

**COMMUNITY HOUSING TASK FORCE
MEETING
April 22, 2003**

MEMBERS

Joe Udall
Carie Allen
Jim Davidson
Patricia Duarte
Linda Flick
Jack Hannon
Teresa Brice-Heames
Greg Holtz
Sean Lake (Excused)
John Poulsen
Jeff Rogers
Maynard Schneck
Marty Whalen
Stephanie Wright

STAFF

Hershel Lipow, TONYA Inc.
Ben Patton, Neighborhood Services
Bryan Raines, Neighborhood Services
Kit Kelly, Community Revitalization
Lisa Wilson, Neighborhood Services
Deanna Villanueva-Saucedo,
Neighborhood Outreach
Wayne Balmer, Williams Gateway

OTHERS PRESENT

Mayor Keno Hawker
Rex Beall
Terry Feinberg
Ron Peters

WELCOME AND INTRODUCTIONS

Joe Udall welcomed everyone to the fourth meeting of the Community Housing Task Force (CHTF) and gave a brief summary of the subjects to be discussed. Mayor Keno Hawker attended this evening's meeting. Mr. Udall announced that CHTF member Randy Jackson resigned from the group and the City staff is working to find a replacement.

The Community Housing and Revitalization Roundtable will meet on May 20th and the regular CHTF meeting will take place on May 27, 2003. During this meeting the process for devising an Implementation Strategy will be discussed, with final approval of this Plan set for late Summer.

APPROVAL OF MINUTES FOR PRIOR MEETINGS

Mr. Udall asked for a motion to approve the minutes of January 30, February 2, and March 25, 2003. Jack Hannon moved to accept them with changes. Those changes have been made and are available on the City's web site. Jim Davidson made a second motion and the minutes were approved unanimously.

MESA'S HISTORY AND GROWTH

Mr. Wayne Balmer, Project Manager of Williams Gateway Area Regional Office summarized Mesa's history and growth for the Task Force.

Mr. Balmer provided the group with handouts, which included the Historical Perspective of Mesa and maps that showed areas discussed.

Prior to WWII Mesa consisted of one square mile. Growth focused around the Town Center until 1960. In the 1970's Mesa was a community of single-family homes, the freeway was coming, and California developers became attracted to Mesa. Dobson Ranch was the first high class development in Mesa with it's lakeside attraction. This development offered various housing types such as single-family homes and townhouses.

Mobile home corridors developed in the 1970's along Main Street east of Lindsey Road and the area from Broadway on the south to University on the north. An area just east of Gilbert Road to Power Road became the Mobile Home Corridor for retirement developments.

In 1980 two-thirds of all the houses in Mesa were less than 10 years old. Mr. Balmer noted that planners have three views of housing age:

- Less than 10 years old- What's your new housing stock
- 20-30 years old What's on the bubble
- 30 years old and more Those neighborhoods looking at reinvestment issues

In the 1970's Mesa's boundaries extended west to Tempe, south to Gilbert, and annexation of the Citrus Grove areas in the northeast finally reached Falcon Field, which was developed 30 years prior.

In the 1980's Mesa entered into the desert areas and southeast to Williams Gateway. Also, the Brown Road Corridor became known as the "Citrus Groves" area, and apartments evolved from smaller complexes to larger developments.

In 1984, in order to spur new construction, the Federal Housing Administration made it easier for investors to obtain loans. These investors built more apartments that were concentrated in the area west of Stapley and south of Brown. Soon that market was overbuilt.

In the early 1990's people that lived in the 1980's neighborhoods moved to areas further east in Mesa. This era brought in design guidelines for apartment developments, which created better quality developments. Privately owned land, which became known as the Desert Uplands, became an area of interest with its mountain views. This area was similar to Scottsdale without the Scottsdale prices.

Mr. Balmer stated that in the 2000's Chandler and Gilbert are competing with Mesa in the housing market. In order to compete, Mesa must offer diversity (from manufactured homes to estate homes) in its housing stock.

Mr. Balmer noted that the City of Mesa occupies approximately 125 square miles today and is expected to grow to about 170 square miles.

Jim Davidson made the observation that during the meetings of the CHTF, Mesa seems to be a City crying out for change.

PANEL PRESENTATION AND DISCUSSION

Presentations on Rehabilitation and Historic Preservation, Rental Market, Manufactured Housing, and Master Planned Communities were given.

