

COMMUNITY & CULTURAL DEVELOPMENT COMMITTEE

January 10, 2022

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 January 10, 2022, at 4:00 p.m.

COMMITTEE PRESENT

Francisco Heredia, Chairman
Jennifer Duff
David Luna

COMMITTEE ABSENT

None

STAFF PRESENT

Natalie Lewis
Dee Ann Mickelsen

Chairman Heredia conducted a roll call.

1. Items from citizens present.

There were no items from citizens present.

2-a. Hear a presentation and discuss the Mesa Housing Path to Recovery, existing gaps in this local system and recommended priorities to invest federal funds/vouchers into services, programs, capital projects and housing that fill existing gaps and/or supplement service where there are substantial needs for low-moderate income households in Mesa.

Housing and Community Development Director Michelle Albanese introduced Community Services Deputy Director Mary Brandon and displayed a PowerPoint presentation to discuss the housing path to recovery and service gaps, the funding process overview, funding allocations, and program updates regarding administration of COVID dollars and other pandemic relief dollars. **(See Attachment 1)**

Ms. Albanese stated the Mesa strategic plan addresses key community strategies by taking a systematic approach to dealing with those experiencing homelessness. She added a portion of funding is provided to non-profit agencies to help address homelessness and identify gaps.

Ms. Albanese discussed the goal of transitioning out of homelessness to independency. She remarked the first path is the emergency phase of identifying those in need seeking emergency shelter. She mentioned the Operation Off-the-Streets Program offers immediate assistance while working toward a commitment to recovery by becoming stable and then graduating to transitional housing. She spoke about working with emergency shelters, increasing workforce development, and using federal funding such as Community Development Block Grant (CDBG) and Emergency Solutions Grants (ESG) dollars to fund activities. She stressed additional capacity is needed in Mesa and regionally. (See Page 4 of Attachment 1)

Ms. Albanese explained the next path is the Bridge to Success which includes rapid rehousing, rental assistance, and voucher programs for additional housing assistance. She advised staff are currently working on increased transitional housing using American Rescue Plan Act (ARPA) dollars to increase the bed inventory. She noted statistics show in the years 2015 to 2020 the number of unsheltered persons has increased from 1,200 to 3,700 regionally. She added the needs to be addressed are to expand availability of housing and workforce assistance. (See Page 5 of Attachment 1)

In response to multiple questions posed by Committeemember Duff regarding the eviction status of residents, Ms. Brandon confirmed Housing is getting requests from individuals being evicted, as well as those losing homes because the rent increases are so high residents can no longer afford to live there. She stated housing vouchers are available for those at risk for being homeless and are income eligible, and Housing will refer them to other resources to assist them. She pointed out the gap in residents with vouchers being able to locate housing. She discussed working with the Housing Solutions Program to reach out and retain landlords and finding solutions that work with the programs.

In response to a question from Committeemember Luna, Ms. Brandon confirmed La Mesita is fully leased.

Responding to additional questions from Committeemember Luna, Deputy City Manager Natalie Lewis reported the City does not pursue low-income tax credit (LIHTC) housing and typically wait for development contractors to go through the process. She pointed out Save the Family is exploring a LIHTC project either in Mesa or Tempe.

Committeemember Luna commented because there are so many people that need housing, the City needs to work with the development community and encourage them to look into the viability of affordable developments.

Ms. Lewis emphasized her understanding that the Qualified Allocation Plan (QAP) added a requirement that the housing must be within a certain distance of a major employer, in addition to being close to transit, which makes it more difficult to find locations. She remarked the issue of finding inventory is a national issue and continues to be a part of the strategic plan to have a balanced housing plan in Mesa.

In response to a series of questions from Chairperson Heredia regarding the available vouchers, Ms. Brandon mentioned the Family Unification Program vouchers come directly from the Department of Child Safety, Veterans Affairs Supportive Housing (VASH) vouchers are for homeless veterans referred from the VA, the Housing Choice vouchers, or the Emergency Housing vouchers that are referred from Continuum of Care. She clarified all the vouchers are based on income eligibility and meeting the qualifications, depending on the program. She shared the example that a year ago the average number of days to find housing once a voucher is received was 30 to 45 days and today the average is 90 to 120 days.

