

COMMUNITY & CULTURAL DEVELOPMENT COMMITTEE

February 6, 2012

The Community & Cultural Development Committee of the City of Mesa met in the lower level meeting room of the Council Chambers, 57 East 1st Street, on February 6, 2012 at 7:30 a.m.

COMMITTEE PRESENT

Dave Richins, Chairman
Christopher Glover
Scott Somers

COMMITTEE ABSENT

None

STAFF PRESENT

Natalie Lewis
Alfred Smith

1. Items from citizens present.

Chairman Richins stated that although he received speaker cards from two citizens, because the Committee was on a restricted time schedule this morning, he would refrain from taking public comment and move ahead with the various presentations.

2-a. Hear a presentation, discuss and provide direction on the proposals received from the Escobedo Development RFP.

Assistant to the City Manager Natalie Lewis reported that the City of Mesa received a couple proposals of interest for the Escobedo site and the downtown area. She explained that because staff was aware of other interest in the community, an expedited Request for Proposals (RFP) was issued. Ms. Lewis stated that the Committee will hear presentations from the responders to the Escobedo and Downtown Area RFPs.

Ms. Lewis also remarked that because the four proposals are tied to low-income housing tax credits and the City does not have in-house expertise in this regard, staff retained Dr. Sheila Harris, who was present in the audience and available to respond to any questions the Committee might have concerning this issue.

Chairman Richins clarified that Dr. Harris was retained by the City to help staff and the Council understand the low-income housing tax credit process. He acknowledged that Dr. Harris had significant experience in this matter and thanked her for her willingness to assist the City in this regard.

Chairman Richins noted that if the presentations were completed in a reasonable amount of time, the Committee may still take comments from the citizens who submitted speaker cards.

Escobedo at Verde Vista – Gorman & Company, Inc., Save the Family and West Mesa Community Development Corporation

Jacki Taylor, Chief Executive Officer of Save the Family, provided a brief chronological overview of Save the Family's efforts to address the redevelopment of its 23 year old administrative and service delivery facilities. She explained that during this process, Save the Family participated in a capacity building training project with the Corporation for Supportive Housing, Arizona Department of Housing (ADOH), and Valley of the Sun United Way. Ms. Taylor noted that the participants selected Gorman & Company as the developer and the architectural firm of Poster Frost Mirto for the project.

Ms. Taylor remarked that the vision for the project eventually evolved into not only a rebuild of the Save the Family facilities, but also an "incubator type of environment" that would include Mesa United Way and other small non-profits that experienced difficulty supporting their operations. She added that the partners networked with the West Mesa Community Development Corporation (West Mesa CDC) in their outreach efforts to the Escobedo community and conducted several successful neighborhood meetings.

Brian Swanton, representing Gorman & Company, displayed a PowerPoint presentation (**See Attachment 1**) and stated that in the interest of time, he would direct the Committee's attention to the development proposal. (See Page 20 of Attachment 1)

Corky Poster, a principal with Poster Frost Mirto, noted that his firm specializes in community development, projects similar to Escobedo, and have completed a series of low-income housing tax credit projects.

Mr. Poster referenced the site plan (See Page 20 of Attachment 1) and explained that it evolved over time as a result of three extensive community meetings and working closely with neighbors and interested parties. He said that it was important to note, from the neighbors' perspective, that the three buildings on the east side of the site represent preserved historic buildings that would be renovated into adaptive reuse structures for the community. Mr. Poster advised that the remainder of the property would be a combination of one, two and three-bedroom units with two-story densities along University Drive and a series of community spaces and courtyards that then lower in height and density as they reach back into the neighborhood.

