



TOWN OF JEROME

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MINUTES

SPECIAL COUNCIL MEETING - PUBLIC HEARING REGARDING USE OF CDBG FUNDS OF THE TOWN OF JEROME COUNCIL CHAMBERS, JEROME TOWN HALL 600 CLARK STREET, JEROME, ARIZONA TUESDAY, DECEMBER 12, 2023, AT 6:00 PM

6:00PM (0:22) 1. CALL TO ORDER/ROLL CALL 6:00 P.M.

Mayor/Chairperson to call meeting to order
Town Clerk to call and record the roll.

Present were Mayor Alex Barber, Vice Mayor Jane Moore, council members Dr. Jack Dillenberg, Sage Harvey and Sonia Sheffield.

Staff present were Town Manager/Clerk Brett Klein, Zoning Administrator Will Blodgett and Finance Director/Deputy Clerk Kristen Muenz.

6:00PM (0:35) 2. NEW BUSINESS

Discussion/Possible Action

A. CDBG Program Introduction and Overview - Brooke Driskell (NACOG)

Ms. Driskell will provide an overview of the CDBG program including national objectives, qualifying funding activities, the amount of funds expected to be available, anticipated schedule and past CDBG funded projects for Jerome, etc.

Town Manager Brett Klein briefly introduces Brooke Driskell, representative from Northern Arizona Council of Governments (NACOG)

Ms. Driskell shares that NACOG works with local communities for grant funding through the AZ Dept of Housing, whose funding is passed down from the Department of Housing and Urban Developments. She shares that Community Development Block Grants, or CDBG is a housing and urban development small cities program. They provide funds for housing and community development activities in rural Arizona. The Arizona Department of Housing is the state agency that administers the funds, NACOG administers the planning of annual allocations and provides technical assistance for application preparation for Northern Arizona. She says CDBG can fund many types of projects, adding that all projects need to be brought up on the record at this first hearing. To be eligible for the funding projects must meet at least 1 of the 3 national objectives. 1. At least 51% of the persons who benefit must be low to moderate income 2. the project must Aid in prevention or elimination of slums or blight, or 3. the project must solve an urgent need health hazard. She shares historically most projects have met the 51% low to moderate income objective, it should also be noted that Congress has designated target populations which are considered to automatically meet those criteria such as; older adults age 62 and over, adults with severe disabilities age 16 or older that are unable to perform functional or daily living activities, persons who are homeless, abused children, battered spouses, persons who are illiterate, persons living with AIDS and migrant farm workers. And how many dollars are available this funding cycle. She shares NACOG, with input from Yavapai County communities has established a schedule for each city and town to apply for funding on a 4 year rotation. Jerome is up for funding in 2024 and set to receive approximately \$400,000 in funding. She also shared that 15% of the state funds are set aside for state special projects funding round, adding those applications are competitive state-wide. She points out that there are 2 separate things, a regional account for the \$400,000 and also a special projects funding which can be in addition but needs to be discussed at this first public hearing to be on the record. All communities may compete for the state funds whether it is their turn in the funding schedule or not. Actual funding levels are not determined until early 2024 and are determined by the Arizona Department of Housing. She lists the types of activities that can be funded include public works and safety projects, water system and wastewater system improvements, road and street improvements, flood and drainage improvements, fire protection facilities and equipment, community and supportive housing facilities and removal of architectural barriers for ADA compliance, noting many projects are homeless shelters and senior centers. She adds that CDBG funds can also be used for public services, such as job training programs services for senior citizens, homeless, meals on wheels, and also housing projects, for owner occupied housing rehabilitation and home ownership assistance. Other projects the funding can be used for are, neighborhood revitalization and redevelopment for historic preservation and clearance or demolition of buildings, planning, and capacity building, designing comprehensive plans, community development plans, housing plans or other functional plans. Administration of these grants can be up to 18% of that total grant amount. To give everyone an idea