Committeemember Duff suggested collaborating with employers when building or expanding a business to include housing as a piece of the conversation to accommodate employees.

Ms. Albanese summarized the gaps that have been identified that were discussed in previous slides, including affordable housing, preserving existing housing, developer incentive programs,

and landlord participation. She remarked there are current landlords that will no longer be taking vouchers which is creating an even bigger gap in finding housing. (See Page 7 of Attachment 1)

Ms. Albanese stated the funding process typically begins in September and ends in April when recommendations are brought to the Community & Cultural Development Committee and Council. She mentioned the importance of looking at the HUD guidelines and Council strategic priorities when reviewing applications to ensure funding is going to those critical programs and services in the community. (See Page 9 of Attachment 1)

Ms. Albanese described the funding priorities that have been identified, adding a majority of the funding goes to address homelessness issues. (See Page 10 of Attachment 1)

Ms. Albanese informed the Committee that Housing is in the middle of the funding cycle for FY 22/23. She mentioned the application solicitation process is over, the applications have been scored, and staff are now going through the applications to come up with funding recommendations. (See Page 11 of Attachment 1)

Ms. Albanese explained funding allocations are based on the previous HUD allocation. She anticipates just over \$6.5 million for CDBG programs, \$346,000 for the ESG programs, \$2.3 million for the HOME Investment Partnerships program, and \$520,000 for Human Services. She pointed out this does not include any pandemic-related funding received. (See Page 13 of Attachment 1)

Ms. Brandon presented the amounts received under the COVID funding. She said the numbers under Community Development are for all allocations for the funding source, which included two rounds for CDBG and ESG, totaling \$16.7 million. She noted under Housing Services, additional administration funding was received to provide better service due to COVID and outlined the totals under each program. She mentioned an additional \$13 million has been reallocated from the State and will bring the final to \$72 million for COVID funding. (See Page 14 of Attachment 1)

Ms. Albanese commented just over \$4 million has been allocated under the categories of emergency shelter operations, emergency shelter expansion, street outreach, rapid rehousing, homeless prevention, and the Off-the-Streets program. She added, as of November, approximately \$2.2 million has been expended, assisting over 6,726 individuals, exceeding the estimate of 4,000 served by all agencies. (See Page 16 of Attachment 1)

In response to a question from Chairperson Heredia regarding the \$1 million difference in ESG funding shown on Page 14 for \$5.1 million and \$4 million on Page 16, Ms. Albanese confirmed a percentage of the COVID dollars is used for administration, which is approximately \$600,000, and the leftover agency funding will be used to continue to fund Off-the-Streets navigation services.

Ms. Lewis advised the dollars must be spent by the end of September.

Responding to a question posed by Committeemember Duff regarding what can be done for evicted residents who are not able to find housing with their voucher, Ms. Lewis confirmed the difficult situation with inadequate housing. She remarked there is not one answer and there is a need to find multiple opportunities by talking with regional partners, the County, and the State

about funding and available sources. She continued by saying staff will utilize the Off-the-Streets program as much as possible.

In response to a question from Committeemember Luna regarding how Maricopa Association of Governments (MAG) is assisting, Ms. Lewis indicated MAG helped facilitate a conversation about how to address homelessness regionally and the region has now adopted an action plan. She added MAG will be reporting on the progress of the plan and keeping tabs on solutions that are being developed across the region. She said there are conversations happening among regional cities on how to coordinate better.

In response to a question posed by Chairman Heredia, Ms. Lewis commented the City of Mesa is looking at all options to address homelessness. She pointed out that the Off-the-Streets program has been very successful for Mesa and has become a best practice model nationally. She added the City is looking for ways to continue the program long-term.

Ms. Albanese stated the City received \$6 million in CDBG-CV dollars and the funding must be spent by 2026. She said staff are looking at best practices locally and regionally for the funding to make a long-term impact in the community. (See Page 17 of Attachment 1)

Ms. Albanese spoke about the ARPA funding that will be used for the HOME program, which must be expended by 2030. She mentioned the purpose of those dollars is to provide long-term sustainable housing. She outlined the three specific categories where these dollars can be used: permanent affordable rental housing, increasing the number of non-congregate shelters, and providing longer term stable housing through tenant based rental assistance. (See Page 18 of Attachment 1)

Responding to a question from Committeemember Duff asking whether the HOME dollars could be used for a program or incentive to encourage secondary housing units on a single-family residential lot, Ms. Lewis advised staff will look into that option.

