

COMMUNITY & NEIGHBORHOOD SERVICES COMMITTEE

April 2, 2007

The Community & Neighborhood Services Committee of the City of Mesa met in the lower level meeting room of the Council Chambers, 57 East 1st Street, on April 2, 2007 at 3:00 p.m.

COMMITTEE PRESENT	COUNCIL PRESENT	STAFF PRESENT
Rex Griswold, Chairman Scott Somers Mike Whalen	None	Christopher Brady Debbie Spinner

1. Items from citizens present.

Pam Wilson, 434 North Pasadena, #13, a resident of the Escobedo Apartments, stated that the property is not just an apartment complex, but a community rich in history and one in which the residents take pride in their surroundings. She expressed a series of concerns regarding the future of the property (See Agenda Item 2) and questioned what assistance the City would offer the residents if, in fact, the complex were redeveloped or sold. Ms. Wilson encouraged the City to solicit input from the residents concerning this matter and also inquired whether the Escobedo residents currently on the waiting list for Section 8 Housing (Section 8 Housing Choice Voucher Program) would receive such assistance.

Charlene Kirkwood, 435 North Pasadena, #24, commented that if she is required to relocate from the Escobedo Apartments, she would prefer that the move coincide with her daughter's school schedule. She added that she is on the waiting list for Section 8 Housing and said she is fearful that she may not receive it.

John R. Smith, 251 West Main, #2, President of Housing Our Communities, stressed the importance of the City and the Escobedo residents working together to implement a well defined plan regarding the future of the property. He requested that the Community & Neighborhood Services Committee place this matter on its next meeting agenda in order for his organization and City staff to solicit input from the residents concerning possible relocation options and ultimately presenting such options to the Council for discussion and consideration.

Julia Figueras, 407 North Hibbert, #99, expressed support for the Escobedo residents being permitted to remain at the property. She also suggested that the development of a grocery store across the street from the apartment complex would be a welcome addition for those residents who currently use public transportation in order to shop for groceries.

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

Neighborhood Services Department Director Kari Kent introduced Acting Community Revitalization and Housing Director Kit Kelly, Charles Grombacher, an attorney retained by the City who has expertise in relocation issues, and City Attorney Debbie Spinner, who were prepared to address the Committee relative to this agenda item.

Ms. Kent stated that staff is requesting direction from the Committee regarding the disposition and the future of the Escobedo Apartments. She explained that because the housing units will continue to deteriorate without needed capital improvements, it is essential that the City begin to make some critical decisions concerning this matter.

Ms. Kelly displayed a PowerPoint presentation (a copy is available for review in the City Clerk's Office) and provided a brief historical overview of the Escobedo Apartments, tenant statistics, current conditions and future development-related issues. She reported that the City has been offsetting operational costs with rental income and general funds in order to maintain the property as affordable housing. She explained that because of Mesa's current budget constraints, the City is no longer able to continue such ongoing financial support. Ms. Kelly also stated that rents were increased over the past three years to reach a "break even" point. She added that 19 households receive Section 8 rental assistance and approximately 40 households are on the waiting list for such benefits.

Ms. Kelly commented that per the Uniform Relocation Act (URA) and State law, the sale of the Escobedo Apartments, with the current leases in place, would not trigger relocation requirements. She noted, however, that a new property owner might consider rent increases and said that staff would work with those residents who are currently on the waiting list for Section 8 rental assistance. Ms. Kelly added that she would defer to Mr. Grombacher for a more detailed legal analysis of various relocation issues.

Ms. Kelly explained that the Mesa Housing Advisory Board has provided extensive input regarding the potential disposition of the Escobedo Apartments. She stated that at their March 1, 2007 meeting, the Board: 1.) Recommended that the Council consider a mixed income/mixed use development at the site; 2.) Expressed concern regarding the welfare of the existing tenants; and 3.) Asked Council to consider a non-exclusive negotiation for the site with Housing Our Communities (HOC).