of the history of Jerome and the CDBG grant funds, she shares a list of prior CDBG grant projects that include sewer line improvements, purchase of a fire truck, water line improvements, community center renovations, Clark street improvements, water tank rehabilitation, an owner occupied housing rehabilitation program, water line improvements and hydrant installation. She shares the anticipated schedule for this grant funding round. The deadline for firm commitment for other than CDBG funds, if there will be any matching funds for particular projects, will need to be determined by December 31, 2023, and January 31st, 2024, is the deadline to select prioritized projects and send a letter of intent for ADOH for that selected project. April 14, 2024, will be deadline for the submittal of the application forms to NACOG, and on April 25, 2024, NACOG regional council will approve the applications to be submitted to ADOH. May 31, 2024, NACOG will submit applications and anticipate grant awards and funding contracts to be sent out in October or November of 2024. She shares the reason for this public hearing is a call to the public. She adds the Town Council has the final authority and responsibility to select the project that most fits the Town's housing and development needs. The Town council may not apply for a project that is not discussed at a public hearing, so projects not eligible under CDBG could be brought up just to make sure they make it onto the list. The public, Council and staff have the opportunity to identify housing and development needs and to present projects for potential funding. She asks to please state your name, organization, and project with a brief background of the need you are addressing, and to please get a preapplication form, located on the table within chambers. She points out that applications are due no later than January 2, 2024, at 5pm and they are to be turned into Town Manager, Brett Klein.

Dr. Dillenberg queries from Ms. Driskell "You mentioned that the applications have to be in by November or something, when do the projects have to be completed by?" He rephrases and says "You gave us the date to when we have to submit final applications to get the funds. So if we get the funds in November how long do you have to get the project done?"

Ms. Driskel answers "November of 2024 is the start date to receive the funds and it's usually two years."

Mr. Klein adds with the schedule for 2024 we modified to our council's schedule, so we will be doing the second public hearing at the regularly scheduled January council meeting date.

Mayor Alex Barber queries, "The last time we did improvements down Dundee, correct?"

Mr. Klein confirmed it was, but it was not finished.

Ms. Barber says the next part is the public hearing, getting public input on the use of the funds.

6:10 PM (10:35) B. The Town Council of the Town of Jerome will Hold a Public Hearing Regarding the Use of CDBG Funds to Gather Citizen Input on the Use of the CDBG Funds

The Town is expected to receive approximately \$402,110 in FY24 Federal CDBG Funds from the Arizona Department of Housing Regional Account and the Town intends to apply for up to \$500,000 in FY23 or 24 CDBG Funds from the State Special Projects account. Council will gather citizen input and consider potential uses for the CDBG funds that must be used to benefit low-income persons and areas, alleviate slum and blight, or address an urgent need.

Ms. Barber opens the public hearing at 6:10pm. She notes there are people from the public in the audience asking who wants to speak first and what they have. She asks if the public doesn't have any input do we close the public hearing. She defers to Mr. Klein.

Mr. Klein shares that staff has created a list of potential projects and if council has something, or if council would like to present first.

Councilmember Sage Harvey says, "I would like to hear staff's list first."

Ms. Barber says "we would absolutely like to see the list. I was wondering, because usually what we do is we have this big list, and we cross it off what we've done and what we need to do. So I was thinking where is that list of where we are?"

Mr. Klein shares that he was following NACOG's direction. He says we will make this list now, then in the meantime the decision will be made at the next public hearing. He adds you'll have that list then and that's when you'll decide on which project to fund. He then shares the staff list, starting with 1. Finish Dundee, the funds did not even cover Dundee, and if you recall it was going to be Dundee, Holly, and Deception. He adds, hopefully this year we would be able to use some budgeted funds to finish Dundee and move on to Holly, finishing the water line improvements and pipe insulations. 2. Center Avenue, we've been trying to get grant money for that. Mr. Klein shares that he feels comfortable we will get grant funding, but we would have a match and would still be short and could certainly use this as supplement to that. 3. Verde Avenue. Mr. Klein shares we have the design grant, so we are most likely get the construction grant in '25-'26. 4. Retaining walls, adding that finally after years a structural engineer has come to Town and provided an informal analysis, and would now like to engage a scope of services to tell us what is needed. 5. The wastewater treatment plant, and then 6. Hotel Jerome. Mr. Klein shares these are some of the ideas, unsure if he's missed anything he asks for input from Kristen Muenz or Will Blodgett.

