



COMMUNITY & CULTURAL DEVELOPMENT COMMITTEE MINUTES

March 12, 2026

The Community and Cultural Development Committee of the City of Mesa met in the Study Session room at City Hall, 20 East Main Street, on March 12, 2026, at 9:21 a.m.

| COMMITTEE PRESENT | COMMITTEE ABSENT | STAFF PRESENT |
|---|------------------|---|
| Francisco Heredia, Chairperson Jennifer Duff Scott Somers | None | Candace Cannistraro Lauren Lowe Holly Moseley |

Chairperson Heredia conducted a roll call.

1. Items from citizens present.

There were no items from citizens present.

2-a. Hear a presentation and discuss eligible activities and current and potential city projects and programs related to Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG), and Human Services funding.

Housing and Community Development Administrator Justin Boyd displayed a PowerPoint presentation. **(See Attachment 1)**

Mr. Boyd reviewed the City of Mesa's proposed federal and local funding sources and eligible activities for Fiscal Year (FY) 26/27, noting that strict federal regulations govern how funds can be used. He emphasized that although the presentation indicates that Human Services/A Better Community (ABC) has an allocation of \$651,663, only \$547,163 of Human Service funds are available for allocation this year after required set aside and prior commitments. He stated that the ABC program is funded through donations made by Mesa residents to support community services and that staff is recommending not utilizing these donation funds for allocation at this time. He added that the City may may consider revisiting potential uses of these funds in the future. (See Page 2 of Attachment 1)

Mr. Boyd described the role of the U.S. Department of Housing and Urban Development (HUD) and indicated that the City administers the funds locally, while partnering with non-profit organizations and community stakeholders. He explained that the COM is a HUD entitlement community that receives certain federal housing and community development funds directly from HUD, rather than from the state. He noted that being an entitlement community allows the

City to design programs and allocate funding that addresses local needs, while maintaining compliance with federal regulations. (See Pages 3 and 4 of Attachment 1)

Mr. Boyd advised that the City administers several local programs from federal and local funding sources. He identified the primary federal programs, and the local funding through Human Services and ABC, which the City provides. He commented that combined, these fund sources create a coordinated system that supports housing stability, community development, and essential services to Mesa residents. (See Page 5 of Attachment 1)

Mr. Boyd mentioned that CDBG is one of HUD's most flexible funding tools for local government, and is intended to reach community development needs, while primarily benefiting low-to moderate-income households. He indicated that due to this flexibility, CDBG plays a critical role in neighborhood revitalization and improving conditions in areas with the greatest need. (See Page 6 of Attachment 1)

Mr. Boyd described the eligible activities for CDBG funds, and the hierarchy of lower-risk and higher-risk activities for CDBG non-public service activities. He defined that lower-risk activities can be implemented more quickly and produce measurable results and he highlighted several projects. He identified the CDBG activities that present a higher level of implementation risk due to their complexity, and noted the projects that fall within that category. (See Pages 7 through 9 of Attachment 1)

Mr. Boyd stated that the selection of CDBG projects affects HUD's required 1.5 timeliness ratio, which measures unspent funds versus annual grant amounts and must remain at or below 1.5%. (See Page 10 of Attachment 1)

Mr. Boyd explained how the City distributes CDBG funds between public service and non-public service activities. He mentioned that \$295,000 was allocated for public service activities, with Phoenix Rescue Mission receiving funding through an RFP process for community navigation services, while the remainder stayed in-house. He added that for non-public services, the City began focusing on projects for park improvements and prioritized timely spending and federal compliance. He stressed that managing the program internally gives the City greater oversight of outcomes. (See Page 7 of Attachment 1)

Deputy City Manager Candance Cannistraro noted that due to past difficulties meeting the 1.5 timeliness ratio, the City shifted more funding in-house to improve control and project success.

In response to a question from Committeemember Somers, Mr. Boyd explained that the budget is based on prior-year allocations since current year HUD allocations are received later, making estimates necessary.

Ms. Cannistraro stated that CDBG funding is generally stable each year and is divided into two categories: public services, partly handled in-house, and non-public services, which as of last year were 100% allocated to in-house emergency rehabilitation programs.

In response to a question from Committeemember Duff, Ms. Cannistraro confirmed that the overall intent is to benefit low-income residents. She stated that eligibility requirements remain the same whether services are delivered through non-profits or directly by the City, and recipients must also be certified.

Mr. Boyd highlighted the HOME Investment Partnership Program funds that help expand housing opportunities. (See Page 11 of Attachment 1)

Ms. Cannistraro clarified that HOME funds are primarily used as gap financing for affordable housing projects, often supporting developers applying for Low-Income Housing Tax Credits (LIHTC). She mentioned that the City's approach has evolved on how to create affordable housing options within the City's infill development.

