

GENERAL DEVELOPMENT COMMITTEE MINUTES

December 8, 2003

The General Development Committee of the City of Mesa met in the lower level meeting room of the Council Chambers, 57 East 1st Street, on December 8, 2003 at 8:04 a.m.

COMMITTEE PRESENT

Dennis Kavanaugh, Chairman
Kyle Jones
Claudia Walters

COUNCIL PRESENT

Rex Griswold

OFFICERS PRESENT

Paul Wenbert

1. Discuss and consider Housing Master Plan Report.

Chairman Kavanaugh stated that on behalf of the General Development Committee and the Council, he would like to express appreciation to the Community Housing Task Force (CHTF), City staff and representatives from the U.S. Department of Housing and Urban Development (HUD) for their efforts and hard work relative to the creation of the draft Housing Master Plan Report.

Community Revitalization Director Kit Kelly addressed the Committee and provided a brief chronological overview of the purpose, scope and background of the Housing Master Plan for the City of Mesa. She reported that the Plan is the result of the combined efforts of Mesa residents and staff and that in particular, the Housing Policy Subcommittee of the Housing and Neighborhood Revitalization Roundtable provided the foundation for the Housing Element of Mesa's General Plan. Ms. Kelly noted that the primary focus of the CHTF was to propose to the Council specific goals, objectives and implementation strategies relative to the Housing Master Plan. She added that the group was comprised not only of community representatives, but also housing professionals who brought valuable insight into the process. Ms. Kelly acknowledged the presence in the audience of Teresa Brice-Heames and Jack Hannon, two CHTF members.

Ms. Kelly provided a brief statistical overview of the following key resources utilized by the CHTF in the creation of the Housing Master Plan: the Arizona Affordable Housing Profile (the Pollack Study); Mesa's Economic Development Strategic Plan; Mesa's General Plan and the Housing Element; information from Arizona State University's Real Estate Center, College of Architecture, and Census 2000 data. (A copy of the draft Housing Master Plan Report is available for review in the City Clerk's Office.)

Ms. Kelly commented that during the initial stages of developing the Housing Master Plan, the CHTF created a vision, part of which included examining various housing issues such as the

special needs population, the elderly, Latinos, first-time homebuyers and executive housing. She noted that the group also examined issues such as land use, rehabilitation and historic preservation. Ms. Kelly stated that out of the creation of a vision, the CHTF developed six themes for the Plan including balance, revitalization, compatibility, economic development, housing character, and innovation.

Ms. Kelly reported that subsequent to the development of a vision and reviewing all of the available data, the CHTF established a set of general housing goals specific to the City of Mesa. She explained that the group recognized that Mesa is not an isolated community, but rather the second largest city in the Phoenix metropolitan area, and that it is affected by housing production and availability in the surrounding communities. Ms. Kelly advised that the CHTF developed measurable and broadly stated goals with the expectation that they would offer direction and guidance to a future Housing Board that would ultimately develop and approve more detailed housing policies/programs.

Ms. Kelly outlined the CHTF's general housing goals as follows:

1. To increase housing production to meet the projected population growth for all income groups.

Discussion ensued relative to the fact that in 2025, Mesa's population is projected to reach over 600,000; that in order to house the projected population, the City would need to build 2300 units per year; that if Mesa continued to produce 1700 residential units per year, it would not reach the projected number of units needed until 2036.

2. To reduce the housing gaps in the upper and lower income levels by 50%. (A reduction of the gap would result in 10,612 new units available to upper income levels and 3,700 units available to lower income levels.)
3. To replace a minimum of 50% of the mobile homes that are 25 years or older.

Further discussion ensued relative to the fact that Mesa has a mobile home housing stock of 18.7% as compared with other Valley cities which range from .4% to 8.3%; that mobile homes built before 1979 do not meet Mesa's current building standards and are usually restricted from being moved from one mobile home park to another; that mobile homes are often the only affordable choice available to low-income populations, and that any programs that the City would develop to remove the aging mobile home stock would have to take into consideration the possible displacement of households.

