

DRAFT



MINUTES

**COMMUNITY DEVELOPMENT ADVISORY COMMITTEE
GLENDALE CIVIC CENTER
SAPPHIRE ROOM
5750 W. GLENN DR.
GLENDALE, ARIZONA 85301**

**NOVEMBER 16, 2023
5:30P.M.**

1. CALL TO ORDER

Chair Baker called the meeting to order at 5:30 p.m.

2. ROLL CALL

Roll Call was taken.

Present: Lisa Baker, Chair
Kelly Carbello, Committee Member
(entered during agenda item 6b)
Kirstin Flores, Committee Member
Moises Gallegos, Committee Member
David Giles, Committee Member
Theodora Hackenberg, Committee Member
Brandon Hiller, Committee Member
Carlos Vargas, Committee Member
Oscar Gonzales, Committee Member

Also Present: Matthew Hess, Revitalization Administrator
Trilese DiLeo, Revitalization Grants Supervisor

3. CITIZEN COMMENTS

None.

4. APPROVAL OF THE MINUTES

- a. **Motion by Committee Member Hackenberg, second by Committee Member Flores, to approve the September 21, 2023 minutes of the Community Development Advisory Committee meeting, with revisions of the correction spelling of ‘Hackenberg’ as needed. The motion carried 8 – 0. [Committee Member Carbello was not yet present.]**

5. **OLD BUSINESS**

None.

6. **NEW BUSINESS**

- a. **FY 2023-24 Selection of CDAC Chair and Vice Chair**
Mr. Hess announced that the CDAC needed to recommend a Chairperson and Vice Chairperson for FY 2023-24. Committee Member Flores asked Chair Baker if she would accept the position of Chair again. Chair Baker said she would.

Motion by Committee Member Hackenberg, second by Committee Member Flores, to approve and recommend Committee Member Baker and Committee Member Gallegos as the Chair and Vice Chair, respectively, for FY 2023-24.

Committee Member Gallegos accepted the nomination.

The motion carried 8 – 0. [Committee Member Carbello was not yet present.]

b. **Reallocation of Neighborhood Stabilization Program Funds**

Mr. Hess announced the CDAC was being called to consider the reallocation of Neighborhood Stabilization Program (NSP) funds, and relayed information, including the following:

- Between 2009 and 2011, the City received approximately \$10 million in Neighborhood Stabilization Program (NSP) funds from HUD to address the foreclosure crisis resulting from the 2008 housing crash.
- There were three activities for which the funds were used, which generated approximately \$2.3 million in program income.
- There is approximately \$890,000 of program income and \$110,000 of the original NSP funds to be reallocated.
- Staff is seeking consensus direction from the CDAC to reallocate the \$992,884, as well as future program income, to support the creation of new affordable rental units that receive Low Income Housing Tax Credit (LIHTC) allocations from the Arizona Department of Housing.

Committee Member Vargas asked how the funds would be used.

Mr. Hess explained the process would be similar to the centerline development at 67th Avenue and Glendale Avenue. He said there would be a developer(s) agreement that Council would have to approval. He said the City would prefer to pay for acquisition costs, rather than have to funds drawn down for construction.

Committee Member Vargas asked if the City was buying properties to develop.

Mr. Hess explained the City would not purchase the property, but would have a loan agreement with a developer. He said the end property would be multi-family affordable rentals and the specific design would be created during the process.

Committee Member Gallegos asked if staff knew which developer would be used. Mr. Hess said there was a limited pool of developers tied to receipt of LIHTC credits and it was a very competitive process.

Committee Member Gallegos asked if there was a minimum amount needed for a development to move forward.

Mr. Hess said a minimum of \$500,000 was needed from the municipality. He anticipated there would be enough for two projects since the available amount was close to \$1 million.

Committee Member Flores asked how many families would be helped and how it would compare to the need. Mr. Hess said the need would always be greater. He said a three to four-acre site would supply maybe 100 units, depending on size and shape.

Committee Member Flores asked if staff would make an effort to spread the developments throughout the City. Mr. Hess said the projects were restricted to where the available land was in the City, but noted the goal was not to concentrate poverty.

Committee Member Giles inquired about the development timeline.

Mr. Hess estimated it would be three to four years and shared state deadlines and a general timeline process.

Committee Member Giles asked if staff ran into the 'not in my backyard' mentality with this type of project. Mr. Hess said he had not run into this in his experience.

[Committee Member Carbello entered the meeting.]

Committee Member Vargas asked if staff looked at alternatives for homeownership instead of only rentals.

Mr. Hess said staff has done homeownership programs in the past. He explained the challenges with these programs during the current housing market. He said, due to median income requirements, the City would have to subsidize a purchase for one homeowner at an estimated amount of \$100,000, and cited the greater impact of using the funds to assist more people.

Committee Member Vargas requested more concrete figures on homeowner affordability and assistance in Glendale. He commented on working with non-profits to bridge the gap for people who wanted to be homeowners and who had been left behind or forgotten. He said he would like to have an action item to explore possibilities for partnering with non-profits on this issue.

Chair Baker requested follow up information from staff on specific dollar amounts for the area median income (AMI), home purchase prices in Glendale, and the purchasing power for a home. Mr. Hess noted that AMI was based on household size and there were a lot of interplaying variables. He said he would provide follow up data.

Chair Baker asked what would happen if a project fell through. Mr. Hess said a failed project of this type would be extremely rare since underwriting for LIHTC was very stringent. He explained what could potentially happen and noted that the City would be in a junior position for recovery, but he did not see this as occurring.