Council member Dr. Jack Dillenberg says, "but we only have \$300,000?"

Mr. Klein corrects "It could be \$400,000 and we are hoping to get some of the SSP funds as well."

Zoning Administrator Will Blodgett refers to a previous meeting and says it was mentioned that previous grant money was put into a fund for locals to utilize for home repairs. He shares "Believe it or not I've got people calling me about such things." He adds that he is unsure of the legality of it, he's not 100% clear, and is sure that we have to make sure

it's an appropriate use of the funds, but if we could do something like that with some of these funds it would probably be beneficial.

Mr. Klein shares that that is a highly difficult program.

Ms. Baber shares "The last low income homeowner housing rehabilitation served a lot of families here. We have a building inspector that said if we do that again we will not have him anymore."

Ms. Barber acknowledges a hand in the public, resident Mark Krmpotich, as well as Ms. Harvey.

Mr. Krmpotich shares he's only been fully engaged in the latter part of this year. He is unsure what projects the Town and Council have planned or what are the priorities. He notes that he's sat through meetings and heard projects on the renovation of Hotel Jerome to apartments or housing and is unsure about what happened with that. He's heard about water pipelines needing to be done. He finalizes that it would be nice if the public could understand what the priorities are and how that works.

Ms. Barber recounts when Mr. Klein referred to Dundee and Holly and Deception it was for better fire protection, having good water lines and working hydrants. She adds what is usually done is that there is a big list of what needs to be done and it's usually done in what is the most needed. She thanks NACOG immensely for the funds and all the projects we have been able to complete. She then defers to Ms. Harvey.

Ms. Harvey asks about the Hotel Jerome. "It kind of seems to me like Hotel Jerome might fall underneath two of these things. Although they specifically said under community in support of housing facilities that it's for senior centers and homeless shelters. Would that apply to affordable housing?"

Ms. Driskell asks, "for seniors specifically?"

Ms. Harvey answers, "No, just in general, affordable housing."

Ms. Driskell says, "yes, I do believe it can."

Ms. Harvey states, "So it would fall under that and the historic preservation of neighborhood revitalization. And we've been looking for money for Hotel Jerome. Although, the other things are definitely important. We are always looking for something for Hotel Jerome and this might be a good place to start."

Ms. Barber adds, "I know our Fire Department really wants to get the lines and hydrants installed, and like Brett pointed out, we have 3 projects, and the last round funding didn't even cover one of the three."

Ms. Harvey comments, "The retaining walls. A lot in town are really getting bad and actually some places in the road that are starting to concern me."

Ms. Barber defers conversation to Vice Mayor Jane Moore.

Ms. Moore says she agrees with the Hotel Jerome. She adds, "In listening to the public, who are not here. That seems to be one of the biggest things I hear. Is that there is no affordable housing and that the people that have low paying jobs here, which is most of the jobs here, cannot afford rents. They can't afford to be here, not all of them have transportation. It would be handy to fix that up for so many reasons. But \$400,000 won't go very far but it would be a start."

Mr. Klein points out that the exact use of the funds has to be identified. Like windows or something like that, adding that everything that has been done will likely have to be retrofitted and redone.

Ms. Barber confirms the windows are still good.

Mr. Klein answers yes that was just used as an example.

Ms. Harvey clarifies that we don't have to specify this meeting, we are discussing it so that Hotel Jerome could be a possibility regardless of what we're going to do.

Ms. Barber adds, "And for clarification, Jack is talking about we're calling it the Hotel Jerome. It used to be a hotel, right now one floor, the street floor, is used as a Co-op and the Ghost Pepper. The top floors are not used at all. We were trying to turn it into housing, community housing. So we're trying to figure out how to do that. We don't want to have it section 8 housing because we don't want to have everyone from the whole state come. We want to have it to be Jerome. We have pointed out we are losing our residents, no one said to vacation rentals, but it is a huge fight in Jerome that our community is becoming a bunch of hotel rooms instead of places people can live. We do need owner occupied housing rehabilitation as well, I know there's a few people that would step up to that. So, I don't know what to say, council, besides all of these are worthy causes. We have to figure out where we're going to go with it."

