

CITY COUNCIL REPORT



Meeting Date: February 20, 2024
 General Plan Element: *Economic Vitality*
 General Plan Goal: *Seek a variety of housing options to meet the community's socioeconomic needs.*

ACTION

Rescind Resolutions for funding to construct The Residence at Paiute.

Adopt Resolution No. 13052 authorizing:

1. Rescinding Resolution No. 12913, including:
 - a. Reversing the FY 2023/24 Capital Grant Contingency budget appropriation transfer of \$6,570,000 to a newly created CIP project titled "Construct The Residence at Paiute" to be funded by American Rescue Plan Act, Coronavirus State and Local Fiscal Recovery through Maricopa County.
 - b. Reversing the FY 2023/24 General Fund transfer of up to \$7,909,173 from the General Plan Initiatives designation in the General Fund operating fund balance to the to a newly created CIP project titled "Construct The Residence at Paiute."
2. Rescinding Resolution No. 12928 and reversing the FY 2023/24 General Fund transfer of \$5,316,186 to Bond 2019 Project 25 – Replace Aging Buildings that Comprise Paiute Community Center.

BACKGROUND

On September 19, 2023, the City Council approved Resolution No. 12913 authorizing:

1. Contract No. 2023-130-COS, a funding agreement totaling \$6,570,000 with Maricopa County for the American Rescue Plan Act (ARPA) of 2021, Coronavirus State and Local Fiscal Recovery Funds for affordable housing and to provide bridge housing.
2. A FY 2023/24 Capital Grant Contingency budget appropriation transfer of \$6,570,000 to a newly created CIP project titled "Construct The Residence at Paiute" to be funded by American Rescue Plan Act, Coronavirus State and Local Fiscal Recovery through Maricopa County.
3. A FY 2023/24 General Fund transfer of up to \$7,909,173 from the General Plan

City Council Report | Rescind Resolution No. 12913 and Resolution No. 12928 – Funding for The Residence at Paiute

Initiatives designation in the General Fund operating fund balance to the to a newly created CIP project titled "Construct The Residence at Paiute."

And Resolution No. 12928 authorizing a Fiscal Year 2023/24 General Fund Operating Transfer, in the amount of \$5,316,186 from the General Plan Initiatives designation in the General Fund Operating Fund balance to Bond 2019 Project 25 – Replace Aging Buildings that Comprise Paiute Community Center.

And finally, Resolution No. 12847, which included authorizing \$1,192,098 from the 22/23 HOME ARP to The Residence at Paiute to be funded by HOME-ARP funds through the Maricopa County Consortium.

ANALYSIS & ASSESSMENT

As of this date, Maricopa County has not scheduled the approval of the contract with the City for the \$6,570,000 in funding and advised that the funds would not be made available to the City and will be reallocated to projects already moving forward in the west valley.

Without the availability of the \$6,570,000 from Maricopa County the project is not viable so it will not be moving forward at this time. Therefore, the two separate FY 2023/24 transfers of \$6,570,000 and \$7,909,173 to the CIP project titled "Construct The Residence at Paiute" are no longer appropriate. Additionally, the \$5,316,186 transfer to the Bond 2019 Project 25 – Replace Aging Buildings that Comprise Paiute Community Center is no longer appropriate.

Maricopa County did approve \$1,192,098 from the 22/23 HOME ARP to The Residence at Paiute to be funded by HOME-ARP funds through the Maricopa County Consortium. Because the project will not be moving forward at this time, staff is considering alternative uses of the \$1,192,098 and will work with the County on a change to the scope of work. Once finalized, staff will bring forward a new Resolution for use of the funds, including a request to rescind Resolution No. 12847.

RESOURCE IMPACTS

Available Funding

The FY 2023/24 General Fund transfers of \$7,909,173 and \$5,316,186 will revert back to the General Plan Initiatives designation in the General Fund operating fund balance. Additionally, \$6,570,000 of budget appropriation will revert back to the FY 2023/24 Capital Grant Contingency.

