

# COUNCIL MINUTES

December 19, 2002

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 December 19, 2002 at 7:30 a.m.

## COUNCIL PRESENT

Mayor Keno Hawker  
Dennis Kavanaugh  
Rex Griswold  
Kyle Jones  
Janie Thom  
Claudia Walters  
Mike Whalen

## COUNCIL ABSENT

None

## OFFICERS PRESENT

Mike Hutchinson  
Debbie Spinner  
Barbara Jones

1. Hear a presentation from representatives of the Internal Revenue Service regarding the Earned Income Tax Credit (EITC) Program.

Interim Acting Neighborhood Services Manager Bryan Raines addressed the Council relative to this agenda item and introduced Human Services Coordinator Debbra Determan, as well as Internal Revenue Service (IRS) representatives Patrick Reidy and Sharon Taylor Ward.

Mr. Raines provided a brief overview of the Earned Income Tax Credit (EITC) program and reported that in January of this year, the IRS Outreach Office sought assistance of the Neighborhood Services Department in promoting the program; that throughout the summer months, staff has worked with the IRS to facilitate an EITC Outreach strategy campaign for 2003, which includes the marketing of the program, as well as soliciting volunteers to provide free tax preparation services to eligible individuals.

Mr. Reidy reported that Congress created the EITC program in 1975 to assist working individuals and families who fall below a certain income level, and that the program has grown dramatically since its inception through an increase in benefits and expanded eligibility. He advised that an individual may obtain the credit by filing his/her Federal income tax return, but noted, however, that many eligible filers do not receive the credit due to a lack of knowledge about the program or a lack of information regarding the availability of free tax assistance sites. Mr. Reidy also stated that while the majority of the recipients use the funds to pay bills and daily living expenses, others use the money to open savings accounts or invest in other assets.

Mr. Reidy commented that the EITC campaigns are now underway in over 20 major cities and rural areas, and added that the primary goals of the campaigns include educating tax filers about the credit; providing free tax preparation assistance to low-income families, and encouraging families to use the tax credit funds to build assets.

Discussion ensued relative to the fact that in order to claim the tax credit, an individual must have earned income (wages, salaries, tips and other compensation) and fall under a specific income cap; that the taxpayer must have a qualifying child (son, daughter, grandchild); that the filer as well as the dependent must possess a valid Social Security number, and that a Federal tax return must be filed.

Mr. Reidy further stated that earlier this year, the IRS reviewed Zip Code data to determine the number of individuals claiming the EITC and the potential economic impact in the City of Mesa. He explained that for the 1999 tax year (the IRS' most recent data), over \$29 million in earned income tax credit was claimed, with an average refund of approximately \$1599. Mr. Reidy added that an estimated \$99 million in unclaimed tax credits may be available to qualified Mesa residents.

Further discussion ensued relative to the outreach and education strategy planned by the City and the IRS, including the promotion of the EITC at Fiesta Mall and Superstition Springs Mall; that training for the tax preparation volunteers will be provided on-line by the IRS; that free tax preparation sites will be located at the Mesa Community College Main Campus and Red Mountain Campus, as well as the Mesa YMCA; that educating taxpayers with regard to asset building is a key component of the EITC program, and that taxpayers may file amended tax returns to qualify for the tax credit, provided they meet all eligibility requirements.

Mr. Reidy concluded his remarks by commenting that the IRS is seeking the continued support and participation of the City of Mesa with regard to the EITC program and stressed that the program is a powerful tool aimed at assisting low-income families, reducing the financial burden on the City and community service organizations, and maintaining a constant flow of Federal resources into Mesa's economy.

In response to a question from Councilmember Walters, Ms. Taylor Ward clarified that the City and the IRS intend to recruit the assistance of Mesa churches and schools to educate the public relative to the EITC program.

Councilmember Whalen and Councilmember Griswold expressed support for the EITC program.

Mayor Hawker thanked everyone for the presentation.

2. Discuss and consider development of a Housing Master Plan and appoint the Community Housing Task Force members.

Interim Acting Neighborhood Services Manager Bryan Raines addressed the Council relative to this agenda item and introduced Neighborhood Planner Ben Patton.

Mr. Raines reported that the City of Mesa has applied for and been awarded a Technical Assistance (TA) grant from the U. S. Department of Housing and Urban Development (HUD),

which will enable the City to employ a housing consultant who will provide a wide array of services relative to the development of the Housing Master Plan. He advised that the grant will fund \$75,000 of the estimated \$100,000 cost for the Plan's development and that TONYA, Inc. has been recommended by HUD as the consultant. Mr. Raines added that the remaining \$25,000 will be allocated from neighborhood planning items available in the Neighborhood Services Department budget.