Committeemember Walters expressed a series of concerns regarding item #3 and commented that while the goal is admirable, it is also probably one of the City's least achievable goals as a result of past attempts to remove aging mobile homes which have resulted in lawsuits. She also commented that there are areas along Main Street where there are a number of deteriorating mobile homes and yet there does not seem to be an effective way for the City to address the problem.

In response to Committeemember Walters' concerns, Ms. Kelly explained that although there are residents in mobile home parks that cannot physically move their aged trailers, programs are available to develop new sites and bring those individuals to the new locations. She

commented that the programs require a substantial subsidy and it may be an option that the City could pursue a little bit at a time. She added that eventually the City's aging mobile home stock will have to be replaced.

Chairman Kavanaugh concurred with Committeemember Walters' comments relative to item #3 being a major challenge for the City, especially considering the fact that mobile homes serve a critical need for a large percentage of the community's residents. He also questioned the feasibility of the Program Tool listed on Page 74 of the draft document to "Pursue opportunities to employ manufactured housing as an alternative to mobile homes and dilapidated housing on a selective basis" due to the fact that manufactured housing has not received a good reception in the East Valley or Valley-wide.

In response to Chairman Kavanaugh's concerns, Ms. Kelly explained that although item #3 is a difficult goal to accomplish, the CHTF believed that the issue must be addressed and that it be made a focus in the future relative to Mesa's housing stock.

Committeemember Walters suggested that an additional "tool" or implementation strategy be added to the Plan that would provide an individual attempting to go through this process with a checklist to prevent unnecessary pitfalls.

4. To determine and reduce the number of homes in a substandard or deteriorating condition by a minimum of 50%. Under this goal, the first step would be to develop a uniformed definition of "substandard" and subsequently conduct a count of those residences that are substandard. Once the inventory is developed, the next step would be to reduce the number of units through their removal or restoration, if feasible.

Additional discussion ensued relative to the Plan's implementation strategies including policy areas of financial, planning, programmatic and regulatory; the fact that the CHTF reached a consensus to create a Housing Board (appointed by the Council), consisting of a balanced representation of housing interests, to implement the Housing Master Plan; the fact that the City does not currently have an advocacy group to ensure that the implementation tools have a forum for consideration or ongoing support and the proposed board would fill the void; the fact that the Housing Board would not be viewed as an extra step in any development process, but would further refine the CHTF's goals, work to reach consensus on definition and priority issues, as well as provide expertise on housing issues to other advisory boards and staff when deemed appropriate.

In response to a question from Committeemember Walters, Ms. Kelly clarified that staff has discussed the formation of a Housing Board with the Housing and Human Services Board (HHSB), whose primary focus is human services and affordable housing. She noted that the proposed board would have a broader scope than just affordable housing issues and commented that the HHSB was receptive to the creation of the board. Ms. Kelly added that it would be imperative to evaluate the role of the HHSB relative to housing issues as well as the potential duties of a new Housing Board. Ms. Kelly also noted that although the Housing Master Plan focused strictly on the City of Mesa, staff would encourage the Council to become involved in the development of a Regional Housing Plan, particularly focusing on the areas of affordable housing and creating more of a housing balance in the East Valley.

In response to a question from Chairman Kavanaugh, Ms. Kelly explained that in her opinion, the CHTF would encourage local government to take a role in the development of a Regional Housing Plan, whether reviewing programs that are being developed, taken to the Planning & Zoning Board or another board, or looking at Federal programs.

Committeemember Walters questioned the willingness of surrounding communities, for example, Gilbert, which has eliminated virtually any vestiges of low-income housing, to participate in a Regional Housing Plan and asked what their incentive would be to participate.

In response to Committeemember Walters' comments, Ms. Kelly stated that HUD is interested in taking on a more regional approach relative to affordable housing and noted that communities may be in jeopardy of losing entitlement funds if they do not provide affordable housing. She added that there may also be the potential for Mesa to share its entitlement funds with other cities to serve as an incentive for those communities to develop affordable housing.

Further discussion ensued relative to the fact that staff has not yet determined whether the implementation of plans to develop programs to accommodate the needs of low-income housing would be funded by new dollars or existing CDBG programs, and that staff is in the process of scheduling a Council tour of Mesa's housing stock in January 2004 and prior to the Council taking action on this agenda item.

