OFFICE OF THE CITY CLERK

COUNCIL MINUTES

March 26, 2026

The City Council of the City of Mesa met in the Study Session room at City Hall, 20 East Main Street, on March 26, 2026, at 7:45 a.m.

COUNCIL PRESENT	COUNCIL ABSENT	OFFICERS PRESENT
Mark Freeman	None	Scott Butler
Scott Somers		Holly Moseley
Rich Adams		Jim Smith
Jennifer Duff		
Alicia Goforth		
Francisco Heredia		
Dorean Taylor		

Mayor Freeman conducted a roll call.

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

Downtown Transformation Manager Jeff McVay introduced Senior Economic Development Project Manager Jeff Robbins, Code Compliance Director Angelica Guevara, Economic Development Director Jaye O'Donnell, and Development Services Director Nana Appiah, and displayed a PowerPoint presentation. **(See Attachment 1)**

Mr. McVay noted that, since presenting the Redevelopment Program Toolkit framework to the Council in January, staff have refined the program to eight useful tools to assist with redevelopment. He stated that, with Council direction, staff would complete the remaining development, including application materials and program guidelines. (See Page 2 of Attachment 1)

Ms. O'Donnell explained that in response to Council's direction, staff sought feedback from private companies, small businesses, developers, and property owners to ensure the proposed redevelopment tools were aligned with market needs. She stated that the feedback was positive and emphasized the importance of strong marketing and outreach to the right developments, a streamlined process with reasonable reporting requirements, and clear project timelines. (See Page 3 of Attachment 1)

Ms. O'Donnell presented the proposed Demolition and Remediation Program. She confirmed that the purpose of the program is to improve neighborhood confidence and market perception for certain parcels or neighborhoods. She stated that the program would target properties within Redevelopment Areas (RDA) that are determined to be hazardous or functionally obsolete. She mentioned that the program would provide a maximum award of $75,000 for eligible demolition costs and would require a match from the developer. She noted that the funding would be provided as a reimbursable grant, with the property owner responsible for paying the costs upfront and requesting reimbursement afterward. (See Page 4 of Attachment 1)

Discussion ensued regarding potential partnerships to assist property owners with buildings involving asbestos or other environmental concerns.

In response to a question from Councilmember Taylor, Mr. Robbins explained that the program was intended to aid and incentivize redevelopment, while avoiding full public funding of demolition costs on private property. He added that staff sought to balance those considerations and noted that the award amount could be adjusted in the future.

City Manager Scott Butler pointed out that the program is intended to operate as a pilot program and may be adjusted annually based on results and experience gained through implementation.

Discussion ensued regarding redevelopment areas and incentives, potential remediation options, and assistance opportunities.

Ms. Guevara presented the proposed Compliance Revitalization Grant Program which is intended to help property owners and small businesses address blight and code-related issues that may discourage redevelopment. She stated that the grant would provide a one-to-one match, with a maximum award of $25,000, for eligible improvements visible from the street. She added that properties with open code cases or other blight conditions may qualify if located within an RDA and that improvements not visible from the street would be excluded. (See Page 5 of Attachment 1)

Ms. Guevara discussed the proposed Vacant Property Registration Program and clarified that the program would require property owners to register vacant properties with the COM within 90 days of vacancy and provide a local contact for code compliance, police, and other COM staff. She stated that the program would help staff more quickly address violations. She advised that registered properties could participate in the Police Department’s no-trespassing program which would help the City connect property owners with resources, potential tenants, and redevelopment opportunities. She noted that registration would initially be free, with annual renewal fees increasing over time to offset the additional staff and public safety resources required for long-term vacant properties. (See Page 6 of Attachment 1)

In response to a question from Councilmember Taylor, Ms. Guevara stated that if a vacant property owner failed to register, the initial approach would focus on education and voluntary compliance. She explained police authority on trespassing enforcement and stated that the registration program would help expedite that process. She noted that approximately 7.7% of buildings in the COM are currently vacant.

Discussion ensued regarding the proposed Vacancy Registration Program.

Responding to a concern raised by Councilmember Goforth, Mr. Butler noted that the proposed program would require a code change and is intended to encourage good stewards without code violations. He indicated that staff should continue reviewing the concept and return for future consideration.