Ms. Brandon indicated a press release went out last week, along with emails to inform the public there is less than \$3 million left in this funding source for the next few weeks. She added \$11.5 out of the \$13 million from the State reallocation will go to the Emergency Rental Assistance Program (ERAP). (See Page 19 of Attachment 1)

In response to multiple questions from Chairperson Heredia, Ms. Brandon said that Housing is currently working on applications received at the end of December. She explained once the applicant and landlord information are turned in, payment can be made the next business day. She mentioned residents can apply only for utility assistance, which is also a quick turnaround. She expects the applications to increase due to the recent marketing. She said an eligible resident can get all arrears and two months forward on rent or utilities.

Ms. Brandon indicated there are currently 115 referrals for Emergency Homeless vouchers. She pointed out having more referrals than available vouchers are essential because there will be some that are ineligible. She reported there are 15 housed and 44 searching for a unit. (See Page 20 of Attachment 1)

Ms. Brandon indicated Shelter + Care is one of the voucher programs that partners with Save the Family. She indicated there are only nine vouchers available, but the vouchers go to families

that may have a drug addiction or mental disability and where casework is needed. She shared a success story of a family that was assisted through the program. Chairperson Heredia thanked staff for the presentation.

3. Adjournment.

Without objection, the meeting adjourned at 4:47 p.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Community and Cultural Development Committee meeting of the City of Mesa, Arizona, held on the 10th day of January 2022. I further certify that the meeting was duly called and held and that a quorum was present.

DEE ANN MICKELSEN, CITY CLERK

jjg/la
(Attachments – 1)

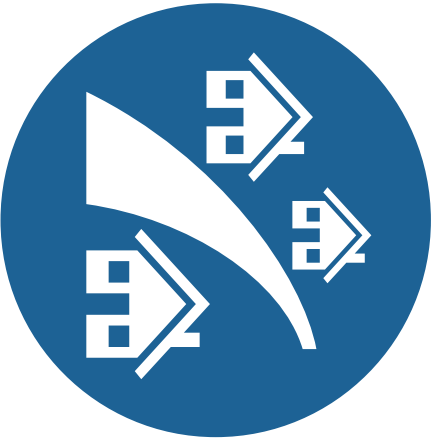
Housing and Community Development Program Updates