Ms. Kelly further commented that staff is seeking direction from the Committee with regard to the next steps in the process concerning the future of the Escobedo Apartments. She suggested that items for consideration might include the following:

- Staff continue to not accept any new residents at this time.
- Continue renewing leases for a one-year period.
- Determine a process for completion of a historic study.
- Consider sale of the property with leases in place and no restrictions.
- Begin to develop a displacement plan for residents, if needed.
- Identify other scenarios for potential redevelopment of the site.

Ms. Kelly concluded her presentation by commenting that on April 19th, staff has scheduled a tenant information meeting to solicit input and feedback from the residents regarding this matter.

Committeemember Whalen commented that he would be interested in knowing what type of proposals HOC would be willing to bring forward with regard to the Escobedo property. He stated that he would also welcome a dialogue with other potential developers and added that it is important that the Escobedo name and the community's history be retained.

City Manager Christopher Brady advised that per Council direction, within the next three to four years, the City would no longer provide general fund subsidies to the Escobedo Apartments. He stated that it is essential for staff to begin discussing the ultimate disposition of the property and what is in best interest of the City. Mr. Brady noted that in that regard, the City's first priority is to work with the tenants to ensure a smooth transition throughout this process.

Discussion ensued relative to the fact that the Section 8 application process (following placement on the waiting list) can take up to two years to complete; and that applicants may be able to move up on the waiting list if they are displaced through a government action.

Mr. Grombacher addressed the Committee and offered an extensive overview of various relocation issues, laws and regulations. He reported that if the City proceeded through the process of extending leases and selling the Escobedo property (without any Federal participation on the City's part), the City would have no obligation legally under the relocation law to pay relocation assistance benefits or provide relocation assistance services to tenants who may be required to move in the future. Mr. Grombacher explained that if the City sold the property to an entity or individual who would receive Federal assistance that is monitored by HUD or other agencies, there would be obligations under the URA to assist displaced tenants. He added that such benefits would include a rental subsidy payment (the difference between old and new rent), assuming the tenant is not Section 8 eligible, for a period of 42 months and also the payment of all moving expenses.

Mr. Grombacher further advised that with regard to acquisition requirements, it would be necessary for the property to be appraised (even if it was acquired by a private entity) and for the offer to be based upon that appraisal. He noted that when there is public participation, the eligibility date is not when the offer is made or the property is purchased, but rather when the private entity applies for the funds. He stated that such an entity would be required to deal with anyone onsite as of the date of the application for funds, which could pre-date the actual sale of the property by months.

Mr. Grombacher also commented that with regard to the planning process, if the City were to utilize any Federal funding (i.e., Community Development Block Grant funds) to pay the salaries of those individuals who are doing the planning in-house for the project, the project itself may be subject to the URA, so that anyone who purchases the property would be required to pay the relocation benefits. He added that the entity would also be required to prepare a relocation plan that would identify all of the tenants, available housing options for the existing residents, and various funding sources.

Committeemember Somers stated that if a private entity were to purchase the Escobedo property, allow the tenants' leases to expire, and not use any State or Federal funds with regard to the project, such an entity would not be required to adhere to any of the requirements enumerated by Mr. Grombacher. He stated that with such a "doomsday scenario," it is imperative that the City "pay attention" to whom the property is sold.

In response to a series of questions from Committeemember Somers, Ms. Kelly clarified that she would research the issue of what constitutes "government action" relative to the issue of applicants moving up on the Section 8 waiting list. She stated that if the City were to sell the Escobedo property, her first impression is that would be considered a government action. Ms. Kelly added that in her estimation, it would take three to six months for the 40 households on the Section 8 waiting list to receive their vouchers.

Chairman Griswold voiced concern that within the next few years when the City is no longer able to subsidize the operational costs of the Escobedo Apartments and the property continues to deteriorate, Mesa could potentially become "a slum landlord." He stressed the importance of the City implementing a plan with regard to the future of the property, which includes obtaining input from the existing residents. Chairman Griswold directed that staff meet with Housing Our Communities, private entities and the tenants to assess what would be the best outcome for all parties involved.