Mr. Robbins clarified that the proposed program is not intended to address widespread vacancy or penalize property owners who are actively maintaining and trying to lease their buildings. He stated that the program is intended to address problem properties, particularly those owned by out-of-state or large real estate entities that require significant COM resources. He explained that the program would help the COM obtain local contact information more quickly, reduce staff time spent locating property owners, and prevent the burden of property upkeep from shifting to taxpayers and surrounding businesses.

Additional discussion ensued regarding the parameters of the Vacancy Registration Program.

Mr. McVay explained that the Reuse Ready Program is intended to address conditions that contribute to long-term vacancies, particularly costly building improvements that can make reuse difficult for small businesses. He stated that the program would help the COM connect property owners with available tools that address barriers to occupancy with the goal of returning vacant buildings to active use before they become larger problems. (See Page 7 of Attachment 1)

In response to questions from Councilmember Goforth, Mr. McVay explained that property owners' ability to fund improvements varies, and significant upfront costs are sometimes passed on to small business tenants, creating a barrier to occupancy. He stated that staff would continue reviewing ownership patterns, noting that some challenging blighted properties may involve local owners who could benefit from the proposed assistance.

Mr. McVay presented the proposed Strategic Acquisition and Analysis tool and stated that certain properties may have a significant impact on redevelopment goals due to their location or condition. He pointed out that some properties are bypassed by the market because developers are unwilling to invest in the area, and in limited cases, COM ownership may be necessary to help ensure redevelopment aligns with the COM's goals and vision. He remarked that the tool would help determine appropriate next steps for acquired properties, including reuse, redevelopment, or reconstruction to support broader economic benefits. (See Page 8 of Attachment1)

Mr. Appiah outlined the Placemaking tool. He explained that the urban landscape strategy is intended to identify opportunities for the COM to support and participate in improvements to the built environment, particularly in areas experiencing commercial development or redevelopment. He listed examples of eligible uses and noted that the effort is intended to complement private development while also identifying COM-led improvements that enhance the urban landscape and support broader redevelopment goals. (See Page 9 of Attachment 1)

Mr. Robbins summarized the proposed Public Infrastructure tool. He reported on the effects that public infrastructure can have on businesses and noted that utility and energy improvements often require partnership and coordination, including determining responsibility for costs and the appropriate process. He elaborated by saying that smaller projects may be handled more efficiently by COM staff, while larger projects require additional evaluation to determine the public benefit. He explained that projects above a certain threshold would likely require negotiation and a public benefit agreement based on the type and extent of infrastructure improvements needed. (See Page 10 of Attachment 1)

Mr. Robbins presented the proposed Economic Development Agency (EDA) Revolving Loan Fund. He advised that revolving loan funds are commonly used to address funding gaps in institutional lending, particularly for loans between $50,000 and $250,000, and identified the role the COM would serve. He noted that the EDA could provide up to $2 million in seed funding and that the federal interest in the funds may be released after seven years. He explained that the program includes federal requirements which could affect construction-related projects. He reported that the requirement for a 40% match and for an EDA-approved regional economic development plan will be a challenge for most applicants. He noted that staff had begun discussions with community development financial institutions and would continue exploring potential solutions to bring back to Council. (See Pages 11 and 12 of Attachment 1)

Mr. Robbins provided an overview of the proposed administration process and emphasized the importance of minimizing red tape by creating a simple, streamlined application process. He explained that applicants would apply through a single portal for any applicable programs, followed by an intake and review process to confirm completeness. He verified that the eligibility determinations would be criteria based, allowing applicants to receive a clear and timely decision on qualifications, which would allow staff more time to focus on supporting approved applicants. (See Pages 13 and 14 of Attachment 1)

Mr. Robbins explained that the four existing RDA plans currently cover approximately 4.5% of the COM and noted that additional properties may also benefit from the proposed tools. He stated that, if approved, one of the first tasks would be to evaluate the creation of a fifth RDA plan, which would potentially extend the current RDA territory to the east. He indicated that portions of District 2 and properties near Power Road would be included, subject to further analysis and compliance with State statutory requirements. (See Page 15 of Attachment 1)

Ms. O'Donnell reiterated that marketing would be critical to ensuring participation in the proposed programs and highlighted ideas for outreach. She confirmed that a dedicated webpage would be developed to explain the programs, promote available opportunities, provide contact information, and include an online application process. She recalled that the new programs would also provide an opportunity to form relationships with architects, engineers, developers, and other partners who may not have previously been engaged.