OPTIONS & STAFF RECOMMENDATION

Recommended Approach

Adopt Resolution No. 13052 authorizing:

1. Rescinding Resolution No. 12913, including:
 - a. Reversing the FY 2023/24 Capital Grant Contingency budget appropriation transfer of \$6,570,000 to a newly created CIP project titled “Construct The Residence at Paiute” to be funded by American Rescue Plan Act, Coronavirus State and Local Fiscal Recovery through Maricopa County.
 - b. Reversing the FY 2023/24 General Fund transfer of up to \$7,909,173 from the General Plan Initiatives designation in the General Fund operating fund balance to the to a newly created CIP project titled “Construct The Residence at Paiute.”
2. Rescinding Resolution No. 12928 and reversing the FY 2023/24 General Fund transfer of \$5,316,186 to the Bond 2019 Project 25 – Replace Aging Buildings that Comprise Paiute Community Center.

RESPONSIBLE DEPARTMENT(S)

Community Services Division, Planning and Business Operations Department, Community Assistance Office

STAFF CONTACT(S)

Mary Witkofski, Community Assistance Manager. MWitkoski@ScottsdaleAZ.gov

Bryan Bundy, Planning and Business Operations Manager, BBundy@ScottsdaleAZ.gov

Judy Doyle, Community Services Assistant Executive Director, JDoyle@ScottsdaleAZ.gov

City Council Report | Rescind Resolution No. 12913 and Resolution No. 12928 – Funding for The Residence at Paiute

APPROVED BY

Ana Lia Johnson (for Sonia Andrews)

Sonia Andrews, City Treasurer/CFO
480-312-2364, sandrews@scottsdaleaz.gov

2/6/24

Date

Judy Doyle

Judy Doyle, Community Services Assistant Executive Director
480-312-2691, jdoyle@scottsdaleaz.gov

2/6/24

Date

William B. Murphy

William B. Murphy, Assistant City Manager
480-312-7954, bmurphv@scottsdaleaz.gov

2/6/24

Date

ATTACHMENTS

1. Resolution No. 13052
2. Resolution No. 12913
3. Resolution No. 12928

RESOLUTION NO. 13052

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE,
MARICOPA COUNTY, ARIZONA, RESCINDING RESOLUTION NO. 12913
AND NO. 12928.

WHEREAS, on September 19, 2023, the Council of the City of Scottsdale, Maricopa County, Arizona adopted Resolution No. 12913 which authorized and directed the Mayor to execute, on behalf of the City, Contract No. 2023-130-COS, an Intergovernmental Agreement between the City and Maricopa County for American Rescue Plan Act Funds for construction of affordable housing and the provision of Bridge Housing;

WHEREAS, Resolution No. 12913 authorized a FY 2023/24 Capital Grant Contingency Budget appropriation transfer of \$6,570,000 to a newly created CIP project titled Construct The Residence at Paiute to be funded by American Rescue Plan Act, Coronavirus State and Local Fiscal Recovery through Maricopa County;

WHEREAS, Resolution No. 12913 authorized a FY 2023/24 General Fund transfer of up to \$7,909,173 from the General Plan Initiatives designation in the General Fund operating fund balance to a newly created CIP project titled Construct The Residence at Paiute;

WHEREAS, on September 19, 2023, the Council of the City of Scottsdale, Maricopa County, Arizona adopted Resolution No. 12928 which authorized a FY2023/24 General Fund operating transfer of up to \$5,316,186 from the General Plan Initiatives designation in the General Fund operating fund balance to the Bond 2019 capital project titled 25-Replace Aging Buildings that Comprise Paiute Community Center;

WHEREAS, Maricopa County is no longer willing to enter into Contract No. 2023-130-COS, an intergovernmental agreement to provide funds for the construction of affordable housing and the provision of Bridge Housing;

WHEREAS, Maricopa County is no longer providing the City with American Recuse Plan Act Funds totaling \$6,570,000.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Scottsdale, Maricopa County, Arizona, as follows:

Section 1. The City Council hereby rescinds Resolution No. 12913.

Section 2. The City Council hereby authorizes a FY2023/24 return of \$6,570,000 of budget appropriation from the Construct The Residence at Paiute capital project to the Capital Grant Contingency Budget.

