

COMMUNITY & CULTURAL DEVELOPMENT COMMITTEE

March 19, 2020

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 March 19, 2020 at 9:12 a.m.

COMMITTEE PRESENT

Francisco Heredia, Chairman
David Luna
Jennifer Duff

COMMITTEE ABSENT

None

STAFF PRESENT

Natalie Lewis
Dee Ann Mickelsen
Kelly Gregan

1. Items from citizens present.

There were no items from citizens present.

2-a. Hear a presentation, discuss, and provide funding recommendations for the FY2020/21 and prior years' available funding for Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Solutions Grant (ESG), and Human Services Programs.

Community Services Director Ruth Giese introduced Housing and Community Development Director Michelle Albanese who displayed a Power Point presentation. **(See Attachment 1)** She commented the City has participated in the CDBG program for 43 years, the HOME program for 27 years, and the ESG program for 31 years, and has received over \$100 million in funding. She stated this funding serves critical needs to low and moderate-income residents and funds a variety of activities which include capital improvements, housing programs, public services, and homeless services. She explained the City uses an application process to solicit proposals annually from non-profit agencies and City departments for federal and local allocations.

Ms. Albanese stated a 9% increase is anticipated in CDBG funds for FY 20/21 for a total of just over \$6 million. She highlighted the HOME, ESG, and Human Services funding amounts. (See Pages 2 and 3 of Attachment 1)

Ms. Albanese provided an update on the individual funding sources and recommendations for Public Services and explained there is a 15% maximum cap of funding on the current allocation which is \$627,464. She stated nine applications were received and staff is recommending funding for six agencies. (See Page 4 of Attachment 1)

Ms. Albanese provided an overview of the CDBG non-public services funding recommendations which includes projects such as housing activities, public facility improvements, and other public

improvements. She reported 11 applications were received and staff is recommending funding for seven projects. She explained the total recommended funding for these projects is \$3,871,000; however, the total funding source in this category is \$4,568,000 due to reprogrammed funds for activities that did not move forward. (See Page 5 of Attachment 1)

In response to a question from Committeemember Luna regarding specifics of the homeless services project, Ms. Albanese outlined preliminary information and stated she is working with Deputy City Manager Natalie Lewis on a homeless initiative and strategic plan, and hopes to use some of these dollars specifically in the City of Mesa, or as a regional approach to address the growing needs of the homeless population.

In response to additional questions from Committeemember Luna regarding hiring additional navigators or providing support to non-profits or shelters, Ms. Albanese mentioned the priority this year is funding agencies with homeless services and several agencies are adding navigators.

Ms. Albanese commented that funding for A New Leaf is for supportive services for the East Valley Men's Center and Community Bridges for community outreach and crisis stabilization.

In response to a question from Committeemember Luna related to the Love Your Neighbor (LYN) program and homelessness, Ms. Albanese indicated LYN is a concentrated rehabilitation and a revitalization of an identified area within the City that helps homeowners revitalize individual homes and also within the neighborhood. She added that while it does not necessarily address homeless individuals, staff finds that providing rehabilitation to low-income individuals helps keep them in affordable homes.

In response to a question from Committeemember Duff related to the timeline for the allocation of \$1.5 million for facilities, Deputy City Manager Natalie Lewis commented before the pandemic crisis started, staff was talking with non-profit partners about how to add and create additional capacity at existing facilities or looking at new areas where capacity can be added for emergency housing. She explained the City's goal is to have a continuum of housing so homeless individuals can be placed into emergency housing immediately and can progress into a stable process with wraparound services and eventually into permanent supportive housing.

Ms. Lewis continued by saying another opportunity for these dollars is a regional response to immediate health-related housing and shelter for the homeless community. She remarked one regional solution is temporarily leasing hotels and motels to quarantine homeless populations who are at risk or who have been exposed and are showing symptoms to alleviate overcrowding at hospitals. She stated staff is looking at shelters in the region and assessing capacity. She added that staff is also looking at a 24/7 nursing line so anyone who is in contact with a homeless individual can help get medical questions answered right away.

In response to a question from Committeemember Luna related to shifting CDBG dollars to assist with the COVID crisis, Ms. Lewis indicated that is one option staff is reviewing. She explained all opportunities for federal funding and resources are being considered on a regional level to ensure the response to the crisis is unified and consistent.