Mr. McVay confirmed that the proposed Redevelopment Program would be implemented as a three-year pilot program. He clarified the design of the funding structure to direct funding toward the tools with the greatest impact with caps established to help ensure funding is not exhausted in one area. He explained that program outcomes would be continually evaluated, including the amount of private investment generated in relation to public dollars invested, and that staff would return annually to provide reporting on program expenditures and outcomes. (See Page 17 of Attachment 1)

Mr. Robbins stated that the goal of the program is to increase tax revenue and activate vacant properties while ensuring that any COM participation in economic development provides a clear public benefit. He emphasized that program impact would be evaluated based on whether the program is achieving its intended outcomes, how efficiently it is being administered, and whether projects produce long-term benefits for the COM. He further explained that evaluation measures may include the amount of private capital leveraged, increased tax base, blight remediation, job creation and retention, the number of properties and businesses assisted, program utilization, and the effectiveness of fund distribution. (See Pages 18 and 19 of Attachment 1)

Responding to a question from Councilmember Adams, Mr. McVay identified that the proposed approach is new in Arizona and combines best practices from programs across the country. He stated that the first year may serve as a learning and adaptation period.

In response to a question from Councilmember Taylor, Ms. O'Donnell listed potential participants of the focus groups, approximately 17 participants total, providing a range of perspectives on the proposed programs.

Responding to a question from Councilmember Taylor, Mr. Appiah commented on the importance of placemaking and ways the COM can be more aggressive in implementing placemaking strategies, including improved identification, signage, and public space enhancements.

Additional discussion ensued regarding additional placemaking opportunities in the COM.

Mayor Freeman advised that if successful, the program would support small businesses, encourage redevelopment, create jobs, and increase sales tax revenue. He stated that the proposed project aligns with the COM's strategic goal of reinvesting and supporting continued growth.

Mr. Butler expressed appreciation for the feedback and stated that staff would tailor the proposed programs based on the suggestions and accountability measures discussed. He characterized the effort as a pilot program and noted that staff would track results, report back to Council, and adjust the programs based on participation and feedback. He stated that staff currently have capacity to administer the pilot program; however, if the programs are successful, future staffing needs may need to be evaluated. He confirmed that funding options would be brought back as part of the budget process and noted that some flexibility may be available within the General Fund.

Councilmember Duff emphasized that redevelopment tools are needed to help small businesses overcome barriers that can prevent older commercial spaces from being reused successfully. She explained that unexpected costs, code requirements, financing limitations, and property conditions can make it difficult for small businesses to open, expand, or remain in business, particularly in older areas of the COM. She stated that staff has reviewed best practices and developed a range of tools to help identify needs, connect property owners and businesses with resources, and encourage reinvestment. She commented that one successful project can create momentum, attract additional investment, and support broader redevelopment activity.

Mayor Freeman thanked staff for the presentation.

(Mayor Freeman declared a recess at 9:19 a.m. The meeting reconvened at 9:29 a.m.)

1-b. Hear a presentation, discuss, and provide direction on funding recommendations for the FY 2026/2027 and prior years' available funding for Community Development Block Grant (CDBG), HOME investment Partnership Program (HOME), Emergency solution Grant (EDG), Human Services Programs, and the Off the Streets Program.

Housing and Community Development Director Michelle Albanese introduced Housing and Community Development Administrator Justin Boyd and displayed PowerPoint presentation. **(See Attachment 2)**

Ms. Albanese provided an overview of the CDBG program, noting that it is one of the COM's most flexible federal funding sources, but includes significant reporting and regulatory requirements. She explained the requirements and eligible uses of CDBG funds. She confirmed that public service activities are limited to 15% of the annual allocation and generally support services that stabilize vulnerable populations, including people experiencing homelessness. She stated that non-public service activities make up a larger portion of the allocation and typically include capital projects, housing rehabilitation, and public facility improvements. (See Pages 2 through 6 of Attachment 2)

Ms. Albanese advised that CDBG activities are evaluated based on risk, project timeline, and applicable cross-cutting federal requirements, which can significantly affect project timelines. She discussed higher-risk CDBG non-public service activities, noting that economic development is one of the more complex eligible uses and reviewed the parameters of the program. (See Pages 7 and 8 of Attachment 2)

In response to a question from Councilmember Taylor, Ms. Albanese explained that certain federally funded activities may trigger additional requirements, including Davis-Bacon and Section 3, and listed reasons it is important to select timely projects and maintain flexibility to reallocate funds if needed.