Section 3. The City Council hereby authorizes a FY2023/24 return of \$7,909,173 from the Construct The Residence at Paiute capital project to the General Plan Initiatives designation in the General Fund operating fund balance.

ATTACHMENT 1

Section 4. The City Council hereby rescinds Resolution No. 12928.

Section 5. The City Council hereby authorizes a FY2023/24 return of \$5,316,186 from the Board 2019 capital project titled 25 – Replace Aging Buildings that Comprise Paiute Community Center to the General Plan Initiatives designation in the General Fund operating fund balance.

PASSED AND ADOPTED by the Council of the City of Scottsdale, Maricopa County, Arizona this _____ day of _____, 2024.

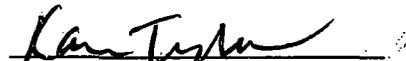
CITY OF SCOTTSDALE, an Arizona
municipal corporation

ATTEST:

Ben Lane, City Clerk

David D. Ortega, Mayor

APPROVED AS TO FORM:



Sherry R. Scott, City Attorney
By: Karen Tyler, Senior Assistant City Attorney



RESOLUTION NO. 12913

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING CONTRACT NO. 2023-130-COS, AN INTERGOVERNMENTAL AGREEMENT WITH MARICOPA COUNTY FOR FUNDS FROM THE AMERICAN RESCUE PLAN ACT CORONAVIRUS STATE AND LOCAL RECOVERY FOR THE CONSTRUCTION OF AFFORDABLE HOUSING AND THE PROVISION OF BRIDGE HOUSING.

WHEREAS, Arizona Revised Statutes Sections 11-951, *et seq.* provide that public agencies may enter into intergovernmental agreements for the provision of services or joint or cooperative action;

WHEREAS, Article 1, Section 3-1 of the Scottsdale City Charter authorizes the City to enter into intergovernmental agreements with various public agencies including Maricopa County;

WHEREAS, Section 2 of Ordinance No. 4602 allows expenditures to be made from budget contingencies and reserves upon recommendation of the City Manager and approval of the City Council;

WHEREAS, the City, desires to assist those individuals in need within the community by providing safe and stable affordable housing and Bridge Housing;

WHEREAS, the County, will provide the City with American Rescue Plan Act Funds (ARPA) totaling \$6,570,000.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Scottsdale, Maricopa County, Arizona, as follows:

Section 1. The City Council hereby authorizes, approves and directs the Mayor to execute, on behalf of the City, Contract No. 2023-130-COS, an Intergovernmental Agreement between the City and Maricopa County for American Rescue Plan Act Funds for construction of affordable housing and the provision of Bridge Housing.

Section 2. The City Council hereby authorizes the City Manager or designee to execute such other documents or take such other actions necessary to carry out the intent of this resolution and contract.

Section 3. The City Council hereby authorizes a FY 2023/24 Capital Grant Contingency Budget appropriation transfer of \$6,570,000 to a newly created CIP project titled "Construct The Residence at Paiute" to be funded by the American Rescue Plan Act, Coronavirus State and Local Fiscal Recovery through Maricopa County.

Section 4. The City Council hereby authorizes a FY 2023/24 General Fund operating transfer of Capital Grant Contingency Budget appropriation transfer of up to \$7,909,173 from the General Plan Initiatives designation in the General Fund operating fund balance to the newly created CIP project titled "Construct The Residence at Paiute".

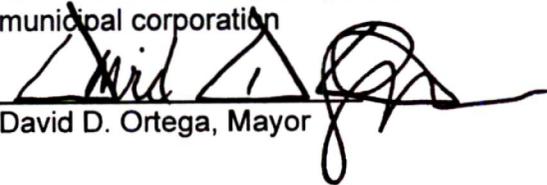
PASSED AND ADOPTED by the Council of the City of Scottsdale, Maricopa County, Arizona this 19 day of September, 2023.