Mr. Poster displayed a series of schematic drawings illustrating the higher density two story units (See Page 21 of Attachment 1); the courtyard units (See Page 22 of Attachment 1); an interior view of one of the courtyards (See Page 23 of Attachment 1); and an image reflecting one of the new units on the left, combined with one of the rehabilitated historic buildings on the right. (See Page 24 of Attachment 1) He noted that during a series of community meetings, the neighbors were very specific that Escobedo was a site rich in history and culture and that various elements of the site must be preserved. Mr. Poster further displayed a schematic drawing illustrating a live/work space along Pasadena and University Drive. (See Page 25 of Attachment 1)

Mr. Swanton remarked that Gorman & Company was pursuing low-income housing tax credits for the project and said the company was fully prepared to submit its application to ADOH, which is due March 1, 2012. He explained that under the Low Income Housing Tax Credit (LIHTC) Program, the developer is required to target families making between 40% and 60% of

the area median income (AMI), which is generally between \$15,000 and \$50,000 per year, adjusted based on the household size. Mr. Swanton briefly highlighted the proposed rents for the various apartments (See Page 26 of Attachment 1) and said there was also the possibility of pursuing a lease-to-own concept.

Mr. Swanton pointed out that it would be necessary to develop the project in two phases (See Pages 27 and 29 of Attachment 1) due to the fact that the LIHTC Program caps the amount of tax credit that is awarded at a given time. He stressed that the majority of the funding for the project would be derived from private equity through the sale of low-income housing tax credits. (See Page 28 of Attachment 1) Mr. Swanton added that Gorman & Company has been actively engaged with the community and partnered with the West Mesa CDC with respect to neighborhood outreach.

Cynthia Dunham, Executive Director of the West Mesa CDC, reported that this has been “a unique engagement process” for the community and stated that several neighborhood meetings and design charrettes were conducted so that residents could offer their input with respect to the developer’s project. She noted that if the development was selected by the Committee and Council to move forward, the developer would continue to solicit additional input from the community.

Mr. Swanton recognized Mesa United Way, which owns the building on the south side of University Drive adjacent to the vacant parcel that is part of the RFP. He stated that it was Gorman & Company’s intention to redevelop the housing element north of University Drive, as well as the non-profit/community facilities on the south side, which would include the Mesa United Way building.

In response to a question from Chairman Richins regarding the fact that the core services and housing components of the Escobedo project are located on opposite sides of University Drive, Mr. Poster recommended that a Pedestrian Activated Crossing Signal be installed in this area. He explained that the project was a sufficient distance from Mesa Drive so that the signal would not interfere with the flow of traffic.

Discussion ensued relative to the fact that the infrastructure improvements on University Drive are not included in the developer’s pro forma and that Gorman would look to the City to assist with such costs; that the developer was not asking for any Gap financing from the City; that both phasing options do not require any City funding, but rather a long-term land lease (i.e., zero to \$1/year); and that the land contribution would not only make the project economically feasible, but the developer would also receive incentivized points from ADOH for local government participation.

Chairman Richins thanked everyone for the presentation.

Chairman Richins invited Dr. Harris to come forward so that she could respond to the Committeemembers’ questions.

Responding to a series of questions from Chairman Richins, Dr. Harris indicated that the current market rate for tax credits is approximately \$0.90. She explained that the credits are sold to private investors who, in turn, provide equity to the development on an ongoing basis. Dr. Harris

stated that the investors receive the benefit of reducing their Federal tax liability and investing those funds directly into the development.

Dr. Harris further remarked that the investors purchase the credits at a discount and noted that the amount of the discount is highly dependent upon various factors, such as the developer and the viability of the transaction. She also pointed out that the sales occur on a transaction-by-transaction basis and said that it would be difficult for her to predict exactly what Gorman & Company would receive. Dr. Harris added that it would be an issue that the City could discuss with the developer to understand why the company believes its \$0.96 credit pricing is appropriate.

Urbanist Housing Solutions, LLC

Kurt Creager, President and Founder of Urbanist Housing Solutions, LLC, introduced Don Larry, an architect with Otak Architects, and Nic Smith, a designer and developer with Phundamental, PLLC.

Mr. Creager displayed a PowerPoint presentation (**See Attachment 2**) and briefly discussed his tenure with CDK Partners, which was formed by Mesa resident Don Cardon, and included work on the residential and hospitality elements of CityScape in downtown Phoenix. (See Page 2 of Attachment 2) He noted that he was very familiar with the Escobedo area and stated that in 2007, CDK offered to purchase Site 17 and the Escobedo apartments for \$12 million in order to create a grocery store, expand the Northern Arizona University (NAU) campus and develop 400 dwelling units on Site 17.

