



COUNCIL MINUTES

June 7, 2007

The City Council of the City of Mesa met in a Study Session in the lower level meeting room of the Council Chambers, 57 East 1st Street, on June 7, 2007 at 7:31 a.m.

COUNCIL PRESENT

Mayor Keno Hawker
Rex Griswold
Kyle Jones
Tom Rawles
Scott Somers
Claudia Walters

COUNCIL ABSENT

Mike Whalen

OFFICERS PRESENT

Christopher Brady
Debbie Spinner
Barbara Jones

Vice Mayor Walters convened the Study Session and announced that Mayor Hawker would arrive shortly. She excused Councilmember Whalen from the entire meeting.

Vice Mayor Walters announced that item number 4 regarding A-frame signs has been removed from the agenda.

Mayor Hawker arrived at 7:33 a.m. and Vice Mayor Walters yielded the gavel back to the Mayor.

1. Hear a presentation, discuss and provide direction on the future of Escobedo Apartments.

Neighborhood Services Director Kari Kent introduced Acting Housing and Revitalization Director Patricia Sorensen and stated that staff was seeking Council direction regarding the future of the Escobedo Apartments. Ms. Kent displayed a PowerPoint presentation (a copy is available for review in the City Clerk's Office) to provide an overview of the Escobedo Apartments, which were built in the 1940's and the 1950's. She advised that 96 of the 101 rentable units were occupied by 197 residents. Ms. Kent reported that the majority of Escobedo residents had a family income below \$18,050 or 30 percent of the AMI (Area Median Income).

Ms. Sorensen continued the presentation and referred to the Escobedo Pro Forma (see Attachment 1) for the 2004/2005 through 2009/2010 timeframe. She advised that apartment vacancies would not be filled until the Council determines the future of Escobedo. Ms. Sorensen noted that the only maintenance activity during the past year was the lead-based paint stabilization project, and she added that the City has not made any capital improvements to Escobedo in recent years. She stated that a decision to retain ownership of the apartments would require a major reinvestment in order to ensure a safe environment for the residents.

Ms. Sorensen reported that discussions by the Housing Advisory Board at the February and March meetings resulted in the following recommendations:

- Consider a mixed use/mixed income development on the site.
- Be cognizant of the potential effect on tenants.
- Enter into non-exclusive negotiations with the "Housing Our Communities" organization.

Ms. Sorensen advised that alternatives for the Escobedo Apartments were also discussed at the April and May meetings of the Community and Neighborhood Services Council Committee, which resulted in direction to staff to present to the full Council staff's recommendation to sell Escobedo on the open market (with an effort to vacate the property before the close of escrow and to facilitate tenant transition to new housing by offering a moving allowance). She added that staff was also directed to present an alternative, which is to conduct a Request for Proposal (RFP) process focusing on non-profit organizations. Ms. Sorensen stated that regular meetings have been held with the Escobedo residents to keep them informed regarding this issue. She explained that a Council decision to sell Escobedo constitutes government action and enables the City to re-open the Section 8 voucher waiting list and move those households on the waiting list to the top of the list.

Ms. Sorensen provided an overview of the Section 8 Voucher Program, which provides a rent subsidy to very low-income families who pay approximately 30 percent (but not more than 40 percent) of their monthly-adjusted income for rent and utilities. She reported that 19 Escobedo households currently receive Section 8 vouchers, 52 households are on the Section 8 waiting list, and 25 households are not receiving Section 8 vouchers and are not on the waiting list. Ms. Sorensen advised that staff recommends providing moving allowances totaling \$167,100 in order to address the expenses that tenants on fixed incomes cannot afford (security and utility deposits and other costs associated with a move) as listed below:

- \$1,600 for tenants residing in one to three bedroom apartments (90 units).
- \$2,250 for tenants residing in four bedroom apartments (6 units).
- \$400 for pet deposits for tenants with pets listed in their existing lease (24).

Ms. Sorensen advised that 42 units are leased on a month-to-month basis and that 54 units have annual leases that expire between July 2007 and June 2008. She added that tenants on the Section 8 waiting list would remain in their units until a voucher becomes available and then have 90 days to transition to a new apartment. Ms. Sorensen added that tenants not on the Section 8 waiting list would be given 90 days to transition if they do not apply for Section 8 when the list is re-opened and that tenants currently receiving a Section 8 voucher could remain in the units until the lease expires. She estimated that within one year all tenants could be on the Section 8 Program and the Escobedo property vacated. Ms. Sorensen stated that staff would be proactive with community partners to provide lists of affordable apartments, access to transportation to view potential rental properties and packing assistance.