In response to a question posed by Chairperson Heredia, Ms. Cannistraro answered that the City is exploring options for brick-and-mortar assets, and stronger partnerships to ensure successful outcomes.

Mr. Boyd summarized the programs that are supported by the Emergency Solutions Grant (ESG). (See Page 12 of Attachment 1)

Ms. Cannistraro explained ESG funds are typically given to non-profits for services, are the smallest funds received from the federal government, and have the same requirements as others. She mentioned staff have not experienced any issues with the spending down of these funds.

Mr. Boyd described additional local Human Services and ABC funding that supports non-profits and may not be fully covered by federal funds. (See Page 13 of Attachment 1)

In response to a question from Chairperson Heredia, Ms. Cannistraro affirmed that the Human Services and ABC funding are more flexible than HUD funds. She explained the difference between the ABC and Human Services funds.

Discussion ensued regarding funding options and future plans for SunAire operations, communicating donation use to residents, and exploring alternative funding sources.

Mr. Boyd provided an overview of the HOME-American Rescue Plan (ARP) federal funding source and how the dollars support Mesa's community. (See Page 14 of Attachment 1)

In response to a question posed by Chairperson Heredia, Ms. Cannistraro clarified that funds must be spent by September 2030 and only certain operational costs are eligible for SunAire.

Mr. Boyd explained that the non-congregate shelter to supportive services is a much lower risk activity, and he discussed the services supported. (See Page 15 of Attachment 1)

Mr. Boyd reviewed the timeline for the upcoming schedule and commented that the process promotes transparency and public participation in accordance with federal regulations governing the planning of federal funds. (See Page 16 of Attachment 1)

Chairperson Heredia suggested using these funds as a temporary solution for SunAire, while long-term options are explored.

Additional discussion ensued regarding CDBG allocations, spend down requirements and deadlines, direction of the committee, and steps following Council's recommendation.

Committeemember Duff expressed her concerns with the potential termination of the SunAire project, lack of support for non-profits with steady funding, and Human Services funding.

Mr. Boyd clarified that HOME-ARP funds are separate from this funding process and would not affect the agencies or other funding sources.

Chairperson Heredia acknowledged the challenges non-profits face with application periods for City funds. He suggested moving the process forward to allow time to seek other options and sponsors, emphasizing it is up to the Council to make the final decision. He supports considering as an option for the recent issues with SunAire and homelessness, noting that data shows the program is impactful and sustainable.

Committeemember Somers stated that after next week's discussion, the Committee will provide a recommendation to Council.

Committeemember Duff proposed that if the Council proceeds, a provision be included to restore Human Services funding to its original purpose providing an opportunity to support SunAire's progress and allow time to explore other funding options. She emphasized the need to continue serving Mesa's homeless population.

Chairperson Heredia thanked staff for the presentation.

2-b. Hear a presentation and discuss proposed programs to support redevelopment priorities and initiatives.

Manager of Urban Transformation Jeff McVay introduced Development Services Director Nana Appiah, Redevelopment Administrator Jeff Robbins, Economic Development Director Jaye O'Donnell, Code Compliance Director Angelica Guevara, and displayed a PowerPoint presentation. **(See Attachment 2)**

Mr. McVay explained that the Redevelopment Toolkit includes several tools informed by staff's comparative research and national best practices tailored to fit the Mesa environment. He added that eight different tools were developed to be a pilot for a comprehensive redevelopment program and assist in meeting Council's strategic priorities. He noted that an important goal of redevelopment is the convening of stakeholder focus groups used to determine the tools that will be successful and useful to the development community, small business owners, and property owners. (See Page 2 of Attachment 2)

Ms. O'Donnell highlighted the feedback from the two focus groups, stating that both groups expressed strong support for the toolkit. She mentioned that several of the refinements include plan resources for marketing and more flexibility through the various menu items. She added if Council's direction is to move forward, staff will focus on making the application process easy to apply and understand. (See Page 3 of Attachment 2)

Mr. Robbins provided an overview of the public infrastructure tool and its function. He commented that the tool is designed to assist with only the public side of utilities. (See Page 4 of Attachment 2)

In response to a question from Committeemember Duff, Mr. Robbins replied that either a small business owner or property owner can apply.