Mr. Creager reviewed a series of drawings illustrating various projects he has completed in Tempe, Avondale and Vancouver, Washington. (See Pages 3 through 7 of Attachment 2)

Mr. Creager remarked that the proposed community would include the following elements: a rent-to-own or lease-purchase product of two stories that would adjoin the existing neighborhood; three-story townhouses; and a density in the center of the project that “comes close” to the City’s vision for the downtown plan. (See Page 8 of Attachment 2) He stated that the proposed community would include a total of 225 residential units with a mix of ownership and rental and a community garden. Mr. Creager added that the proposal would maintain the existing street system, although it would be necessary to replace the 60 year old underground utilities.

Discussion ensued relative to the fact that Phase 1 of the proposal would include the development of an attached single-family project of 56 units for lease/sale and a four-story multi-family rental property of 169 units (See Page 9 of Attachment 2), which would include low-income housing tax credit units; that it was proposed to infuse low-income housing tax credit projects with market rate rents, which would result in foregoing certain tax credit equity to achieve a diversity of incomes; and the desired outcomes of the project. (See Page 10 of Attachment 2)

Mr. Creager, in addition, displayed a series of orthographic views depicting the proposed development from various directions. (See Pages 12, 13 and 14 of Attachment 2) He clarified that the community facility on the south side of University Drive would function very similar to Gorman & Company’s proposal (i.e., a non-profit community facility). Mr. Creager advised that

Urbanist Housing Solutions has a building program to accommodate a non-profit and would work with local agencies as tenants. He added that the proposal would “feather” the edge of the densities so that there was a gradual transition and also help the City to achieve its downtown plan which calls for significantly greater densities in the area.

Mr. Creager briefly reviewed the proposed incentives. (See Page 15 of Attachment 2) He noted, in particular, that Urbanist Housing Solutions was seeking to purchase the land from the City of Mesa for approximately \$2 million. He said it was further proposed that the City would assist financially with the replacement of aging infrastructure and consider reducing the current parking ratios (2.1 cars/unit) on the site.

Additional discussion ensued relative to the fact that the developer currently does not have an operating agreement in place with a solar company regarding the solar component of the project; that the developer would prefer to create one rooftop easement for all the properties so that it could be managed as a utility within the project, with some type of offsetting benefit to those residents that acquire the individual units; that the proposal was designed to include the 2.1 cars/units and surface parking on the site, which could be decreased if there was a reduction in the parking requirement; and that if such parking ratios were reduced, the developer would expand the play area.

In response to a question from Committeemember Somers, Dr. Harris clarified that the more units a developer has for tax credits, the easier it is for the syndicator to underwrite the development. She said that generally speaking, tax credits equate to an estimated 65% to 75% of the total development, which leaves a funding gap that must be filled.

Responding to a question from Chairman Richins, Dr. Harris confirmed that a tax credit unit can be located next door to a market rate unit.

Chairman Richins commented that this proposal follows the model of a HOPE VI project, in which public housing units are reconstructed in order to revitalize an area by creating a mixed-income development.

Mr. Creager pointed out that for every unit for which a developer chooses not to take tax credit equity, the company foregoes such equity and offsets it with net cash flow from the market rate unit. He stated that the Internal Revenue Service (IRS) does not regulate the net cash flow from the market rate units in the same manner as the tax credit equity, so it can be used to add amenities to the project.

In response to a question from Committeemember Somers, Mr. Creager clarified that it would be important to establish a Homeowners Association (HOA) for the overall project, with an ongoing maintenance reserve for the open space. He explained that the single-family phase will have some maintenance easements with respect to the frontage on University Drive and the care/maintenance of the exterior of the facility. He noted, however, that the owners of the townhouses would be required to maintain their individual units.