CITY OF SCOTTSDALE, an Arizona
municipal corporation

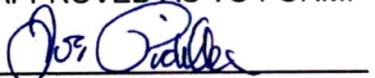
ATTEST:



Ben Lane, City Clerk


David D. Ortega, Mayor

APPROVED AS TO FORM:



Sherry R. Scott, City Attorney

By Joe Padilla, Deputy City Attorney



RESOLUTION NO. 12928

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA AUTHORIZING A FY 2023/24 GENERAL FUND OPERATING TRANSFER OF UP TO \$5,316,186 FROM THE GENERAL PLAN INITIATIVES DESIGNATION IN THE GENERAL FUND OPERATING FUND BALANCE TO THE BOND 2019 CAPITAL PROJECT TITLED 25 – REPLACE AGING BUILDINGS THAT COMPRISE PAIUTE COMMUNITY CENTER.

WHEREAS, the City desires to provide additional funding to the capital project for the Bond 2019 Project 25 – Replace Aging Buildings that Comprise the Paiute Community Center (“the Project”); and

WHEREAS, Section 2 of Ordinance No. 4502 allows expenditures to be made from budget contingencies and reserves upon recommendation of the City Manager and approval of the City Council; and

WHEREAS, the City Manager recommends the budget adjustments described in Section 1 of this Resolution;

WHEREAS, additional funding is available for the Project from the General Fund operating fund balance;

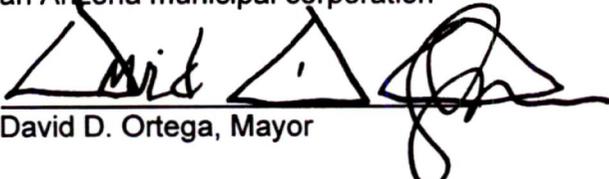
BE IT RESOLVED by the Council of the City of Scottsdale as follows:

Section 1. The City Council hereby authorizes: A FY 2023/24 General Fund operating transfer of up to \$5,316,186 from the General Plan Initiatives designation in the General Fund operating fund balance to the Bond 2019 capital project titled 25 – Replace Aging Buildings that Comprise Paiute Community Center.

PASSED AND ADOPTED by the City Council of the City of Scottsdale this 19 day of September 2023.

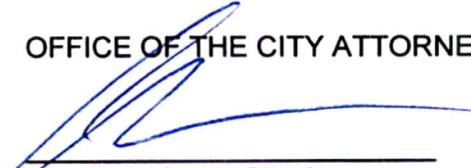
ATTEST:

Ben Lane, City Clerk

CITY OF SCOTTSDALE
an Arizona municipal corporation

David D. Ortega, Mayor

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY

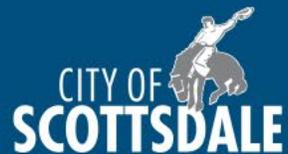

Sherry R. Scott, City Attorney
By: Eric Anderson, Senior Assistant City Attorney

Rescind Resolutions for The Residence at Paiute

City Council Meeting

February 20, 2024

September 19, 2023



25 – Replace Aging Buildings that Comprise
Paiute Community Center

The Residence at Paiute

September 19, 2023

Resolution No. 12928

A FY 23/24 General Fund Transfer of \$5.3M from the General Plan Initiatives designation to Bond 219 project 25 – Replace Aging Buildings that Comprise Paiute Community Center.

Resolution No. 12913

Agreement with Maricopa County for \$6.6M ARPA Funds for construction of affordable housing and to provide bridge housing.

A FY 23/24 Capital Contingency Transfer of \$6.6M to new ‘The Residence at Paiute’ capital project.

A FY 23/24 General Fund Transfer of \$7.9M from the General Plan Initiatives designation to ‘The Residence at Paiute’ capital project.



September 19, 2023

Resolution No. 12847

Agreement with Maricopa County for \$1.8M HOME ARP Funds for construction of affordable housing and to provide bridge housing and administration of Tenant Based Rental Assistance.

A FY 23/24 Grant Fund Transfer of \$1.2M to 'The Residence at Paiute' capital project.