Community Cultural Development Committee
January 10, 2022

MICHELLE ALBANESE, HOUSING & COMMUNITY DEVELOPMENT DIRECTOR
MARY BRANDON, COMMUNITY SERVICES DEPUTY DIRECTOR



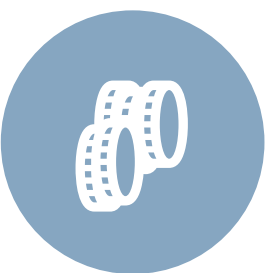
Presentation Purpose



HOUSING PATH TO
RECOVERY &
SERVICE GAPS



FUNDING PROCESS
OVERVIEW

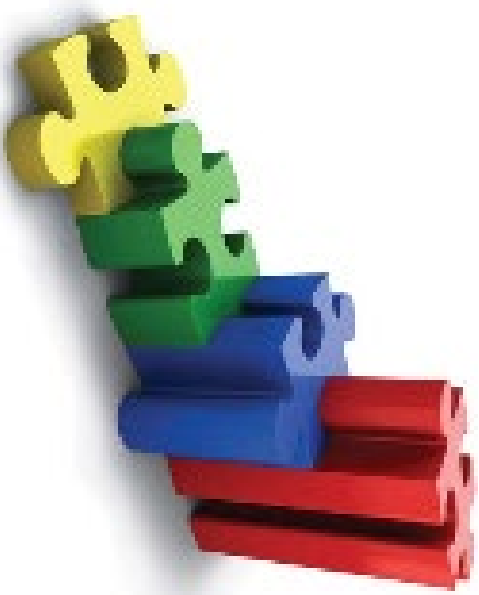


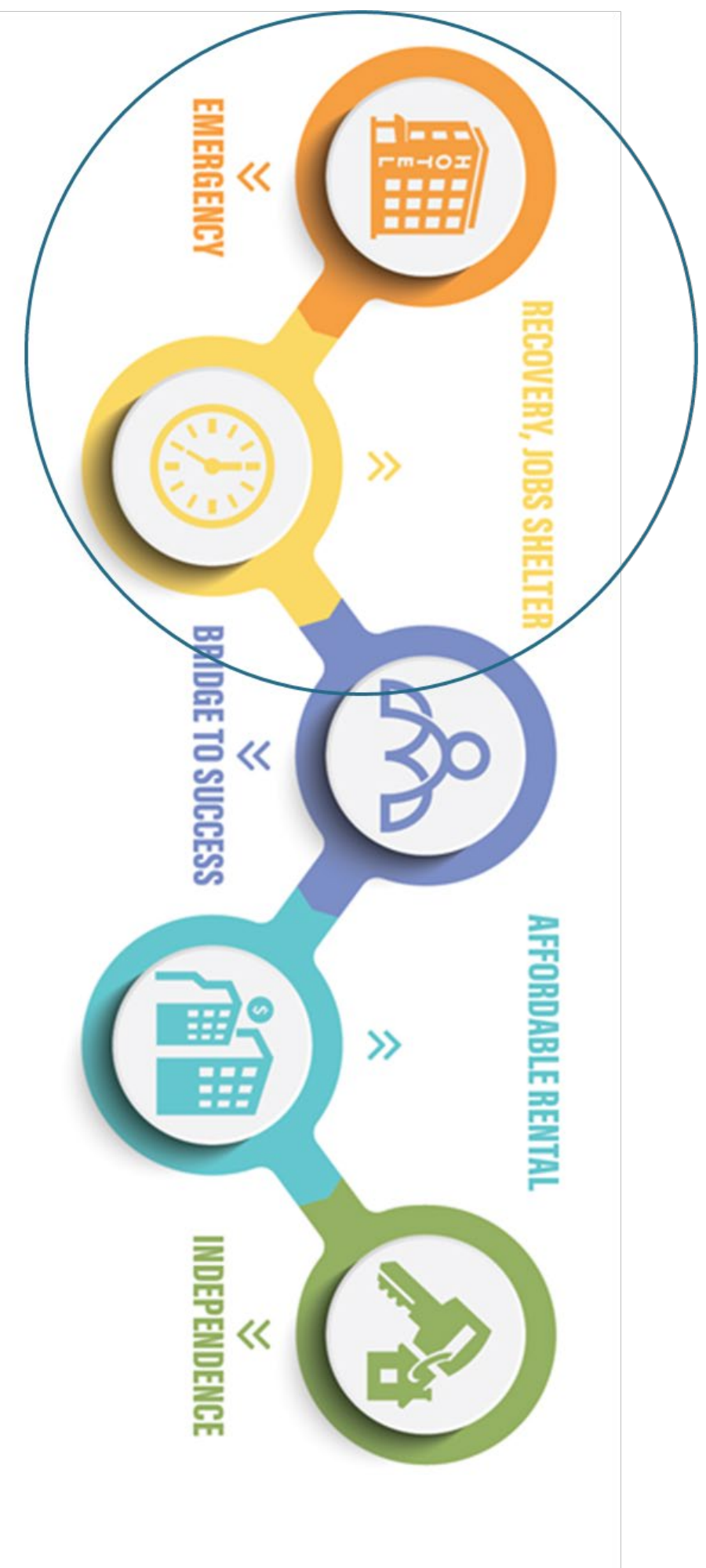
FUNDING
ALLOCATIONS



PROGRAM
UPDATES

Housing Path to Recovery





Existing tools/services: Off the Streets, Emergency and DV shelters. Housing Navigation. Use of ESG and CDBG funding, and Emergency Housing Vouchers. Proposed rescue funding investments.

In development: Workforce Dev/jobs coordination and referral system, other ARPA-related investments (Jan. 13 Study Session).

Gaps: Added emergency/shelter capacity, & short-term housing in Mesa and regionally. Workforce development hub/coordination. Support services located in Mesa (mental health, wellness.)



Existing tools/services: Transitional Housing. Rapid Rehousing. Rental Assistance. Project-based vouchers. Housing Choice Vouchers. Tenant-Based Rental Assistance. Proposed rescue funding investments.