Committeemember Somers commented that regardless of this development, it will be necessary for the City to reinvest in the Escobedo neighborhood and upgrade the infrastructure. He stated that it might be appropriate for the Council to discuss the expansion of solar service and LEED-certified development in areas outside of this proposal and suggested that the \$2 million the

developer would pay for the acquisition of the Escobedo property could be reinvested for such a purpose.

In response to a question from Committeemember Glover, Mr. Creager explained that because his firm only became aware of the RFP 14 days before it was due, it did not have sufficient time to conduct outreach in the Washington Park/Escobedo community. He stated that it would be more appropriate to engage in such activities this spring and summer.

Mr. Creager also commented that the 2007 offer that CDK made on this property included a contingency that the hazardous waste (asbestos-containing material and lead) at Escobedo apartments be fully abated. He remarked that his firm was not in a position to take title to the property until that is completed and therefore, while the abatement is occurring, there would be sufficient time to conduct community meetings.

Mr. Creager further remarked that he would propose that the Escobedo redevelopment be a 2013 tax credit project, which would allow for a deliberate planning process and also provide sufficient time for the hazardous materials to be abated before title is taken on the property. He explained that in order to receive the maximum number of credits for project readiness for job creation, it would be necessary for the entire project to be in title before September which, in his opinion, would not allow much leeway.

Mr. Creager stressed that the Escobedo redevelopment project should be completed in a careful manner not to meet a short-term deadline, but rather to create long-term value for the community.

Responding to a question from Chairman Richins, Real Estate Services Specialist II Kim Fallbeck stated that to the best of her knowledge, the City has not yet completed any hazardous materials abatement at the Escobedo Apartments.

Chairman Richins thanked everyone for the presentation.

(Chairman Richins excused Committeemember Glover from the meeting at 8:47 a.m.)

2-b. Hear a presentation, discuss and provide direction on the proposals received from the Downtown Area Development RFP.

Thornton Homes

Quentin Thornton, representing Thornton Homes, introduced Terry Fitzgerald, a land planner, who was prepared to assist with the presentation.

Mr. Thornton stated that because he only became aware of the RFP four days before it was due, his proposal (**See Attachment 3**) was “very generic” and not site specific. He noted, however, that he and Mr. Fitzgerald have significant experience in residential development in the East Valley, including the yet-to-be developed Cooley Station, a 105-acre urban development in Gilbert.

Mr. Thornton highlighted a conceptual drawing of Cooley Station to illustrate how high-density residential development would front onto a commercial-type space. (See Page 3 of Attachment

3) He commented that in downtown Mesa, there are several large parcels, as well as some disparate smaller parcels that “need a consistent theme,” density, and are market driven. He displayed a drawing illustrating a typical cluster of single-family detached dwellings (8 to 9 dwelling units) and alley-loaded parking which he considered appropriate for downtown Mesa. (See Page 4 of Attachment 3)

Mr. Thornton further highlighted examples of various housing plans and elevations. (See Page 6 of Attachment 3) He stated that with respect to development of the four-sided architecture, every side of the house would appear to be the front elevation. (See Page 7 of Attachment 3)

Responding to a question from Chairman Richins, Mr. Thornton explained that typical densities would be between 7 and 9 units to the acre. He also noted that Thornton Homes has developed three distinct product lines for differing lifestyles and square footage, including a three-story plan wherein the main floor could be used for business purposes, such as a small design studio or an attorney or accounting office. (See Pages 8, 9 and 10 of Attachment 3)

Committeemember Somers questioned why Mr. Thornton believed his proposed live/work option would be successful. He cited, as an example, an apartment development in east Mesa in which the ground floor was designed as live/work spaces, and yet not a single space was ever filled.

Chairman Richins responded that the City has been working towards a downtown concept in Mesa’s Form-Based Code, which would create flexibility in housing styles and allow individuals to either live in the unit as a single-family home or use the bottom floor for a home office. He clarified that he did not believe that Mr. Thornton was specifically talking about units being marketed as live/work with a hard retail front, but simply allowing it as an option.

Committeemember Somers acknowledged that the live/work concept has been successful in New York and other urban communities. He noted, however, that he has not seen similar success in the Valley, let alone in Mesa.

