



CITIZENS ADVISORY COMMITTEE COMMUNITY DEVELOPMENT BLOCK GRANTS **A G E N D A**

CITIZENS ADVISORY COMMITTEE - CDBG
REGULAR MEETING
WEDNESDAY, MAY 30, 2012
2:00 PM

COUNCIL CHAMBERS
201 S. CORTEZ STREET
PRESCOTT, ARIZONA
(928) 777-1143

The following agenda will be considered by the **CITIZENS ADVISORY COMMITTEE (COMMUNITY DEVELOPMENT BLOCK GRANTS)** at its **Committee Meeting** to be held on **MAY 30, 2012** in the **Council Chambers, City Hall** located at **201 S. Cortez Street** at **2:00 PM**. *Notice of this meeting is given pursuant to Arizona Revised Statutes, Section 38-431.02.*

I. CALL TO ORDER

MEMBERS

Mary Ann Suttles, Chair
Miriam Haubrich
James R. Johnson
Jerome Jones
Pam Wickstrom

Alan Carlow, Council Liaison

Kathy Dudek, Grants Administrator
Suzanne Derryberry, Recording Secretary

II. REGULAR ITEMS

1. Consider approval of the minutes of February 29, 2012.
2. Discuss proposed amendment to the Consolidated Plan.
3. Discuss proposed amendment to reallocate unspent funds.
4. Discuss proposed grants administration changes for 2012-2013.

III. ADJOURNMENT

The City of Prescott endeavors to make all public meetings accessible to persons with disabilities. With 72 hours advance notice, special assistance can also be provided for sight and/or hearing impaired persons at public meetings. Please call 777-1100 (voice) or (TDD) to request an accommodation to participate in this meeting.

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Prescott City Hall and on the City's website on May 25, 2012 at 4:00 p.m. in accordance with the statement filed with the City Clerk's Office.

Kathy Dudek, Grants Administrator
Community Development Department

**CITIZENS ADVISORY COMMITTEE -- CDBG
PUBLIC HEARING
FEBRUARY 29, 2012
PRESCOTT, ARIZONA**

MINUTES OF THE PUBLIC HEARING OF THE CITIZENS ADVISORY COMMITTEE (CDBG) held on FEBRUARY 29, 2012 in COUNCIL CHAMBERS, CITY HALL, located at 201 S. Cortez Street, Prescott, Arizona. Notice of this public hearing was given pursuant to *Arizona Revised Statutes*, Section 38-431.02.

I. CALL TO ORDER

Chairman Suttles called the meeting to order at 3:00 p.m.

II. ATTENDANCE

<p>MEMBERS PRESENT Mary Ann Suttles, Chairman Jerome Jones Miriam Haubrich, Pamela Wickstrom James Johnson</p>	<p>OTHERS PRESENT Kathy Dudek, Grants Administrator Suzanne Derryberry, Recording Secretary Tom Guice, Community Dev. Director Marlin Kuykendall, Mayor</p> <p>COUNCIL LIAISON Alan Carlow</p>
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III. REGULAR ITEMS

1. Consider approval of the minutes of February 15, 2012.

Ms. Wickstrom, **MOTION: to approve the minutes of February 15, 2012 meeting.** Mr. Jones, 2nd. **Vote: 4-0** (Chairman Suttles abstained; she was not present at that meeting).

2. Discuss substantial amendment FY11.

Ms. Dudek stated that the allocation for FY11 included \$45,000 in funding to the Adult Daycare Center for a roof replacement. They began their project before HUD approved the entire action plan and because they began before getting approval, we could not extend CDBG funds for the project since it's against HUD guidelines. In order to not lose the \$45,000, Ms. Dudek needs to perform a substantial amendment. The committee must decide on a project, and then it needs to go to Council through a public hearing process or risk losing the \$45,000.

One of the projects that is "shovel ready" is Project Aware. The money could be spent to demolish the unoccupied house at 502 S. Montezuma Street. Ms. Dudek asked the committee for any other suggestions.