Committeemember Luna indicated support for the reallocation of funding to deal with the COVID crisis. He expressed concern for the homeless population and where they will go during the pandemic.

In response to a question from Chairman Heredia, Ms. Lewis explained the timeline for the emergency response is in the near future, and staff will keep Council apprised of key decisions that are made.

In response to a question from Chairman Heredia related to CDBG dollars and shovel-ready projects, Ms. Lewis stated for the longer-term projects staff is looking at using the funding more for rehabilitation projects to allow the City to immediately invest those dollars.

Ms. Albanese continued with the presentation and provided an overview of the HOME Investment Partnership Program. She highlighted the tenant-based rental program and stated it would assist individuals on the Section 8 Housing Choice Voucher Program list or the general public that meet low-income criteria for assistance with deposits. She commented one of the Tenant-Based Rental Assistance (TBRA) programs provides long-term supportive housing and another addresses critical needs for homeless individuals when navigators are in the community. (See Page 6 of Attachment 1)

In response to a question from Committeemember Luna related to down payment assistance, Ms. Albanese explained staff works with non-profit agencies in the community for housing counseling since that is a requirement for down payment assistance. She added there are other sources available such as the Workforce Initiative Subsidy for Homeowners (WISH) and Individual Development Accounts (IDA) funds that can cover gaps for down payment assistance. She commented that Housing and Urban Development (HUD) publishes a maximum amount every year, which is currently \$220,000, and the subsidy is dependent on whether the property works for the individual within their income.

In response to a question from Committeemember Duff related to payback requirements of down payment assistance, Housing and Revitalization Administrator Ray Thimesch explained there is a recapture provision in the event the home is sold before the period of affordability ends. He provided the example for \$30,000 in down payment assistance, the period of affordability is 10 years; so, if the resident were to sell the home at Year 5, they would have to pay back \$15,000.

In response to a question from Chairman Heredia related to the administration of the TBRA Program, Ms. Albanese replied they are both administered by the City of Mesa.

Ms. Albanese provided information on the Emergency Solutions Grant (ESG) and explained there is a 60% maximum cap on funds for shelter operations, and that ESG is allocated at \$303,000, which is less than the 60%. She pointed out Save the Family/Southwest Lutheran Social Services is rapid rehousing and is a collaboration between the agencies.

Ms. Albanese presented Human Services Funding which garners the greatest number of applications. She remarked these funds are used to promote self-sufficiency and provide services to those that are most vulnerable in the community, such as meals and beds for the homeless. She stated this funding source also encourages partnerships between private sector, government, and community providers. She highlighted MesaCan which mimics the HOME

TBRA Program for emergency-type deposits, money for utility bills, or emergency rent. She commented on Paz de Cristo which is funding for homeless services, basic services, meals, and other wraparound services. She described Teen Lifeline as crisis services for suicide prevention which is a very critical service in the community. (See Page 8 of Attachment 1)

Ms. Albanese highlighted Human Services funding for food-type services. She explained Arizona Brain Food is for weekend food bags and nutritional items for children that may not be getting adequate meals over the weekends, Meals on Wheels serves elderly and disabled residents that are homebound, and United Food Bank is for emergency and supplemental food assistance programs. (See Page 9 of Attachment 1)

In response to a question from Committeemember Luna related to funding shortages for food-type services during the pandemic, Ms. Albanese indicated a shortage of funding is a possibility. She stated it is up to the committee if they would like to reallocate additional funds for some of the more critical services related to COVID. She commented eligible activities include public services, such as Meals on Wheels; or facility-type projects, such as constructing a testing facility or rehabbing an existing facility. She clarified if CDBG funding is used for public service activities, the 15% cap still applies.

Ms. Lewis clarified that food-type service agencies have indicated they currently have what they need. She commented many have changed the way they provide food; that instead of hot meals, they are now providing grab-n-go type meals. She remarked they have requested assistance with food preparation and volunteers.

Ms. Lewis explained that as staff moves forward in this process, if additional needs are identified, staff would be looking at federal funding to ensure basic services are being provided.

Chairman Heredia commented both federal and state agencies are talking about the response money and how cities can tap into those funds. He added there is ongoing analysis in the legislature on how to tap into those funds to create coordination with funding and how to leverage these activities for residents.