Chairman Richins stated that he was aware of at least seven or eight professionals in his own neighborhood that work from home.

Mr. Thornton clarified that the three-story houses would typically be located toward the center of a cluster to prevent the three-story massing along pedestrian-oriented side streets. He stated that these homes would be for smaller parcels that are primarily residential in character.

Chairman Richins restated that Mr. Thornton was not proposing a development on a specific parcel, but rather utilizing such designs on smaller infill parcels.

Mr. Fitzgerald reiterated that the homes could be used exclusively as a residence or a residence with flexible space that could be used for an office.

Responding to a question from Chairman Richins, Economic Development Project Manager Patrick Murphy clarified that the City currently has some smaller parcels in its inventory including a property south of the Mesa Municipal Court. He also noted that the South Center Campus, although quite large, could be parceled out. Mr. Murphy added that the City owns four parking lots both north and south of Main Street that could be converted. He noted that the

existing parking could be replaced, for example, through a parking structure, with parking and commercial elements on the ground floor and residential units above.

Mr. Thornton stressed that this type of design is not limited to small parcels and noted that the 105-acre site at Cooley Station includes 901 planned single-family detached homes and park space.

Chairman Richins thanked Mr. Thornton and Mr. Fitzgerald for their presentation.

Mesa Housing Associates

Charles Huellmantell, representing Huellmantell and Affiliates, introduced Todd Marshall and Robert Gibson, who were prepared to assist with the presentation.

Mr. Huellmantell displayed a PowerPoint presentation (**See Attachment 4**) and discussed Mesa Housing Associates' proposal to build 85 senior residential units in a five-story building on the lots currently used for City parking just east of the Mesa City Plaza (MCP). (See Page 4 of Attachment 4)

Mr. Huellmantell acknowledged staff's comment in the Committee Report that there was an aggressive timeline to complete this project. He stated that if the proposal was selected, Mesa Housing Associates would immediately begin to work on the public process to develop appropriate site-specific design solutions. Mr. Huellmantell explained that the first floor of the structure would provide connectivity to light rail, the MCP, the Mesa Arts Center (MAC) and the central downtown area. He noted that the proposal would also include brownstone-type features along the walkway that separates the MCP and added that it would be important to reconfigure MCP parking on the north side of the building.

Mr. Huellmantell briefly spoke regarding a five-story urban tax credit project in downtown Tempe (on Farmer between University and 5th Street) which he and his partners recently completed. (See Pages 13 and 14 of Attachment 4) He remarked that because of the quality of the development, no one viewing the building from the outside would know that it was affordable rental housing for low-income individuals.

Responding to a series of questions from Committeemember Somers, Mr. Huellmantel clarified that the proposal, which would be a tax credit project, would be an age-restricted (62 or older) independent living facility. He stated that it was anticipated that the project would be completed prior to the opening of light rail in downtown Mesa.

Responding to a question from Committeemember Somers, Dr. Harris advised that the tax credit program for all of the developers was the same, except that they must specify the appropriate population (i.e., families or elderly) the development would serve.

In response to a question from Chairman Richins, Mr. Huellmantell explained that depending on market conditions, his development team has given consideration to possibly building additional product in the adjacent parking. He stated that he was seeking Committee action today with regard to the proposal and also discussed the project milestones. (See Page 15 of Attachment 4)

Mr. Huellmantell remarked that he and his partners would hope to enter into a long-term land lease with the City at a nominal rate and added that his project team would absorb significant infrastructure costs. He added that it would be 100% tax credit rate and zero market rate.

Ms. Lewis clarified that the decision before the Committee today was not with respect to the incentives, but rather "site control" so that the developers could move forward with their tax credit proposals in competition within that site process. She suggested that it might be appropriate for the Committeemembers to discuss the manner in which they wish to proceed in this process.

Chairman Richins thanked Mr. Huellmantell for his presentation.

