, installed and maintained by the City, would be located at predominant entry points to a neighborhood. She added that staff would recommend up to three signs per neighborhood.

In response to a question from Chairman Luna, Ms. Ezcurra-Garza clarified that Mesa has more than 400 registered neighborhoods. She explained that the residents of the respective areas identify their boundaries and select a name for the neighborhood.

Committeemember Kavanaugh stated that he would assume that many neighborhoods in the community would be interested in participating in the Neighborhood Signage Program.

Ms. Balinkie responded that in staff's opinion, it would be appropriate to start with six neighborhoods in the first year in order to assess the success of the program. She also pointed out that the Neighborhood Outreach Office has a limited budget that can be dedicated to the cost of the signs.

Committeemember Kavanaugh commented that he would hope that the Neighborhood Outreach Office could allocate a larger budget for the sign program initially. He stated that he could foresee a demand from many neighborhoods that wish to participate in the program, but do not want to wait for another budget year.

Ms. Ezcurra-Garza concurred with Committeemember Kavanaugh's comments. She acknowledged that she would expect to see many neighborhoods in west and central Mesa applying for neighborhood signs.

Committeemember Kavanaugh stated that he would assume that staff would not object if the Councilmembers provided grants from their Community Partnership funds if more neighborhoods apply for signs than the Community Outreach Office has the monies to pay for.

Chairman Luna remarked that he was excited to see the Neighborhood Signage Program become a reality. He stated that it was the consensus of the Committee that staff move forward with the program.

Chairman Luna thanked staff for the presentation.

3. Adjournment.

Without objection, the Community and Cultural Development Committee meeting adjourned at 4:11 p.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Community and Cultural Development Committee meeting of the City of Mesa, Arizona, held on the 25<sup>th</sup> day of August, 2014. I further certify that the meeting was duly called and held and that a quorum was present.

  
\_\_\_\_\_  
DEE ANN MICKELSEN, CITY CLERK

pag  
(attachments – 5)

# Funding Activities for HOME Grants

Tammy Albright  
Housing and Community  
Development Director



A Presentation to the Community and Cultural Development Committee  
August 25, 2014

# HOME funding

- \$872,946 Prior year funds
  - \$750,000 for Encore
- \$576,947 FY2014/15 rental funds available
- \$990,000 FY2015/16 project funds available (\$891,000)
  - 15% required for CHDO set aside
  - 10% Admin.
- **Total Available = \$1,590,893**

# **HOME funding:**

## **Staff Recommendations**

- Staff recommends (apx. funding):
  - \$1,210,893 rental projects (can also go to a CHDO doing rental)
    - 1 of 2 project maximum
  - \$300,000 (apx 30%) for a CHDO to offer home buyer program
  - \$80,000 for a Home buyer assistances program

# HOME funding Next Steps

- Separate RFP for HOME funding with a time line to have final City Council recommendations for the Annual Plan by February 2015 – to comply with the timing of Low Income Housing Tax Credit process
- Target for projects applying for the FY2015/16 low income tax credit projects
- Target for a CHDO to perform a home ownership program

# Questions and Discussion



## HOME Investment Partnerships Program - Federal Funding Schedule for Fiscal Year 2015-16

### 2014

- Sep 7** Mail Public Notices to Interested Parties List and Publish Public Notice for Public Hearings #1
- Sept 22** Non-Profit CDBG, HOME & ESG *Training* – 8:00 a.m. to 12:00 p.m. or 1:00 p.m. to 5:00 p.m.  
Access to Application. Location: TBD
- Sept 29** Application Process Opens – HOME application and checklist is available on the City's web site
- Oct 9** **Public Hearing #1– CDBG, ESG, HOME Projects for FY 15-16, Soliciting Public comment for federal community development projects for upcoming fiscal year.** a.m. Location: Tentative Mesa City Plaza, First floor Room 170 West, 20 East Main Street
- Oct 20** **APPLICATION DEADLINE: ALL PROPOSALS DUE BY 3:00 P.M. (ONLINE)**  
**One complete copy of each project application must also be hand-delivered to 20 E. Main St., Suite 250, Mesa, AZ by 3:00 p.m. No fax or e-mail submissions will be accepted.**
- Dec 4** Proposal Evaluations – *HOME Proposal Review* before Staff & Housing and Community Development Advisory Board – location and time **TBD**