Mr. Falk from Project Aware stood to address the committee and indicated that their environmental reports have already been done. Mr. Falk requested an amendment to his original

request of \$30,000 and he is now requesting funding in the amount of \$45,000 to aid in the cost of putting up a retaining wall and security fencing to protect persons from injury. Ms. Wickstrom asked if there needs to be some sort of asbestos eradication since it's an older building. Mr. Falk stated that the eradication had already been done, at which point Paul Lutz, from Raven crest homes, explained that the asbestos testing had already taken place but not the abatement. Ms. Wickstrom inquired if they had a timeline in place when construction would begin after the demolition. Mr. Lutz stated that since it's a grant based project, the schedule is based on the receipt of funds.

Ms. Dudek stated that she was open to any other alternative ideas beyond the request of Project Aware but added that it must be a project that is ready to go. Ultimately, the committee decided it would be best to fund the \$45,000 to Project Aware and by doing so other items could be moved back onto the list for funding.

Ms. Haubrich, **MOTION**, Mr. Johnson, 2nd. **VOTE: 6-0**

3. Review / rank funding requests FY12 including public comments.

Ms. Dudek stated that she would prefer to keep the public service up to \$3,000 for fair housing and \$30,000 for Meals on Wheels. If she doesn't spend all of the \$3,000 on fair housing then she would like to add the additional amount to Meals on Wheels, as long as it doesn't go over 15% of the budget.

Mr. Jones, **MOTION** to accept the fair housing requirement for \$3,000 and the Meals on Wheel allocation for \$30,000. Ms. Wickstrom, 2nd. **Vote: 6-0**

Ms. Haubrich formally withdrew the project request by Prescott Area Habitat.

Mr. Johnson recused himself at 3:25 p.m., due to a potential conflict of interest.

The major goals and strategies identified in the CDBG consolidated plan 2010-2014 include:

- Increase the supply of transitional housing for families.
- Increase the supply of permanent housing for homeless and other special needs populations.
- Increase supportive services to homeless and special populations.
- Increase the supply of efficiency and one-bedroom rental units in close proximity to employment and services that are available to low-income households.

Ms. Dudek stated a goal of City Council is to increase the supply of housing for low-to moderate income persons and also the workforce. She would like the committee to keep that in mind when making decisions.

Ms. Dudek briefly pointed out a few discrepancies in the funding requests as well as projects that would be taken off the list. She would like to have a ranking order in place in the event a project cannot be funded; they will have another item to fall back on. The committee debated the requests from West Yavapai Guidance Clinic. Ms. Dudek noted that they could increase the funding for Walnut Street in the Dexter neighborhood for paving and ADA safety improvements. She suggested they may want to fund that infrastructure for FY12. She added there has been no funding for the Dexter neighborhood in the last year. She believed that the Dexter neighborhood is viable project which covers the low-to moderate- income meets CDBG

guidelines. Ms. Wickstrom added that she would like to help those that do not have help from other sources of funding. Ms. Haubrich voiced concerns regarding West Yavapai Guidance Clinic because they receive funding often and she does not think it is reasonable to allow an organization to continue getting funding repeatedly. Ms Wickstrom added that she believed West Yavapai Guidance Clinic is being affected by people being turned away from the VA. Mr. Jones stated that they currently had a budgeted amount of \$57,000 for West Yavapai Guidance Clinic, \$11,200 for Catholic Charities, \$15,000 for Coalition for Compassion; NAZCARE was removed from the list, since the Woman's Shelter is a rented building, that has been taken of the list as well. Habitat for Humanity was taken off the list; Project Aware was removed from the list as well as the US Vets. There would be approximately \$62,000 left to aid in the Dexter neighborhood. Ms. Dudek moved the fair housing amount down to \$1,434 which would leave \$32,000 left for Meals on Wheels.

Ms. Suttles called for a motion. Ms. Haubrich, **Motion to approve the prioritized list.** Mr. Jones 2nd. **VOTE 5-0**

4. Draft Annual Plan FY12 status, timeline, public hearing and public comment process.

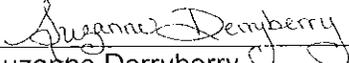
Ms. Dudek informed the committee that the Annual Draft Plan would be heard by Council on April 8, 2012. On April 6, the public comment process ends. The Committee meeting to finalize the draft plan will take place on April 11, if necessary. On May 8, the final Annual Action Plan would go to Council for final decision.