Ms. Lewis explained that two proposals (Gorman and Mesa Housing Associates) are seeking tax credit financing and must demonstrate "site control" in their ADOH application, which is due March 1st. She noted that the reason for the expedited process was so that the Council would have the opportunity to offer input on the proposals before moving them forward. Ms. Lewis added that if the Committee recommended that the proposals move forward to the full Council for consideration, similar presentations would be made since the Council makes the ultimate decision with respect to "site control."

Ms. Lewis further noted that if the Council granted "site control" for one or both proposals, the developers would compete for the tax credit. She explained that if the proposals were successful in receiving the tax credit, the City would then enter into the Development Agreement process and the Council would authorize the City Manager to negotiate the Development Agreement based on key terms.

Responding to a question from Chairman Richins, Dr. Harris explained that the ADOH would not award tax credits to two entities for the same parcel. She stated that the parties have until July 16, 2012 to obtain "site ownership," which is different from "site control."

Dr. Harris suggested that the Committee could allow both parties to go forward at this point, and use this interim period of time before the application is due on March 1st to determine which project might be the most successful to endorse. She stated that alternatively, the Committee could endorse both projects and let the ADOH make the ultimate determination, based on which development was awarded the highest number of points.

Ms. Lewis further remarked that Urbanist Housing Solutions suggested that the Escobedo redevelopment be a 2013 tax credit project, which would provide more time for the developer to conduct community outreach. She also pointed out that Thornton Homes did not identify a specific site and came forward with a more conceptual approach. Ms. Lewis noted that the Committee could move those proposals forward and allow the developers additional time to solicit input from the community.

An extensive discussion ensued between Chairman Richins and Committeemember Somers regarding items 2a and 2b. The following includes, but is not limited to, some of their comments:

Chairman Richins:

- He was intrigued by the Thornton Homes proposal and whether there was a market in Mesa for this type of development being proposed for smaller, infill parcels.
- He questioned whether the Council had ever engaged in a discussion to consider how to backfill the smaller parcels.
- He liked both proposals for Escobedo, and in particular the Urbanist Housing Solutions', which would bring market rate and ownership products into the project.
- He suggested that the Committee forward both Escobedo proposals and the issue of the 2012/2013 tax credit project timeframe to the full Council for discussion.
- He expressed interest in the Mesa Housing Associates' project and the possibility of developing housing on the parking lot next to City Hall. He suggested this proposal also be forwarded to the full Council for consideration.
- He suggested that the Council garner the "insight from the significant community development work" that has occurred in the Washington Park neighborhood in the last year and a half. He noted that anything the City does "needs to be done with them and not to them."
- He commented that it was "high time" that the City reinvested in the infrastructure in the Washington Park/Escobedo community.

Committeemember Somers:

- He expressed concern regarding the short timeframe with respect to the RFP process and that the developers had little time to provide more detail with regard to their proposals or to conduct community outreach.
- He noted that a couple of the proposals were interesting, but suggested that if the process were delayed, perhaps the City could receive "some better" proposals.
- He disagreed with Chairman Richins' suggestions that all of the proposals move forward to the full Council for consideration.
- He preferred that the full Council first engage in a "foundational discussion" regarding their goals and objectives for the Escobedo site (i.e., mixed uses; lease or sell the land).
- He remarked that once the Council established their goals and objectives, they could then use such goals to measure the various proposals and determine if any of them would be appropriate, based on their vision for the Escobedo site.
- He commented that Urbanist Housing Solution's potential \$2 million purchase of the Escobedo site would enable the City to take those funds and reinvest them in the community.

In response to a question from Committeemember Somers, Dr. Harris clarified that it was her understanding that the job creation points, as part of the ADOH tax credit application process, would not be in effect in 2013. She explained that the above-listed proposals are job creation proposals and noted that the Mesa Housing Associates' proposal, in particular, which includes an aggressive timetable with regards to the application and site selection, was related to job creation as it is defined, which is that it has to do with a series of steps that must be met by specific deadlines.

Responding to a question from Chairman Richins, Dr. Harris explained that as part of the tax credit application process, each developer must provide a market study, the components of which are outlined by the ADOH.