Ron Peters of BPLW Architects and a member of Mesa's Historic Preservation Committee presented a discussion on Rehabilitation and Historic Preservation. Mr. Peters gave a brief summary regarding some of the neighborhoods in Mesa's downtown community. Mr. Peters also pointed out some important facts associated with the preservation of these neighborhoods:

- There is richness in the neighborhoods
- Infill design is important to the historic preservation guidelines and standards

Design guidelines are one of the most important factors in any of the historic neighborhoods. Mesa's historic districts have design guidelines that are carefully used. Infill development and mixed-uses in these areas was also discussed. When developing infill housing it is important to match colors and material to existing homes. Mr. Peters believes that mixed-use infill development can be done successfully when design guidelines are followed.

The five historic neighborhoods currently recognized in Mesa are the Evergreen Historic District, Wilbur Historic District, Robson Historic District, Temple Historic District, West 2nd Street Historic District. Fraser Fields was recently added as the newest Historic District in Mesa. Registered neighborhoods were also mentioned, as they give a sense of identity to neighborhoods.

Terry Feinberg of the Arizona Multi-Housing Association presented the group with facts regarding multi-family housing and its importance in being included in Mesa's housing stock. He emphasized the need to produce a balanced housing policy that included multi-family housing.

Apartments represent the 6th largest industry in Arizona, which employs approximately 20,000 individuals and generates roughly \$607 million in state and local taxes.

Mr. Feinberg then noted some uncommon facts regarding multi-family dwellings. Generally, such housing types accomplish the following:

- Place less burden on schools
- Reduce auto traffic and provide critical mass of users required to make mass transit feasible
- Revitalize deteriorating neighborhoods
- Preserve open space and use infrastructure
- They don't have a higher crime rate

Joe Udall asked what concerns the apartment industry has regarding the creation of a balanced housing policy. Mr. Feinberg replied that uncertainty of getting entitlements

and the right to build, the cost of impact fees, and what will be the acceptable design standards.

Jim Davidson noted that information from the schools stated that apartments had a definite effect on classroom size but that Mr. Feinberg has stated otherwise. He wondered if the transient nature of apartment dwellers is the reason for this. Mr. Feinberg suggested viewing specific neighborhoods and apartment communities and the type of people that are attracted there. Mr. Davidson felt that the apartment would affect the neighborhood and the neighborhood would ultimately change.

Linda Flick asked Mr. Feinberg to explain how apartment developers decide where to build and also to give an example of an apartment development in Mesa that would attract an individual with a \$50,000 or more income.

Employment and the availability of capital attract apartment developers to an area. Mr. Feinberg did not know of any apartments in Mesa that could attract an individual earning \$50,000 or more.

Teresa Brice-Heames asked Mr. Feinberg to comment on his thoughts concerning rent control. He stated that it could be devastating to the tenant and the industry. Rent controls are not “need based” and they apply to everyone.

Patricia Duarte asked if the number of units contained in a development is decreasing or increasing. Mr. Feinberg thought that the numbers will decrease on the short term but was not sure about the long term. The industry is finding that the larger complexes mean higher vacancy rates.

Jack Hannon asked about the vacancy rates in Mesa’s apartment stock. Mr. Feinberg stated that the vacancy rate is 10-12% and occupancy rate is 88-90%. Mr. Hannon asked if investors were building these developments for tax purposes. Mr. Feinberg stated that the Tax Act of 1986 removed many investors from developing apartments for tax purposes.

Rex Beall of Mammoth Investments gave a presentation regarding the manufactured housing industry in Mesa. There are 25 manufactured housing dealerships on Main Street from Lindsey to Signal Butte Road. Financing, growth, land availability, and our ability to compete with site builders in terms of affordability are the market forces currently effecting manufactured housing. Manufactured homes are being used as infill projects in various states across the country. Mr. Beall said that manufactured homes could be custom built with just as many amenities as a site built home. Mr. Beall stated that people either rent or purchase the property for the homes. Most prefer to own the land to ensure the fees are not increased yearly, as could be the case in a mobile home park.