Ms. Guevara discussed the enhanced code compliance tool for the blight removal program, noting the title may change. She stated that the main goal of the program is to offer grants to assist property and small business owners, remediate blight, and beautify properties. She commented that code issues deter investments in surrounding properties and reduce business activity, impact health and safety, and negatively contribute to areas with struggling economic activity. (See Page 5 of Attachment 2)

Ms. Guevara highlighted the vacancy registration program and the benefits to property owners and the City. She indicated that she anticipates the program to initially be revenue neutral with no fee for the program. She noted after the property is vacant a year, there would be annual fees starting with \$150 in year one, and the purpose of the fees are for inspections for safety and to recuperate staff costs, while motivating business or property owners to reoccupy their buildings. (See Page 6 of Attachment 2)

Responding to a question from Chairperson Heredia, Ms. Guevara answered that the City does not have a current vacancy registry. She explained that the addition of the vacancy registry program is expected to help reduce many of the problems that exist with trespassing, vandalism, and eliminate delays in finding property or business owners. She noted that staff do not have the capability to track vacant properties and that approximately 7.7% of buildings in Mesa are vacant. She reported on the benefits of having contact information for business and property owners.

Chairperson Heredia proposed including a feature in the registry that would allow business and property owners to be notified.

Ms. Guevara advised that one feature of the program is to adopt by ordinance a requirement of property owners to register vacant buildings proactively, without needing a complaint or blight notice. She added that if owners do not voluntarily register and the property is flagged by Code Enforcement, they will request registration information to ensure a local contact.

Responding to multiple questions from Committeemember Duff, Mr. Robbins clarified that the vacancy registration requirement would be for all commercial properties citywide and relates to undeveloped dirt or by-pass parcels within Redevelopment Areas (RDA). He stated that staff is working on a notification system to inform business and property owners if their property is in an RDA and to understand what is required to meet compliance.

Ms. O'Donnell described the demolition and remediation program and the benefits of reinvestment. She advised that reimbursement occurs after owners pay upfront, and while current funding does not cover remediation, there are ongoing discussions with Arizona Department of Environmental Quality (ADEQ) to potentially support remediation. (See Page 7 of Attachment 2)

Responding to a question posed by Chairperson Heredia, Ms. O'Donnell stated that staff will take into consideration ways to reduce permitting and other City-related costs to further incentivize demolition and remediation.

Mr. McVay provided an overview of the Reuse Ready Program, which is intended to support small business growth. He discussed the challenges with older buildings and the significant costs to revitalize older neighborhoods. (See Page 8 of Attachment 2)

Mr. Appiah outlined the Placemaking Program which is specific to commercial districts taking initiatives through the City's Capital Improvements projects (CIP) or working in partnerships with developers. (See Page 9 of Attachment 2)

Mr. McVay summarized the Strategic Acquisition and Analysis Program, noting that certain city parcels are strategically located so that their redevelopment can significantly impact surrounding properties. He stated the intention is to focus on areas in which strategic investment is necessary, where the market is not responding to current conditions. He emphasized the City would be following standard City policies, and no acquisitions could be incurred without Council approval. (See Page 10 of Attachment 2)

In response to a question from Committeemember Somers, Mr. McVay replied that the main opportunity lies in completing feasibility studies and collaborating with private property owners. He added that by identifying sites with appropriate zoning and development proposals, owners can reposition their properties for improved economic activity, either through sale or joint ventures with developers.

Mr. Robbins provided an overview of the Economic Development Administration (EDA) Revolving Loan Fund, the only tool involving federal funding and has more complex administration. He commented that the fund addresses lending gaps in the commercial market for loans between \$50,000 and \$250,000. He mentioned the City is exploring options for seed funding and alternative revolving loan fund models with fewer restrictions. (See Pages 11 and 12 of Attachment 2)

Mr. Robbins described the general process for administration of the tools and stated that there is staff support, depending on the tool, available to assist with the pre-application process. (See Page 14 of Attachment 2)

Mr. Robbins discussed that many of the tools are designed to be applicable across any redevelopment area, and currently the City's RDA encompasses approximately 4.5%. He recognized that numerous additional areas could also benefit from these resources with this year's allocation, and a primary objective is to fund the development of a new RDA plan aimed at identifying areas exhibiting signs of blight. He emphasized that in accordance with state statutes, the City will complete all required reporting, after which a comprehensive plan will be created to expand the City's designated territory. (See Page 15 of Attachment 2)

Mr. McVay advised that the City intentionally leaves existing RDAs unchanged since those are designated as the City's single central business district, and that 4.5% of the city is grandfathered in under a previous state statute. He advised that updating these areas would subject the City to current laws limiting central business districts to 2.5% of land area.

