

DRAFT MINUTES

**CITY OF GLENDALE
COMMUNITY DEVELOPMENT ADVISORY COMMITTEE
GLENDALE CIVIC CENTER, DIAMOND ROOM
5850 W. GLENDALE AVE.
GLENDALE, AZ 85301
VIRTUAL MEETING
NOVEMBER 18, 2021
6:30 p.m.**

MEMBERS PRESENT:

Lisa Baker, Chair
Leslee Miele, Vice Chair
Kelly Carbello
Kirstin Flores
David Giles
Theodora Hackenberg
Alicia Rubio

MEMBERS ABSENT:

Elida Feltus
Vivian Lizarraga
Ezekiel Ojo
Abby Vick

STAFF PRESENT:

Jean Moreno, Director, Community Services Director
Matt Hess, Revitalization Administrator
Ismael Cantu, CAP Administrator
Donald Paredez, Housing Administrator
Michelle Yates, Community Engagement Manager
Heather Grant, Administrative Support Specialist
Michael Beck, Chief Librarian

1. CALL TO ORDER

Chair Baker called the meeting to order at 6:33 p.m.

2. ROLL CALL

Roll taken. Introductions were made.

3. CITIZEN COMMENTS

No comments received either by voicemail or email. No citizens present.

4. APPROVAL OF THE MINUTES

Motion by Committee-member Hackenberg, second by Vice Chair Miele, to approve the October 21, 2021 CDAC meeting minutes as written. The motion carried 7– 0.

5. OLD BUSINESS

None.

6. NEW BUSINESS

a. City of Glendale Funding Allocations – FY2022-23, HOME-ARPA, and Prior Year Unspent Funds

Mr. Hess announced that each year the City receives allocations of Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME), and Emergency Solutions Grant (ESG) funds from the U.S. Department of Housing and Urban Development (HUD). He explained that the activity funds must advance the Consolidated Plan goals. Additional information included the following:

- The total amount allocated to activities in the Annual Action Plan was approximately \$3.4 million.
- During FY2020-21, the City received additional combined allocations of CDBG (\$3,502,183) and ESG (\$3,746,643) through the CARES Act, all of which was allocated through prior Substantial Annual Action Plan Amendments.
- The final FY2022-23 allocations are not available yet and were estimated based on funding levels for FY2021-22.
- The current estimated funding available is approximately \$6.8 million, which was detailed in a funding recommendation spreadsheet.

Mr. Hess presented the FY2022-23 funding recommendation spreadsheet.

Mr. Hess gave a presentation on Community Planning and Development Program Investments, which included the following:

FY2020-24 Consolidated Plan Goals

1. Promote access to decent affordable housing.
2. Increase access to homeless services/housing.
3. Increase access to public service for vulnerable populations.
4. Provide educational programs and business assistance.
5. Enhance livability of neighborhoods.
6. Comply with affirmatively furthering fair housing regulations.

Operational Efficiencies and Accomplishments

- Streamlined public services grants solicitation
- Aligned investments to Consolidated Plan
- Strategic partner selection and program investments (RSOQ)
 - Pandemic Small Business Assistance
 - Tenant Based Rental Assistance
 - Youth Employment & Education (IGA)
 - Homeless Master Services Agreement
 - First Time Homebuyer
- Simplification of City Homeowner Rehab programs
- New affordable housing construction
- Technology investment
- Exceeded regulatory expenditure requirements

Investment Fund Sources and Requirements:

Investment Recommendations Needed

- CDBG: Community Development Block Grant
- CDBG-CV1: CARES Act Reallocation

- ESG: Emergency Solutions Grant
- HOME: Home Investment Partnerships Program
- HOME-ARP: American Rescue Plan Act Allocation

CDBG & CDBG-CV Funding Requirements

- Benefit populations <80% Area Median Income
- Same requirements apply to program income
- CDBG-CV1 funding must address COVID crisis
- Eligible Activities
 - Public Services - capped at 15% of allocation
 - The 15% cap does not apply to funding received during FY2019-20 or FY2020-21 due to CARES Act waiver
 - Housing
 - Economic Development
 - Physical Improvements and Infrastructure