Stephanie Wright asked whether the housing code was different for mobile homes. Bill Petrie of the City of Mesa’s Code Compliance office stated that the code is the same

regardless of housing type. Mr. Beall added that their homes are built to HUD code and certain manufacturers will build to UBC code. Mr. Beall considers his industry to be a strong industry. When asked about rehabilitation of an older mobile home, he stated that the cost would be comparable to a site build home depending on the upgrades.

Marty Whalen asked what the rent rates were at this time and the property density. The rate could range from \$165-400 a month and the density could be five to seven homes per acre for the newer units. For an RV Park it could be 10-15 an acre.

Carrie Allen wanted to know what are the demographics of Mr. Beall's customers. Mr. Beall stated that they are between ages 25-75 years old. The people that go into the parks are often winter visitors.

Ms. Allen asked what the typical lifespan of the manufactured home would be. Mr. Beall stated that it's the same as a site built home and that is why the same type of 30-year mortgages are provided.

Wayne Balmer of the City of Mesa discussed the future of Mesa's housing with the group. Mr. Balmer pointed out the Planned Communities within Mesa—Dobson Ranch, Alta Mesa, Red Mountain Ranch, Las Sendas, and the retirement communities such as Sunland Village, Sunland Village Springs, and Augusta Ranch. He stated that the common factor of all of these communities is that they almost all occupy a one-inch square on the map, which is about one square mile. He also pointed out that there aren't many one-inch squares of vacant land on the map any more. Chandler and Gilbert have many more planned communities. Developments are moving further away from the City because of land availability, commercial developments, and the freeway. Dobson Ranch was the first Planned Community in Mesa and is now in the center of a larger urban area.

Maricopa County consists of three million people and is expected to double in 2020. He pointed out the other communities surrounding Mesa on the map. Specifically an area called Johnson Ranch located to the south has new planned communities. Another million people could be added to northern Pinal County in the next 20 years.

Apartments have evolved and manufactured homes have evolved as the HUD housing code has improved. A community's challenge is how to get the appropriate balance of housing to get the balance of citizens that you are looking to retain. What share of the market will Mesa have when we reach build out?

Referring to the map, Mr. Balmer pointed out an area between Queen Creek and Florence that has been approved for 100,000 homes. There would be approximately three people per lot, which is a total of 300,00 people. You will find the same with Casa Grande and Maricopa. Their future is planned communities.

Mr. Balmer then took questions from the Task Force.

John Poulsen asked how could you go back and purchase land in the redevelopment areas of the City if you want to obtain 100 lots at a time?

Mr. Peters stated that it would be difficult but you would have to acquire them individually.

Mr. Balmer stated that you declare the area in need of redevelopment, buy the property, negotiate the price, clear the land, and find a buyer. The easiest property to acquire would be a mobile home park. At the time the property is purchased, the owner would let tenants know that their lease will not be renewed a year from now. The property would then be available for re-use.

Where would these people go? Mrs. Brice-Heames suggested that vacant apartments could be subsidized. Mr. Davidson wanted to know who would pay for the subsidy. Mr. Balmer stated that the City is allotted a certain number of Section 8 vouchers. If you relocate everyone in one of the mobile home parks, it could use the entire allotment.

Mr. Udall thanked the panel for their presentations.

WORKSHOP LOGISTICS

Hershel Lipow suggested that the group participate in the discussion as assembled to save time.

GROUP DISCUSSION AND REPORT OUT

The group was complimented on questions they posed to the panel. Mr. Lipow stated that he would not structure the group's conversation but to keep it moving forward. In filling out the work sheet there were three areas to consider

- Where do we put our housing
- What is it going to look like
- Who is it going to serve and what is the relationship of that housing to it's surroundings that will comprise Mesa in the future

These questions will form the framework for the development of the implementation strategy.

Mr. Lipow asked what members found most interesting in the conversations in terms of location and where they want to put things. "Mesa is going to be surrounded by other development that it hasn't begun to think about yet. It is also true that Mesa is becoming a destination, a place in its own right and growing. The City is aging but its going to welcome 100-150,00 new comers. What about location?"

Marty Whalen mentioned that the Valley is going to have to deal with people leaving older homes. "What do we do with those homes?" He suggested that the group focus on mixed use.

Jim Davidson suggested the need to be sensitive to existing transportation routes that density needs to occur.

Ms. Flick felt that Mesa's future is going to be towards more integrated development that is inclusive of housing, employment, services, and entertainment.