Ms. O'Donnell discussed the marketing strategy and the goal of communicating Mesa's vision and the support available to stakeholders. (See Page 16 of Attachment 2)

Mr. McVay reviewed expenditure targets, noting that the requested \$3 million allocation will be distributed across six tools, with flexibility to respond to market demand. He commented that the intention is to have a maximum cap of \$3 million on individual tools. (See Page 17 of Attachment 2)

In response to a question from Chairperson Heredia, Mr. McVay confirmed that having funds available offers the ability to seek other funding sources and additional private or non-profit dollars for support. He noted many of the programs have a match requirement so that the program can have a multiplier effect beyond what the City's investment would be.

Mr. Robbins emphasized that Council's direction is for the program to demonstrate public benefit to Mesa residents. He reviewed the public benefit options to be used while building out the tools to 100%, provided Council wants to proceed in that direction. (See Page 18 of Attachment 2)

Mr. Robbins highlighted the three categories that measure the impact of the programs and potential modifications. (See Page 19 of Attachment 2)

Mr. Robbins reviewed the launch schedule of the proposed toolkit and emphasized the need for immediate tools, while ensuring a clear rollout that benefits business owners. He mentioned that the City is already working on the vacancy registration and noted potential delays with the revolving loan fund due to challenges. (See Page 20 of Attachment 2)

Mr. Appiah explained that the tools cannot be deployed if the regulatory barriers are not removed. He pointed out that the City is working with a consultant to determine ways to remove the barriers and improve efficiency.

Committeemember Duff proposed recapturing funds from property turnover and reinvesting them to strengthen the acquisition fund. She emphasized organizing approachable one-on-one sessions with the Mesa Business Builders (MBB) to help make the process less intimidating and clarify funding sources.

Mr. Robbins added that the funding source for the majority of the tools is the General Fund at this time, except for EDA, which is a federal source. He expressed openness to other funding sources following the initial step taken by the City to start the fund, if Council directs staff to proceed in that direction.

In response to a question from Committeemember Duff, Mr. McVay explained that \$3 million is allocated as part of the Office of Urban Transformation budget and the City is the administrator of the funding.

Responding to a question from Committeemember Somers, Mr. Robbins replied that Council will be given the presentation at the March 26 Study Session.

Committeemember Somers agreed with the idea of pursuing more revenue streams and expressed his support of the Redevelopment Program Toolkit.

Chairperson Heredia suggested researching the Superstition Springs area for deployment of the tools.

Chairperson Heredia commented that the Consensus of the Board is to move the recommendations forward to the full Council and thanked staff for the presentation.

3. Adjournment.

Without objection, the meeting adjourned at 11:25 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 12th day of March 2026. I further certify that the meeting was duly called and held and that a quorum was present.

HOLLY MOSELEY, CITY CLERK

lr
(Attachments – 2)

Overview of FY 2026/2027 Funding Sources

Justin Boyd, Housing and Community Development Administrator

March 12, 2026

Y 2026/2027 Tentative Funding Allocations

CDBG -
\$3,675,410

HOME -
\$6,618,404

ESG -
\$340,016

Human
Services/ABC -
\$651,663*

CDBG Administration (≤20%): \$2,940,328

CDBG Public Service Allocation (15%): \$551,312

CDBG Non-Public Service Allocation: \$2,389,016

What is HUD?

-
- ▶ U.S. Department of Housing and Urban Development.
 - ▶ Federal agency responsible for housing and community development programs.
 - ▶ Provides funding to cities to address housing needs and homelessness.

What is an Entitlement Community?

- ▶ Cities that receive HUD funding directly from the federal government.
- ▶ Funds distributed annually using federal formulas.
- ▶ City of Mesa qualifies as a HUD Entitlement Community.

HUD and Local Funding Sources

- ▶ Federal Programs: Community Development Block Grant (CDBG)
- ▶ HOME Investment Partnerships Program (HOME)
- ▶ Emergency Solutions Grant (ESG)
- ▶ Local Programs: Human Services and A Better Community (ABC)

Community Development Block Grant (CDBG)

- ▶ CDBG is a federal HUD program that provides flexible funding to cities to address community development needs.
- ▶ Funds primarily benefit low- and moderate-income residents.
- ▶ Typical uses include housing rehabilitation, public facility improvements, neighborhood infrastructure, and limited public services.

