

MINUTES
REGULAR WORKSESSION
CITY COUNCIL OF THE CITY OF YUMA, ARIZONA
YUMA CITY HALL
ONE CITY PLAZA, YUMA, ARIZONA
March 1, 2011
5:00 p.m.

CALL TO ORDER

Mayor Krieger called the City Council meeting to order.

Councilmembers Present: Stuart, Beeson, McClendon, Brooks, Johnson and Mayor Krieger
Councilmembers Absent: Mendoza
Staffmembers Present: City Administrator, Greg Wilkinson
Senior Neighborhood Services Specialist, Marisela Valle-Erlenbach
Various department heads or their representatives
City Clerk, Lynda Bushong

I. REGULAR CITY COUNCIL MEETING AGENDA OF MARCH 2, 2011 – NO DISCUSSION

II. 2011-2015 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) CONSOLIDATED PLAN AND 2011 ACTION PLAN

Heidi Aggeler, Consultant, BBC Research & Consulting, briefed City Council on the draft 2011-2015 Consolidated Plan, 2011-2015 Analysis of Impediments to Fair Housing Choice, and the 2011 CDBG Action Plan.

- The CDBG was created in 1974 and is now the single largest source of housing and community development funding. The funded activities must meet one of the following national objectives:
 - Must benefit Low and Moderate Income (LMI) individuals or families
 - Prevent or eliminate slums or blight
 - Meet other urgent community development needs
- In 1995, the U.S. Department of Housing and Urban Development (HUD) initiated the requirement for states and local communities to prepare a Consolidated Plan in order to receive federal housing and community development funding.
 - The Consolidated Plan:
 - Identifies a jurisdiction's housing and community development needs, priorities, goals, and strategies.
 - Stipulates how the CDBG funds will be allocated to housing and community development needs in the community.
 - Other HUD documents:
 - The Annual Action Plan details the proposed expenditures for the current allocations of the CDBG funds.
 - The Consolidated Annual Performance and Evaluation Report (CAPER) details the City's actual expenditures relative to the proposed plan.
 - The Analysis of Impediments to Fair Housing Choice (AI) is a study of housing barriers in a city or state.
- The LMI is calculated by HUD on a regional level; for Yuma County the LMI for a four person household is approximately \$35,750 a year or less.

- CDBG funds for the City of Yuma are administered by the Neighborhood Services Division. For the past four years the City has received an average of \$956,400 annually in CDBG funds and \$1,013,563 for fiscal year 2010. Unfortunately, due to budget cuts, the City is estimating funds to be decreased to \$760, 172 for the upcoming program year.
- CDBG funds have been previously allocated to home accessibility modifications for the physically disabled, housing rehabilitation, Code Enforcement/Rental Inspection Program, affordable housing acquisition and rehabilitation, fair housing activities, Individual Development Accounts for homeownership and micro-business, neighborhood outreach, Financial Literacy Academy, teen activities, and neighborhood infrastructure improvements.
- CDBG requirements:
 - Funded activities must be eligible
 - Minimum 70% of entitlement plus estimated 2011 program income (less administration) over a three-year period must benefit LMI residents
 - Maximum of 20% of entitlement plus estimated 2011 program income can be used for Planning & General Administration
 - Maximum of 15% of entitlement plus prior year program income for Public Service Activities
- Consolidated Plan Research Process
 - Citizen Participation Plan:
 - Public meeting – September 27th
 - Stakeholder meeting – September 27th & 28th
 - Key individual interviews – 22 interviews conducted with individuals who work with LMI populations
 - Resident survey
 - Draft plan and comment period – March 11, 2011 to April 11, 2011
 - Demographic and socioeconomic analysis – change in population growth
 - Housing market analysis (focuses on affordability)
 - Analysis of special needs populations – HUD requests cities to take a special look at LMI populations, people with disabilities, people who are homeless or at risk, and victims of domestic violence.
 - Development of a five-year strategic plan, 2011 Action Plan, and AI
- Results of the quantitative analysis indicate:
 - Yuma has been steadily growing over the last ten years, without significant change in age distribution. The City has become slightly more racially and ethnically diverse. The median household income as of 2009 is about \$41,000 per year which is lower than the State but higher than the County. Based on the 2009 American Community Survey and data provided by a commercial data provider, approximately 17% of the residents are projected to live in poverty with the highest poverty rate of 25% for children 17 years and younger.
 - The City has a high unemployment rate of 23% which is about 10% worse than the State.
 - About 56% of households in Yuma are property owners. Most of Yuma's housing stock was built in the 1990s and 2000s, primarily single-family homes. The median sale price of homes has declined approximately \$60,000 over the last five years.
 - The rental concentration for the 44% resident renters is in the west central portion of the City, with an increased median gross rent of \$776 a month. Approximately 52% of renter households cannot afford the median gross rent cost, therefore falling in the cost burden category and making reducing the cost burden of low income renters a priority.