Ms. Kelly inquired whether the Committee would like to move forward to the full Council with the information staff has provided thus far, direct staff to explore further options, or recommend that the City consider the sale of the Escobedo Apartments with the leases in place.

Committeemember Somers recommended that staff bring back to the Committee various options for further discussion and consideration, which would then be forwarded on to the full Council.

Committeemember Whalen suggested that it might be appropriate for the full Council to discuss and consider whether to sell the property or proceed through a Request for Proposals (RFP) process. He noted that if there were Council support for redevelopment of the property with a private partnership, the item could come back to the Committee in order to review the RFP.

Committeemember Somers noted that he would prefer that staff make a presentation to the Council on various policy options concerning the Escobedo property and also the resulting consequences of such options. He stated that the Committee could subsequently review and refine the option approved by the Council.

Mr. Brady clarified that the questions the Committee should be addressing at this time include whether the City should bring in a partner that would recapitalize the existing development or whether to turn over the property to a private interest and allow that entity to make those decisions.

Committeemember Somers stated that in his opinion, there are other options that could be considered besides those enumerated by Mr. Brady.

Mr. Brady advised that staff would bring back various options to the Committee for further discussion and consideration, which could then be forwarded on to the full Council.

Committeemember Whalen suggested that Mr. Smith make brief presentations to the Councilmembers relative to HOC's proposals for the Escobedo property. He also said that the City should no longer manage the Escobedo Apartments and added that he would support a private developer acquiring the property.

Historic Preservation Planner Stephanie Bruning offered a brief overview of the process that must be undertaken in order to conduct a history study of the Escobedo Apartments. She explained that she is seeking direction from the Council as to whether to proceed with this process in-house or to hire an outside consultant to complete the study. Ms. Bruning commented that although the property has not been designated a historic landmark or a historic district, there is the potential that that could occur. She added that if a private developer purchased the property, that entity could pay for the historic study as long as a consultant was hired who met the Federal guidelines for an architectural historian.

Chairman Griswold thanked staff for the presentation. He also expressed appreciation to all of the Escobedo residents who were in attendance at the meeting.

3. Hear a presentation, discuss and provide direction on modifying the alley abandonment process.

Neighborhood Outreach Coordinator Susan Frabotta and Property Acquisition Supervisor Craig Crocker addressed the Committee relative to this agenda item.

Ms. Frabotta referred to a PowerPoint presentation (available for review in the City Clerk's Office) and stated that staff is seeking direction from the Committee relative to the elimination of a non-refundable \$350 Alley Abandonment fee charged to single-family residential property owners and also the establishment of a pilot Gate Installation Program.

Ms. Frabotta reported that the alley abandonment process presents Mesa residents with various challenges such as soliciting or donating funds to neighbors they may not know in order to collect the \$350 fee, equal financial input among residents, and variations in the number of homes for collection.

Discussion ensued relative to the alley abandonment processing fees, which were increased in 2004 to \$350 for single-family residential property owners and \$750 for all other land uses; a historical overview of the ten-year Alley Abandonment Program; that Real Estate Services has processed 23 single-family residential requests, of which 9 requests were cancelled by public utilities or residents, 14 approved and 12 of the 14 have been gated or have relocated fences; various advantages to gating an alley, which include strengthening Mesa's neighborhoods, a reduction in crime, illegal dumping and inappropriate alley activities; and that in FY 2005/06, the City expended \$159,700 to remove illegally disposed materials from Mesa alleys.

Ms. Frabotta reviewed three alternatives for the Committee's consideration as follows:

Alternative 1

- Eliminate the \$350 single-family residential Alley Abandonment fee through a Council resolution. (The abandonment process relinquishes the City from ownership and removes the maintenance burden from the City to the residents.)
- No additional City resources would be required. (Note: In the past 21 years, staff has collected \$8,300 in alley abandonment processing fees.)
- Impact on staff resources is unknown at this time.

