

MINUTES OF THE SPECIAL MEETING OF THE CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, HELD NOVEMBER 16, 2010, AT 5:00 P.M., AT THE CITY COUNCIL CHAMBERS BUILDING, 826 NORTH MAIN STREET, COTTONWOOD, ARIZONA.

CALL TO ORDER AND ROLL CALL

Mayor Joens called the special meeting to order at 5:00 p.m. Roll call was taken as follows:

COUNCIL MEMBERS PRESENT

Diane Joens, Mayor
Karen Pfeifer, Vice Mayor
Tim Elinski, Council Member
Duane Kirby, Council Member
Linda Norman, Council Member
Terence Pratt, Council Member
Darold Smith, Council Member

STAFF MEMBERS PRESENT

Doug Bartosh, City Manager
Marianne Jiménez, City Clerk
George Gehlert, Community Development Director
Charlie Scully, Community Development Planner

OTHERS PRESENT

Isabel Rollins, NACOG

PUBLIC HEARING REGARDING POTENTIAL PROJECTS FOR FISCAL YEAR 2011-2012
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

Mr. Scully stated this was the first required public hearing for the Community Development Block Grant. The point of tonight's meeting was to see if there was input from the public and give opportunity for people to make recommendations and requests for projects, and also to have discussion with the Council on potential programs. Also present tonight was Isabel Rollins from NACOG who was the CDBG program manager.

Mr. Scully then gave a Power Point presentation on the program. He explained it was a four year cycle federal program that went through the Arizona Department of Housing and then NACOG helped administer it. It appeared there was \$371,000 plus dollars in this round which would not be determined until it was authorized. It was a grant program the city made requests for. It needed to meet one of these national objectives: low and moderate income, slum and blight, or an urgent need. The low and moderate income had two main areas; an area-wide benefit which looked at an area that had at least 51 percent low to moderate income households, or limited clientele. With the area wide category working with low and moderate income the question is where you get the data to determine that. In the past it was through the census data but the 2010 census did not collect income data on households. They were doing that through a separate program and it was unknown when it would be done for Cottonwood. If you wanted to look at an area there was a whole process

to go out and survey the people in the area to get that information. In 2000 this question came up and we only had a couple of areas that were a majority in certain bigger neighborhoods. Mr. Scully pointed out on the screen the areas of Cottonwood where neighborhoods were that were more like 85-90 percent low income, and indicated you would have to find a project that zeroed in on those areas and go back and do the special survey to find out.

The other part of the low-moderate income was what they called limited clientele which was people of low and moderate income, elderly, disabled, persons with disabilities, homeless, there was a list of miscellaneous people, abused children, and farm workers. There were also a couple of exceptions. If there was a daycare center for a low income population, but it was in an area that was a housing development that was not primarily low income, that might qualify.

The next category was the slum and blight category. There were two sections to target which were subject to the state redevelopment act which was a separate part of the state statutes. It was the state's slum clearance and redevelopment act. It was easier said than done and he had been involved with that process before. It had a lot of setup and you had to get people to agree to do things as a neighborhood. You had to qualify with at least 25 percent deteriorated conditions or at least two public infrastructure type things that were falling apart, like streets and sewer system.

Urgent need seemed to be more like disaster areas or where some system fell apart that you did not have any other way to fix it. We were not counting on this category. After you had gotten the national objectives category, whether you were dealing with low and moderate income or some blight deal, you still had to find that you had an eligible project that had to serve one of those populations. This was a combination of HUD and state standards that needed to meet the national objective, be an eligible project, must result in a benefit providing something in addition to what you already had, and you needed to be ready to start on it and if it was dependent upon getting other funding you had to have that funding set up and ready to go. You had to show you had the capacity with your staff and whatever you needed to administer the program. Certain things required some specialized extra help.

Mr. Scully then reviewed the city's CDBG projects over the last 15 years which were the 12th Street improvement project that qualified because it was an area wide benefit and that particular part of the neighborhood was low to moderate income. In 2003 he believed they combined a couple of CDBG and state special project funds which went to the Senior Center. There was the housing rehabilitation and some smaller amounts to Catholic Charities for the transitional housing project, and Old Town Mission received a van or a truck.