Committeemember Duff stated there is going to be repercussions from COVID for about a year until a vaccination is created. She questioned how we manage community needs in the long-term and how does the additional support come to those who are providing services to those in need?

Chairman Heredia added that economic factors need to be considered as well in the event that there is a prolonged economic impact and how that looks for residents that are bordering on homelessness or affected by lost wages so approaches can be managed and best strategies developed.

Ms. Lewis responded by saying staff is working on a regional homeless strategic plan and this emergency will now be part of the strategic plan as it relates to the long-term impact and how the City responds. She added staff is also working on the Housing Master Plan that will be considered when Council has future discussions regarding the long-term impact of COVID.

Committeemember Duff commented there needs to be some attention to planning and affordable housing. She stated there is some federal action as far as increasing the number of

vouchers; however, that does not help if there are not properties to accept applicants. She acknowledged this is a regional concern and part of the homelessness issue of having affordable housing for residents. She expressed concern that the homeless rate could be dramatically increased with the current rate of evictions, let alone the current health crisis.

Ms. Albanese clarified if it is the desire of Council at mid-year to discuss affordable housing or beds for the homeless, there is unallocated funding in CDBG non-public services and HOME funding that could be utilized to address community needs.

In response to a question from Chairman Heredia, Ms. Albanese explained for non-public services, which is for housing public facilities-type projects, there is a total remaining balance of \$697,000. She added if the City receives program income during the fiscal year that is generated by a housing rehab project that was funded and the resident sold their home and paid a portion back to the City, that becomes program income to the City. She outlined for the HOME program, there is a remaining balance of \$680,000; adding, if the two are combined, that leaves a balance just over \$1.2 million.

Ms. Albanese highlighted the next steps in the process, including a 30-day public comment period. She commented two public hearings will be held, but considering the COVID virus, staff is trying to find alternate ways of conducting hearings. (See Page 10 of Attachment 1)

In response to a question from Chairman Heredia, Ms. Albanese replied all agencies were sent a message through the application system to attend today's meeting or watch electronically.

Chairperson Heredia indicated that it is the consensus of the committee that staff move forward with the recommendations.

Chairperson Heredia thanked Ms. Albanese for the presentation.

2-b. Hear a presentation, discuss, and provide a recommendation on the transfer of two City-owned properties to A New Leaf, Inc. The properties are located near Mesa Drive and Main Street and at 217 West University Drive, and were acquired and/or improved with CDBG program funds.

Ms. Albanese explained, at the January 23, 2020 Study Session, Council directed staff to conduct further analysis on two of the three properties that staff proposes to transfer to A New Leaf. She commented Council requested the current market value for each of those properties to determine if there are any City-owned properties that could be used as an exchange to relocate A New Leaf, and possibly sell one or both of the other properties. **(See Attachment 2)**

Ms. Albanese highlighted the Mesa Drive and Main Street property, which was appraised in 2017 at \$166,000. She explained, based on current area comps, that range is now anywhere between \$300,000 to \$325,000, which could be an increase in value of \$134,000 to \$159,000. She clarified this was based on current area comps, not on an actual appraisal of the property.

Ms. Albanese provided an overview of the University Drive property, noting the September 2017 appraisal was \$350,000. She stated in looking at current area comps, the value of similar properties ranges between \$500,000 to \$560,000, which is an increase of \$150,000 to \$210,000.

Ms. Albanese explained staff has worked closely with the City's Real Estate division to review other parcels with similar type land and properties. She stated there were no vacant and available City-owned properties identified that could be used by A New Leaf.

She remarked there are a few properties that were purchased with federal dollars; however, federal regulations do not allow that type of funding to be used for transitional housing.

She reported A New Leaf could submit a funding request during the FY 21/22 proposal process for the purposes of locating, acquiring, and rehabilitation of an alternate location.

Ms. Albanese highlighted several options for consideration, the first would be to sell both properties which would trigger displacement and relocation, and if there are residents in the transitional shelter at that time, the City or A New Leaf could incur costs to relocate residents, pay for temporary relocation, or permanent displacement relocation. (See Page 7 of Attachment 2)

She explained if the property is sold it would no longer be eligible under CDBG due to the change of use and the funds would be returned to the City's CDBG line of credit to be reprogrammed, adding the funds could be used if A New Leaf submitted a proposal and used some of those funds for the purchase and rehabilitation of another facility.