Alternative 2

- Eliminate the \$350 non-refundable fee and implement a \$20,000 pilot program in a targeted area (Center to Hobson/Hobson to US 60) where the City expends most of its resources on illegal dumping.
- Residents assume the responsibility for the gates and maintenance once the gates are installed and all "Private Property/No Trespassing" signage.
- Fiscal impacts would include initial staff time for program start-up and \$20,000 for gates and installation.
- Funding would be derived from Transportation sales tax monies.

Alternative 3

- No changes and continue with current program.

Ms. Frabotta advised that in all cases, residents would continue to be required to complete the "Petition for Abandonment" that requires 100% of the adjacent property owners to agree to the abandonment. She noted that it is anticipated that the gated alleys would decrease Police, Transportation, Solid Waste, and Code Compliance calls for service and provide greater security to the residents. Ms. Frabotta also stated that the Transportation Department would oversee the gating of the alleys through a private contractor. She added that Neighborhood Outreach staff would work to educate the residents concerning the alley abandonment process.

In response to a question from Committeemember Somers, Deputy Transportation Director Lennie Hulme explained that the City could easily recoup the \$20,000 pilot program costs by the Transportation Department expending less time maintaining the alleys in the targeted area. He noted that such savings could be better spent on other street maintenance projects.

Committeemember Somers expressed support for Alternative 2. He stated that he would prefer that the City utilize its resources to improve public safety and the community's quality of life as opposed to maintaining neighborhood alleys.

Further discussion ensued relative to the fact that the residents whose alleys are gated would receive a key to access the locked gate; that public utilities and public safety personnel would also have the ability to access the gates; that it is the responsibility of Mesa neighborhoods to maintain their alleys (gated or not gated); and that the City of Mesa partners with the Mesa United Way for \$2,500 grants to neighborhoods, which could be used to fund the installation of alley gates.

It was moved by Committeemember Somers, seconded by Committeemember Whalen, to recommend to the Council that Alternative 2 be approved.

Carried unanimously.

4. Hear a presentation, discuss and provide direction on the application and approval process for the painting of City property.

Lead Neighborhood Outreach Coordinator Mike Renshaw reported that staff is seeking direction from the Committee regarding the creation of an application and approval process that would allow community volunteer groups to paint City property such as canal bridges, walls and well sites. He referred to a series of photographs depicting canal bridges located within the City.

Mr. Renshaw reported that at the December 7, 2006 General Development Committee (GDC) meeting, staff made a presentation regarding a painting program and recommended that volunteer groups be allowed to paint murals, images and text on the canal bridges. He explained that various Committeemembers expressed concern regarding the interpretation or text of such images and directed staff to bring back alternative proposals that would only allow the use of solid colors.

Mr. Renshaw introduced Dave Richins, Executive Director of the West Mesa Community Development Corporation (CDC), who was present in the audience. He stated that Mr. Richins approached staff in May 2006 with a proposal to paint the City-owned bridge that spans the Tempe canal on Southern Avenue. Mr. Renshaw displayed examples of templates that were designed by Mr. Richins' group with regard to the specific site. (See Attachments 1 and 2.)

Discussion ensued relative to the proposed application process for painting City property; that the application would be processed/coordinated through the Neighborhood Services Department Volunteer Coordinator and include a design sketch, the colors to be used, and a letter from the sponsoring entity/agency indicating that a Waiver of Liability has been completed by each volunteer participant in the project; that upon receipt of the application, the Volunteer Coordinator would process the application, notify the City Council Office that an application had been received and provide the respective Council Assistant a copy of the application; that upon receipt of a project application, notification would be given to the respective departments that would be impacted by the project; that based upon feedback the Volunteer Coordinator might receive from the various departments, the application would either be approved or additional information requested of the applicant; and that the Volunteer Coordinator would notify the applicant of project approval/denial within 14 business days from receipt of the application.

Mr. Renshaw further reported that at the December GDC meeting, Mr. Richins proposed that a specific color palette be utilized for the bridge painting project. He explained that it was the opinion of staff that a City-approved color palette be created, which is consistent with the colors utilized by the Arizona Department of Transportation (ADOT) on various overpass projects.