Ms. Rollins then addressed the Council and stated before the public hearing opened she had to go over some things which Mr. Scully had basically already covered. CDBG was a HUD small cities program that provided funds for housing and community development activities in rural Arizona. The Arizona Department of Housing was the state agency that administered the funds and NACOG administered the planning of any allocations and provided technical

assistance for application preparation for northern Arizona. CDBG could fund a diverse assortment of projects, but to be eligible the projects had to meet one of the three national objectives: at least 51 percent of the persons benefitting must be low to moderate income, or it must aid in the elimination or prevention of slums or blight, or the project must solve an urgent need health hazard. Congress had also designated target populations that were automatically considered to meet the low moderate income criteria which were older Americans age 62 or over, projects serving adults with severe disabilities, persons that are homeless, abused children, battered spouses, persons who are illiterate, persons living with AIDS, and migrant farm workers. The counties in northern Arizona had established a four year rotation schedule that determined the year each city, town, or county could apply for funding. This next year they anticipated 12 million coming to the state, 2.2 million to the NACOG region, and about \$370,000 to the City of Cottonwood. It would probably be March of next year before they knew the exact figure, but they needed to move forward based on those estimates because the application process took awhile. Fifteen percent of the state's funds were also taken off the top for state special projects funding round which were competitive state-wide with the application deadlines announced each year. You could compete for a state special project funds with a maximum request of \$300,000. They had not announced that round yet this year and were hoping to do that before the end of the year, and there might be a viable project they would want to put in a grant application for as well. Examples of types of activities that could be funded with CDBG were: under public works and safety you could do water or waste water systems improvements, road or street improvements, flood and drainage improvements; community and supportive housing facilities or removal of architectural barriers also known as ADA projects, food banks or senior center projects or supportive housing such as a shelter; public service projects such as job training programs, homeless services, counseling services, or emergency assistance; housing projects such as owner occupied housing rehabilitation, or lead based paint evaluation; economic development which might be construction or reconstruction of a building which would result in the creation of permanent full-time jobs; neighborhood revitalization such as clearance or demolition; planning activities such as community development or housing plans. You also would want to set aside a certain amount for administration of the grant, have to do environmental reviews and follow Davis Bacon labor standards. This next year there were also certain projects that were eligible in past that the state said they would not be funding this year. The main ones that were not going to be funded were any new housing construction, like habitat, and any library or recreation projects. Even if it was the removal of architectural barriers or an ADA project for a recreation facility, they would not be doing that.

Council Member Kirby questioned how the city's Civic Center would fall into that category. It was used for entertainment, receptions, as a meeting place, and it was an old building.

Ms. Rollins stated it would probably not be eligible. If it was a community center that served the whole community, the whole community did not qualify as low to moderate income. The only way it possibly would is if it were a health safety issue for some reason and it was seriously deteriorating and people snuck in there, then you could do a slum blight designation on the building and fix those problems. That was the only way it could qualify.

She indicated Mr. Scully had gone through the prior projects the city had completed which had been a good variety. The anticipated schedule was having the proposed project and a pre-application in to Charlie by the end of the month. Anyone here presenting a project would need to get them in to him by the end of the month, and any city projects. He would be putting that together and they could use that for their ranking. They would first look through all those and take out the ones that were not eligible or look into them further and find out whether they would be or not. The end of the year was when they expected a firm commitment of any funding other than CDBG funds if the project relied on additional funding. You could have a project fully funded by the CDBG funds and there was no match required. In January they would be ranking the projects and coming up with a final priority list. She thought Charlie was planning on having the resolutions passed in early February and the next few months would be spent putting the applications together. Then they would get the applications at the end of March and there was normally some missing items or things that needed to be added and then the applications were approved by the regional council and submitted to the Department of Housing at the end of May. After the Department of Housing received the applications they went through them again with a fine tooth comb and then the contract would probably be ready next fall. Once you had the contract for the project and before you could spend any funds the environmental review had to be done. If it was a construction project, that took a few months, so you probably would not be able to spend any funds on the project until the very end of next year or the beginning of 2012. The City Council had the final authority and responsibility to select the projects that most fit the community's housing and development needs and you could not apply for a project that had not been brought up at the public hearing. If they had a project or a need in mind it should be mentioned just in case even if they were not sure if it would be eligible.

Council Member Kirby questioned what sort of project would be acceptable for rejuvenation of a neighborhood.