ESG Funding Requirements

- Benefit homeless populations <30% Area Median Income
 - Income limits for FY2019-20, FY2020-21, and CV increased to <50% due to CARES Act Waiver
- No more than 60% of funding to shelter and street outreach
- Eligible Activities
 - Street Outreach
 - Supportive Services
 - Homeless Prevention
 - Rapid Re-Housing
 - Emergency Shelter

HOME Funding Requirements

- Allocated through Maricopa County HOME Consortium
- Benefit populations <80% Area Median Income (AMI)
- Same requirements apply to program income
- May only be used for affordable housing, rented or owned
- Eligible Activities
 - Tenant Based Rental Assistance (2-year vouchers)
 - Maximum allowable income is 60% AMI
 - Homebuyer Assistance
 - Rental or Homeowner new construction or rehabilitation
 - Acquisition and/or demolition (must be paired with another activity)

HOME-ARP Requirements

- Allocated through Maricopa County HOME Consortium
- Benefit homeless, domestic violence, or sex trafficking victims
- May only be used for affordable housing rentals
- Eligible Activities:
 - Supportive Services, Homeless Prevention Services, and Housing Counseling
 - Tenant Based Rental Assistance (2-year vouchers)
 - Production or Preservation of affordable rentals
 - Purchase and Development of Non-Congregate Shelter (permanent transitional/bridge housing)

Committee-member Carbello inquired about Area Median Income. Mr. Hess explained that the calculation was based on family size and he will send the information to the Committee-members. Committee-member Carbello asked if the Area Median Income was based on the census. Mr. Hess recalled the figures were based on a three-year rolling survey. Committee-member Carbello inquired if the cost of housing was factored into the calculation. Mr. Hess relayed that HUD only looks at income and there was no cost-of-living adjustment.

Mr. Hess continued with the presentation.

Investment Strategy Discussion:

Funds to Invest: Approximately \$6.8 million to invest

- Remnant Funding: Total \$558,265
 - CDBG: \$281,668
 - HOME: \$116,072
 - CDBG-CV1: \$160,525
- HOME-ARP: \$2,876,844
 - Homeless activities only
- FY2022-23 (Estimated)
 - CDBG: \$2,459,350
 - HOME: \$686,496
 - ESG: \$211,275
 - Homeless activities only

Staff Analysis

- Most critical need Consolidated Plan goals:
 - Affordable Housing
 - Homeless Services
 - Public Services for Vulnerable Populations
- Renters are struggling to find affordable units
- Homeowners are building significant equity
- More families are experiencing homelessness

Investment Strategy Recommendations – Seeking CDAC Consensus

1. Align investments to desired outcome
2. Maintain operational efficiencies
3. Maximize benefit of CARES Act Waivers
4. Maximize community impact through leveraged partnerships

Goal 1: Affordable Housing – Total Recommended Funding \$2,401,146

- Home Repair Services: \$900,000
- Rental New Construction: \$1,501,146

Goal 2: Homeless Services/Housing – Total Recommended Funding \$2,232,356

- Rapid rehousing; eviction prevention; hotel vouchers; shelter beds and operations; job (re)training; counseling, physical, mental health, and addiction services; homeless navigation and street outreach; housing navigation; and other ESG-eligible activities

Goal 3: Public Services for Vulnerable Populations – Total Recommended Funding \$1,451,095

- Public services for seniors, at-risk youth, youth aging out of foster care, disabled, domestic violence victims, and others: \$368,902

- Housing Stabilization Programs – case management, financial incentives, rental assistance, and other services: \$1,082,193

Committee-member Carbello asked for clarification of an RSOQ and well-performing City services and programs, and if the City had non-congregate shelters. Mr. Hess relayed that the City did not have its own non-congregate shelters and stated that he was not aware if the City had access to non-congregate shelters or a plan for such. Mr. Hess explained that RSOQ was an acronym for Request for Statement of Qualifications, which was a streamlined procurement process. Mr. Hess stated that well-performing City services was in reference to the City's HOME repair program. He noted that the wait list was down to eighteen people and the intent was to further fund the program to reduce the wait list. Committee-member Carbello asked about the specific program and if it was the Habitat for Humanity Program. Mr. Hess explained the additional allocated funds would be for the City's Emergency Home Repair Program, which was more expansive than the Habitat for Humanity program.