Johnson asked if the Yuma County Tax Assessor's Office has been informed of the drop in the median price of homes. **Aggeler** stated that the report is accessible but it has not been directly forwarded to the Yuma County Tax Assessor's Office. **Johnson** added that Yuma County had previously stated that Yuma was the only county in Arizona where house prices were still rising.

Aggeler continued by noting that the analysis on housing prices was not comprised from a full inventory of units and only includes units that are for sale, listed for sale, or have been sold.

- Results from a gap exercise indicates that renter households with earnings less than \$50,000 a year have a small possibility of becoming homeowners in the current housing market, unless they participate in programs such as Habitat for Humanity where the earnings broaden to include household earnings of \$35,000 and less.
- Fair Housing Issues
 - Data collected from the resident survey circulated and complaints received through HUD indicate that the majority of the fair housing issues are related to a disability which is a protective class. The most common issue was failure to make reasonable accommodations this usually involves a situation where a landlord does not accommodate a tenant's request even when the accommodation is at the expense of the tenant. The survey results indicated that 25% of survey respondents with a disabled member in their household did not feel their home met the accessibility needs for the disabled household member. Stakeholders also indicated that there is lack of accessibility in commercial and residential buildings and they feel there is discrimination by landlords and/or property managers. There is a high level of unawareness among property managers, landlords and residents about reasonable accommodations.
 - The fair housing analysis on lending activity from the whole Home Mortgage Disclosure Act Raw Data 2009 unveiled an overall denial rate of 21% in the City. The areas with higher denial rates are considered to be at risk of disinvestment. When the City is looking at housing rehabilitation and neighborhood revitalization activities the focus should be around these areas because of residents' low accessibility to credit opportunities.
- The City offers two programs which allow waivers for building fees and permit fees for the construction of affordable housing, however the water and sewer utility fees are relatively high.
- During the public input process, 13 stakeholders attended the public meetings, and surveys were collected from 101 general respondents and 83 from the Crossroads Mission residents.
- HUD's definition of the priority needs:
 - Low priority means the City intends not to fund the activity over the next five years through CDBG
 - Medium priority means the City might fund the activity
 - High priority means that the City intends to fund the activity for at least one year of the five program years.
- Five -Year Priority Needs
 - High priority needs:
 - Proactive Code Enforcement in low income targeted areas
 - Acquisition and rehabilitation of housing
 - Activities targeted to residents living in poverty
 - Home accessibility modifications to address the needs of disabled household members
 - Home emergency repairs
 - Activities that benefit those who are homeless or are at risk of homelessness
 - Activities that promote homeownership
 - Housing rehabilitation
 - Under the public services category, life skills education and counseling