Ms. Sorensen stated that the three staff positions that currently support Escobedo could be reassigned to other departments. She noted that office space would have to be secured for 19 positions presently located in Escobedo that support Section 8 and other housing-related programs.

In response to questions from Mayor Hawker, City Attorney Debbie Spinner advised that upon receiving Council direction to sell the Escobedo apartments, staff would initiate the process. She said that bids received for the property would be presented to the Council at a future meeting for consideration and public comment. Ms. Spinner stated that the Council may elect to take public comment today, but the Council is not required to do so. She added that the Council could choose to provide other opportunities for public comment.

Mayor Hawker stated the opinions that the City of Mesa should not be in the housing business and that low-income families should be dispersed throughout the community rather than being concentrated in one area. He expressed support for facilitating the transition process for residents and providing relocation allowances. Mayor Hawker noted that Escobedo is located in proximity to other City-owned properties that may provide opportunities for synergy, and he suggested that a broader evaluation of the vacated property could identify the best uses. He further stated that he favors the implementation of a RFP process that does not include a preference for non-profit organizations.

Vice Mayor Walters noted that the residents of Escobedo consider their area as a neighborhood and she understood their concerns. She complimented staff for their successful efforts to obtain HUD approval to reopen the Section 8 housing list and to place Escobedo residents at the top of the list.

Responding to a question from Vice Mayor Walters, Senior Housing Specialist Beth Rice advised that Section 8 vouchers may be utilized in any complex provided that the landlord is willing to participate in the program and the rental rates are within the limits. She stated that two senior housing properties in Mesa accept Section 8 vouchers:

- Discovery Point enables the voucher to subsidize only the rent and the resident has the option to participate in the meal service and other amenities at an additional charge.
- Fellowship Square enables the voucher to subsidize only the rent, but requires the resident to pay the additional costs for meals and other amenities.

Vice Mayor Walters stated the opinions that the City should not be in the housing business and that Escobedo should proactively be vacated before the close of escrow. She expressed support for providing transition services, and she noted that photographs should be taken to document this part of Mesa's history. Vice Mayor Walters said that there may be advantages to marketing this property with Site 17 and added that she was willing to consider various options.

Councilmember Griswold thanked staff for their efforts regarding the Section 8 housing list, and he expressed support for providing transition services to the residents. He stated that although his initial thought was to sell the property on the open market when the apartments are vacated, he recognized that the RFP process could provide certain assurances that the project is appropriate for the area.

In response to a comment by Councilmember Griswold, Ms. Sorensen advised that staff has held discussions with the Police Department regarding security concerns that may develop as the number of residents in Escobedo decrease.

Responding to a question from Mayor Hawker, Councilmember Griswold confirmed that he was in support of providing the moving allowances.

Councilmember Somers expressed support for the relocation allowances, and he suggested that some flexibility be allowed in order to address additional funding needs that may be required for residents who qualify under the *Americans with Disabilities Act* (ADA). He stated the opinion that the property should be vacated before the close of escrow and sold on the open market through a broker.

Councilmember Jones concurred with previous comments that the City of Mesa should no longer be in the housing business, and he stated the opinion that the property should be vacated before being placed on the market. He expressed a preference to place the property on the open market through a broker with some type of assurance that future development would be appropriate for the area. He added that an RFP process could be effective, but he does not want the City to dictate the specific type of development that would be considered.

Responding to questions from Councilmember Rawles, Ms. Sorensen advised that approximately \$400,000 in federal funds were transferred from Section 8 to Escobedo between 1995 and 2000. She stated that HUD has not yet responded to staff's inquiry regarding the City's obligation to repay these funds from the sale proceeds. Ms. Sorensen added that the Escobedo property consists of eleven acres.

Discussion ensued relative to the fact that Section 8 housing vouchers are allocated to cities based on population; that the City of Mesa receives approximately 1,500 vouchers; that as people transition from Section 8 housing, those on the waiting list become eligible; and that there is typically an annual turnover rate that would accommodate the 52 Escobedo residents on the waiting list.

