

CITIZENS ADVISORY COMMITTEE
SEPTEMBER 27, 2017
PRESCOTT, ARIZONA

MINUTES OF THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) CITIZENS ADVISORY COMMITTEE (CAC) held on SEPTEMBER 27, 2017 at 2:00pm in COUNCIL CHAMBERS, CITY HALL, located at 201 S. Cortez Street, Prescott, Arizona.

I. CALL TO ORDER

Chairman Jerry Jones called the meeting to order at 2:00 p.m. He welcomed Councilman Lazzell to the meeting.

II. ATTENDANCE

MEMBERS PRESENT	STAFF PRESENT
Jerry Jones, Chair	Tom Guice, Community Development Director
Michael Sarti, Vice-Chair	George Worley, Planning Manager
Mary Ann Suttles	Darla Eastman, Grant Administrator
Robert Painter - Absent	
Pam Wickstrom	COUNCIL PRESENT
Sandy Griffis	Greg Lazzell, Council Liaison
Rose Vasquez	

III. REGULAR AGENDA ITEMS

1. Approve September 27, 2017 meeting minutes

Ms. Wickstrom, MOTION to approve September 27, 2017 meeting minutes. Ms. Griffis, 2nd. VOTE 6-0; passed.

2. Discussion on Bethel Development and Re-allocation of Funds

Ms. Eastman gave a brief update on the Bethel Development project, CDBG16-011 Creekview Village Apartments infrastructure. She stated that the Director Tom Guice, Planning Manager George Worley, Chairman Jones, and she have had several meetings with Bethel Development. Bethel Development's concern is that Department of Housing and Urban Development (HUD) funding does not allow construction within the floodway without jumping through hoops and a lot of time consuming paperwork to get an exemption or influence how the construction will be completed. Also, another concern is that by including federal funding that initiates the Davis-Bacon Act and they feel it will significantly increase the cost of the project. Mr. Jones gave Bethel Development several options to try to alleviate the problems including paying for the design of the project instead of construction. Bethel Development decided to use other funds within the City to cover the cost for the infrastructure and secure the credits they need for funding.

The Committee discussed the project in more detail and felt that the Committee provided Bethel Development with the option they needed to complete the project. Therefore, it

was agreed that the annual plan be amended and \$55,000 to Bethel Development be reallocated.

3. Review Prior Year Project Activity

Ms. Eastman reviewed the prior year project activities and reported on the highlighted projects. She said she wanted to mention the West Yavapai Guidance Clinic project. The Community Development Staff requested funding from Yavapai County Flood Control District through the City's Capital Improvement Program (CIP) and received \$250,000 to complete the drainage portion of the pavement project. Ms. Eastman also noted that the Dexter Neighborhood Bridge project was completed as well as a few 2017 projects have been completed this year.

The Committee discussed providing additional funding to those groups who need funding and that it is brought to their attention. Funds can be used from the contingency funding or use unspent funds from a completed project.

4. Discussion on U.S. Vets Application Review and Possible Funding

Mr. Jones introduced Raymond Zogob, listing agent for Bloomtree Realty, and representative for U.S. Vets. He said that this property is located south of Miller Valley School on Whipple Street and it was once a medical office. He gave a brief history of the property and said that the partial two-story building was built in 1992 and was once a recovery center. He said approximately three years ago he executed a three-year lease of the building to U. S. Vets. Mr. Zogob said that the three-year lease is soon ending and U. S. Vets are now in escrow to lease the property with the option to purchase. The complex will be used as their campus with 88 units for residents, common area, and services for veterans. He said currently they are working with the City to get water credits for the project. The CDBG funding will be used to off-set the cost of tenant improvements for the residential units and common areas. The project cost is over \$6 million including the purchase of the complex and the tenant improvements. The five-year lease is contingent upon receive the water credits. Mr. Zogob added that the owner is contributing over \$2 million for tenant improvements. It benefits the owner to convert the property to residential in case U.S. Vets decides not to lease and the units can then be used for low-income housing for other non-profits.

The Committee discussed the funding amount for the project. They also discussed the contingency funding be at \$20,000.

Ms. Wickstrom, MOTION to retain \$20,000 in contingency funds and re-allocate the remaining funds. 2nd. Ms. Griffis. VOTE 6-0; passed.

The Committee proposed that Mr. Zogob return with a revised scope of work and budget up to 180,000 for the U.S. Vets project. Also, the Committee asked that a U.S. Vets representative be invited to attend the next meeting. Mr. Zogob agreed. Ms. Eastman also acknowledged.

Mr. Sarti, MOTION to provide up to \$180,000 to the U.S. Vets project at the Whipple Street location. 2nd. Ms. Griffis. VOTE 6-0; passed.

The Committee discussed the public service funding that was withdrawn by Arizona Sewing Works in the amount of \$4,940.00. The Committee felt that the best use of the funds would be to revert into next year's annual action plan.

Ms. Wickstrom, MOTION to include \$4,940 withdrawn from Arizona Sewing Works into the PY2018 Annual Action Plan. 2nd. Ms. Vasquez. VOTE 6-0; passed.

5. Discussion on Coalition for Compassion and Justice Application Review and Possible Funding

The Committee discussed the Coalition for Compassion and Justice's (CCJ) application for funding. The Committee had concerns that if CCJ defaulted on their loan that the building would revert to the lender. Mr. Jones stated that the Committee and Staff have asked for the details of the loan and CCJ has been reluctant to provide the information. The only information that has been provided is a transfer of title and not the terms of the financing. The Committee agreed that if the Committee requests financial information from an applicant and they do not provide the information then the application is not complete. The Committee felt that the CCJ application was not complete.

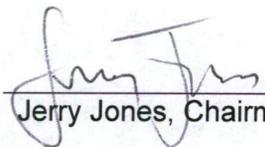
6. Review Calendar for the Upcoming CDBG Project Funding PY17/18

Ms. Eastman reviewed the CDBG Calendar for PY17/18 project funding. The Committee had no changes.

The Committee agreed to hold the next CAC meeting on Thursday, October 19, 2017 at 4:00pm.

IV. ADJOURNMENT

Chairman Jones adjourned the meeting at 3:15 p.m.



Jerry Jones, Chairman



Darla Eastman,
CDBG Administrator