- Starting businesses
- Foreclosure assistance
- Improve the quality of rental housing
- Medium priority needs:
 - Conducting an inventory of available parcels for affordable housing
 - Public services for Yuma residents, especially special needs populations, including but not limited to youth, victims of domestic violence, persons with disabilities, and low income elderly
 - Transitional Housing
- The City has not specified any low priority needs.
- Five-Year Strategic Plan: Strategies and Objectives
 - Strategy 1. Encourage the provision of safe, decent, energy-efficient and affordable housing for LMI and special needs populations. Objectives include:
 - Improve the quality of owner and renter occupied housing, while increasing the range of housing options for persons with special needs
 - Support activities and programs that provide foreclosure prevention and counseling/assistance, as needed, according to current market conditions
 - Improve access to and increase the availability of affordable owner occupied housing opportunities for LMI residents
 - Continue to support programs to rehabilitate and improve (including energy efficiency improvements) existing homes occupied by LMI and special needs owners and renters, including mobile and/or manufactured homes
 - Strategy 2. Improve the quality of life and economic opportunities for LMI persons and distressed neighborhoods. Objectives include:
 - Support activities that provide and improve economic opportunities for LMI residents
 - Support activities that raise awareness of and reduce the number of residents living in poverty
 - Strategy 3. Create suitable living environments for LMI persons, special needs populations and distressed LMI neighborhoods. Objectives include:
 - Support organizations that provide supportive services for the city's special needs and LMI individuals and families
 - Assist homeless service providers with support across the entire spectrum of need, from homelessness to self-sufficiency, with continued emphasis on homelessness prevention
 - Continue to implement a proactive Code Enforcement program in the low income targeted areas to improve living conditions
 - Support the revitalization and redevelopment of Neighborhood Revitalization Strategy Areas through a mixture of infrastructure and public facility improvements, along with outreach and education activities
 - Strategy 4. Affirmatively further fair housing choice. Objectives include:
 - Continue to raise awareness and visibility of fair housing and the complaint process
 - Increase landlord and resident awareness and knowledge of fair housing
 - Work to assist residents with special needs have full access to housing
 - Ensure that existing credit counseling programs are available and targeted
 - Strategy 5. Continue program planning and administration, encouraging collective community ownership through dialogue and partnerships with citizens, businesses and community stakeholders. Objectives include:
 - Adhere to the citizen participation requirements for the use of the CDBG funds

- In consultation with the community coordinate, monitor and implement the Consolidated Plan objectives that guide the use of CDBG funds
- The outcomes of the strategies and objectives are captured in the Consolidated Plan and Action Plan documents. The Action Plan indicates the proposed funding allocations for 2011. The process for the development of the Action Plan in the City of Yuma is completed by the Citizens Advisory Committee and City staff by reviewing the prioritization of funding and all applications. City staff and the Citizens Advisory Committee use the following criteria to evaluate applications:
 - Must be an eligible activity
 - Must be a priority in the Consolidated Plan
 - A preference for projects located in neighborhood revitalization areas. This currently includes the Yuma High neighborhood revitalization area but these areas change as revitalization projects change.
 - Duplication of services cannot occur
 - Due to the requirement for organizations to match funds the group reviews the organizations past performance and years of past funding to ensure a firm commitment to the project.
 - Review the organization's ability to spend funds over a 5-year period.
- Next Steps
 - Public hearing on Consolidated Plan & AI with City Council on March 2, 2011
 - Publish the Proposed 2011 CDBG Action Plan in The Sun and Bajo el Sol (Spanish) on March 11, 2011 and hold a 30-day public comment period for the Consolidated Plan, AI and 2011 Action Plan from March 11, 2011 to April 11, 2011.
 - Present Consolidated Plan, AI and 2011 Action Plan for Public Hearing and Council approval on April 20, 2011.
 - Submit plans to HUD by May 15, 2011 to receive Sub-recipient Agreement approvals by June 2011 and have 2011 CDBG funds available by July 1, 2011.

Aggeler acknowledged and thanked citizens and stakeholders for all the support and input received.

Johnson requested a detailed description of the personal hygiene and prescription co-pays noted for Crossroads Mission line item in the 2011 CDBG Action Plan. **Aggeler** stated she did not have exact details but these allocations are usually from the public service funds, where assistance is provided directly to the clients. **Valle-Erlenbach** added that these funds are primarily for toothbrushes, medical supplies, toiletries, essential prescription medication co-pays, and basic supplies needed by residents at the Crossroads Mission.

Stuart asked if the Maximum Affordable Rent section under Housing Needs is broken down by month. **Aggeler** indicated that the breakdown does represent monthly amounts and it's adjusted to include utilities.