In response to a question from Councilmember Rawles, Ms. Sorensen stated that the advantage of transitioning the residents before placing the property on the market is that the human element is no longer a factor in the sale. She added that vacating the property before the sale provides the City with control over the transitioning process that the City would not have if the property were sold with the leases in place. Ms. Sorensen noted that the staff believes the City is obligated to assist the current tenants.

Councilmember Rawles stated that he supports selling the property on the open market and providing moving allowances to the tenants. He expressed concern regarding the fact that the timing of the reassignment of the three staff members to other positions could significantly affect the budget. Councilmember Rawles said that he preferred that the transitioning costs be absorbed by the salary savings realized from the staff reassignments rather than utilizing contingency funds.

Councilmember Jones thanked staff for the preliminary efforts to obtain the necessary information before making the presentation to Council. He noted that continuing to operate the Escobedo Apartments would require a substantial investment by the City in order to fund repairs and maintenance.

City Manager Christopher Brady stated that based on the Council discussion, a broker could be retained to solicit interest from the private sector with a requirement that the buyer disclose the plans for that development. He stated that this process differs from an RFP in that the type of development is not defined by the City.

Councilmember Rawles stated the opinion that the process outlined by Mr. Brady would be preferred by the Council.

Mayor Hawker noted that the Council does not want another entity to purchase the complex and rent the apartments without making the necessary improvements.

Vice Mayor Walters noted that non-profit organizations are not excluded from the process, and she stated that these organizations are welcome to submit bids and proposals.

Mayor Hawker summarized that the Council has provided direction to staff regarding Escobedo. He also noted that there is Council concurrence that no additional public comment is necessary for the reason that there has been substantial public input at numerous Housing Advisory Board meetings and Council Committee meetings. He thanked staff for the presentation.

2. Hear a presentation, discuss and take action on the 2008 Schedule for General Plan Major Amendment applications.

Planning Director John Wesley reported that the City did not receive any General Plan Major Amendment applications in 2007. He stated that the proposed 2008 Schedule (see Attachment 2) includes a January starting date and that the earliest Council hearing would be held in September 2008, which provides sufficient time for the Council to continue a case after September, if necessary, and still hear the case within the same calendar year.

In response to a question from Mayor Hawker regarding the schedule, Mr. Wesley confirmed that the Council would receive initial input regarding a proposed amendment on approximately February 14, 2008, and following other meetings, a 60-day review period, and public notice in the newspaper, the next opportunity for Council consideration would be Monday, September 15, 2008.

Mayor Hawker commented that the composition of the Council would change during that interim period between February 14th and September 15th when a new Mayor and at least three new Councilmembers take office in June of 2008.

It was moved by Councilmember Rawles, seconded by Vice Mayor Walters, that the Council approve the 2008 Schedule for General Plan Amendment applications.

Councilmember Jones noted that future elections would be held in the September/November timeframe, which would enable the composition of the Council to remain the same throughout the year in which a General Plan Amendment is considered.

Mayor Hawker called for the vote.

Upon tabulation of votes, it showed:

AYES – Hawker-Griswold-Jones-Rawles-Somers-Walters
NAYS – None
ABSENT – Whalen

Mayor Hawker declared the motion carried unanimously by those present.

3. Hear a presentation and discuss air quality issues.

Environmental Programs Administrator Scott Bouchie displayed a PowerPoint presentation (a copy is available for review in the City Clerk's Office) to provide an update on air quality issues. He noted that a resolution regarding control measures would be presented for Council consideration at the June 25th Regular Council meeting.

Mr. Bouchie advised that Particulate Matter of less than 10 microns (PM-10) represents a significant health hazard that is primarily generated by earthmoving and construction-related activities. He said that Maricopa County was designated as a "serious non-attainment area" in 1996. Mr. Bouchie noted that Mesa is the only Valley city that has a dedicated particulate pollution ordinance, which is based on the rules adopted by Maricopa County. He stated that Mesa submitted a State Implementation Plan (SIP) in 1998, but the City continued to have violations through 2006. He reported that the Arizona State Department of Environmental Quality determined that four exceedances in 2007 were caused by high winds, which are considered natural events. Mr. Bouchie further advised that sanctions for non-compliance include the loss of Federal transportation funding and tighter control measures on industry, which could affect the decision of a business regarding plans to relocate to this area. He added that an additional sanction is the requirement for a new five percent reduction plan. Mr. Bouchie reported that the Maricopa Association of Governments (MAG) Regional Council approved a list of nine modifications to be implemented by local governments in order to achieve a five percent reduction, which will be modeled by MAG in August to determine the feasibility and submitted to the Environmental Protection Agency (EPA) in December. He noted that other modifications proposed for implementation by the State and the County may also affect the City.