Mr. Patton provided the Council with a brief overview of the Housing Master Plan and reported that although the Plan will be developed separately from Mesa's General Plan, it is intended to be an expansion of the Housing Element within the General Plan. He explained that the Housing Master Plan, a policy guide much like the City's other Master Plans, will identify major housing and neighborhood issues within Mesa; address topics such as affordable and high-end housing needs, balanced infill, existing housing stock and revitalization within the community; a jobs/housing balance, and the Plan's integration with other processes that are presently occurring (the creation of an Infill Development Policy and the Building Rehab Code). Mr. Patton commented that the proposed balance of housing interests is somewhat atypical from most housing master plans and noted that the technical consultant is looking forward to participating in the development of such a unique plan.

Mr. Patton advised the Council that the creation of the Housing Master Plan is the result of the combined efforts of City staff and a hard working group of Mesa residents, and that in particular, the Housing Policy Subcommittee of the Housing and Neighborhood Revitalization Roundtable provided the foundation for the Housing Element of the General Plan. He stated that a group of 15 candidates, who represent a wide array of housing interests, have been recommended to serve on the Community Housing Task Force (CHTF), which will meet regularly during the creation of the Plan. Mr. Patton added that a 10-member staff team has also been selected to provide guidance to both the CHTF and the technical consultant. He commented that the first meeting of the CHTF is scheduled for January 2003 and that it is anticipated that the Housing Master Plan will be concluded by September 2003, at which time a preliminary version of the document will be forwarded to the Council for review and consideration.

Mr. Patton concluded his remarks by noting that it is the recommendation of staff that the Council accept the Housing Master Plan concept, including the appointment of the CHTF members (See Attachment), and provide the necessary support for staff to proceed with the creation of the Plan.

Mayor Hawker thanked Mr. Patton for his concise presentation and invited CHTF candidate Teresa Brice-Heames to address the Council relative to this issue.

Ms. Brice-Heames, Senior Vice President of Housing for Mesa, addressed the Council and acknowledged the presence of former Vice Mayor Jim Davidson who has also been recommended to serve as a member of the CHTF. She provided a brief analysis of a variety of topics which she hopes will be explored by the Committee including the location of new housing, affordable housing, mixed income housing, the replacement of aging housing stock, and evaluating Mesa's options with regard to the redevelopment of mobile home parks.

Economic Development Director Dick Mulligan displayed graphics in the Council Chambers and reviewed statistical data with regards to economic development and its relationship to Mesa's Housing Master Plan. He reported, among other things, that the City of Mesa's cost of living

remains one of the most affordable throughout the Valley; that Mesa's housing costs are currently 5% below the national average based on sales prices for existing single-family homes; that the City has about 13% of the region's housing market in terms of new and resale homes, and that Mesa has a higher than average percentage of residents who earn between \$35,000 to \$50,000, but a lower than average percentage of residents who earn \$50,000 or more.

Mayor Hawker acknowledged the presence of Joe Udall, who has been recommended to serve as the Chairman of the CHTF, and thanked him for his attendance at today's meeting. He commented that the individuals who were selected to serve on the Committee have a vast array of experience in all aspects of housing and that it is the goal of the Committee to create a balanced Housing Master Plan which will provide a variety of housing alternatives for the entire community.

Mayor Hawker stated the opinion that he does not want Mesa to become the only city in the southeast region that offers starter homes and low-income housing and noted that it is incumbent upon other communities to also provide a similar housing stock. He expressed appreciation to Mesa voters for the passage of the City's General Plan, which depicts Mesa's land uses at build out, and said that now is an appropriate time to develop a Housing Master Plan which will serve a vital role in the development of an adequate and balanced housing stock within the community. Mayor Hawker also stressed that the City's infill policy should be addressed in conjunction with the development of the Housing Master Plan.

Vice Mayor Kavanaugh stated that the Plan's scope of work is comprehensive and wide-ranging and added that he is pleased with the various housing elements that will be addressed during the development of the Plan as well. He noted that the recommended members of the CHTF are an impressive and diversified group, and he commended them for their service to the community.

Discussion ensued relative to the experience and qualifications of the consultant, TONYA, Inc.

Councilmember Walters commended the members of the CHTF for their tireless commitment to the City. She also concurred with Mayor Hawker's comments regarding the integration of the Housing Master Plan with the City's infill policy. Councilmember Walters also thanked Mayor Hawker for his efforts in this regard.

Councilmember Whalen urged the Committee to develop a series of innovative ideas to ensure that Mesa's older neighborhoods remain feasible, maintain their character and continue to embrace various cultures that presently exist within the community.

Further discussion ensued relative to the fact that all ancillary costs associated with the TA grant (travel, printing costs) will be allocated out of the \$25,000 budgeted by the Neighborhood Services Department.

Councilmember Thom thanked staff for the presentation and noted that Mesa has been more fortunate than other East Valley cities in providing affordable housing to many of its residents.

Mayor Hawker noted that the TA grant was originally intended to provide funding to enable the City to employ a housing consultant whose scope of work would be limited to low income/affordable housing issues; however, when HUD representatives were informed of the

City's vision for a balanced Housing Master Plan, they concurred with the project and felt it was an innovative concept.

