

City of Rio Communities CDBG Hearing Minutes

April 4, 2017

- Mayor Gwinn called the CDBG Hearing to order at 6:00 pm.
- Present: Mayor Mark Gwinn; Councilors Bill Brown, Peggy Gutjahr, Arturo Sais and Thomas Scroggins.
- Also Present: City Manager Bob Skerry, Treasurer Celina Benavidez and Municipal Clerk Lisa Adair.
- Residents in the audience: Jim Winters, Marilyn Winters, Clarke Metcalfe and Claudine Montano

- Manager Skerry began a presentation and distributed copies of the agenda and requirements for a CDBG grant. He explained that it is necessary to read the requirements word for word.
- Manager Skerry said the notice of public hearing was posted and includes instructions for getting the information in Spanish.
- Manager Skerry explained that the public will have the opportunity to give input as to what they would like to see as possible CDBG grant projects after he reads the first five items listed in the requirements.
- Manager Skerry read the Purpose and History of Community Development Block Grant Programs including Program Objectives, Eligible Applicants, Eligible Activities/Categories, Ineligible Activities, Program Requirements and Application Requirements. This document is attached and made part of this record.
- Manager Skerry said Item #3 on the agenda is Current and Past CDBG Projects but we do not have past awards on CDBG grants and don't know what current projects may be.

- Manager Skerry opened the hearing up to the public for questions.
 - Clarke Metcalfe asked if the City has decided how much money they want to request or if we'll wait until we know what the project will be.
 - Manager Skerry said it's smart to go for the maximum amount so we should have a project close to the maximum \$500,000. He said if we hire an engineer to certify a cost estimate, we can apply for \$750,000.
 - Clarke Metcalfe asked if we are competing with anyone else for grant money.
 - Manager Skerry explained that there is a pool of \$11,000,000 and every other municipality in the state as well as other entities listed under Eligible Applicants may apply. He further explained the application process and the point system and said it is extremely competitive.
 - Claudine Montano said a lady who lives on Nash asked about Timan Park. She said the lady couldn't be here tonight but she is concerned about a park and asked her to tell Council to buy Timan Park.
 - Manager Skerry said that would be a possible project because parks definitely come under the CDBG grant program. He explained that, at the last census, we were in a district where the Low to Moderate Income (LMI) index was \$2,000 below state average. He said, since we were not a city then, and since the census area is different than the city border, we don't have a designation of how much residents earn.
 - He said HUD developed the CDBG grant program to benefit low to moderate income areas. He said we have low to moderate income housing complexes that are in the middle of higher income neighborhoods so projects we do in those areas will benefit everyone and higher income may be offset by people in low income apartments.
 - Councilor Sais asked what would be considered moderate income.
 - Manager Skerry said low income is \$34,550 for one person in the household, \$39,450 for two people, \$44,400 for three people, \$49,300 for four people, \$53,250 for five people and \$57,200 for six. He said he thinks the next census will show that we have a lot of people living in a house with only one wage earner.

- Mayor Gwinn asked if these numbers are based on cost of living in the community.
- Manager Skerry explained that DFA requires us to use numbers for the Albuquerque MSA (Metropolitan Study Area).
- Manager Skerry explained that since we don't have data from the past census, we will have to pay someone to do a survey for us but we can't do that until we decide what project we want to do and who it would benefit. He said we could then pay someone to conduct a survey in that particular area.
- Manager Skerry said we won't be ready to apply for this round of CDBG grants but if Council approves money in the budget for a survey, we can go ahead and do that and have everything ready to go for next round of grants.
- Mayor Gwinn asked if this will be for the entire community.
- Manager Skerry explained we can't decide where the survey is going to be until we decide what the project is going to be because we have to define the project area and who it benefits.
- Councilor Sais asked if consideration for a park would be given for the fact that there are schools and churches in the area.
- Manager Skerry said the only thing that matters is that the project benefits low to moderate income households. He said when we make a presentation, we need to show that the park is needed and there are no other parks or recreation available in the area. He also said most of the process is the application and just checks in the boxes.
- Manager Skerry said we're having this hearing tonight because we can't pre-decide what the project will be and we have to give the public a chance to give input. He said it is recommended that we have three public hearings and this is our first.
- Manager Skerry said we aren't set up to do a survey now but suggested we at least go ahead with more meetings over the next month. He said as we work toward our budget we will be able to define a project so we know how big an area we have survey.
- Jim Winters asked about applying for a very small project that will impact a small area and with Council's approval go ahead and get money for a survey this year.
- Manager Skerry said we could do that if it is a very small project that would benefit only residents in low income housing. He said if we only needed to interview 24-50 people, that could be done quickly but it has to be a defined project that only benefits those people.
- Jim Winters said we could select a road like Avenida del Fuego because that will be a major expense. He said all the design and drainage studies could be done but we would only have 50 people to survey.
- Manager Skerry said we could do that but explained that wherever the benefit area is defined, we would have to get a 90% response from the people we survey face to face and 75% response from people we survey by telephone. He explained that the survey is a federal government survey and has to be strictly followed.
- Manager Skerry said he has until April 14 to meet the threshold with DFA, prove to them that we can get a survey done and get their ok to go ahead.
- Mayor Gwinn asked if the survey has to be done by a certified group.
- Manager Skerry said it does not but it has to be done by someone that will read the survey word for word.
- Councilor Gutjahr asked if we have to pick one of the Eligible Activities listed in the Requirements for a CDBG grant.
- Manager Skerry said if we chose a road, we could do curbs, gutters and drainage so something like a road could include several things.
- Councilor Gutjahr clarified that we would have to do a project in one category on the Eligible Activities list. She said she understands that we can't apply again until we complete a project.