### 2015

- Jan 8** Community & Cultural Development Committee - *Review of Funding Recommendations* for HOME. - time **TBD** Location: Lower Level Council Chambers (57 E. First St.).
- Jan 26** City Council Study Session - *Review and Approval of Final Funding Recommendations* for HOME – time TBD a.m. Location: Lower Level Council Chambers (57 E. First St.).
- Feb 16** Mail Public Notices to Interested Parties List and Publish Public Notice for Public Hearing #2 for the FY 2015-16 Annual Action Plan.
- Mar 8** Publish Public Notices:  
1) Proposed Statement of Objectives and Projected Uses (Fed. Entitlement Funds).  
2) Notice of Availability of the FY 2015-16 Annual Action Plan.  
3) Notice of 30-Day Comment Period for the FY 2015-16 Annual Action Plan.
- Mar 9** 30-Day Comment Period Begins for FY 2014-15 Annual Action Plan.
- Mar 31** City Receives Notice of Funding Allocation from HUD.
- Apr 2** **CDBG/HOME/ESG Public Hearing #2 – FY 2014-15 Annual Action Plan Review** conducted by the Housing and Community Development Advisory Board – 5:30 p.m. Location TBD
- Apr 9** 30-Day Comment Period Ends for FY 2015-16 Annual Action Plan.

- Apr 13** City Council approves FY 2014-15 CDBG/ESG/HOME *Annual Action Plan* – time TBD. Location: Upper Level Council Chambers (57 E. First St.).
- May 15** Submit FY 2015-16 CDBG/ESG/HOME Annual Action Plan.
- Jul 1, 2014** Fiscal Year 2015-16 Begins.

If you are a person with a disability and require a reasonable accommodation in order to participate in programs and services offered by the City of Mesa Housing and Community Development Department, please contact Rob Schweitzer at 480-644-3024. Hearing impaired individuals should call 711 (Arizona TDD Relay). To the extent possible, accommodations will be made within the time constraint of the request, and you may be required to provide information to support your reasonable request.



# Second Substantial Amendment to the City of Mesa Consolidated Plan FY 2010-14



August 25, 2014

Community and Cultural Development Council  
Subcommittee

# Second Substantial Amendment to the City of Mesa Consolidated Plan 2010-14

Preferences may be granted, at the discretion of the Participating Jurisdiction (PJ), for the following individuals:

- Persons with Disabilities as defined by HUD
- The Elderly (62-74) and The Frail Elderly (>75)
- Homeless Persons as defined by HUD
- Professionals per federal regulation changes (Examples: Teachers and Artists)

# Why is a Second Substantial Amendment Necessary?

- Approved by the Housing and Community Development Board
- Three groups are currently identified as a high priority within the Plan (Disabled, Elderly and Homeless)
- Designation as a preference provides the PJ with enhanced flexibility to meet the housing needs of these priority groups.

Questions?

# Heritage Neighborhoods

Community and Cultural Development Committee

August 25, 2014

# Background

- City has an active historic preservation
  - 7 National Districts
  - 12 National and/or local landmarks
- Based primarily on having structures that have maintained historic integrity
- Local designation places strict zoning requirements

- Some neighborhoods have historic significance but don't fit traditional requirements
  - Washington Park/Escobedo
  - Lehi
- Need a new tool to help preserve and maintain these types of neighborhoods

# Proposal

- Create a new program – “Mesa Heritage Neighborhood Program”
- Key features:
  - Based more on recognizing socially and culturally important neighborhoods
  - Adopted by resolution not ordinance
  - Would encourage preservation of scale and feel of the neighborhood
  - Require neighborhood residents to actively document the history of their neighborhood

# Benefits

- Brings neighbors together, improve sense of place
- Neighborhood signage and markers
- Listed on website with history
- Consideration during any development decisions

# Next Steps

- Further input from neighborhood groups
- Review and recommendation from Historic Preservation Board
- Full Council review and approval

# Community and Cultural Development Committee

August 25, 2014

## Neighborhood Signage Program





# *Signage Program History*

- Interest for sign program began by request of neighborhoods and councilmembers
- Initial discussion presented to committee

September 2013





# Sign Programs in Other Cities



Tempe



Phoenix



# *Direction from Committee*

- Create sign program that is cost-efficient and adds to neighborhood quality and character
- Innovative sign design





# ***Benefits of Signage***

- Recognize unique character and name
- Increase visibility of neighborhoods
- Encourage neighborhood pride and sense of belonging
- Complement city efforts in neighborhood revitalization



# *Implementation*

- Six registered neighborhoods
- Selected by Neighborhood Outreach Office
- \$50 per sign
- Funded by Neighborhood Outreach Office
- On-line application process in following years



# *Eligibility Requirements*

- On-line application
- Active registered neighborhood minimum 1 year
- HOAs are not eligible





# Design

- Signs will be circular shaped
- Placed opposite of stop signs
- Located at predominant entries
- Manufactured, installed and maintained by City
- Up to 3 signs per neighborhood



# Questions?