Mayor Krieger inquired how the information about special needs individuals and families was obtained. **Aggeler** explained that obtaining the information is a difficult process. A combination of data sources are used to compare the population level and the resources available to that population. Input from stakeholders is heavily relied upon for the special needs group. **Mayor Krieger** asked how the population for residents born with a disability and living with a fixed income is determined. **Aggeler** stated that obtaining this data is not as complicated. The data for people with disabilities who are living on a fixed income is usually obtained from the Census.

Mayor Krieger asked if the high poverty rate of 25% reported for children is a result of their parent's income level and not their own. **Aggeler** confirmed that if a household is determined to live in poverty then each individual within that household is counted in the poverty estimate. This number is expected to be high because usually there are more children to be counted in a household.

Mayor Krieger requested some explanation of how the CDBG budget is calculated and how it relates to other organizations such as Yuma Private Industry Council (YPIC) that has a \$10 million budget allocated from the federal budget. **Aggeler** indicated that the CDBG budget is set as part of the federal budget every year and then HUD uses a formula to determine the allocations for each jurisdiction. HUD takes into account citizen's income levels, population growth, poverty rates, and housing prices. The budget amounts for these programs are determined based on federal priority.

III. ADDITIONAL ITEMS FOR POSSIBLE DISCUSSION

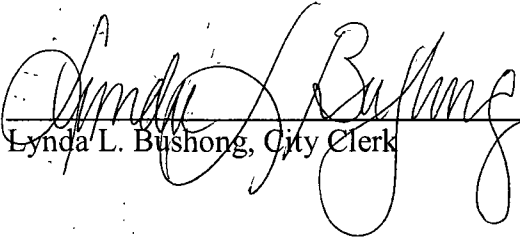
Johnson informed City Council that he received information indicating that Arizona Department of Transportation (ADOT) staff is proposing to remove all new construction funds allocated for Yuma County in the State Transportation Improvement Plan (STIP). If the proposal is approved it will eliminate funds for new construction for at least five years. In the current STIP \$10 million are budgeted for FY 2012 to begin the widening of Highway 95 from Avenue 9E towards Yuma Proving Grounds (YPG) and to build a bridge at Fortuna Wash. Another \$10 million was budgeted for FY 2013 to complete the project. The completion of this project is vital because Highway 95 is the main access route to YPG. ADOT is also proposing to remove \$5 million allocated to the City of San Luis' ports of entry. **Johnson** attended the State Transportation Board meeting on Friday, February 18, 2011 in Parker, AZ and made a presentation outlining how critical the \$25 million budgeted in the STIP for new construction is to the Yuma community. **Johnson** requested that a resolution opposing the elimination of construction funding in the STIP be presented at a future meeting. **Wilkinson** stated that a resolution would be drafted and be presented to Council during the next Regular Council Meeting on March 16, 2011.

Mayor Krieger informed City Council that he and Mr. Wilkinson briefly met with Senator Kyl during his recent visit to Yuma. The discussion was centered primarily on national issues more than local issues. **Mayor Krieger** indicated that he and Mr. Wilkinson will be traveling to Washington D.C. on March 7, 2011 to meet with the City's lobbyists and then Councilmember Johnson will join him and they will attend the National League of Cities and Towns Conference in Washington D.C. on March 12, 2011 through March 16, 2011.

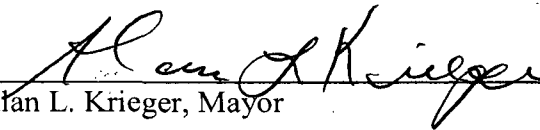
Beeson informed City Council he will be traveling in March and requested to attend the Regular Council Meeting on March 16, 2011 via telephone.

IV. ADJOURNMENT/EXECUTIVE SESSION

The meeting adjourned at 5:44 p.m. No Executive Session was held.


Lynda L. Bushong, City Clerk

APPROVED:


Alan L. Krieger, Mayor

Approved at the City Council Meeting of:
May 18, 2011
City Clerk: 