5. April – Fair Housing Month.

On April 3, Council will make a proclamation to declare April Fair Housing Month. Ms. Dudek asked for someone from the committee to be there to accept the proclamation. Ms. Suttles stated that she would be there and requested other members to attend as well. On April 6, Ms. Dudek will have Southwest Fair Housing Council put on a workshop from 8:30 am to 9:30 am. They will discuss landlord tenant rights, fair housing laws, etc. The workshop satisfies requirements for fair housing. The draft of the Annual Action Plan will be sent to committee members. She will take any public comments and incorporate them into the plan when she publishes the initial draft. It will include information from today's meeting.

VI. ADJOURNMENT

Ms. Suttles adjourned at 4:23p.m.


Suzanne Derryberry,
Administrative Specialist

Mary Ann Suttles, Chairman

CITIZENS ADVISORY COMMITTEE

COMMUNITY DEVELOPMENT – GRANTS ADMINISTRATION
COMMITTEE MEETING – MAY 30, 2012

STAFF REPORT

PROPOSED AMENDMENT TO THE CONSOLIDATED PLAN

The Consolidated Plan, written by the previous grants administrator, contains a requirement that any time the year's funding is changed by more than 10% of the annual allocation, a substantial amendment must be undertaken.

In several surrounding entitlement communities (refer to attachment) a major amendment is undertaken when there is a 20% change in annual allocation. Because the 20% is more commonly chosen by the majority of Arizona entitlement communities, the City of Prescott would benefit from the change.

The substantial amendment requires a 30-day public comment period at the city level and a 30-day public comment period at HUD. Along with the comment period, a public hearing must be held by the Citizens Advisory Committee and a public hearing must be held by City Council. Newspaper advertisements approximate \$300 to \$400 per amendment. These requirements remain in effect when any amendment is requested.

Because CDBG has a "1.5 Timeliness Rule" (only 1½ times the yearly allocation must be unspent by April 30 of the program year), when a re-allocation is needed towards the end of the program year, it can jeopardize the City's entitlement funding. If a timeliness deficiency is found, the CDBG program is placed under stringent auditing and monitoring.

Staff is recommending that a recommendation to Council be made to amend the Consolidated Plan to require a substantial amendment when reallocation changes are 20% or more of the program year's funding.

CITIZENS ADVISORY COMMITTEE

COMMUNITY DEVELOPMENT – GRANTS ADMINISTRATION
COMMITTEE MEETING – MAY 30, 2012

STAFF REPORT

PROPOSED AMENDMENT TO REALLOCATE UNSPENT FUNDS

CDBG has a “1.5 Timeliness Rule” (only 1½ times the yearly allocation must be unspent by April 30 of the program year), when a re-allocation is needed towards the end of the program year, it can jeopardize the City’s entitlement funding for future years.

If a timeliness deficiency is found, the CDBG program is placed under stringent auditing and monitoring. This year, the timeliness rule was not met by the City of Prescott. At the time of writing the staff report, the exact amount is not yet known. During the meeting on May 30, the CAC will be given the updated status report.

Staff is recommending that the Citizens Advisory Committee make a recommendation to Council to re-allocate unspent funds.

CITIZENS ADVISORY COMMITTEE

COMMUNITY DEVELOPMENT – GRANTS ADMINISTRATION
COMMITTEE MEETING – MAY 30, 2012

STAFF REPORT

DISCUSSION OF PROPOSED GRANTS ADMINISTRATION CHANGES FOR 2012-2013

- revise application for non-profit funding (refer to attached draft)
- hold a workshop during November for non-profit organizations to go over the application packet, discuss national objectives, eligible/non-eligible activities, records required, subrecipient contract, time schedule of proposed activity, monitoring, etc.
- strengthen the subrecipient contract to include "tightened" monitoring and specific requirements (deadlines, report submission, site visits, etc.)
- start environmental assessments as soon as funding is received
- revise the non-profit contact list and fair housing mailing list
- other changes at Committee's request

APPLICATION FOR CDBG-FUNDED PUBLIC SERVICE ACTIVITIES

The City of Prescott, Community Development Department, is soliciting applications from qualified non-profit organizations interested in providing services that address one or more of the public service needs targeted in the City's CDBG program.