It was moved by Committeemember Walters, seconded by Committeemember Jones, to recommend to the full Council that the draft Housing Master Plan Report be adopted.

Carried unanimously.

Chairman Kavanaugh thanked Ms. Kelly for the informative presentation.

2. Discuss and consider selection of Nuestro Neighborhood as the next Opportunity Zone.

Neighborhood Outreach Coordinator Debbie Driscoll addressed the Committee and introduced the team members who worked on the pilot Opportunity Zone project. She stated that the Opportunity Zone was a resident-driven planning process that focused City, Federal and private resources on a particular area of the community.

Ms. Driscoll advised that the pilot Opportunity Zone, located in the area from Westwood to Country Club and from University north to the cross cut canal, was funded through community contributions and that the only expense to the City's General Fund was for staff salaries. She reported that as of April 2003, private investment in the area totaled \$13 million with over \$5 million of that amount invested by individual residents for rehab of their homes. Ms. Driscoll added that reinvestment is continuing in this area. She also noted that staff's experience with the pilot program identified the fact that the size of an Opportunity Zone is a critical element for success, and that the social service needs of the community must be met prior to the residents being able to address a neighborhood plan.

Neighborhood Outreach Coordinator Susan Guthrie reported that staff met with various City departments to identify neighborhoods that could be designated as future Opportunity Zones. She reviewed the selection matrix established to evaluate each neighborhood, which resulted in

staff's proposal to select the Nuestro Neighborhood as the next Opportunity Zone (A copy of the Council Report and the staff presentation are available for review in the City Clerk's Office).

Discussion ensued relative to the fact that although CDBG (Community Development Block Grant) boundaries are taken into consideration, a neighborhood outside the boundaries could be proposed as an Opportunity Zone; that all factors in the matrix should be based on the most recent census figures; that neighborhoods with more than 51% of the residents in the low to moderate income range would qualify for CDBG funds; and that consideration of the age of housing structures must also take into account the economic ability of the residents to maintain the structures.

Committeemember Walters noted that the original concept of the Opportunity Zone was to target neighborhoods that were on the verge of decline, but the program being presented today appears to target neighborhoods that have already declined. She asked if staff was making a shift in terms of policy.

Ms. Driscoll explained that the pilot Opportunity Zone required considerable "facelift" activities, such as painting and cleanups. She added that staff decided to refocus in order to make a significant change in a neighborhood. Ms. Driscoll stated that staff would apply for specific funds from CDBG and other grant sources to implement physical revitalization changes for the next Opportunity Zone.

Chairman Kavanaugh commented that substantial funds have been devoted to the Nuestro Neighborhood in the past, and he noted that other neighborhoods that were previously identified as potential Opportunity Zones might question the philosophical shift in the concept.

Ms. Driscoll stated that the change in the focus of the Opportunity Zone was proposed in order to make a significant change in a neighborhood.

Committeemember Walters expressed concern relative to designating the Nuestro Neighborhood as an Opportunity Zone, but added that she supported the proposed assistance for the neighborhood. She noted that the Opportunity Zone concept has shifted from neighborhoods that are at risk to neighborhoods that have already declined. Committeemember Walters stated that she was in favor of retaining the original Opportunity Zone concept.

Chairman Kavanaugh expressed the opinion that staff made a major policy shift without input or direction from the City Council. He added that the Council has addressed the subject of Opportunity Zones with many neighborhoods, and the program before the Committee represents a substantial change.

Committeemember Jones noted that the Opportunity Zone concept was developed prior to his election to the Council. He expressed the opinion that the Opportunity Zone designation should be evaluated, but stated that the titles assigned to various programs appear to be a matter of semantics. Committeemember Jones concurred that the Committee should approve the Nuestro Neighborhood proposal.

Committeemember Walters stated that the City has neighborhoods in various cycles related to age and other factors, and noted that the original concept of Opportunity Zones was to target

neighborhoods in a particular phase of the cycle. She expressed concern that neglect of the neighborhoods at risk would increase the number of neighborhoods in decline.