She outlined a second option which would be to transfer one or both properties to A New Leaf or consider a longer continued use period. (See Page 9 of Attachment 2)

She reminded the Committee that at the last Council Study Session it was discussed that if the property is transferred, there is a HUD minimum requirement of 10 years continued use during which time the City maintains ownership of the property. She added that if the properties are transferred, the City could also request a longer period of continued use.

Assistant City Attorney Kelly Gregan clarified that if the City chooses to transfer the properties to A New Leaf, the City would not continue to own the properties through the continued use period, but A New Leaf would be required to meet the requirements. She explained the City could have stipulations in the agreement such as a right of revert; and if the property is not operated as required, the City could take back the property or add some sort of restrictive covenants to the use of the properties.

Ms. Gregan pointed out on a property transfer the City would not continue to own the property and added the only option of the three where the City would continue to own the property is on the lease option.

In response to a question from Chairman Heredia related to A New Leaf selling the property, Ms. Gregan explained that it would depend on the wording of the property restrictions, but at a minimum the City could place restrictions on the property regarding use and approval of any sale of the property.

Ms. Albanese explained that due to CDBG regulations and requirements, A New Leaf would have to maintain the property with the same or similar use that would meet the national objectives for CDBG. She added this would have to go through a public process to change the

use; and if it is sold or converted to a different use that does not meet CDBG requirements during that 10-year period, that would trigger some type of payment to the CDBG program.

In response to a question from Chairman Heredia, Ms. Albanese commented if the property is sold after 10 years, the owner is free and clear of any restrictions on the property. She added if the owner chose to sell prior to the 10 years, it would require action by the City as there would be restrictions, covenants, or declarative land use on the property.

Ms. Gregan clarified one option is to require the property owner to return to Council to approve a sale, or to authorize action through the City Manager's office.

Ms. Albanese reviewed a final option of continuing to lease the Main and University properties to A New Leaf with the continued uses and the City retaining ownership, which is the current status on the properties. (See Page 10 of Attachment 2)

In response to a request from Committeemember Luna, Mike Hughes, A New Leaf Chief Executive Officer, commented the Board has no interest in selling these properties and the reason for pursuing ownership of the properties is to provide a stronger sense of site control and to make needed improvements in a timely manner. He added this same process was completed at the East Valley Men's Center and La Mesita, both of which were transformed.

Mr. Hughes explained the Board would like to expand the University property and place the domestic violence (DV) program in a safe, temporary overflow program which is currently at University Drive near Horne. He clarified when all Valley shelters are full, victims can be housed at the DV Services-Training-Officers-Prosecutors (STOP) site; and when a bed opens, they can be transferred to a shelter and the University property would be ideal.

Mr. Hughes commented on the Mesa Drive property, which is currently housing women who have transitioned out of Autumn House and do not have housing. He stated A New Leaf is very committed to Mesa and owning these properties puts the organization in a stronger position to run the programs the City has historically supported.

In response to a question from Committeemember Luna regarding maintenance of the properties, Mr. Hughes clarified A New Leaf is currently responsible for the upkeep and improvements to the properties and have been doing that for several years. He explained lending institutions are very hesitant to lend money for improvements since A New Leaf does not own the property.

Committeemember Luna commented one issue that came up when he was on the board of A New Leaf was all of the money invested in the old La Mesita facility and then the agency decided to proceed with the new development located on Main Street.

Committeemember Luna indicated his support for the transfer of the properties to A New Leaf because of the nearly 50-year history the agency has with the City of Mesa.

Committeemember Duff expressed her appreciation to A New Leaf and the difference they have made in the community. She commented this is not about supporting A New Leaf, but about the highest and best use of this location. She stated her struggle, especially in the Central and downtown area, is the face of many arterial streets is non-profits. She remarked the Central

Business District is trying to improve these areas to be prosperous and more economically viable. She stated that while she appreciates the support services, she does not know that they need to be on major arterial streets.

Committeemember Duff inquired as to the possibility of using unallocated City CDGB funding to purchase new properties for A New Leaf, sell the current properties, and return those dollars to CDBG.