Eligible CDBG Activities

Public Service Activities (subject to 15% cap):

- ▶ Homeless services and housing stability programs
- ▶ Senior services, youth programs, and food assistance
- ▶ Case management and supportive services
- ▶ Non-Public Service Activities:
 - ▶ Housing rehabilitation programs
 - ▶ Public facility and accessibility improvements
 - ▶ Neighborhood infrastructure improvements (sidewalks, lighting, drainage)
 - ▶ Code enforcement and blight removal

Lower-Risk CDBG Non-Public Service Activities

- ▶ Emergency Rehabilitation Programs - Health and safety repairs for low-income homeowners.
- ▶ Public Facility Improvements - Parks, community centers, and ADA accessibility upgrades.
- ▶ Neighborhood Infrastructure Improvements - Sidewalks, lighting, drainage, and accessibility improvements.
- ▶ Code Enforcement and Blight Removal - Addressing unsafe structures and neighborhood deterioration.

Higher-Risk CDBG Non-Public Service Activities

- ▶ Economic development activities - Projects that rely on job creation or retention requirements and require detailed documentation showing jobs primarily benefit low- and moderate-income persons.
- ▶ Property acquisition for future redevelopment - Projects dependent on future financing, environmental review, or development timelines that can delay project completion and expenditure.
- ▶ Large multi-partner development projects - Activities involving multiple funding sources or development partners that increase administrative complexity and implementation timelines.

Low CDBG Project Selection Influences the UD 1.5 Timeliness Ratio

- ▶ HUD requires entitlement communities to maintain a CDBG timeliness ratio of 1.5 or lower, which measures funds remaining in the City's HUD line of credit compared to the annual grant amount.
- ▶ Projects that move quickly to construction and produce measurable outcomes help maintain compliance.
- ▶ Lower-risk activities such as housing rehabilitation, public facility improvements, and neighborhood infrastructure projects typically spend funds more quickly.
- ▶ Complex or high-risk projects with long timelines can delay expenditures and increase the risk of exceeding HUD's timeliness threshold.
- ▶ Riskier projects → slower spending → higher HUD compliance risk.

OME Investment Partnerships Program

HOME is HUD's primary program for creating and preserving affordable housing.

- ▶ Funds support development and rehabilitation of affordable rental housing.
- ▶ Additional uses include homebuyer assistance and tenant-based rental assistance for low-income households.

Emergency Solutions Grant (ESG)

- ▶ ESG supports a community's homelessness response system.
- ▶ Funds may be used for emergency shelter operations, rapid rehousing, and homelessness prevention.
- ▶ Programs also support street outreach and coordinated entry services.

Human Services and A Better Community (ABC)

- ▶ Local funding supporting nonprofit service providers.
- ▶ Programs address crisis services, prevention, transitional services, and long-term support.

OME-ARRP

HOME-ARRP (HOME Investment Partnerships - American Rescue Plan) is a one-time federal funding source provided by HUD to address homelessness and housing instability.

- ▶ Funds must serve qualifying populations, including individuals or families who are homeless, at risk of homelessness, or fleeing domestic violence.
- ▶ Eligible uses include affordable rental housing development, tenant-based rental assistance, supportive services, and non-congregate shelter.
- ▶ The City has been allocated \$5,614,116 in HOME-ARRP funding, with up to 15% \$842,117.40 permitted for administrative costs, leaving a \$4,771,988.60 available to allocate.
- ▶ All HOME-ARRP funds must be fully expended by September 30, 2030, or they may be subject to recapture by HUD.

Transition from Non-Congregate Shelter to Supportive Services (HOME-ARRP)

- ▶ Local homelessness response data indicates that many individuals accessing shelter require intensive case management and housing navigation to successfully transition into permanent housing.
- ▶ Redirecting HOME-ARRP resources toward supportive services allows the City to expand case management capacity, fund staff positions, and strengthen housing stabilization programs.
- ▶ This strategy maximizes the impact of HOME-ARRP funding by helping residents move more quickly from crisis situations into stable housing rather than focusing solely on creating additional temporary shelter units.

Upcoming Timeline



Next CCD Meeting - March 19, 2026



Annual Action Plan Draft Complete for Public Comment -
March 24, 2026



FY 2025/2026 Funding Recommendations to City Council -
May 4, 2026



Annual Action Plan Due to HUD - May 15, 2026

Questions?

Thank you for your time and participation.