In development: Additional transitional housing. (Jan. 13 study session)

Gaps: Additional transitional housing and affordable rental. Workforce assistance. Financial tools, credit repair.

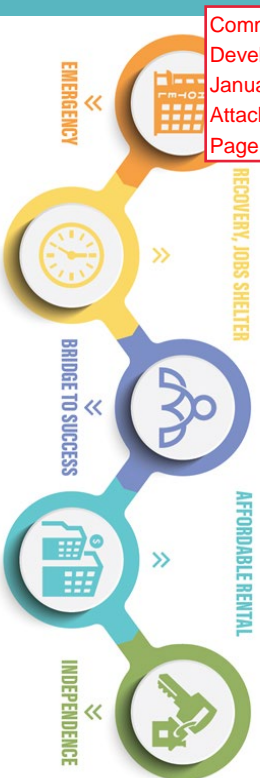


Existing tools/services: Family Self Sufficiency. Housing Stability. Rental to home ownership.

In Development: Balanced Housing Plan Element –2024 Mesa General Plan Update

Gaps: Additional affordable rental and affordable home ownership inventory. HUD updated Fair Market Rents (FMR.)

Using Path to Recovery



Solution Summary

Shelter Beds

Increase the number of beds available for all populations, short term transitional housing

Support Services

Services needed in Mesa that can provide wrap around services (mental health and health & wellness)

Educational Opportunities

GED assistance, financial assistance, grants and scholarships, trade school programs, credit repair, and budgeting/financial tools

Workforce Assistance

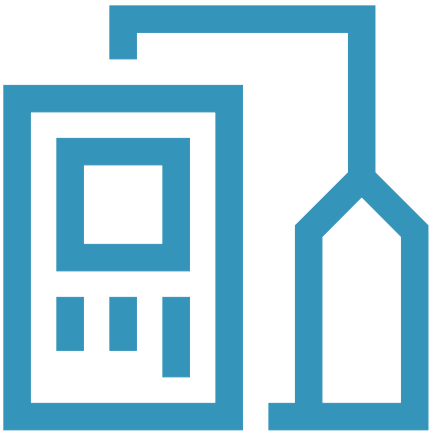
Resume writing, interview skills, job placement, workplace etiquette and employment stability

Landlord Participation

Education and outreach, retain current landlords, recruit additional landlords, reevaluate fair market rents