Committee-member Carbello inquired about the length of the Homeless Master Services Agreement. Mr. Hess stated that the contract expires at the beginning of 2023 and the HUD required deadline for spending the funds was September 2022.

Mr. Hess inquired if there was Committee consensus for the funding recommendations.

Committee-member Rubio commented that the recommendations were in line with what the Committee has been discussing and also in line with the Consolidated Plan.

Committee-member Carbello inquired about the Homebuyers Assistance Plan. Mr. Hess explained that there was still FY2021-22 funding available, however, staff's recommendation at this time was not to fund the program for the upcoming fiscal year. Mr. Hess stated that this decision was made due to high real estate prices, which would mean higher subsidies. Ms. Moreno commented that with the current home prices, the City would need a funding partner to leverage the program to create the same impact intended when the program was first implemented. Ms. Moreno explained that when the program was first initiated, the price of homes was not so high.

Mr. Hess announced that the recommended funds for Goal #1 would be used to assist homeowners with emergency repairs. He added that there were a number of developers who expressed an interest in affordable housing in Glendale and the state and county may have funds available to leverage investment. Ms. Moreno stated that there was a lot of interest in Glendale by affordable developers and there were two developers currently in the review process. She stated that the state and county do look at the City's financial commitment to the developments as well. Ms. Moreno relayed that one developer was proposing approximately 300 units for low-income individuals and one developer was proposing approximately 500 units for seniors and families. Ms. Moreno commented that the period of affordability was for a minimum of 15 years and it was a really good opportunity to make a big impact in the City with leveraged funding. She stated that the parcels have been vacant for a long time, development eliminates blight, and besides housing, would bring some element of jobs to the community as well. Ms. Moreno stated that the proposal also ties into project-based vouchers, which the City does not currently have, however was on the City Council agenda for this Tuesday.

Committee-member Carbello inquired about the proposed locations for the new developments. Ms. Moreno stated they were near 67th Avenue and Glendale Avenue. Ms. Moreno said that besides housing, there will be on site supportive services for the clients. Committee-member Carbello commented that the location was pretty congested already and inquired as to where the children will go to school. Ms. Moreno relayed that the developers would have to go through the planning and zoning process and a traffic impact analysis. Mr. Hess stated that there was an environmental review process as well. Vice Chair Miele requested additional information that she could share with the school district, to be aware of the potential developments.

Committee-member Giles asked about funding of the Mobile Home Replacement Program. Ms. Moreno replied that staff was not recommending funding of this program at this time due to the high cost and low amount of people impacted. Ms. Moreno relayed that one project currently underway has cost approximately \$267,000 so far and that was for one household. She stated that the staff recommendations were focused on impacting a larger amount of citizens, however, the Committee could discuss and make its own recommendations. Ms. Moreno stated that the Committee could discuss not replacing a mobile home with another mobile home, but rather with a stick built. Committee-member Giles thought the mobile home could either be replaced with another mobile home or a stick built. Mr. Hess agreed, however, stated that it was ironically cheaper to construct a stick-built at the moment instead of a new mobile home. Committee-member Giles inquired if staff was saying it was not feasible to fund the program. Ms. Moreno stated the program was cost prohibitive in that it was a high cost to serve the least amount of people. She stated that funding the program was not a staff recommendation, but there could be discussion and feedback by CDAC. Committee-member Carbello inquired about the amount of requests for the program. Mr. Hess stated that there was a need. Ms. Moreno relayed that since 2002, twenty-two of these projects have been completed. Chair Baker asked if the low amount was due to low awareness of the program and how people found out about the program. Mr. Hess replied that staff has conducted outreach to residents and neighborhood leaders. Mr. Hess stated that it was an extensive process as residents would have to be relocated for eight to nine months during the demolition and reconstruction. Chair Bakers inquired if the land had to be owned by the owner of the mobile home and if it was for Grenada Estates. Mr. Hess replied in the positive.