Action

Adopt Resolution No. 13052 authorizing:

1. Rescinding Resolution No. 12913, including:
 - a. Reversing the FY 2023/24 Capital Grant Contingency budget appropriation transfer of \$6,570,000 to a newly created CIP project titled "Construct The Residence at Paiute" to be funded by American Rescue Plan Act, Coronavirus State and Local Fiscal Recovery through Maricopa County.
 - b. Reversing the FY 2023/24 General Fund transfer of up to \$7,909,173 from the General Plan Initiatives designation in the General Fund operating fund balance to the to a newly created CIP project titled "Construct The Residence at Paiute."
2. Rescinding Resolution No. 12928 and reversing the FY 2023/24 General Fund transfer of \$5,316,186 to Bond 2019 Project 25 – Replace Aging Buildings that Comprise Paiute Community Center.



From: Doyle, Judy
Sent: Sunday, February 18, 2024 8:19 PM
To: City Council
Cc: Thompson, Jim; Murphy, Bill; Lane, Benjamin
Subject: Re: February 20 City Council Meeting - Agenda Item 9 (Rescinding Previously Adopted Resolutions Related to Funding to Construct The Residence at Paiute)

To ensure compliance with the Open Meeting Law, recipients of this message should not forward it to other members of the public body. Members of the public body may reply to this message, but they should not send a copy of the reply to other members.

Honorable Mayor David D. Ortega and Members of the City Council,

A member of the Council asked for clarification on the article in the Scottsdale Independent “*Plans to build new offices/housing at Paiute Center on hold*”, specifically as it relates to the bond project.

While we are requesting to rescind Resolution No. 12928 (A FY 23/24 General Fund Transfer of \$5.3M to Bond 219 project 25 – Replace Aging Buildings that Comprise Paiute Community Center), we still plan to move forward with the bond project.

Prior to The Residence at Paiute concept, the Paiute bond project was budgeted at \$11.2 million with bond funding and scheduled to begin design in FY 27/28 with construction beginning in FY 28/29.

Before we are ready to begin the Paiute bond project, we will bring forward to Council a request for the shortfall (currently \$5.3 million due to inflation escalation since the project was originally estimated in 2018).

Please let me know if you have any questions.

Thank you.

Judy Doyle, MBA
Community Services Assistant Executive Director
City of Scottsdale | Community Services
480-312-2691 | jdoyle@scottsdaleaz.gov

From: notifications@cognitoforms.com on behalf of City of Scottsdale <notifications@cognitoforms.com>
Sent: Monday, February 19, 2024 9:54 AM
To: Cordova, Rommel
Subject: City Council Public Written Comment Form - Ethan Knowlden

⚠ External Email: Please use caution if opening links or attachments!

City of Scottsdale

Web Scottsdale City Council Meeting Written Comment Form

[Open Form](#)

Entry Details

Agenda Item	
MEETING DATE	2/20/2024
WHICH AGENDA ITEM WOULD YOU LIKE TO COMMENT ON?	09. Rescinding Previously Adopted Resolutions related to funding to construct The Residence at Paiute
Name	
FULL NAME	Ethan Knowlden
Contact Information	
PHONE	(510) 759-8087
EMAIL	ethan.knowlden@gmail.com
ADDRESS	20437 N 96th Way
CITY	Scottsdale

Comment

COMMENT

It is disappointing to see that the 2023 funding resolutions relating to the Residence at Paiute project are on the agenda to be rescinded at the Council's Feb 20, 2024 meeting. I understand the County has balked at fulfilling its obligation to provide \$6.5M in ARPA funds for this project. Rather than abandon the project, has the City considered other funding sources or alternative development structures such as partnering the project with a nonprofit or selling the site outright to a nonprofit for affordable housing development? While the \$6.5M funding gap is significant, it is not insurmountable. But rescinding funding already committed by the City for the construction of urgently needed affordable housing does not put the City in the best light. It certainly sets back efforts to create affordable housing in our community and leaves our most vulnerable residents at risk. I have reached out to Judy Doyle, Scottsdale's Community Services Assistant Executive Director, to offer my help identifying funding sources or partners (we've exchanged emails and voice messages already). I look forward to assisting the City as it works to find solutions to the housing crisis in our community. In the meantime, I would ask the Council consider adding language to Resolution No. 13052 expressing the Council's continued support for the development of affordable housing on City-owned land and directing staff to research alternative financing and development structures for the Paiute project.