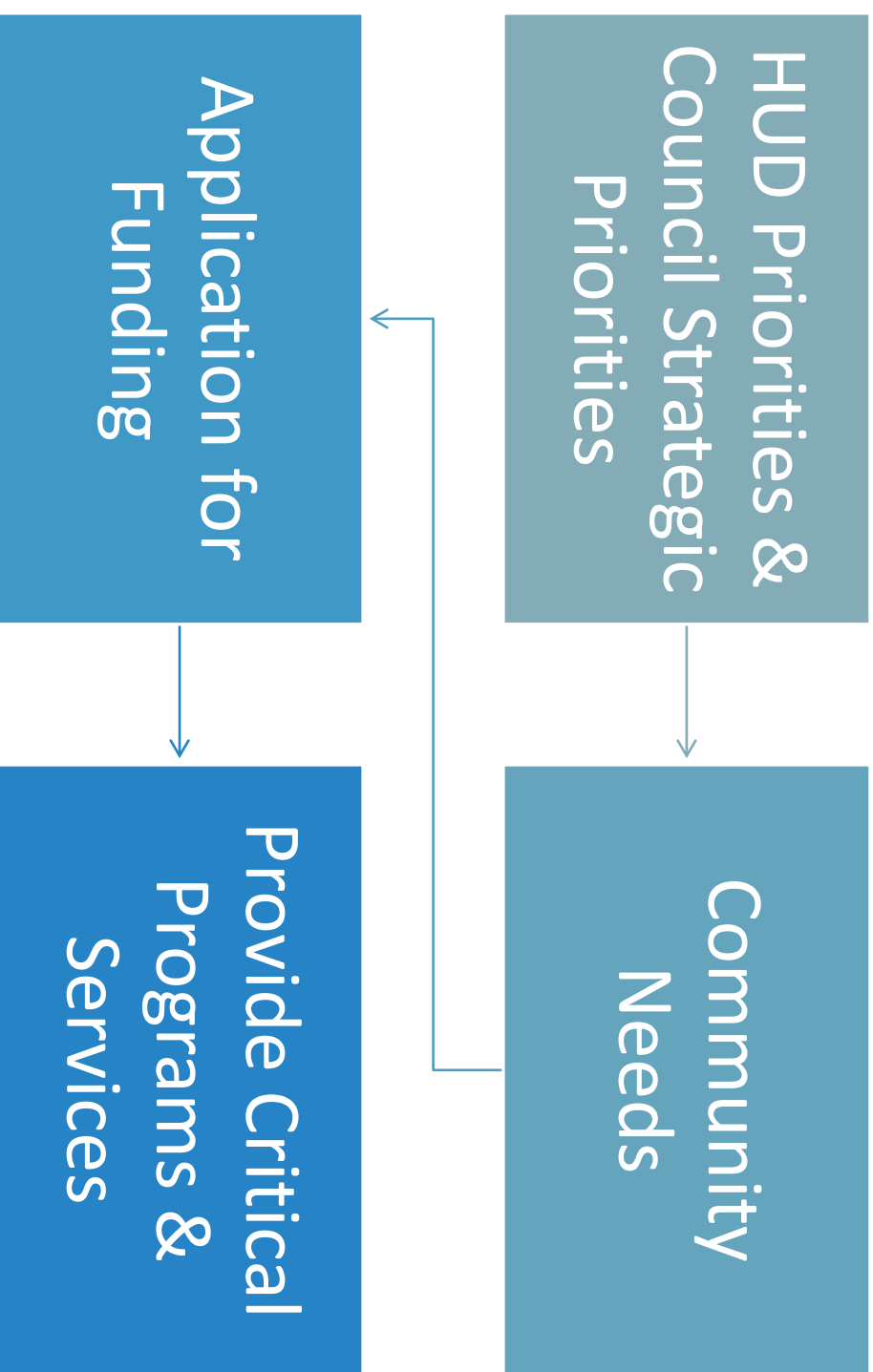
Affordable Rental Units

Preservation of existing units/healthy homes, developer incentive programs, housing trust fund, development of new properties, development of mixed income housing