The other question posed to the group is, "What type of housing are we looking for and who is going to be here?" Jobs-to-housing ratio, marketability, attractiveness of the community, education, and the quality of life all need to be considered and preserved.

Mr. Davidson asked if the Land Use Plan tells where the houses will be built. "If that is the case, is the group going to recommend changes to the Plan?"

Mr. Lipow felt that the Task Force won't be able to be that specific but did point out that the Land Use Plan is very general.

The Housing Element of the General Plan was discussed. Mr. Udall stated that the Housing Element is what spawned the existence of the CHTF. Developing a Housing Master Plan is consistent in an outgrowth of what the Housing Element of the General Plan required and mandated.

With Mesa being identified as an attractive place to build, the group examined the next question of what to build. Patricia Duarte specified a good balance of housing is needed and should include everyone. She wanted to know if a model exist that the group could view.

Mr. Lipow mentioned his work with Henderson, Nevada. This town brought more affluence to some parts of town and opportunity to the others.

John Poulsen thought that Mesa already has a good blend of housing and affordable housing could be found in the dense areas of the City. Mesa will see a natural increase in the quality of housing in order to compete with other areas.

Mr. Davidson added that we have to design the City to accommodate all types of people. The infill process should provide better dispersal, affordability, or opportunity for people who can't afford to live in other parts of the City, a chance to possibly move out of certain corridors. Mesa will not need to model any other City because it will be the model to build an enlightened and sustainable community.

Maynard Schneck also asked, "What will become of the older homes?" Ms. Duarte suggested making them historic and to provide an incentive program so people will invest in the property.

Stephanie Wright was concerned with maintaining the older homes so that they are livable for the next family. "How do you sustain the physical livability so they can continue to be part of the housing stock?"

Mr. Lipow stated that rehabilitation is a key element. He also stated that the group is getting a consensus regarding the vision, opportunity, integration of various incomes, lifestyles and interest, lack of concentration of poverty, and a sense that people can raise a family in Mesa.

Mr. Davidson added that, “Mesa has adopted open space well. Our Parks and Recreation are national models. Many of the elements of sustainability that draw people here and make them want to stay here, are in place. And the issue of retail and commercial, where you can’t walk, we are in the west. This is an automobile driven society.”

Ms. Flick stated that what’s wanted is a mix of housing that attracts a variety of employers. Businesses would move here because of the good balance of housing stock that accommodates the workers.

Ms. Brice-Heames’ observation was that there is no consensus on what’s wanted for the communities. She mentioned different ethnic backgrounds and desires create a barrier. What might be appealing for one person may not be the case for another. Inclusionary zones can be discussed along with the real barriers to what we want to accomplish, which is the perceptions. Housing policy that requires Mesa to take risks will have to be developed.

Mr. Poulsen agreed with Ms. Brice-Heames. He would like to see low-income housing included in northeast Mesa. The concept is difficult to force on developers because they either build single-family homes or high density but not both.

Mr. Lipow asked if the group wants to see something different to happen in terms of development? Is it important to create a different relationship among uses, owners, renters, or residential and non-residential users?

Mr. Poulsen added that it could be done with City leadership. Building buffers and greenbelts between single-family and high-density housing will allow them to blend.

The question regarding whether the City of Mesa should be “vision driven” or “market driven” was discussed. Mr. Davidson’s observation was that the vision (something different) of the community would drive the market.

Mesa is scheduled to be 170 square miles by 2025. Ms. Wright wanted to know if the group was going to develop a policy that would serve for 20 years. Mr. Udall added that the General Plan is a 20-year vision and the CHTF is part of that vision.

Ms. Wright asked, “How could you transfer policy that applies to newer development to the older area that is built out?”

Mr. Davidson stated that information from staff is needed on where do they see infill occurring. “Have you identified specific areas that will be infilled and will they be infilled to something other than what they are currently zoned for? The decisions we

make could affect a huge amount of land but we won't know until those areas are identified by staff or zoning.”

Mr. Lipow commented that the Housing Rehabilitation Code is proceeding nicely and it will be a strong incentive. Infill will be a tougher boundary decision to make.

Mr. Udall asked, “What is our deliverable? What is it that we are supposed to do as a committee? We are creating a Housing Master Plan, which are recommendations and suggestions. It's not zoning. It is a broad vision of what we want to accomplish and recommendations for how we accomplish the vision”.