Ms. Rollins stated you could do infrastructure projects such as street drainage, replacing pipe, and sidewalks. She might be going for a grant to do housing rehabilitation in all of Yavapai County, but you were not able to serve a whole lot of people, which was part of the problem.

Council Member Kirby stated he had a concept of something that needed to be done, but he did not know how to go about it and assess the needs for the city. What he was looking at was North 4th Street improvements such as putting in sidewalks and such.

Council Member Elinski stated he thought the Main and Mingus neighborhood needed help, but it was his understanding they would need to hire staff to knock on doors to find out if they were low income, and questioned Ms. Rollins if she had any experience with that.

Ms. Rollins stated there were two different ways you could do that. One was to do the income surveys which were not easy but it was doable, and the other possibility was to do a redevelopment area that was a designated slum/blight area. You needed to pass a

resolution and send letters out to everybody in that service area and have a hearing where if people had objections they could bring it up. People did not always like their neighborhood designated to be a slum/blight area, but it was an easier way to qualify an area than doing the income survey. When you did a redevelopment area you had a logical boundary to it rather than just where your project was because that designation would be good for the next round or if you wanted to go for a competitive grant. If it was really a mixed neighborhood it was not going to work. It had to be an overall obviously low-income rundown neighborhood.

Mayor Joens questioned if the city's General Plan talked about encouraging home ownership.

Council Member Kirby stated one side of the street of North 4th Street was owner-occupied and he thought the other side was mainly rentals.

Mr. Gehlert stated most of the homes in Old Town were very old and were at least 60-80 years old.

Ms. Rollins stated they could state they thought this area would be a possible redevelopment area for infrastructure improvements or various types of improvements.

Mayor Joens questioned what about the rest of 6th Street down to Riverfront Park and completing that section. The Council discussed the area of 12th Street to Riverfront.

Mr. Scully stated that area was not predominantly low income. Mr. Scully stated that he had a problem in proving that that area was low income to build sidewalks.

Mr. Bartosh pointed out there were many areas around Old Town that could benefit since there were a lot of children walking to school.

Vice Mayor Pfeifer discussed the area of 12th Street between Mingus and Main and how the children walking to school could benefit from sidewalks. The streets were very narrow and allowed little room when cars are parked on the street.

Mr. Scully stated he talked with Kelly Byrd from the Boy's and Girl's Club about potential interest from them in submitting an idea.

Ms. Rollins stated the Boy's and Girl's Club was looking for funds for an additional building and funding for additional programs.

Mr. Scully stated the Boy's and Girl's Club could be a good candidate to work with.

Ms. Rollins reiterated the possible projects that were discussed during the meeting: 4th Street redevelopment area; 10th Street to Mingus; Old Town around 10th Street; the neighborhood between Mingus and Main; and the Boys and Girls Club.

Mayor Joens opened the public hearing and asked if there was anyone who wished to speak

or comment on what had been discussed.

Carol Quasula from Catholic Charities stated that a project that they were looking at was making improvements to their building. They were starting to hold more meetings at the building including financial education, getting ahead classes, and similar classes. They would like to increase some office space as well.

Mr. Bartosh stated that the Council might want to consider, since we wanted to build a new City Hall but the space needed interfered with the Boy's and Girl's Club, possibly moving them to another location near Garrison Park and closer to the schools.

Mayor Joens stated that they might want to meet with the Boy's and Girl's Club.

Mr. Gehlert stated the crossing point from 10th Street to Riverfront Park was an offset intersection, and we might want to look at realigning that to make it safer for pedestrians walking to and from the park.

Council Member Pratt and Mr. Bartosh both pointed out there were many challenges at that location.

Mr. Scully stated that some of the projects that had been mentioned at this meeting may require additional research and they may have to come back before the Council for additional discussion.

ADJOURNMENT

Council Member Pratt moved to adjourn. The motion was seconded by Council Member Kirby, and carried unanimously. The special meeting adjourned at 6:00 pm.

Diane Joens, Mayor

ATTEST:

Marianne Jiménez, City Clerk

CERTIFICATION OF MINUTES

I hereby certify that the attached is a true and correct copy of the minutes of a special meeting of the City Council of the City of Cottonwood held on November 16, 2010. I further certify that the meeting was duly called, and that a quorum was present.

Marianne Jiménez, City Clerk

Date