Committee Member Gallegos requested information on the income level for units.

Mr. Hess explained that it was a very complex program and overall, all units must be at 60% of AMI or below.

Committee Member Gallegos asked if there was a way to ensure there were some units for the very lowest income band. Mr. Hess said a developer needed to ensure they could cover

all of their expenses while maintaining compliance, and so they usually butt up against 60% of AMI to ensure the project is feasible.

Committee Member Carbello asked if the City would receive future NSP funds. Mr. Hess said he expected approximately \$14,000 annually in NSP funds over the next 20 years.

Chair Baker confirmed consensus direction from the CDAC to reallocate the \$992,884, as well as future program income, to support the creation of new affordable rental units that receive Low Income Housing Tax Credit (LIHTC) allocations from the Arizona Department of Housing.

c. FY 2024-25 CDBG Public Services Grant Cycle and Partial Reallocation of FY 2023-24 Funding

Ms. DiLeo gave a presentation on the CDBG Public Services Grant Cycle, which included information on the following:

- The City's policy regarding CDBG funds.
- The FY2024-25 grant application process, that opened on October 30, 2023 and will close on November 17, 2023.
- The matrix used by staff to review grant applications and provided to CDAC as part of its review.
- Additionally, \$53,800 of FY 23-24 Public Service funding is available for reallocation in the current funding year. Operation Enduring Gratitude (OEG) has elected to decline this year's allocation. The CDAC and Council approved the funding for OEG in the current FY 23-24 Annual Action Plan (AAP). This funding can be reallocated as a Public Service grant and will not exceed the 15% cap if it is spent before the funding year ends on June 30, 2024.
- Staff reviewed the list of applications and awards from the FY23-24 funding cycle and recommended fully funding Catholic Charities with an additional \$30,268 (for a total of \$40,000) and Benevilla, West Valley Enrichment Program at \$23,532. These organizations have confirmed they can expend the funds prior to the required deadline.

Committee Member Carbello asked about the grant orientation. Ms. DiLeo said it was held on September 19th, there were about forty participants, and staff increased the training this year from four hours to eight hours. Mr. Hess said numerous emails and reminders were sent to agencies regarding the orientation. Ms. DiLeo said information on the grant orientation was sent to all agencies on staff's master list and was posted on the City website.

Committee Member Carbello inquired about assistance for smaller, mom and pop agencies. Mr. Hess explained how staff has worked to assist the smaller agencies, who may find the grants process very challenging, to more of a foundation grants process that would be easier to apply for and obtain.

Committee Member Giles asked why OEG could not use the funds. Ms. DiLeo explained there were some findings for this agency that could not be corrected before they could utilize the grant funds, so they opted out.

Committee Member Vargas asked how Catholic Charities would use the funds. Ms. DiLeo said the funds would be used for the West Side Head Start program, which was the program in their application. She said staff selected this agency because the others were fully funded

and this was the only agency partially funded. She noted that Benevilla was one of the high scoring applications from last year.

Chair Baker said that Benevilla was the next highest scoring for senior services, but not overall. She asked if there were other veteran agencies. She said seniors were already receiving 34% of the grant funds while youths were funded at 11%.

Ms. DiLeo said there were no other veteran agencies that applied. She said that some agencies did not have capacity to spend the funds by the end of the year. Mr. Hess said there were some agencies on the matrix that left funds unspent in the past.

Committee Member Carbello said the matrix results should be adhered to and she felt discouraged that time was spent on the matrix but it was not being utilized for this. She wanted to know if all of the other agencies were contacted.

Ms. DiLeo said there were extensive conversations by staff on this recommendation because the agencies must be able to spend the funds by the June 30, 2024 deadline or the funds would be forfeited. She said there was a 50% spend deadline by January 31, 2024 or February 1, 2024 to keep the agencies on tract for spending and these two agencies confirmed the funds could be spent.

Chair Baker confirmed consensus from the CDAC to reallocate \$53,800 of FY 23-24 Public Service funding according to staff's recommendation to fully fund Catholic Charities with an additional \$30,268 (for a total of \$40,000) and Benevilla, West Valley Enrichment Program at \$23,532.

Committee Member Vargas said this was the first time he saw a request for consensus and said it would be better for a motion and vote. Mr. Hess said the process for this item was similar to the process in a Council workshop.

7. DIRECTOR'S REPORT

Mr. Hess announced there was no report.

8. COMMITTEE MEMBER COMMENTS AND SUGGESTIONS

Committee Member Vargas requested concrete numbers regarding homeowner affordability and income percentages and to get data on how Glendale was doing in context of the West Valley.

9. NEXT MEETING

Mr. Hess noted the CDAC historically vacated the December meeting and asked if the CDAC wanted to consider this again.

Chair Baker confirmed CDAC consensus to vacate the December meeting.

The next regular meeting of the Community Development Advisory Committee will be held on January 18, 2024 at 5:30 p.m. at the Glendale Civic Center in the Sapphire Room, located at 5750 W. Glenn Dr., Glendale, Arizona, 85301.

- 10. ADJOURNMENT**
Motion by Committee Member Giles, second by Committee Member Carbello, to adjourn the meeting at 6:57 p.m. Motion carried 9 – 0.

The Community Development Advisory Committee meeting minutes of November 16, 2024, were submitted and approved the 18th day of January, 2024.

Denise Kazmierczak
Recording Secretary