Mr. Lipow agreed and added that the Housing Element of the General Plan has 3 goals, five or six objectives, and about 25 policies which are really action steps. He asked the group to take a look at those policies and give staff some guidance on what the priority or the preference should be for those policies. He suggested that the group move forward from those and add those areas that seem to be deficient so that we come up with a policy guidance that allows us to move to the tools and strategies (the how). The CHTF will work on 3 general areas to develop specific action steps and tools to implement a policy, which include the regulatory, the financial, and the programmatic. Those 3 areas will give the subset of tools needed, in terms of responsibilities, funding sources, timelines, and general action steps.

Mr. Poulsen suggested a concept he called “flex zoning”. He explained that when you start talking about infill you couldn't apply new standards to old properties. The same thing happens in some zoning situations when trying to blend affordable housing and higher density housing into areas adjacent to low density, more upscale housing. The zoning states that you can't put dense housing in that area. He further stated, “There are those that say, yes you can, just less dense at one end and higher density at the other. What that does is cause a bigger gap in the two product lines that you are trying to deal with. I wouldn't mind building a single-family development next to an apartment development and high density if there could be a sensitivity plan given to both groups that will work. We are going to have to get a more flexible approach than we've had in the past.” Mr. Whalen added these are minor amendments to the General Plan, if they are needed at all.

Mr. Lipow added that what he hears the group saying is that they want a negotiating development process as a matter of standard operating procedure for planning and zoning. “The how that happens is where we are going. We are going to take a look at that. Whether it's a public entity that does the development, the private sector, combination of a partnership, or homeownership zones. There are many mechanisms to evaluate as soon as we get a sense of where we want to take this. It's very instructive to hear because there is much more unity and consensus and hopefully a bit more knowledge than when we started.”

Ben Patton mentioned the question that Mr. Davidson asked about the General Plan and the Land Use map. “How restrictive is that going to be for us? Is it a guide or a vision?”

Mr. Patton noted that during the creation of the Land Use Map, there was an important issue about the land use designation for a particular parcel of land at the intersection an arterial street and the US-60. The issue was—do we want to have this current use identified or do you want to reflect the desired outcome for the area? The consequence of that discussion was that the City should put the designation that we want to see there. We want the vision for that site to be reflected in the Land Use Map. That’s the difference between a current land use map and a future land use map. Mr. Whalen just made the distinction between them, which is a minor amendment and a major amendment. The General Plan is our springboard but it’s also a fluid document. A little less fluid are things like zoning ordinances which take work to revise as do General Plans but I see your creation of a vision not being limited by existing and adopted documents.”

Mr. Davidson stated that the issue Mr. Patton mentioned was rare. “We served notice to all the developers. We were driven by a state regulation that said you must have a growing modern initiative and you have to revisit your Land Use Plan. We had a free fire zone on the Land Use Plan, which I think will not ever occur in my lifetime. I would love to have that opportunity, I wish the present Council had that opportunity but I think that was a rare instance.”

CITIZEN COMMENT

Jack Hannon had some information to give the group regarding a “Charrette” of the Broadway Corridor that was completed by Arizona States School of Architecture. A Charrette is a study session that architects and planners get into when they are having visions about how to look at an area and come up with ideas on how to fix them. The Charrette was completed in November and the results are out in draft form on the web site at:

www.asu.edu/caed/HCDE/herberger/publications/downloads/broadway/Broadway2003rev2.pdf

Mr. Hannon stated, “There are some very interesting things there that have to do with housing and some of the issues that came up tonight. How you arrange housing so that it is human friendly and we can almost imitate some of those old historic neighborhood type settings with the recommendations that are in there. Something that I really would be interested in getting is a reaction from the group to see if there is some information there for us. It specifically addresses the Nuestro Neighborhood and other portions along the Broadway corridor on the south side of Broadway. It has some general things that might be of help to us in regards to establishing a vision.

ANNOUNCEMENTS

The next meeting is a joint meeting with the Housing Roundtable on May 20, 2003. The subject will be implementation strategies, opportunities, and best practices. May 27, 2003 will be the next regular meting of the CHTF.

Respectfully Submitted,

Ben Patton, Neighborhood Services