Ms. Harvey adds "It would be great if more public would show up and voice their opinion."

Ms. Barber "So as far as CDBG we definitely have some worthy projects. And then the SSP, the special projects, we have worthy projects for that too. So I hope we can pinpoint what we need to do and get all the funds available. Utilize them, every little bit helps."

Dr. Dillenberg directs to Ms. Driskell, "Thank you very much for coming tonight. We appreciate the opportunity. This will certainly be a great help to us here in town to meet the needs you're hearing about."

Mr. Klein addresses Ms. Driskell about the deadline schedule.

Ms. Driskell notes this is a public brainstorming session.

Ms. Moore poses a question to Ms. Driskell, "There are a few uninhabited houses, there's one right next to Town hall. There are a few scattered around town that could use work. Is that something that might qualify for town purchase, say for affordable housing, or low income housing."

Ms. Driskell responds, "There has been land and property purchases using CDBG funds in the past."

Council members thank Ms. Moore for asking that question.
 She adds some of the housing she's thinking of might accommodate two family rentals.
 Ms. Barber recaps that this is preliminary talk, not making any decisions right now as this is the public hearing. She notes it will be talked about again and asks if there is any further discussion.
 Deputy Clerk adds that there are a few houses occupied in town that shouldn't be. And one of the things mentioned was the demolition of hazards. She acknowledges that it's a lower priority than affordable housing, but it is also an option.
 Ms. Harvey asks how does the homeownership assistance work.
 Ms. Driskell says she'll have to check, she is unaware of any programs.
 Ms. Barber notes that they are putting that on public record.
 Mr. Klein gives an example of funding larger cities, he uses Prescott Valley as an example, might receive compared to the funds we might receive noting the amount Jerome receives would be less and funds wouldn't go as far.
 Ms. Barber thanks Mr. Klein for the clarification adding "The money we get is per capita so our pot would be smaller than other communities. Then again to clarify, this is town wide, it doesn't have to just go into certain areas because of the, at least 51% of the persons who benefit must be low to moderate income. So we qualify again, when we had that anomaly that we did for town wide correct?"
 Mr. Klein confirmed yes, we are town wide.
 Ms. Barber asks any further questions or clarifications.
 Council member Sonia Sheffield, "I was under the impression that one of the first things we needed to do for Hotel Jerome was some sort of fire suppression. To have the sprinklers and whatever Rusty needed in there. I feel like that's what he said to me, I might be wrong about that."
 Ms. Muenz adds "I think it was a fire escape."
 Ms. Harvy adds, "It also needs water pipes fixed in the building. On the top floor."
 Ms. Barber shares, "It needs lots of things, fire escape, fire suppression, all yes."
 Ms. Sheffield shares, "I like the idea of putting money into the Hotel Jerome, but I feel like there are a lot of things that would have a more immediate benefit. It just seems like a long ongoing project and doesn't seem like we have a clear starting point with it either."
 Ms. Barber follows, "I know it's a preventative, and we wouldn't see how bad it is unless something happened, and we don't want to see it happen, to get those hydrants and the rest of the water lines. I am going to continue to beat that horse."
 Mr. Klein adds the staff's recommendation would likely be the continuation of the water lines and hydrants.
 Ms. Barber closed the public hearing at 6:27

6:27PM (27:03) 3. ADJOURNMENT

Ms. Harvey motioned to adjourn the meeting.
 Dr. Dillenberg seconded.
 Meeting was adjourned at 6:27pm.

COUNCILMEMBER	MOTION	SECOND	AYE	NAY	ABSENT	ABSTAIN
BARBER			X			
DILLENBERG		X	X			
HARVEY	X		X			
MOORE			X			
SHEFFIELD			X			

APPROVE:

ATTEST:

 Alex Barber, Mayor

 Brett Klein, Town Manager

 Date