SCOPE OF WORK:

Under this program, CDBG funds may be used to provide public services (including labor, supplies, materials and other costs), provided the public service is:

- A new service; or
- A quantifiable increase in the level of a service

Targeted public service activities include, but are not limited to:

- Child care
- Health services
- Job training
- Recreation programs
- Education programs
- Public safety services and crime prevention
- Fair housing activities (requirement of CDBG)
- Services for senior citizens
- Services for homeless persons
- Substance abuse counseling and treatment
- Energy conservation counseling and testing
- Welfare (as defined by CDBG excluding income payments)

The completed application must address one or more of the targeted public service needs listed above and must serve primarily low- to moderate-income persons in City of Prescott.

Funding Allocation:

The City of Prescott expects to receive \$xxxx in CDBG funding for the 2013-2014 Fiscal Year. The CDBG allocation for public service requests is 15% of the total annual allocation, or approximately \$xxxx for 2013-2014 Fiscal Year.

The selection process of applications for funding will be based upon an evaluation of the organizational capacity as well as written information provided in comparison to the needs outlined in the City's Five-year Consolidated Plan and Annual Action Plans.

This solicitation is offered in accordance with federal and state requirements governing procurement of professional services. Accordingly, the City of Prescott reserves the right to negotiate an agreement based on fair and reasonable compensation for the scope of work

and services proposed; and, the City reserves the right to reject any and all responses that: 1) does not meet a national objective; 2) are deemed not feasible; 3) does not meet a local need; and/or 4) does not serve eligible or intended beneficiaries.

Funding Timeline:

Application funding recommendations made by the CDBG Commission will be forwarded to the City Council for approval as part of the Annual Action Plan process. This process is finalized by May 15th every year with the submittal of the Action Plan to HUD. Once HUD approves the plan and funds are released, a funding agreement will be signed between the City of Prescott and the subrecipient. Funding agreements will have an implementation period (from date of "notice to proceed") and completion deadline no later than June 30, 2013.

Reporting:

Agreements will include monthly reporting requirements, a minimum of one site visit every at least every six months, and a process that will discuss the possible cancellation of the contract should the City of Prescott determine that the sub-recipient does not have the capacity to meet the implementation/completion timeline and is not demonstrating compliance with contractual obligations in a timely manner.

Contractual Requirements:

Each grantee selected to receive funds is required to sign a sub-recipient contract with the City. No costs incurred prior to the execution of an agreement with the City are reimbursable and until a "notice to proceed" letter is issued by the grants administrator. Under CDBG regulations, certain requirements must be met in order to negotiate an agreement.

These requirements include the following:

1. Applicants must demonstrate that they are a non-profit organization or a governmental agency.
2. After an application is approved for funding, a contract will be prepared and sent by the City to the person identified by the applicant as the authorized official for signature. The contract will specify the amount of the award, the period for which the project is approved, the contract term(s) and administrative provisions. Special conditions attached to the award will also be specified in the agreement. Grantees will be required to submit and file monthly reports on expenditures, performance progress and objectives.
3. Each agency receiving CDBG funding from the City is required to certify that it will conduct its business in compliance with the non-discrimination requirements of the City, state and federal governments, as applicable. Equal Opportunity Employment policies will be required.
4. In the event of non-compliance, the agreement may be terminated or suspended in whole

or in part by the City of Prescott.

5. All recipients will be required to comply with the federal government audit requirements as described in OMB Circular A-133 (for HUD's programs, these requirements are codified at 24 CFR Part 84.) All recipients must have an annual audit.

Availability of Funds for Next Fiscal Year:

There is no implicit or explicit guarantee funding will be allocated or renewed; consequently, if funds are not allocated or are reduced, the City of Prescott reserves the right to notify the non-profit provider that funding is unavailable. No liability shall accrue to the City of Prescott in the event this provision is exercised; and, the City of Prescott shall not be obligated or liable for any damages as a result of termination under this paragraph.