Funding Process Overview

Funding Process Overview



Funding Priorities

Homeless Response & Prevention Strategies

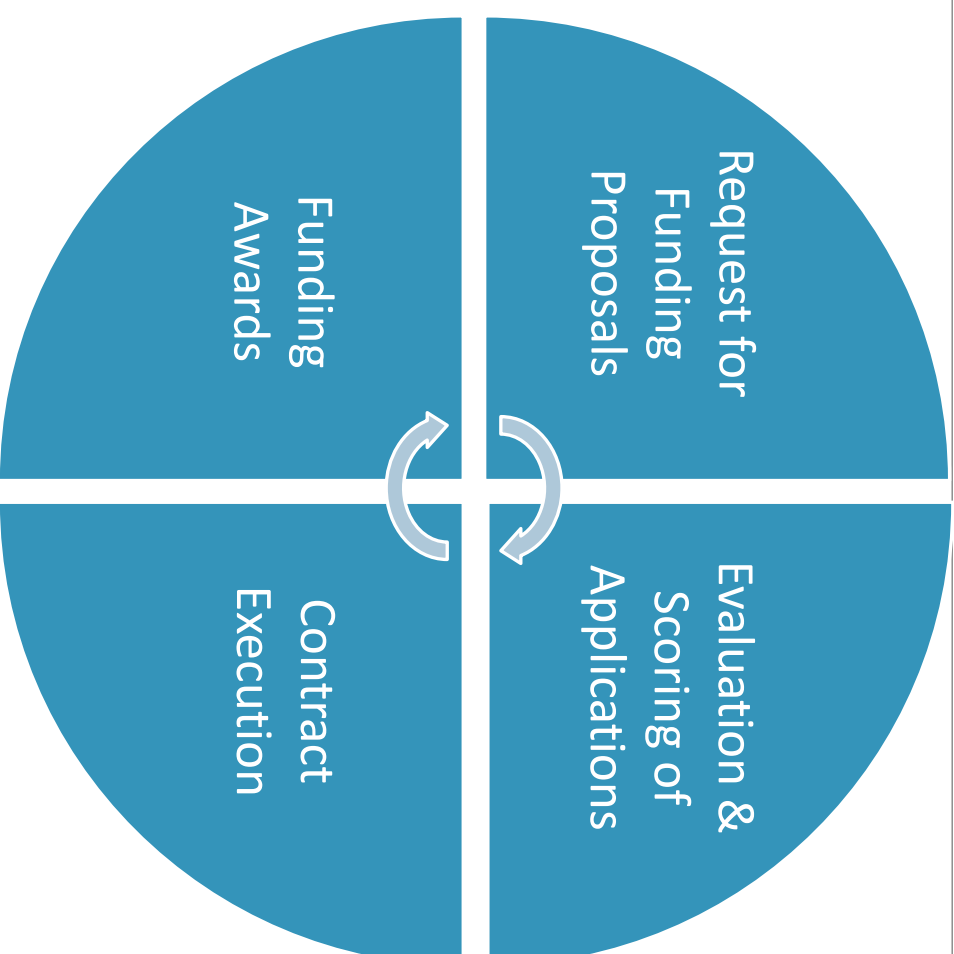
Vital Human Services/Community Needs

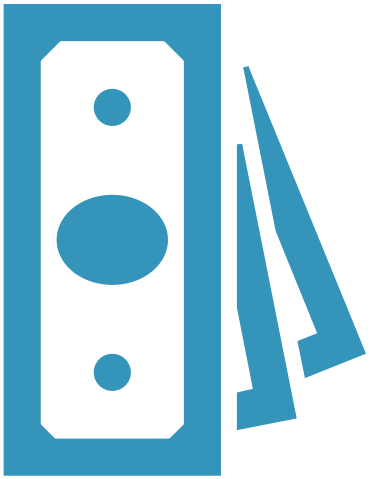
Access to Affordable Housing Options

Education and Job Training

Public Facility Improvements

Annual Funding Cycle





Funding Allocations

Community
Development Block
Grant (CDBG)
\$6,564,585

Emergency Solutions
Grant (ESG)
\$346,781

HOME Program
\$2,350,646

Human Services
\$520,000

Anticipated Annual Funding FY 22/23

Total COVID Funding

Community Development

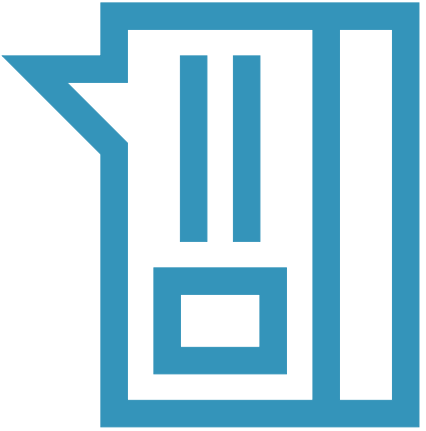
CDBG-CV	ESG-CV	ARR-HOME	TOTAL
\$6,000,000	\$5,182,234	\$5,605,694	\$16,787,928

Housing Services

HCV-CV Admin 1 & 2 (2021)	Housing Assistance Payment for Per Unit Cost (2021)	Emergency Rental Assistance Program	Foreclosure Prevention Program	Emergency Housing Vouchers (2030)	TOTAL
\$529,649	\$501,017	\$39,981,593	\$600,000	\$982,416	\$42,594,675

Total Covid Funding

\$59,382,603



Program Updates

ESG-CV Accomplishments

PROGRAM	Emergency Shelter Operations	Emergency Shelter Expansion	Street Outreach	Rapid Rehousing	Homeless Prevention	Off the Streets	TOTAL
Funding	\$925,887	\$27,500	\$928,222	\$428,200	\$716,970	\$975,000	\$4,001,779
Expenditure	\$313,471	\$10,521	\$473,686	\$204,841	\$406,415	\$852,384	\$2,261,318
Households Served	1,429	585	1,927	318	753	1,714	6,726



“Best Practices” for
Funding Activities

Consider Eligible
Applications

Funding
Recommendations

CDBG-CV

Funding Process Update
\$6M (2026)