Mr. Hughes responded by saying one of the reasons A New Leaf programs have been successful on these major arterial roadways is the transportation opportunity since many residents do not have vehicles. He added that if you travel on University Drive, you will notice the eight or nine properties maintained by A New Leaf look better than any of the other properties along these major arterial roads.

Committeemember Duff agreed and expressed her appreciation for the quality of the properties, indicating her concern is not about the presentation of the properties, but about the economic use, especially for a City that needs to attract residences, employment, and sales tax dollars to this area of the City. She added that she is a proponent of putting services and housing close to transportation, and she does not want to move them outside the transportation corridor. She stated these are major locations with economic value that should be contributing to the welfare and economics of the City.

In response to a question from Committeemember Luna regarding if A New Leaf can recover some of the enormous sums of money they have invested in these properties over the years, Ms. Albanese explained the purchase of the properties was with CDBG funds; however, no CDBG funds have been used for the rehabilitation of the properties, that any ongoing maintenance is covered by A New Leaf and would not be reimbursed through the sale of the properties.

In response to additional questions from Committeemember Luna regarding alternative properties, Ms. Albanese mentioned the City does not have any properties that could be used to quickly transition A New Leaf. She commented staff would have to look at the possibility of utilizing CDBG and/or HOME dollars to find a location, acquire, and rehabilitate.

Ms. Albanese indicated there are limitations and restrictions when using these types of funds; for example, if HOME dollars are used there is a \$220,000 maximum which could be a challenge in trying to find a four or five-bedroom property under that amount, and then renovations can be done utilizing CDBG funds. She cautioned there would also be costs for relocating A New Leaf, as well as temporary housing for current occupants which could be paid with CDBG dollars.

Ms. Albanese explained if A New Leaf needed to do this quickly, a special funding process mid-year could be considered, triggering a Substantial Amendment if it is over 20% of the City's allocation, which would require HUD approval. She remarked the alternative is for A New Leaf to wait for the FY 21/22 funding process.

In response to a question from Committeemember Duff related to utilizing CDBG dollars to purchase transitional properties for A New Leaf, Ms. Albanese responded staff could look at utilizing CDBG and HOME funds for that purpose; however, since it would be considered a new

project, it would have to go through an application process or a substantial amendment with HUD.

In response to a question from Committeemember Duff related to whether the dollars set aside for a homeless project went through an application process, Ms. Albanese explained the City is considered an entitlement community with the CDBG funds, so they are automatically received. She stated the City can opt to utilize all of the CDBG funds that are received and keep it for City projects and priorities that are identified in-house or can go through a funding application process and non-profits can apply. She added when City departments utilize these funds it is a process of setting aside those funds; whereas, if the City is allocating funds to a non-profit there is a competitive application process.

Committeemember Duff asked if the City could reallocate the dollars set aside for a homeless project to purchase properties for A New Leaf to utilize, and after the current properties are sold reimburse CDBG for the FY 21/22 allocation?

Ms. Albanese commented while that works in theory, there are complications with the plan. She explained if the City purchases the property for services, an RFP will have to be issued for a specific non-profit to utilize that property, that the City could not just choose A New Leaf to operate out of that facility. She indicated the best alternative would be for A New Leaf to request funding from the City to purchase and utilize for one of the purposes under a CDBG eligible activity.

Ms. Lewis clarified if the City set aside the dollars and allocated them to A New Leaf there would not be a competitive factor and would allow more time and flexibility to find properties to meet the needs of the agency.

Ms. Albanese commented the process would take a minimum of six months to one year, depending on several factors. She stated the longer process would be for A New Leaf to return for the next year's funding process, that the funding kickoff will start in September, and would be available for FY 21/22.

In response to a question from Committeemember Luna regarding disruption to A New Leaf services with a six-month to one-year delay, Mr. Hughes expressed appreciation for all the City's support over the years. He replied that the reality is that these two sites work for the agency and the clients mainly due to the transportation and size of the buildings. He expressed doubt regarding the ability to find anything similar to the two properties; and while the agency has always adapted, this would cause a disruption to services, confusion, and could adversely impact the agency.

In response to a question from Committeemember Duff related to the use of 217 West University for Information Technology (IT) use, Mr. Hughes explained that was a temporary use between programs and the goal is to use that facility for the DV STOP program. He commented that facility has very limited parking which makes it a challenging space.