- Manager Skerry said that's right but some projects can be completed fairly quickly. He then explained that we would have to have a project manager onsite for some projects to document that correct materials were used and all work was completed correctly. He also said all the materials have to be American made.
- Mayor Gwinn asked if we qualify for money for a project, how soon after that does it have to be started.
- Manager Skerry said we have two years to complete the project. He said with the road projects, we could be delayed by weather for several months, but other projects could be completed fairly quickly.
- Mayor Gwinn said we don't have to be ready to start 90 days after the money is approved.
- Manager Skerry said that's right but some cities have figured out how to maximize the process and how to fill out the forms and they have a person that does nothing but act as an administrator for CDBG. He explained that Socorro did one project every year for 11 straight years and netted \$5,500,000. He said when they finished one, they applied for another and were able to report that the previous project was closed out and finished.
- Manager Skerry explained that the cities that get their first grant and administer it well seem way more likely to get a grant the next time. He further explained that getting on the good list depends on how your audit came out, how bookkeeping has been and how fast you close out other grants and how close you meet their requirements.
- Councilor Scroggins asked if we did get a project and finished it, would that be a gold star for us the next year.
- Manager Skerry said it would and we've already been approved because we have good books.
- Mayor Gwinn asked if we jumped through hoops over the next ten days, would that be for approving it to be in the July 1 budget.
- Manager Skerry said what Jim Winters is proposing is coming up with a project and completing a survey in the next ten days that is cheap enough and paying for it out of this year's budget. He said the survey doesn't have to be done by a professional but it does have to be scripted.
- Councilor Sais said we have several low income housing areas in the city and gave an example of homes on streets off Hillandale.
- Manager Skerry said the project we select has to benefit only the people who live in the area so that leaves very few streets that could be considered. He said a park there may be a possible project but we would have to prove that only that neighborhood would benefit.
- Councilor Brown asked if, hypothetically, the project is Avenida del Fuego and the survey is completed in ten days but we don't meet the low to moderate income requirement, then we would be out of time. He said his observations of people living on that street are that they are probably not low income.
- Jim Winters said that if we were able to, over a period of time, survey the whole city, we could pick and choose what we want to do on the project list as long as the public approves.
- Manager Skerry said if we do the whole area, we think we would meet the threshold because almost all the areas in the city have low income housing that would offset the higher incomes. He also said our comprehensive plan specifically addresses diversity in housing and income.
- Councilor Scroggins asked if there is a required percentage of low to moderate income.
- Manager Skerry said 51% percent of the respondents have to be in the low to moderate income range.
- Councilor Sais asked if we can piece meal a project and mentioned Hillandale where there is a lot of traffic and we need sidewalks there.
- Manager Skerry said you can but you would have to prove that the project will benefit only the area you surveyed.

- Councilor Gutjahr said it would be a benefit to have the entire city surveyed, but we would still have to show that the project we choose is a benefit strictly for the people living in a specific area.
- Manager Skerry said it is not likely that we can get the work done before the deadline. He said he thought the process would be easier because we're \$2,000 below the average state income level. He said DFA sets the LMI and he thought if the census has already been done by the US Census Bureau, it would be official because that's a federal agency and it's federal money.
- Councilor Scroggins asked if empty houses can be counted.
- Manager Skerry said those houses cannot be included and explained that may be a problem because if we have empty houses on a street that would be included in a proposed project, it could be difficult to get 90% response from the people it would benefit.
- Councilor Gutjahr said once we get this together and do the survey next year, we will have our work done and from then on it will be a lot easier. She asked if we are pushing to do something now.
- Manager Skerry explained he wanted to cover all the bases. He said the reason for this hearing is that if someone in the audience had an idea for a project that was possible for us to do, we'd need to have that option open.
- Manager Skerry finished his presentation and asked for citizen input and there was no response.

Mayor Gwinn asked if Council had any further questions before the public hearing was adjourned.

- Councilor Sais asked if the city could be broken into quadrants.
- Mayor Gwinn said we can't do that.
- Jim Winters explained that Albuquerque has a comprehensive plan and a plan for each area in the city and said that's a problem because there is nothing that ties them all together.
- Councilor Sais asked if we have any areas that are designated affordable housing or low income housing.
- Jim Winters said we had those discussions and when we presented the possibilities to council, they were adamantly against doing that because it stigmatizes parts of the city.
- Mayor Gwinn said Council was looking at a more diversified city.
- Jim Winters said the area we have designated for our TOD project is a natural low income area because it is denser housing which is frequently less expensive.

Adjourn

- Mayor Gwinn adjourned the public hearing at 6:52 pm.

Respectfully submitted,

Elizabeth (Lisa) Adair, Municipal Clerk
(Prepared by Pamela Johnson, Deputy Clerk)

Approved

Mark Gwinn
Mayor

Margaret (Peggy) Gutjahr,
Councilor Mayor Pro-tem

William (Bill) Brown,
Councilor

Arturo R. Sais,
Councilor

Thomas Scroggins,
Councilor

Date: _____