Mr. Renshaw highlighted staff's recommendations as follows: 1.) A maximum of three colors be used in any given project; 2.) The base coat comprise no less than 70% of the project's total surface area; 3.) No images or text be included in the design; 4.) Bridge painting projects be limited to no more than five per year during the trial period; 5.) Staff would work directly with the applicant to facilitate the process of painting the mural (i.e., set and removal of street barricades for those projects that would require single-lane street closures and the monitoring of work being performed in City right-of-ways); 6.) The applicant/volunteering agency should agree to repair the painted surface if it becomes damaged or the surface degraded; and 7.) If the repainting of the damaged surface is not accomplished within ten business days of notification,

the City reserves the right to restore the surface to its original condition (either through repainting the surface or returning the service to its pre-existing condition).

Mr. Richins expressed appreciation to City staff for their efforts and hard work in refining the process since it was first presented to the GDC in December. He stated that although he understands staff's recommendation to "scale back" on his canal bridge painting proposal and only allow for the painting of solid colors, the neighborhood groups were anxious to participate in a project that would have been "a bit broader in scope." Mr. Richins also urged that neighborhood groups in special character areas (i.e. Citrus District, Robson Historic District) be allowed to paint the names of those areas on the canal bridges as an element of their respective projects.

Chairman Griswold stated the opinion that staff's recommendations are "a good first step" to enhance the beauty of Mesa's neighborhoods. He suggested that "a next step" might be to paint an attractive mural in a pocket park that has an abundance of graffiti to assess whether the "tagging" would stop.

In response to a question from Chairman Griswold, Mr. Richins clarified that he would prefer to proceed with the completion of the proposed canal bridge project as opposed to painting a mural at a pocket park. He also advised that he received a large donation of paint from Dunn Edwards to be used for the originally proposed mural.

Responding to a series of questions from Committeemember Somers, Deputy City Attorney Alfred Smith reported that at the December 7th GDC meeting, Committeemember Walters expressed opposition to this item moving forward to the full Council until such time as the limited public forum issue was addressed. He explained that streets, sidewalks and parks are considered traditional public forums and noted that there are strict guidelines that are put into place by the government relative to what it can and cannot do with regard to regulating speech. Mr. Smith added that because of the GDC's previous direction to staff to only allow the painting of a single or multiple color palette on City-owned property, staff is not prepared at this time to comment on whether the mural images presented today are acceptable from a government standpoint.

Committeemember Whalen stated that in addition to canal bridges being painted a solid color, he would also support painting the name of specific geographical areas on the structure (i.e., West Mesa, Fiesta, Falcon).

Mr. Renshaw noted that staff would be willing to include the colors in Mr. Richins' paint inventory as part of the proposed color palette.

It was moved by Committeemember Whalen, seconded by Committeemember Somers, to allow staff to work with Mr. Richins regarding the proposed color palette, and also to add area designations as a component of the canal bridge painting process.

Chairman Griswold inquired whether it was necessary for the Committee to make a formal motion regarding this item or if it was sufficient to provide staff with direction.

City Attorney Debbie Spinner stated that the Ad Hoc Committee on Council Committees had discussed that when committees made decisions regarding specific issues, that such decisions

should be forwarded on to the full Council with a Committee recommendation. She suggested that perhaps this item could be discussed and considered by the Council at a Study Session as opposed to a Regular Council meeting.

Chairman Griswold stated that it is the Committee's recommendation that this item be brought forward to the full Council at a future Study Session for discussion and consideration. He also suggested that Mr. Richins bring color samples of the donated paint for the Council's review at that time.

Chairman Griswold thanked everyone for the presentation.

5. Adjournment.

Without objection, the Community & Neighborhood Services Committee meeting adjourned at 4:51 p.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Community & Neighborhood Services Committee meeting of the City of Mesa, Arizona, held on the 2nd day of April 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)