Neighborhood Outreach Coordinator Deanna Villanueva-Saucedo explained that the proposed Nuestro Neighborhood program evolved as a result of the pilot Opportunity Zone. She said that the role of Neighborhood Outreach Coordinators was to focus on preventing neighborhood decline and to encourage reinvestment by the residents. Ms. Villanueva-Saucedo stated that the pilot program identified projects that required funding, but noted that only limited resources were available. She acknowledged that some shift in focus occurred with the Opportunity Zone concept, but explained that the shift reflected staff's experience with the pilot program.

Chairman Kavanaugh stated that the Nuestro Neighborhood proposal is a major philosophical shift from what the Committee and the Council set forth for designating Opportunity Zones. He noted that a lack of City funds and Federal dollars has impacted the process, but staff proposed a philosophical change to a program that the Council considered to be a priority when the Neighborhood Services Office was established.

Committeemember Walters suggested that a new name be attached to the Nuestro Neighborhood project. She commented on the fact that the services of a Neighborhood Outreach Coordinator did not have the same impact as did the focus of an Opportunity Zone. Committeemember Walters explained that an Opportunity Zone provides a synergy of ideas from people joining together to create a neighborhood plan. Committeemember Walters noted that the Neighborhood Outreach Coordinators perform a tremendous job, and clarified that her comments were not intended to be derogatory regarding their performance, but clarified that the intent of the Council was to focus on the Opportunity Zone concept.

Ms. Guthrie explained that in the current year, Neighborhood Outreach Coordinators modeled their efforts on the Opportunity Zone concept in each of the geographic areas in an effort to save those neighborhoods on the brink of decline. She acknowledged that the concept provides a focused effort and stated that staff intends to continue working in each of the geographic areas as well as focusing on a specific neighborhood that was in significant need, Ms. Guthrie noted that at this point in time, staff was seeking direction from the Committee.

Ms. Villanueva-Saucedo stated the Committee materials provided by staff includes information on "neighborhood capacity," a term that refers to the fact that the Nuestro Neighborhood has been actively partnering with the City and community agencies, and has reached a point in the planning process where specific projects have been identified and resources are being leveraged. She noted that similar projects identified in an Opportunity Zone would not necessarily qualify for CDBG funds or other fund dollars. Ms. Villanueva-Saucedo requested direction from the Committee on behalf of staff.

Committeemember Jones expressed the opinion that, based on the large number of Mesa neighborhoods that would qualify as Opportunity Zones, consideration could be given to establishing smaller Opportunity Zones throughout the City and focusing on one revitalization zone that would be eligible for CDBG funds.

Chairman Kavanaugh expressed support for the Nuestro Neighborhood project, but noted that the proposal was a philosophical shift that contradicted the Council's priorities that were established over the past three years.

Further discussion ensued relative to the fact that the Committee could direct staff to consider the Nuestro Neighborhood project as a priority without the Opportunity Zone designation; that staff could re-evaluate the philosophy of the Opportunity Zone and report back to the Committee; that the Opportunity Zone concept continues to be a Council priority; that both the proposed Nuestro Neighborhood project and the Opportunity Zone concept involve neighborhood participation; and that the Committee supports the scope and approach of the Nuestro Neighborhood project.

It was moved by Committeemember Walters, seconded by Committeemember Jones, to authorize staff to move forward on the Nuestro Neighborhood project as a priority without utilizing the Opportunity Zone designation, and that staff schedule further discussions with the Committee relative to the concept and philosophy of Opportunity Zones.

Carried unanimously.

3. Discuss and consider revision to Community Development Block Grant target area.

Committeemember Walters reported that representatives of other cities have indicated to her that their communities have utilized CDBG (Community Development Block Grant) funds for projects outside of CDBG census tract areas.

Community Revitalization Director Kit Kelly advised that CDBG area projects must be located within an area where at least 51% of the households are considered low and moderate income. She explained that CDBG funds could be used for projects that benefit individuals or individual households outside of the CDBG target area.