Ms. Albanese reviewed the estimated Fiscal Year (FY) 2026/27 CDBG funding and noted that the anticipated HUD allocation is approximately $3.6 million, based on the prior year's allocation because HUD had not yet released final amounts. She explained that CDBG funding includes a 20% allowance for program administration, a minimum of 65% for non-public service activities, and a maximum of 15% for public service activities. She noted that program income increased the public services funding available to $573,240. (See Page 9 of Attachment 2)

Ms. Albanese stated that six public service requests were received, with funding recommended for City navigation services, Family Promise, Child Crisis Arizona, CASS, and A New Leaf to support housing stability and access to critical services. She noted that $2.3 million is recommended for the City's Emergency Rehabilitation Program, which assisted 165 homeowners in the prior fiscal year, including numerous air conditioning repairs and replacements, and primarily served elderly, disabled, very low-income, female-headed, and mobile home households. (See Page 10 of Attachment 2)

Ms. Albanese explained that the HOME Investment Partnerships Program is HUD's primary tool for creating and preserving affordable housing. She reviewed the eligible activities including new construction of affordable housing, rehabilitation of rental housing, and rental and deposit assistance. She confirmed that the estimated FY 2026/27 HOME entitlement is approximately $1.29 million, with 10% available for program administration and 15% required to be set aside for Community Housing Development Organizations (CHDOs), which are nonprofit organizations focused on developing and owning affordable housing. (See Pages 11 and 12 of Attachment 2)

In response to a question from Vice Mayor Somers, Assistant City Manager Candace Cannistraro confirmed that this is one of the few programs that allows funds to be used for mobile homes built before 1975.

Ms. Albanese stated that approximately $3 million is available through the HOME program, including a $400,000 set-aside for the City's rental and utility deposit program. She stated that funding is also recommended for A New Leaf's new construction project, which would complete the final phase of the development and provide 54 units of senior and veteran housing. She explained that HOME funds would serve as gap funding and that the award would be contingent upon A New Leaf receiving low-income housing tax credits. (See Page 13 of Attachment 2)

In response to a question from Mayor Freeman, Ms. Cannistraro explained that several projects are currently going through the tax credit process, including A New Leaf, COPA Health, and Commonwealth, and stated that if a project is unsuccessful over multiple years, staff would reassess and redirect the funds to other productive projects.

In response to questions from Councilmember Adams, Ms. Cannistraro pointed out that the low-income housing tax credit process is highly competitive, state administered and based on a scoring matrix.

(At 9:49 a.m., Mayor Freeman excused Councilmember Goforth from the remainder of the meeting.)

Ms. Albanese summarized the Emergency Solutions Grant (ESG) and explained that the program supports homelessness-related activities, including shelter operations, rapid rehousing, homelessness prevention, and community navigation services. She stated that the COM received approximately $340,000, with 7.5% allowed for program administration, leaving approximately $314,515 available for activities. She pointed out that shelter operations are limited to no more than 60% of the allocation. (See Pages 14 and 15 of Attachment 2)

In response to a question from Councilmember Taylor, Ms. Albanese confirmed that the HUD federal funds must be awarded through a competitive process, and the Phoenix Rescue Mission could be added to the COM's interested parties list to receive future funding notifications.