Redevelopment Program Toolkit

Community and Cultural Development Committee

March 12, 2026

Jeff McVay
Manager of Urban Transformation

Angelica Guevara
Code Compliance Director

Nana Appiah
Development Services Director

Jeff Robbins
Redevelopment Administrator

Jaye O'Donnell
Economic Development Director





The Redevelopment Toolkit



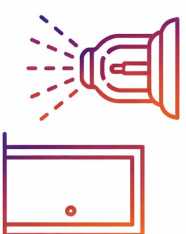
**Public
Infrastructure**
Utility Assistance



**Enhanced Code
Compliance**
Blight Removal



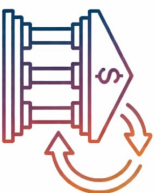
**Demolition &
Remediation**
Blight Removal



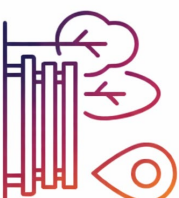
Reuse Ready
Access + Life Safety



**Vacant Property
Registration**
Fill vacant spaces



**EDA Revolving
Loan Fund**
Gap Financing



Placemaking
Public Interventions



**Strategic Acquisition
and Analysis**
Studies and Purchases

STAKEHOLDER FOCUS GROUPS



Small Business

- ✓ Strong marketing plan
- ✓ Reasonable reporting requirements
- ✓ Simple application process



Developer + Property Owner

- ✓ Fast approval or denial
- ✓ Strong support for the infrastructure tool
- ✓ Published, clear timelines



PUBLIC INFRASTRUCTURE

Description

Provides funding to offset the cost of upgrading public utilities needed for infill, adaptive reuse, and redevelopment projects

Why

Infrastructure is a prerequisite for private capital investment that generates tax revenue, create jobs, places for people to live, and improves resident's quality of life

The Mechanics

Target: Infill, adaptive reuse, redevelopment, and blight remediation citywide

Maximum Award: Case-by-case

Two Tiers: Improvements \$50k or less (small business support) with rapid review and approvals. Projects over \$50k are

Match: Negotiated. For small business, match may not be required

negotiated

Exclusions: Public infrastructure only—no private infrastructure



ENHANCED CODE COMPLIANCE

Description

A grant that helps property and small business owners have greater impact when remediating blight and beautifying their property

Why

Code issues may deter investment in surrounding properties, reduce business activity, impact health and safety, and negatively contribute to areas with struggling economic activity

The Mechanics

Eligibility:

- ✓ Must be located within a Redevelopment Area AND
 - ✓ LMI census tract OR
 - ✓ Evidence of need
- ✓ Small business and property owners only
- ✓ Only improvements visible from the street
- ✓ Documented code case or administrative determination of blight
- ✓ Legal non-conforming structures

Exclusions: Non-fixed assets, improvements not visible from the street

Maximum Award: \$25,000

Match: 1:1



VACANCY REGISTRATION

Description

Requires owners of vacant commercial buildings to register the property with the City, maintain safe conditions, and provide reliable contact information

Why

Code Compliance expends resources tracking down owner information for properties with code issues

City connects owners to resources, potentially reducing duration of vacancy

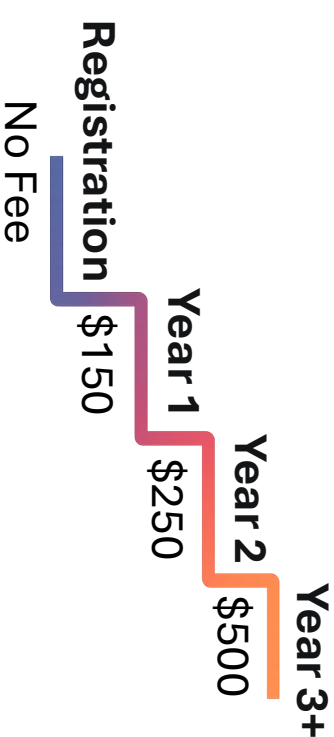
Trespass enforcement registration

The Mechanics

Requirements:

- ✓ All commercial properties citywide
- ✓ Vacant properties in RDAs
- ✓ Industrial properties in RDA only

Annual Fees For Vacancy:



Revenue Neutral
90 Days: Must register within 90 days of a vacancy
Fines for non-registration will match commercial civil violation fines

Enforced through existing civil code compliance process with appeal rights. Can become a lien

DEMOLITION AND REMEDIATION

Description

Assists in removing obsolete or unsafe structures to reduce blight and prepare sites for reinvestment

Why

Improves neighborhood confidence and market perception

Catalyzes private investment in underperforming areas

The Mechanics

Requirements:

- ✓ Must be located within an RDA
 - Reimbursement
 - Three bids required
 - Explore ADEQ partnership for remediation support
- ✓ Determined to be hazardous or functionally obsolete

Other:

Maximum Award: Lesser of 50% of costs or \$75,000

Match: 1:1

Annual Spending Cap:
\$1,500,000



REUSE READY

Description

Upgrades existing commercial spaces with life-safety and accessibility improvements such as fire suppression systems and ADA compliance enhancements