In response to a question from Committeemember Duff, Mr. Hughes commented parking is not an issue at this location when utilized as a DV site since the agency provides transportation and many of the residents do not have transportation and depend on public transportation.

Chairman Heredia expressed the opinion that it is going to take a lot more money to acquire similar properties, and finding comparable buildings that make sense for A New Leaf could result in the City spending a lot more money in addition to the cost of displacement.

Chairman Heredia commented that while he understands Committeemember Duff's position, he is leaning towards Option 2.

Committeemember Duff stated that she supports the thoughts expressed by Chairman Heredia; however, she is concerned about the economic value which contributes to what the City can do and the money to operate.

Committeemember Duff explained that if these properties were in a City block there would not be an issue, however, since they are in a location where there has been a lot of business interest, it brings up the question of economic viability.

Mr. Hughes explained A New Leaf has always benefited from being on University Drive, Mesa Drive, or Main Street. He reported neighborhoods that have not welcomed these services have been avoided and sometimes it is more difficult in a neighborhood than on a major street.

Committeemember Duff clarified that she is referring to the downtown square mile area where there is the form-based code and multi-use throughout the neighborhoods.

Committeemember Duff expressed approval to send the recommendation to Council.

Committeemember Luna concurred with the recommendation and supports the option for the transfer of property.

Chairman Heredia recommended that the first two options be referred to Council for additional discussion.

Ms. Grogan recommended each committeemember state what their preferences are to move forward to Council.

Committeemember Luna expressed his support for moving Option 2 to the full Council.

Committeemember Duff expressed her support to forward all options to Council for discussion.

Chairman Heredia stated in respect to Councilwoman Duff, since this is her district and to ensure a more robust discussion, he recommends forwarding the options to Council for discussion.

Chairman Heredia thanked Ms. Albanese for the presentation.

3. Adjournment.

Without objection, the meeting adjourned at 10:55 a.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 19th day of March 2020. I further certify that the meeting was duly called and held and that a quorum was present.


DEE ANN MICKELSEN, CITY CLERK

Jg/dm (attachments – 2)

Housing and Community Development Funding Recommendations FY 2020/21

Community Services Department

March 19, 2020

Estimated Funding CDBG & HOME

Community Development Block Grant (CDBG) -
\$6,009,396

- FY 2020/21 Allocation \$4,066,246
- Reprogrammed Funds \$1,943,150

HOME Investment Partnership (HOME) -
\$6,009,396

- FY 2020/21 Allocation \$1,410,846
- Reprogrammed Funds \$ 239,800

Estimated Funding

Emergency Solutions Grant (ESG)
FY 2020/21 Allocation \$327,701

ESG &

Human Services Programs

Human Services

FY 2020/21 Allocation - \$570,000

CDBG Public Services

Community Bridges	Homeless Navigation Services	\$220,600
Community Resources	COPA Health Navigation for Homeless Day Center and Community Court	\$175,000
A New Leaf	Supportive Services	\$80,000
Community Bridges	Community Outreach and Crisis Stabilization	\$63,000
A New Leaf	Homeless Shelter Services	\$50,000
Central Arizona Shelter Services	Shelter Services for Mesa Residents Experiencing Homelessness	\$38,864
Total CDBG Public Services		\$627,464

CDBG Housing & Public Facilities

City of Mesa	Homeless Services Project	\$1,500,000
City of Mesa	Homeowner Rehab & Emergency Repair Program	\$1,000,000
City of Mesa	Pepper Place Rehabilitation	\$600,000
City of Mesa	LYN – Love Your Neighbor	\$300,000
A New Leaf	East Valley Men's Center Renovation Phase II Restroom Completion	\$146,263
The Boys and Girls Club of East Valley-Metro Phoenix	Improving Safety and Air Quality at the Mesa Grant Woods Boys & Girls Club	\$300,000
House of Refuge	Replacement of Sliding Doors	\$24,746
Total CDBG Housing & Public Facilities		\$3,871,009

HOME Investment Partnership Program

City of Mesa	COM Tenant Based Rental Program (TBRA)	\$150,000
City of Mesa	COM Tenant Based Rental Program (TBRA)	\$300,000
City of Mesa	Downpayment Assistance	\$200,000
Community Bridges	Tenant Based Rental Program	\$264,122
Total CDBG Housing & Public Facilities		\$914,122