Ms. Albanese stated that the ESG funding recommendations include awards to three agencies, with Tempe Community Action and A New Leaf recommended for shelter operations and Save the Family recommended for rapid rehousing, for a total of $314,515. (See Page 16 of Attachment 2)

Ms. Cannistraro provided an overview of A Better Community (ABC) and Human Services funding. She explained that ABC funds are donated by residents and may be used for crisis services, prevention and early intervention, transitional services, and long-term support. She confirmed that the anticipated ABC funding available for FY 2026/27 is $104,500 and stated that the recommended ABC awards include Valley of the Sun YMCA, House of Refuge, and Arizona Brainfood. She reported that Human Services funding is a General Fund allocation totaling $547,163 and noted that, because these funds are not subject to HUD requirements, they are often more accessible to smaller nonprofit organizations that may not have the administrative capacity to manage federal reporting requirements. She added that the Human Services funds are being held for the Off the Streets program while staff continues to evaluate other possible funding sources, with the option to return to Council for reallocation if needed. (See Pages 17 through 21 of Attachment 2)

Responding to a question from Mayor Freeman, Ms. Cannistraro clarified that the funding would support the Off the Streets program regardless of whether services are provided to Windemere or Sunaire. She explained that this is a new allocation that has not yet been funded and noted that Windemere was previously supported with ARPA and General Fund dollars. She confirmed that the current year's budget included approximately $900,000 in General Fund dollars for the program.

Ms. Cannistraro explained that staff is seeking direction from Council, after which a 30-day public notice period would occur before returning to Council with a resolution. She stated that changes may be made after submission to HUD, but HUD would need to be notified if the funding use changes. (See Page 22 of Attachment 2)

In response to a question from Councilmember Adams, Mr. Boyd explained the application process for agencies and the scoring process. He added that 70% of the overall score is based on staff review, including demonstrated capacity, prior-year expenditure of funds, completion of the approved scope of work, and whether the agency met its proposed service goals.

Mr. Butler reiterated that the current funding cycle began in August of the prior year through the COM's traditional annual notice and application process. He explained that the process includes consideration of Council priorities, risk analysis, performance, and HUD criteria. He stated that staff heard Council's comments and could explore additional options before the next funding cycle, including ways to maximize funding alignment with Council priorities and clarify expectations for funds available to external entities. He noted that changing the funding approach at this stage would be challenging, but staff could evaluate potential adjustments moving forward.

Mayor Freeman commented that there is a learning curve with the funding process and emphasized the need to ensure that federal funds are aligned with Council priorities and the City's broader goal of elevating Mesa to its full potential. He noted that CDBG non-public service funds may also be used by COM departments and suggested that staff further evaluate how departments can be positioned to use eligible funds for lower-risk, place-based activities, particularly in low- to moderate-income census tracts. He listed possible considerations for future funding strategies that offer greater alignment with priorities. He emphasized that while significant investment is made in human services, additional focus should be given to visible neighborhood and place-based improvements and other efforts that help stabilize areas and support safer, stronger neighborhoods. He requested greater clarity and transparency regarding the various funding sources, including which funding buckets are available, so Council can better understand and evaluate funding options moving forward.

Discussion ensued regarding the approved use of ABC funds.

Councilmember Duff expressed concern with shifting funds away from human services, emphasizing that current economic conditions have increased the need for human services beyond the capacity of churches and nonprofit organizations, and that reducing support could further destabilize vulnerable residents. She said that while economic development may be addressed through redevelopment programs, the COM should not lose focus on addressing immediate human needs.

Councilmember Adams stated that social service needs must be addressed, but consideration should be given to how those services are funded and whether opportunities exist to reduce reliance on taxpayer dollars. He expressed support for continuing to evaluate non-public service funding options and working with community organizations to address needs in a sustainable manner. He expressed some hesitation regarding expanded code enforcement authority, emphasizing the importance of consistent and equitable enforcement.

Mayor Freeman confirmed that the consensus of the Council was to move forward with the recommended funding direction and bring the item back for consideration at the May 4, 2026, Council meeting.

2. Acknowledge receipt of minutes of various boards and committees.

2-a. Economic Development Advisory Board meeting held on November 4, 2025.

It was moved by Vice Mayor Somers, seconded by Councilmember Taylor, that receipt of the above listed minutes be acknowledged.

Upon tabulation of votes, it showed:

AYES – Freeman–Somers–Adams–Duff–Heredia–Taylor
NAYS – None
ABSENT – Goforth

Mayor Freeman declared the motion carried unanimously by those present.

(At 10:33 a.m., Mayor Freeman excused Councilmembers Duff and Heredia from the remainder of the meeting.)

3. Current events summary including meetings and conferences attended.

There were no reports on meetings and/or conferences attended.