Committee-member Carbello recommended affordable housing in other areas of the City, such as near Highway 303, stating that there was a lot of affordable housing near Glendale Avenue currently. Ms. Moreno explained that developers look to build affordable housing in areas where there is access to public transportation, health clinics, and schools. Ms. Moreno stated that there was a ranking criteria for scoring the developments, which was very competitive. She added that having appropriate existing zoning was very important as well because it can be hard to change zoning.

Vice Chair Miele inquired about the mobile home park on Myrtle east of 67th Avenue. Ms. Moreno relayed that this was the Lazy J Mobile Home Park, which was acquired by the City in the early 2000s for the eventual expansion of the Field Operations Campus. Ms. Moreno explained that the property was recently vacated as the City worked to relocate the remaining families and construction of the new campus will be moving forward.

Committee-member Hackenberg inquired if the owners of a reconstructed mobile home had a timeframe before they could sell the unit. Mr. Hess explained that the City would have a deed of trust,

there would be a 20-year forgivable loan, and if the owner stayed in the home for twenty years, the loan would be forgiven, otherwise, the City would receive a prorated percentage of the loan.

Ms. Moreno asked if there was consensus on Goal #1 as recommended or to include an allocation to the Mobile Home Replacement Program.

Vice Chair Miele inquired about the amount to replace on mobile home. Ms. Moreno replied that for the current project, the cost was nearing \$300,000. Vice Chair Miele did not want to jeopardize the other affordable housing programs and did not surmise it was beneficial to impact one household for \$300,000 versus 300 people.

Committee-member Giles stated that it was not his intent for all of the funding to come from one source, rather he surmised there could be a mix of funds towards a replacement. Mr. Hess relayed that there may be non-federal sources, such as Habitat for Humanity, that could be pursued separately.

Committee-member Rubio commended Committee-member Giles for bringing up the mobile home program. She suggested possibly entertaining the program in the next funding cycle. She commented it was a great program, however it was expensive and the CDAC focus was to produce more affordable housing. She suggested that possibly staff could conduct additional research on the program to find more combined funding sources. Committee-member Flores and Carbello concurred.

Chair Baker asked if there was consensus on moving forward with staff's funding recommendations on Goal #1. Consensus was confirmed.

Mr. Hess explained the programming activities for Goal #2. Mr. Hess commented on the accomplishments by CASS so far in the Master Services Agreement, noting that a lot has been achieved in a short time.

Chair Baker asked if there was consensus on moving forward with staff's funding recommendations on Goal #2. Consensus was confirmed.

Mr. Hess and Ms. Moreno explained the programming activities for Goal #3.

Committee-member Carbello asked if more funding could be allocated toward seniors and youth. Mr. Hess explained that \$368,000 was the 15% cap allowed for FY2022-23. Ms. Moreno relayed that Housing Stabilization funds could be used to help seniors and youth and there were also some CAP program funds that may be available.

Chair Baker asked if there was consensus on moving forward with staff's funding recommendations on Goal #3. Consensus was confirmed.

Mr. Hess continued with his presentation.

Next Steps

- Public Service Grant Application (November / January)
- Prepare FY2021-22 Action Plan Amendment for Council Vote (March / April)
- Coordinate with Country for ARPA Allocation Plan
- FY2022-23 Action Plan

- CDAC grant application recommendation (February)
- Council Workshop (March)
- Public Comment Period (March / April)
- Public Hearing (April)
- Council Action (April / May)

Mr. Hess thanked the Committee for their time this evening and their insights.

7. DIRECTOR'S REPORT

Ms. Moreno stated that the CAP Office works to sponsor families for the holidays. She stated that last year, twenty families were sponsored and this year, seventy families are sponsored so far. She thanked the City's employees for adopting these families for the holidays. She explained that the CAP families are chosen by a random drawing and they are very happy to hear when they are chosen. She complimented the great body of employees who truly care about the City and its citizens.

8. COMMITTEE MEMBER COMMENTS AND SUGGESTIONS

No comments.

9. NEXT MEETING

The Committee agreed by consensus to vacate the December 2022 regular monthly meeting.

10. ADJOURNMENT

Motion by Committee-member Rubio, second by Chair Baker, to adjourn the meeting at 8:18 p.m. Motion carried 7 – 0.