Evaluation:

The Citizens Advisory Committee will evaluate applications and recommend those for an award based on the following criteria:

- Program design and community impact
- Project is "shovel ready" and/or can be completed during the funding year (July to June)
- Experience and capacity of the requesting non-profit
- Leveraging
- References

APPLICATION GUIDELINES:

Application Checklist:

- One (1) original completed application (form attached), and seven (7) additional copies (single-sided only, on 8½ x 11" paper, stapled or bound)
- No electronic or e-mailed applications
- Proposed Project Budget (form attached)
- Proof of IRS 501(c)3 status
- Other Funding Source References
- Copy of Most Recent Financial Audit
- Certifications signed by authorized official (form attached)

For application assistance, please call:

Kathy Dudek
Grants Administrator
City of Prescott
201 S. Cortez Street
Prescott, AZ 86303
Ph: 928.777.1143
Fax: 928.771.5870

APPLICATIONS DEADLINE & PUBLIC HEARING INFORMATION

All applications must be postmarked by **Thursday, January 3, 2013** or received at Prescott City Hall no later than 2 PM on **Wednesday, January 9, 2013**. All original applications will be date stamped. Late submissions will not be accepted.

The grants administrator will hold an informational meeting for the purposes of explaining the application package requirements at 3:00 p.m. on **Wednesday, November 7, 2013** in Council Chambers, 201 S. Cortez Street, Prescott, AZ. While this meeting is not mandatory, it will help those unsure of CDBG funding to have an opportunity for answers to their questions.

Applicants are strongly encouraged to attend the City of Prescott's CDBG Citizen's Advisory Committee Public Hearing for non-profit providers that will be held at 3 p.m. in the Council Chambers, 201 S. Cortez Street, Prescott, AZ on **Thursday, January 23, 2013**. At the public hearing, each organization will be allotted five to ten minutes for its presentation.

If you wish to use a PowerPoint™ or other form of presentation, please call Kathy Dudek, Grants Administrator, at (928) 777-1143 no later than **Friday, January 18, 2013** at noon to make arrangements. If you are making a presentation that requires equipment such as a computer, overhead projector, etc., plan to arrive at the public hearing by 2:30 p.m. so that you have your presentation "ready-to-go" when your organization is called.

Persons with disabilities may request reasonable accommodation. Requests should be made as early as possible, or at least 72 hours prior to the meeting, to allow time to arrange the accommodations. Please call Kathy Dudek at (928) 777-1143 or TDD (928) 777-1100.

PROJECT DESCRIPTION

Proposed Project Title:

Check applicable CDBG National Objective:

- Benefit to low- and moderate-income (LMI) persons
- Aid in the prevention or elimination of slums or blight
- Meet a need having a particular urgency (referred to as urgent need)

Check applicable priority area(s) that the project addresses:

- Public safety services
- Services for senior citizens and/or disabled
- Services for homeless persons
- Counseling and treatment (drug, substance, mental health)
- Other (please describe) _____
- Fair housing
- Affordable housing
- Sustainable housing (repairs, energy conservation, ADA accessibility)
- Education, job training

Describe the problem or need to be addressed by proposed project. (Please attach an extra sheet if needed).

Project Location and Service Area. Describe the area to be served by the project. (If possible, attach a map).

Targeted population or demographic. (ex: low-income, abused women and children, etc.):

Proposed Measurable Outcomes – Please provide an outcome statement to be achieved through the use of CDBG funding:

ORGANIZATIONAL CAPACITY

Please describe organization's history and prior experience, including a list of similar projects: (Please attach extra sheets if needed)

Financial Audit and Reports (per CDBG/HUD requirements, a non-profit provider 501C(3) may be required to furnish a copy of its financial audit and report):			
1) Were the financial statements of the organization prepared in accordance with generally accepted accounting principles?	Yes	No	N/A
2) Was there accurate and complete disclosure of the financial expenditures of each federally-sponsored program?	Yes	No	N/A
3) Was an audit of the financial records obtained annually (or at least biennially) in accordance with federal regulations and local requirements?	Yes	No	N/A
4) Was the audit performed by a licensed Certified Public Accountant?	Yes	No	N/A
5) Has a copy of all applicable audits/reviews (including any management letter, if appropriate) been forwarded to the funding agency?	Yes	No	N/A

Please provide other funding source references (attach extra sheets if needed).