4. Scheduling of meetings.

City Manager Scott Butler stated that the schedule of meetings is as follows:

Thursday, April 2, 2026, 7:30 a.m. – Study Session

5. Adjournment.

Without objection, the Study Session adjourned at 10:36 a.m.

MARK FREEMAN, MAYOR

ATTEST:

HOLLY MOSELEY, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the City Council of Mesa, Arizona, held on the 26th 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

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(Attachments – 2)

Study Session
March 26, 2026
Attachment 1
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Redevelopment Program Toolkit

City Council Study Session

March 26, 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

Code Compliance Revitalization Grant
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

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
- ✓ Determined to be hazardous or functionally obsolete

Other:

- Reimbursement
- Three bids required
- Explore ADEQ partnership for remediation support

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

Match: 1:1

CODE COMPLIANCE REVITALIZATION GRANT

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 OR property has conditions of blight
- ✓ 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 and improvements not visible from the street

Maximum Award: $25,000

Match: 1:1

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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
- ✓ Undeveloped parcels in RDAs
- ✓ Industrial properties in RDA

Revenue Neutral

90 Days: Must register within 90 days of a vacancy

7.7% of commercial buildings are vacant (2025)

Annual Fees For Vacancy
(may waive if no code violations)

Fines for non-registration will match commercial civil violation fines

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

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

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
- ✓ Blighted
- ✓ Public purpose alignment
- ✓ Bypassed parcels
- ✓ First in to prove the market to lending institutions

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

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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

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

Identification of Needs
- ✓ CIP
- ✓ Transportation, Arts and Culture, etc.
- ✓ Goals identified in Council adopted plans

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:
  - Gateway monumentation
  - Wayfinding
  - Streetscape and alley enhancements
  - Public realm improvements
  - Canal enhancements
  - Temporary installations (pianos, parklets)

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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

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

Exclusions: Public infrastructure only—no private infrastructure

Maximum Award: Case-by-case

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

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

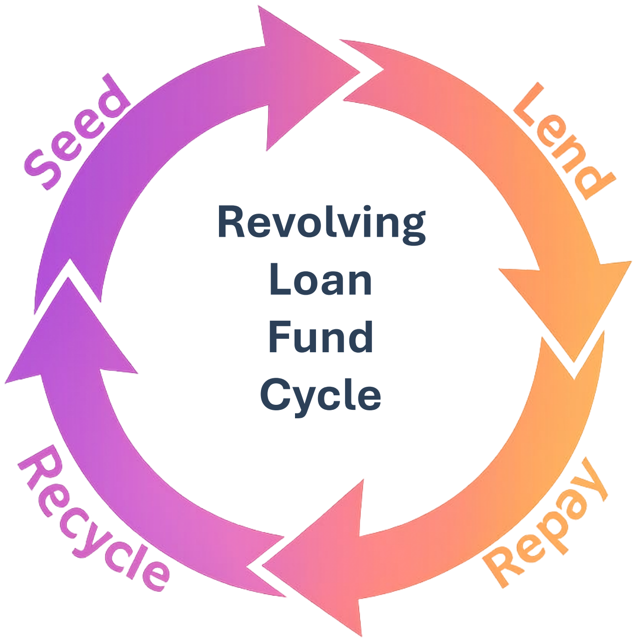
Offers flexible, below-market financing

Becomes a resource for Mesa small businesses in perpetuity

The Mechanics

City Role:

- ✓ Trustee of federal assets
- ✓ Administration
- ✓ Reporting
- ✓ Establish a plan
- ✓ Define objectives
- ✓ Sets the interest rate (with some limits)



EDA REVOLVING LOAN FUND

The Mechanics Continued

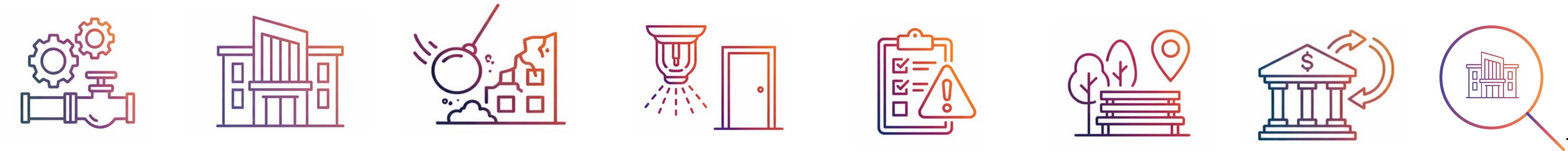
Money Matters:
- ✓ Initial seed of ~500k
- ✓ Up to $2M in EDA funds
- ✓ EDA can release the Federal interest after seven years
- ✓ 50k-150k loans *(some flexibility)*
- ✓ City not responsible for defaults