Councilmember Jones stressed the fact that incentives should be offered to property owners to repair and upgrade older City properties and to keep them affordable as well. He also voiced concerns regarding various areas of the City being "segregated" by income levels.

Councilmember Griswold voiced support for staff's recommendations. He urged that the CHTF address manufactured homes in the community and also work in conjunction with the Building Safety Division regarding current codes as they relate to affordable housing issues.

It was moved by Vice Mayor Kavanaugh, seconded by Councilmember Whalen, that the recommendations of staff to accept the proposed Housing Master Plan concept, including the appointment of the Community Housing Task Force, and to provide the necessary support for staff to proceed with the creation of the Plan, be approved.

Carried unanimously.

Mayor Hawker thanked staff for the informative presentation.

3. Acknowledge receipt of minutes of boards and committees.

- a. Historic Preservation Committee meeting held November 14, 2002

It was moved by Vice Mayor Kavanaugh, seconded by Councilmember Whalen, that receipt of the above-listed minutes be acknowledged.

Carried unanimously.

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

The following members of the Council provided brief updates on various meetings/conferences they attended as follows:

Vice Mayor Kavanaugh	Crime Prevention Community Meeting at the Dobson Ranch Library.
Councilmember Jones	Fire Department Bicycle Giveaway at Lowell Elementary School.
Councilmember Whalen and Mayor Hawker	Maricopa Association of Governments' (MAG) Transportation Policy Committee Meeting which addressed the extension of the half-cent sales tax.

5. Scheduling of meetings and general information.

Assistant to the City Manager Ellen Pence addressed the Council and reported that the City of Mesa and the Arizona Department of Transportation (ADOT) are sponsoring a free public event on January 11, 2003 at 9:00 a.m. to celebrate the opening of the Red Mountain Freeway to Higley Road. She explained that the freeway will formally open on Monday morning, January 13, 2003.

City Manager Mike Hutchinson stated that the meeting schedule is as follows:

Thursday, January 2, 2003, 7:30 a.m. – Study Session

Monday, January 6, 2003, 2:30 p.m. – General Development Committee Meeting

Monday, January 6, 2003, TBA – Study Session

Monday, January 6, 2003, 5:45 p.m. – Regular Council Meeting

6. Prescheduled public opinion appearances.

There were no prescheduled public opinion appearances.

7. Items from citizens present.

There were no items from citizens present.

8. Adjournment.

Without objection, the Study Session adjourned at 9:12 a.m.

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KENO HAWKER, MAYOR

ATTEST:

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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 19<sup>th</sup> day of December 2002. I further certify that the meeting was duly called and held and that a quorum was present.

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BARBARA JONES, CITY CLERK

(Attachment #1)

COMMUNITY HOUSING TASK FORCE  
MEMBER SUMMARY

**1. Joe Udall - Chair**

Attorney with *Joseph Udall, P.L.C.*; Former Planning and Zoning Board member; Member of the Transportation Citizen Advisory Board.

**2. Carle Allen - Vice-chair**

Attorney; Current chair of the Design Review Board.

**3. Jim Davidson**

Housing Roundtable and Housing Policy Subcommittee participant; Former City Council Vice-mayor; Serves on Mesa Community Action Network (CAN) Board of Directors; various other boards and committees.

**4. Patty Duarte**

Vice-president, Arizona manager for *Bank One* Community Investments; Served on several non-profit boards; Extensive background with housing development and finance.

**5. Linda Flick**

Director of Marketing at *Archicon Architecture*; Vice Chair of the Economic Development Advisory Board (EDAB).

**6. Jack Hannon**

Nuestro Neighborhood Representative and citizen advocate.

**7. Teresa Brice-Heames**

Senior Vice-president of *Housing for Mesa*; Arizona Housing Commission member; Housing Policy Subcommittee representative.

**8. Greg Holtz**

Housing and Human Services Advisory Board Chair; Housing Roundtable participant.

**9. Randy Jackson**

President, *Jackson Properties*. Jackson Properties is one of the Valley's largest builders of semi-custom homes, with several developments in East/NE Mesa.

**10. Sean Lake**

Development Attorney with *Pew and Lake, PLC*.

**11. John Poulsen**

President of *Providence Homes*; Design Review Board member.

**12. Jeff Rodgers**

Owner and President of *Jeff Rodgers Custom Homes*. High-end homebuilder who has been active in the Las Sendas and Desert Uplands areas of Mesa (Boulder Views subdivision).

**13. Maynard Schneck**

Background in pre-fabricated and standard home construction with *Alma Builders*; Former *MARC Center* Board President, current Treasurer. Active nonprofit/community participant.

**14. Marty Whalen**

Attorney; Planning and Zoning Board Chair; Housing Roundtable and Housing Policy Subcommittee participant.

**15. Stephanie Wright**

Realtor with *Realty Executives*; Mesa Grande Community Alliance co-chair.