Discussion ensued relative to the fact that Kino Junior High is not located in the current CDBG target area for streetlight improvements; that the use of a larger census tract would enable Kino Junior High to be included, but breaking the area down into blocks excludes the school from the target area; that if the majority of the block groups were eligible for CDBG funds, staff would consider the whole census tract to be eligible; that the streetlight priority map was based on the current CDBG target area; that staff defined the target areas as being the areas with the highest percentage of low and moderate income people; and that an objective of staff was to target a defined area for projects that could be accomplished over a ten-year period of time.

Committeemember Walters stated that she would obtain information from council representatives in other cities relative to their methods of utilizing CDBG funds for projects outside of the CDBG target areas and provide this information to staff.

Ms. Kelly explained that staff defines target areas primarily for the installation of streetlights and that current CDBG projects are Citywide projects that provide benefit to an area. She advised that staff proposes to expand the target area in order to provide streetlights in other areas. Ms. Kelly noted that streetlights in an expanded target area would be prioritized based on input from the Transportation Department, Police Department and neighborhoods.

Further discussion ensued relative to the fact that expanding the target area makes sense; that there are additional census tracts that now qualify for CDBG funds; that the Council could elect not to establish a target area; that target areas enabled staff to plan and develop priorities for streetlight projects over a ten-year period; that the target area would be the focus of streetlight

improvements unless there was a compelling reason to include another area; that the Council could direct the use of CDBG funds to a tract outside the target area if the tract met the 51% low and moderate income criteria; and that staff would evaluate and consider areas outside the target area if these areas appeared to have a higher priority.

In response to a question from Committeemember Jones, Ms. Kelly clarified that Community Revitalization staff has not physically checked the lighting in certain areas, but stated that all target areas include West Mesa properties that were constructed in accordance with older standards.

Additional discussion ensued relative to the fact that, as necessary, staff could include an area outside of the target area on the priority list for streetlights; that Neighborhood Services staff who attend evening neighborhood meetings could serve as a resource regarding the need for streetlights in certain areas; that the City would use mid-decade census figures to evaluate the boundaries of the target area, and staff would present the Council with a proposal if a significant change to the target area boundary occurred; and that residents of certain areas of Mesa that are approved for streetlights oppose the installation while residents of other areas that are not eligible for funds are requesting streetlights.

It was moved by Committeemember Walters, seconded by Committeemember Jones, to recommend to the full Council that staff's request to expand the CDBG target area boundaries, with the added condition that staff consider all CDBG eligible areas when developing a priority list for streetlight projects, be approved.

Carried unanimously.

4. Discuss and consider proposed timeline regarding the pending update to the Desert Uplands Development Standards.

Principal Planner Dorothy Chimel addressed the members of the Committee relative to this agenda item. She referred to the December 3, 2003 Council Report and briefly outlined staff's recommended proposed timeline regarding the pending update to the Desert Uplands Development Standards. (See Attachment 1.) She also acknowledged Senior Planner Jo Ferguson for her efforts and hard work relative to this issue.

Committeemember Walters commented that because of the upcoming holidays, she would prefer to postpone the December 2003 meeting to gather input from the area property owners to the first or second week in January 2004 and that the remaining public hearings/meetings follow thereafter.

It was moved by Committeemember Walters, seconded by Committeemember Jones, to recommend to the Council that the timeline for the pending update to the Desert Uplands Development Standards be modified by one month, with the input from area property owners scheduled for January 2004 rather than December 2003, and that the introduction of the ordinance and the public hearing for adoption of the ordinance be scheduled for March 2004 rather than February 2004.

Councilmember Griswold commended staff, and in particular, Ms. Ferguson and Ms. Chimel for their dedication and hard work to make the Desert Uplands one of the most beautiful areas of

Mesa. He stated that he is especially pleased with the finalization of the native plant choices and the lighting issues, and added that the preservation of the desert surrounding the area will be the last major item to be resolved.

Carried unanimously.

5. Adjournment.

Without objection, the General Development Committee meeting adjourned at 10:04 a.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the meeting of the General Development Committee of the City of Mesa, Arizona, held on the 8th day of December 2003. 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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Attachment