EDA Requirements:
- ✓ Must achieve certain job ratios
- ✓ Comply with federal environmental review (NEPA, NHPA)
- ✓ Davis-Bacon (construction)
- ✓ Record keeping
- ✓ Limit cash on hand
- ✓ Other regulations
- ✓ Portfolio must leverage $2 for every $1 of RLF

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

Alternative Paths:
- ✓ Grants
- ✓ Banks
- ✓ Foundations

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 CAP*
Demolition and Remediation	$1,500,000
Business and Property Enhancement	$250,000
Vacancy Registration	Revenue Neutral
Reuse Ready	$1,000,000
Strategic Acquisition and Analysis	$1,000,000
Placemaking	$1,000,000
Marketing and RDA Plan Development	$125,000
Public Infrastructure	$2,000,000
Revolving Loan Fund	Revenue Neutral

*** Three-year pilot program with a total annual budget of $3M**

*** Expenditures per tool will not exceed total available program funding**

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
- Blight remediated
- 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
- Annual report to Council

PROPOSED TOOLKIT LAUNCH SCHEDULE

Mid 2026

- Vacant Property Registration
- Placemaking
- Strategic Acquisition and Analysis

Late 2026

- Public Infrastructure
- Code Compliance
  Revitalization Grant

2027

- Reuse Ready
- Demolition and Remediation
- Revolving Loan Fund

Questions and Discussion

FY 2026/2027
Annual Funding Recommendations

City Council Study Session

Michelle Albanese, Housing and Community Development Director
Justin Boyd, Housing and Community Development Administrator

March 26, 2026

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)

Timeline

- **Aug.** — NOFO Published; Funding Info Distributed
- **Sept.** — Funding Kick Off
- **Oct.** — Applications Due; Internal Review & Eligibility
- **Nov.** — Community Development Staff Scores Due
- **Dec.** — Agency Presentations; HCDAB Scores Due
- **Jan.** — Funding Spreadsheet & Scores Finalized; Funding Recommendations Completed
- **Feb.** — Meet with City Manager
- **Mar.** — CCD March 12 & 19, 2026

Funding Considerations

- City Council Strategic Priorities
- Eligible Activity
- Regulatory Compliance
- Agency Capacity
- HCDAB & Staff Scoring

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
  - Economic Development

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 modifications
- 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
  - Require detailed documentation showing jobs primarily benefit low- and moderate-income persons
- Property acquisition for future redevelopment –
  - Development timelines can delay project completion and expenditure deadlines
  - Projects dependent on future financing, environmental review, other regulatory requirements – increase project costs
- Large multi-partner development projects –
  - Activities involving multiple funding sources or development partners that
  - Increase administrative complexity and implementation timelines

FY 26/27 CDBG Estimated Funding Available

CDBG Entitlement	$	3,675,410
20% Program Administration	$	735,081
65% Non-Public Services	$	2,389,017
15% Public Services	$	551,312

15% Public Services + Program Income $21,928 = $573,240

CDBG Funding

Public Services

Agency	Project Name	Recommended Award
Family Promise - Greater Phoenix	Mesa Family Shelter Program	$ 85,820
Child Crisis Arizona	Early Education Services for Low-Income Mesa Families	$ 80,000
Central Arizona Shelter Services (CASS)	Emergency Shelter for Mesa Adults & Seniors - Single Adult Shelter &The Haven Senior Shelter	$ 63,191
A New Leaf	Housing Support Services - La Mesita & Desert Leaf	$ 51,703
COM - Office of Homeless Solutions	Navigation Services	$ 292,526
	Total	$ 573,240

Non-Public Services

Agency	Project Name	Recommended Award
City of Mesa (Set Aside)	Emergency Rehabilitation Program	$ 2,389,017
	Total	$ 2,389,017

HOME 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.