Why

- Lower barriers for tenant occupancy
- Support small business and long-term tax revenue
- Enhance accessibility and safety of older buildings

The Mechanics

Requirements:

- ✓ Must be located within an RDA
- ✓ Signed lease

Maximum Award: Lesser of 50% of costs or \$75,000

Match: 1:1

Other: Reimbursement

Eligible Uses

- Fire sprinklers or equivalent alternative
- Structural issues
- Demolition of hazardous or unpermitted structures inside the property
- Improvements to unsafe infrastructure (electrical, plumbing)
- Interior and exterior improvements to meet ADA compliance, including upgrades to doorways, entryways, and restroom accessibility



PLACEMAKING

Description

Funds strategic investments in people-centered public space improvements within targeted areas

Why

Strengthens and differentiates key areas of Mesa by creating distinctive, high-quality public environments that attract private investment, support local businesses, increase foot traffic, and enhance overall economic vitality and community pride

The Mechanics

Requirements

- ✓ Located within a commercial business district
- ✓ Located in public ROW or public easement
- ✓ City or public-private partnership

Eligible Uses

- Capital improvements, activation projects and enhancement projects for public spaces

Includes art, lighting, signage landscaping, seating, etc. for programs that include, but are not limited to:

Compatibility: Compatible with plans (General, RDA, sub-area)

Identification of Needs

- ✓ CIP
 - ✓ Transportation, Arts and Culture, etc.
 - ✓ Goals identified in Council adopted plans
- Canal Enhancements
 - Gateway Monumentation
 - Wayfinding
 - Streetscape and Alley enhancements
 - Public Realm Improvements
 - Temporary Installations (pianos, parklets)



STRATEGIC ACQUISITION AND ANALYSIS

Description

Funds property acquisition by the City and feasibility studies that position key sites for catalytic redevelopment aligned with the City's long-term economic strategy

Why

Shape outcomes in high-impact locations

Accelerate catalytic private investment

Reduce uncertainty before major capital decisions

The Mechanics

Guidelines For Public

Acquisition

- ✓ Strategic location
- ✓ First in to prove the market
- ✓ Corrects a perceived or real market failure
- ✓ Site assemblage
- ✓ Public purpose alignment

Guidelines for Feasibility Studies

- ✓ Blighted properties
- ✓ Placemaking opportunity
- ✓ Strategic location
- ✓ Bypassed parcels

Compatibility:

Compatible with plans (General, RDA, sub-area)

Other:

- Acquisition requires Council approval
- May be used to supplement other funds for acquisitions
- May be paired with demolition and remediation tool



EDA REVOLVING LOAN FUND

Description

A federally funded, locally managed financing tool that provides gap capital to small businesses that cannot access traditional bank financing

Why

Fills the gap between microlenders and commercial banks

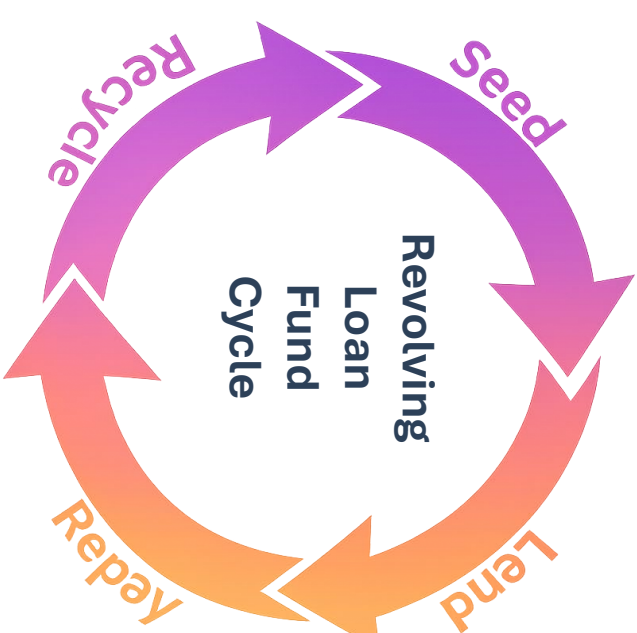
Offers flexible, below-market financing

Becomes a resource for Mesa small businesses in perpetuity

The Mechanics

Requirements:

- ✓ Establish RLF Plan (50% ready)
- ✓ Must achieve certain job ratios
- ✓ Comply with federal environmental review (NEPA, NHPA)
- ✓ Davis-Bacon (construction)
- ✓ Record keeping
- ✓ Limit cash on hand
- ✓ Other regulations





EDA REVOLVING LOAN FUND

The Mechanics Continued

City Role:

