



## SUSTAINABILITY & TRANSPORTATION COMMITTEE

January 28, 2016

The Sustainability & Transportation Committee of the City of Mesa met in the lower level meeting room of the Council Chambers, 57 East 1st Street, on January 28, 2016 at 8:01 a.m.

### COMMITTEE PRESENT

Kevin Thompson, Chairman  
Dave Richins  
Alex Finter\*

### COMMITTEE ABSENT

None

### STAFF PRESENT

Kari Kent  
Dee Ann Mickelsen  
MaryGrace McNear

(\*Committeemember Finter participated in the meeting through the use of telephonic equipment.)

### 1. Items from citizens present.

There were no items from citizens present.

### 2-a. Hear a presentation, discuss, and provide a recommendation relating to eliminating the separate service connection and metering requirements in Sections 3(A) and 3(E) of the Terms and Conditions for the Sale of Utilities to allow interconnected service across parcel boundaries for a proposed conference building for the Save the Family Community Services Facility located on University Drive between Centennial Way and Mesa Drive.

Development Services Department Director Christine Zielonka introduced Steve Langstaff, Director of Property Development for Save the Family, who was prepared to address the Committee.

Mr. Langstaff briefly discussed the role of Save the Family (STF), which provides housing and various services to an estimated 200 families. He explained that some of the families, who were previously housed in shelters, are placed in a transitional housing program. He stated that the program has a number of requirements including, but not limited to, the following: family members must obtain employment within 45 days; within ten months, the families are expected to "graduate" into STF's permanent housing program (the current success rate is approximately 75%); and that STF maintains 148 units of permanent housing that are located throughout the Southeast Valley. He added that those families who transition to permanent housing pay rent and utilities and are allowed to stay in those units for as long as they want.

Mr. Langstaff commented that STF, in partnership with Gorman Development, developed two Low Income Housing Tax Credit (LIHTC) programs in the Escobedo neighborhood. He noted that phase one, which consists of 70 units, was completed two years ago and stated that last year, the remaining 62 units of affordable rental housing were completed.

Mr. Langstaff further remarked that during phase one of the Escobedo project, it was anticipated that STF would build a conference center, which would be shared with Helen's Hope Chest. He explained that due to certain financial constraints, construction of the facility was delayed until phase two of the development. He stated, however, that Helen's Hope Chest was constructed during phase two, the costs of which were derived from the LIHTC program and additional City dollars, which once again resulted in the conference building being put on hold.

Mr. Langstaff, in addition, reported that three years ago when STF began the process of obtaining Community Development Block Grant (CDBG) funds through the City, the parcel for the conference center was inadvertently left out of the development phase. He said that STF recently became aware of such information and was seeking the City's assistance in an effort to receive utilities for the conference building, which it now intends to construct. He added that the manner in which the parcel was separated would have required that STF run a sewer line and a water line to separate points on University Drive, which would have been cost prohibitive to the organization.

Chairman Thompson stated that it was important for everyone to understand that staff's proposal was not a change to the ordinance, but merely a waiver to allow interconnected utility service across parcel boundaries for the conference building.

Responding to a question from Committeemember Richins, Ms. Zielonka clarified that the City will convey the property, which is basically an undevelopable parcel, to STF. She explained that STF leases its current building under strict use restrictions and said that if the property were not used for the community purpose for which it was designed, it would go to fair market value. She also remarked that the same restrictions on the current STF building would apply to the parcel in question. She added that a Development Agreement has been drafted that will "tie the two parcels together," so that the conference center is an integral part of the community facility, as it was originally intended to be.

In response to a question from Committeemember Richins, Deputy City Attorney MaryGrace McNear explained that the conveyance documents will include deed restrictions that run with the land in perpetuity. She pointed out that the Escobedo parcel, which is situated next door to STF, was set up somewhat differently in that it includes a long-term lease with an option to buy. She reiterated that the City will convey the parcel to STF and include a Development Agreement and deed restrictions, which will protect the use of the property and practically eliminate the possibility that the parcel could be sold to someone else, but rather it would come back to the City.

Ms. Zielonka added that staff would anticipate that the Development Agreement and conveyance documents will be presented to the Council for their consideration within the next four to six weeks.

It was moved by Committeemember Richins, seconded by Committeemember Finter, that staff's recommendations be forwarded on to the full Council for discussion and consideration.

Carried unanimously.

Chairman Thompson thanked everyone for the presentation.

3. Adjournment.

Without objection, the Sustainability and Transportation Committee Meeting adjourned at 8:09 a.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Sustainability & Transportation Committee meeting of the City of Mesa, Arizona, held on the 28<sup>th</sup> day of January, 2016. I further certify that the meeting was duly called and held and that a quorum was present.

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DEE ANN MICKELSEN, CITY CLERK

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