FY 26/27 Estimated Funding Available

HOME		
HOME Entitlement	$	1,293,065
Less 10% Program Administration	$	129,306
Less 15% CHDO	$	193,960
Prior Year Funds	$	5,325,339
Total Funding Available	**$**	**6,295,138**
Less Project Set Asides	$	3,221,788
Funding Allocated	**$**	**3,073,350**

HOME Investment Partnership Program

Agency	Project Name	Recommended Award
City of Mesa (set-aside)	Rental and Utility Deposit Program	$ 400,000
A New Leaf	La Mesita Phase 4 Construction	$ 2,673,350
	Total	$ 3,073,350

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.

FY 26/27 Estimated Funding Available

ESG		
ESG Entitlement	$	**340,016**
Less 7.5% Program Administration	$	**25,501**
Total Funding Available	**$**	**314,515**
Funding Allocated	**$**	**314,515**

Emergency Solutions Grant (ESG)

Agency	Project Name	Recommended Award
Save the Family Foundation of Arizona	Rapid Rehousing for Mesa Families	$ 110,505
Tempe Community Action Agency (TCAA)	I-HELP Emergency Shelter	$ 40,000
A New Leaf	East Valley Men's Center	$ 164,010
	Total	$ 314,515

60% Cap on Shelter Services Operations

Human Services and A Better Community (ABC)

- **Human Service Activities**
  - Crisis Services
  - Prevention & Early Intervention Services
  - Transitional Services
  - Long-Term Support

- **Human Service Funding**
  - Local funding supporting human services activities.

- **ABC**
  - Donated funding supporting human services activities.

FY 26/27 Estimated Funding Available

Human Services & ABC		
Human Services	$	547,163
ABC	$	104,500
Total Funding Available	**$**	**651,663**
Funding Allocated	**$**	**651,663**

A Better Community (ABC)

Agency	Project Name	Recommended Award
Valley of the Sun YMCA	Pathways to Success: Quality Childcare & Early Education for Every Family - Ross Farnsworth	$ 35,000
House of Refuge, Inc.	Transitional Housing for Homeless Families	$ 50,000
Arizona Brainfood	Weekend Food Bags	$ 19,500
	Total	$ 104,500

Human Services Funds

Agency	Project Name	Recommended Award
City of Mesa	Off The Streets Program*	$ 547,163
	Total	$ 547,163

*Staff is continuing to look for alternate funding.

Human Services Funds - Non-Profits (Alternate)

Agency	Project Name	Recommended Award
Arizona Brainfood	Weekend Food Bags	$ 30,500
Oakwood Creative Care, Inc.	Comprehensive Day Care Services for Low-Income, Older Adults in Mesa w/ Cognitive & Physical Impairments - Two Mesa Locations	$ 40,000
Teen Lifeline	Youth Crisis Services	$ 50,000
Aster Aging, Inc	Meals on Wheels - Mesa Downtown and Red Mountain Centers	$ 50,000
Paz de Cristo Community Center	Relief Services to Empower Individuals	$ 50,000
Matthew's Crossing	Meals to Grow Program	$ 35,000
Homeless Youth Connection, Inc	Empowering Youth for the Future	$ 25,940
Oakwood Creative Care, Inc.	Community Hub Community Engagement Services for Low-Income, Older Adults in Mesa	$ 10,000
United Food Bank	Mesa Emergency Food Assistance	$ 50,000
Maggie's Place, Inc	Shelter Services at the Hannah House	$ 50,000
Save the Family Foundation of Arizona	Pathways to Stability for Mesa Families & Children Experiencing Homelessness	$ 44,293
Catholic Charities Community Services, Inc.	My Sister's Place/Pathways: Walking Alongside Survivors of DV	$ 50,000
East Valley Institute of Technology	Hope Tech	$ 50,000
Big Brothers Big Sisters of Central Arizona (BBBSAZ)	Healthy Habits, Healthy Minds for Mesa Youth	$ 11,430
	Total	$ 547,163

Next Steps

March 30, 2026 (tentative) 30-Day Public Comment Period

May 4, 2026 City Council Approval

May 15, 2026 Funding Submittal to HUD

Thank you…

Questions?