- ✓ Trustee of federal assets
- ✓ Creates the specific objectives
- ✓ Sets the interest rate (with some limits)
- ✓ Administration
- ✓ Reporting

Money Matters:

- ✓ Initial seed of ~500k
- ✓ Up to \$2M in EDA funds
- ✓ 50k-150k loans (*some flexibility*)
- ✓ Portfolio must leverage \$2 for every \$1 of RLF
- ✓ City not responsible for defaults
- ✓ EDA can release the Federal interest after seven years

Obstacles:

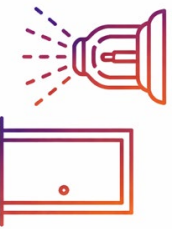
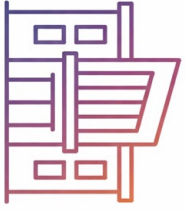
- ✓ 40% match cannot be paid by City
- ✓ Comprehensive Economic Development Strategy required

Alternative Path:

- ✓ Community Reinvestment Act (CRA) is a qualified activity for banks



Budget and Administration





ADMINISTRATION AND PROCESS

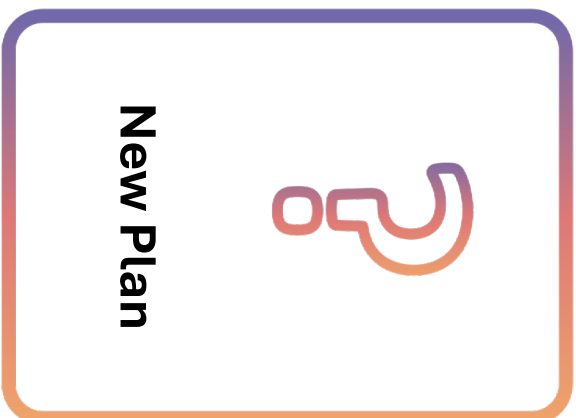


Generalized. Process may vary slightly for different tools

Day-to-day administration by the Office of Urban Transformation (OUT)



REDEVELOPMENT AREA PLAN



Current Percentage of
City Covered by RDA

4.5%

Future Percentage of
City Covered by RDA

?



MARKETING

Partnerships

- Engage brokerages
- Annual event
- Direct marketing
- Collateral (digital/print)
- Earned and paid media
- Webpage
- Digital interactive map
- Non-traditional, direct marketing
 - Property owners and developers
 - Commercial real estate attorneys
 - Lending institutions and capital partners
- Architects and engineering firms





EXPENDITURE TARGETS

TOOL

TARGET EXPENDITURE RANGE*

| | |
|------------------------------------|-------------------------|
| Public Infrastructure | \$500,000 – \$2,000,000 |
| Business and Property Enhancement | \$25,000 – \$250,000 |
| Vacancy Registration | Revenue Neutral |
| Demolition and Remediation | \$250,000 – \$1,500,000 |
| Reuse Ready | \$250,000 – \$1,000,000 |
| Placemaking | \$500,000 – \$1,000,000 |
| Strategic Acquisition and Analysis | \$0 – \$1,000,000 |
| Marketing and Plan Development | \$25,000 – \$125,000 |
| Revolving Loan Fund | Revenue Neutral |

Expenditures will not exceed available program funding

(*Range provides flexibility to adjust funding based on market demand)



PUBLIC BENEFIT

Negotiated Public Benefit Options

- ✓ Job creation or retention
- ✓ Volunteer with Mesa's Citywide Volunteer Program
- ✓ Attainable or reduced rent for a defined period of time
- ✓ Enhanced improvements in the public right of way
- ✓ Lien on property to be paid back at sale
- ✓ Deed restriction
- ✓ Other negotiated value





MEASURING IMPACT

Measuring Desired Outcomes

- Private capital leveraged
- Tax revenue generated (*one-time, ongoing*)
- Jobs created or retained
- Economic activity as a result of new housing units

Measuring Program Efficiency

- Vacant spaces filled
- Application turn around times
- Businesses and projects supported
- Annual and all-time fund utilization ratio (lent-to-total fund ratio)

Measuring Long-term Impacts

- 2-3 year lookbacks on funded projects
- Qualitative data



PROPOSED TOOLKIT LAUNCH SCHEDULE

**Mid
2026**

- Vacancy Registration
- Placemaking
- Strategic Acquisition and Analysis

**Late
2026**

- Public Infrastructure
- Enhanced Code Enforcement

2027

- Reuse Ready
- Demolition and Remediation
- Revolving Loan Fund



Questions and Discussion