Mr. Bouchie reviewed the City's public education efforts, which includes participation in Maricopa County's "Bring Back Blue" campaign, increased training of City staff, providing the ability to file dust complaints on line, and distribution of a Police Brochure regarding recreational vehicle use in the desert. He added that other efforts made by the City to reduce particulate pollution include:

- Restricting vehicle use and parking on vacant lands.
- Paving or stabilizing unpaved roads, shoulders and alleys.
- Sweeping streets with PM-10 certified sweepers.
- Reducing the use of off-road vehicles in high use areas.
- Establishing 15 mile per hour speed limits on unpaved roads.
- Requiring unpaved parking lots to be paved or stabilized.

Mr. Bouchie reviewed some of the issues addressed in a bill currently being considered by the Senate (SB 1552) with regard to particulate pollution.

In response to a question from Vice Mayor Walters, Mr. Bouchie noted that the proposed regulations would restrict the use of leaf blowers by contractors on high-pollution days. He noted that Maricopa County would provide additional training in this area.

Mayor Hawker commented on the discussion held at the MAG Regional Council meeting regarding particulate pollution. He noted that the elimination of highway funds for non-compliance is a very serious issue.

Responding to a question from Vice Mayor Walters, Mr. Bouchie confirmed that residents of Mesa are prohibited by ordinance from blowing debris or placing pollutants in the public streets.

Vice Mayor Walters suggested that the City initiate public education regarding the issue and that the information be shared with area landscapers.

In response to a series of questions from Councilmember Griswold, Mr. Bouchie advised that the penalty for non-compliance with PM-10 regulations could represent a loss up to \$1.1 billion in Federal highway funding to the Region over a five-year period. He advised the PM-10 monitors are located throughout the Valley, including one in Mesa that has not indicated a violation. Mr. Bouchie noted that two of the Phoenix monitors that continually report violations are located in high-pollution areas. He added that other monitors that frequently report violations are located in the high-growth areas of Buckeye and Higley.

Mayor Hawker thanked Mr. Bouchie for the update.

4. Hear a presentation, discuss and provide direction on A-frame signs.

This item was removed from the agenda.

5. Acknowledge receipt of minutes of various boards and committees.

- a. Transportation Advisory Board meeting held April 17, 2007
- b. Parks & Recreation Board meeting held May 22, 2007

It was moved by Vice Mayor Walters, seconded by Councilmember Jones, that the above-listed minutes be acknowledged.

Upon tabulation of votes, it showed:

AYES – Hawker-Griswold-Jones-Rawles-Somers-Walters
NAYS – None
ABSENT – Whalen

Mayor Hawker declared the motion carried unanimously by those present.

6. Hear reports on meetings and/or conferences attended.

Councilmember Jones: Ribbon cutting ceremony for the Bass Pro Shop.

Councilmember Griswold: Tour of new McDonnell Helicopter Plant at Falcon Field.
East Valley High School graduation ceremony.

7. Scheduling of meetings and general information.

City Manager Christopher Brady stated that the meeting schedule is as follows:

Tuesday, June 12, 2007, 3:30 p.m. – Public Safety Committee

Thursday, June 14, 2007, 7:30 a.m. – Study Session

Thursday, June 21, 2007, 7:30 a.m. – Study Session

Thursday, June 21, 2007, 8:30 a.m. – Intergovernmental Affairs Committee

Monday, June 25, 2007, TBA – Study Session

Monday, June 25, 2007, 5:45 p.m. – Regular Council Meeting

Thursday, June 28, 2007, 7:30 a.m. – Study Session

8. Prescheduled public opinion appearances.

There were no prescheduled public opinion appearances.

9. Items from citizens present.

There no items from citizens present.

10. Adjournment.

Without objection, the Study Session adjourned at 8:41 a.m.

KENO HAWKER, MAYOR

ATTEST:

BARBARA JONES, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the City Council of Mesa, Arizona, held on the 7th day of June 2007. I further certify that the meeting was duly called and held and that a quorum was present.

BARBARA JONES, CITY CLERK

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Attachments (2)