Rental Housing



Non-Congregate Shelter

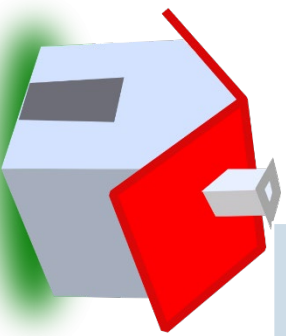


Tenant Based Rental
Assistance

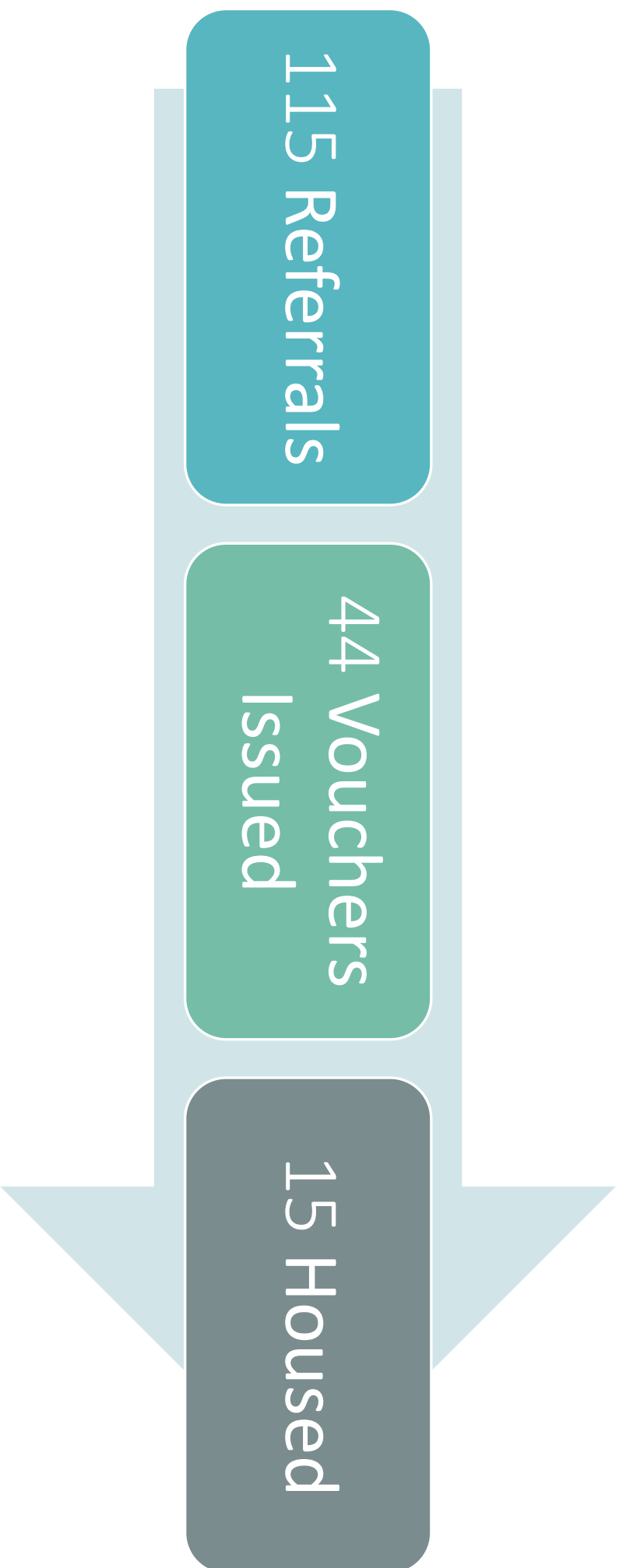
ARPA HOME Program
Eligible Activities
\$5.6M (2030)

Emergency Rental, Utility, & Mortgage Assistance Programs

PROGRAM	Rental/Utility Assistance Program	Mortgage Assistance Program	TOTAL
Funding Allocated	\$39,981,593	\$550,000	\$40,531,593
Assistance Paid	\$33,423,053	\$525,000	\$33,948,053
Households Served	7,020	112	7,132



<https://citydata.mesaaz.gov/stories/s/drz4-3caq>



Emergency Homeless Voucher Update (2030)

Path to Recovery



"I will never forget the help this program has had on my family's life, nor will I ever forget those who helped me along the way. I know the term thank you seems passe' for all you have done, and not nearly enough to express my fullest gratitude, however, I would like to say just that.

Thank you... for everything."

-participant