Proposed Budget

Specific Cost Item/Description	CDBG Amount Requested	Other Funds Source	Other Funds Amount	Total Admount CDBG + Other Sources
	\$		\$	\$
TOTAL	\$		\$	\$

Program Team:

(Please identify the name of the responsible party and briefly note the experience that they have in this role. Team members identified after the application will need to be added. Attach extra sheets if necessary.)

Staff Member	Background and Expertise
<p>Name</p> <p>Title</p>	
<p>Name</p> <p>Title</p>	
<p>Name</p> <p>Title</p>	

Required Certifications for CDBG Public Services Activities Application

The signature of the non-profit 501C(3) Agency Representative with Binding Authority below certifies the following statements:

- The organization has no conflict of interest with the City of Prescott appointed or elected representatives and does not employ city-appointed or elected representatives or their families.

- or - (to be discussed with the Legal Dept.)

The organization has no conflict of interest with the City of Prescott appointed or elected representatives under the provisions of ARS Title 38, Chapter 3, Article 8 regarding conflict of interest and exceptions thereto, and including the City of Prescott Procurement Code dated September 23, 2004.

- The organization will comply with federal requirements to be observed by organizations being funded with CDBG/HUD funds, including compliance with Federal Labor Standards, Section 3, Segregated Facilities, Equal Opportunity, and Non-Discrimination; Section 109, Title VI and EO 11246. All requirements are described in 24 CFR 570 (CDBG Entitlement Grants).
- Sufficient supplementary funds are available from non-CDBG sources to complete the project, as described, if CDBG funds are allocated to the applicant.
- The authorized official's signature below certifies that this CDBG Application Package has been reviewed and all information provided in this application and any attachment(s) thereto is true and correct.

Signature of Authorized Agency Representative

Date

Printed Name

Title

Organization

Please bring seven (7) copies of the completed form to the Public Hearing/meeting in Council Chambers on February 8, 2012 at 2:00 p.m.

**City of Prescott
Community Development Block Grant
Needs Identification Federal FY 2012**

The purpose of this form is to identify projects within the community that may be eligible for federal funding under the Community Development Block Grant Program.

In order to qualify for funding, a project must meet a National Objective. The three National Objectives are:

#1. Benefit to Low- and Moderate-Income Persons. *This objective is met if the activity meets one of four subcategories.*

- 1) Area benefit activities;
- 2) Limited clientele activities;
- 3) Housing activities; or
- 4) Job creation or retention.

#2. Activities to Prevent or Eliminate Slum or Blight:

- 1) Address slums/blight on an area basis;
- 2) Address slums/blight on a spot basis; or,
- 3) Address slums/blight in an urban renewal area.

#3. Activities to Meet Urgent Community Development Needs:

- 1) Poses a serious and immediate threat to health or welfare of the community;
- 2) Are of recent origin or recently became urgent ("recent" is generally considered within the last 18 months); or,
- 3) Are unable to be corrected with other sources of funds, including grantee's own financing.

Name: _____ Date: _____

Organization: _____ Phone: () _____ -- _____

Proposed Project Title: _____

Does proposed project meet a national objective? Y/N

Describe which objective to be met.

Project Location: _____

Are at least 51% of the persons who benefit low- to moderate-income? Y/N

Has this been verified?

PROJECT DESCRIPTION (explain how funding will be used):

Estimated cost of the project \$ _____.

Requested amount of CDBG Funding \$ _____

How were the estimates calculated?

I/we understand that the City of Prescott may not prioritize my project at the top of the list and I/we may not receive a CDBG allocation.

I/we will provide any additional information requested by the City of Prescott in a timely manner.

Authorized Signature

Date

Printed Name

Questions regarding this program should be directed to Kathy Dudek, Grants Administrator,
City of Prescott, 928-777-1143 or via e-mail: kathy.dudek@prescott-az.gov.

Remember to bring 7 copies to the public hearing on February 8, 2012 at 2:00 p.m. If you cannot attend the public hearing, the deadline for all applications is 5:00 p.m. on Tuesday, February 14, 2012.