ESG

New Leaf			Homeless Shelter Operations	\$161,659
Save the Family/SW Lutheran Social Services			Rapid Rehousing Collaborative Grant – Emergency Housing	\$124,409
Chrysalis Shelter for Victims of Domestic Violence			Victims Services Program – DV Shelter	\$17,055
Total ESG				\$303,123

Human Services Funding

the Family	Homeless Case Management and Supportive Services	\$139,846
Mesa Community Action Network	MesaCAN Client Services and Family Self Sufficiency Program	\$135,846
Paz de Cristo Community Center	Homeless - Basic Services	\$55,897
Mesa K-Ready	Mesa K-Ready	\$50,000
A New Leaf	Autumn House Shelter Services	\$44,846
Teen Lifeline	Crisis Services	\$25,000

Human Services Funding

St. Ignace's Place Inc.	Shelter Services at the Hannah House	\$23,750
	Emergency & Supplemental Food Assistance Program	\$21,381
	Mesa VITA Program	\$20,000
	Meals on Wheels	\$19,846
Aster Aging Inc. (Formerly East Valley Adult Resources)	House of Refuge Adopt A Home	\$17,243
Arizona Brainfood	Weekend Food Bags	\$16,346
Total Human Services Funding		\$570,000

Next Steps- Timeline

- March 26, 2020
City Council Study Session
- March 30, 2020
30-Day Public Comment Period Begins
- April 2020
Public Hearings (2)
- May 4, 2020
City Council Approval of Funding

FY 2020/21 Funding Recommendations Questions?

March 19, 2020

Community and Cultural Development Committee

March 19, 2020

Transfer of CDBG Funded Properties to
A New Leaf, Inc.

Discuss and Seek

Community and Cultural Development Committee's Recommendations
for the possible transfer of two City-owned properties



CDBG Property Transfer

City Council

- City Council requested further discussion and analysis on two of three properties (1/23/20):
 1. Main Property
 2. University Property
- Additional information requested
 1. Current Market Value
 2. City-owned property exchange
 3. Funding considerations/cost
- Hobson Property Transfer - City Council Approval (1/27/20)



CDBG

Property Transfer

Main Property

September 2017 appraisal

- \$166,000

Current area comps - value of similar property

- \$300,000 to \$325,000

Approximate increase in value

- \$134,000 - \$159,000



CDBG Property Transfer

University Property

September 2017 appraisal

- \$350,000

Current area comps - value of similar property

- \$500,000 to \$560,000

Approximate increase in value

- \$150,000 - \$210,000.



CDBG

Property Transfer

Staff Research & Determination

- Staff worked with the City's Real Estate division
- No City-owned properties vacant and available for use by A New Leaf
- A New Leaf could submit a funding proposal request
 - For CDBG funds for FY 2021/22
 - For the purposes of acquisition and rehabilitation of alternate location



CDBG

Property Transfer

Options for Consideration

Sell

Transfer

Lease



CDBG Property Transfer

Options for Consideration

1. Sell the Main Property & University Property
 - Sell at current fair market value
 - Could trigger displacement/relocation -
 - Potential additional costs to City and/or A New Leaf
 - Return funds to CDBG Line of Credit per HUD requirements
 - A New Leaf to identify possible alternate properties
 - A New Leaf - submit a funding proposal request for CDBG funds for FY 2021/2022
 - For the purposes of acquisition and rehabilitation of alternate location



CDBG

Property Transfer

Options for Consideration

2. Transfer the Main Property & University Property
 - City transfers both properties to A New Leaf
 - Consider longer continued use periods (over 10 years)
 - City continues to own properties through continued use period
 - A New Leaf continues to maintain properties
 - A New Leaf continues to comply with CDBG Continued Use Regulations



CDBG

Property Transfer

Options for Consideration

3. Continue Leasing Main Property & University Property to A New Leaf
 - Continue Leasing properties
 - City continues to own properties
 - A New Leaf continues to maintain properties
 - A New Leaf continues to comply with CDBG Continued Use Regulations



Transfer of CDBG Funded Properties to A New Leaf, Inc.

Questions

Community and Cultural Development Committee
March 19, 2020