Discussion ensued relative to the fact that Save the Family intends to provide services (i.e., parenting classes, career development) to the community, which were previously offered internally to its clients; that in its evaluation process, the ADOH looks for projects that provide more than just basic housing, such as community centers and the use of computers; and that there is a set aside for supportive housing wherein 30 of the units must be for persons who were formerly homeless.

In response to a question from Chairman Richins, Mr. Swanton advised that Gorman & Company was fully prepared to submit its tax credit application on March 1st, which requires a full market study, an appraisal of the site, a capital needs assessment of the existing buildings, and lining up partnerships with the community in terms of services. He stated that Gorman could wait until 2013 to submit its application, but noted that the site may not score as highly next year as it would this year with respect to certain criteria (i.e., job creation and local government financial participation).

Mr. Swanton further remarked that Gorman & Company would stand behind its financial model and noted that it was currently pricing tax credits on a Tempe project with offers of \$0.92 to \$0.96 on the dollar. He added that all of the infrastructure improvement costs, including asbestos abatement, were built within the framework of the development budget.

Responding to a question from Chairman Richins, Mr. Creager stated the opinion that it would be "unwise" to accelerate the Escobedo redevelopment into a 2012 tax credit project. He commented that he respects the integrity of the neighborhood process, which his firm has not yet had time to engage in, and noted that the successful outcome of the project involves the community's input.

Mr. Creager pointed out that if a developer misses one of the deadlines with respect to project readiness, the company is subject to recapture and loses the tax credit, which means the sunken costs are not recoverable. He stressed that a March deadline would be too aggressive. He suggested, however, a limited window option with respect to Gorman & Company, recognizing that the developer is ready to proceed. He explained that if the development does not score high enough by May, then the option expires and Urbanist Housing Solutions would be on equal ground at that time and could initiate a similar, "robust" community planning process for a 2013 goal.

Ms. Lewis clarified that it was her understanding that the Committee wanted to forward both Escobedo proposals to the full Council and also that the Council engage in a more global conversation regarding leasing vs. selling the property; the types of uses for the site; the community input process; and the input/consideration that has been offered thus far by the Committee.

Committeemember Somers reiterated that he would prefer that the Council engage in a global discussion regarding their goals and objectives for Escobedo as a separate conversation; that once such goals and objectives are determined, staff could bring back the two proposals to be used as "a measuring stick" to determine if either would be suitable for the site.

Committeemember Somers further questioned whether the timeframe with respect to the projects was realistic and indicated that if an additional year was given, other developers might be able to submit proposals that meet or even exceed the City's goals and what is currently proposed. He added that his comments would apply to any of the proposals presented today.

Chairman Richins disagreed with Committeemember Somers' comments and stated that if the City has certain "market-driven proposals" with respect to redeveloping the Escobedo site, he did not know whether he needed "a prescribed vision" of what should happen on that property.

Deputy City Attorney Alfred Smith stated that there appeared to be a stalemate since only two Committeemembers were present. He suggested that the Committee discuss and vote on the proposals and noted that if the second proposal moves forward and there is a global view of this process, at that point then, the non-prevailing party on the Committee could suggest to bring forward to the full Council the proposals that were ostensibly denied at the Committee level.

Chairman Richins commented that it was his recommendation that the full Council discuss all four proposals. He suggested that it was necessary for the full Council to "react" to each of the proposals and noted that if they feel, as does Committeemember Somers, that they want to engage in a more holistic conversation about the proposals, not react to the proposals, slow down the process or deny the proposals, that would be acceptable with him. He added that the Escobedo redevelopment was "a big deal for the neighborhood" and stressed the importance of the City "doing it right."

Committeemember Somers reiterated that he was not ready to talk about the proposals and said that the process was moving along too quickly.

Chairman Richins requested that Ms. Lewis get ahold of Committeemember Glover on the telephone in order to break the stalemate with regard to this item.

(Chairman Richins continued this item until 9:37 a.m., when Committeemember Glover participated in the meeting via telephonic equipment.)

Chairman Richins advised Committeemember Glover that he recommended moving forward the proposals for Escobedo and the downtown area to the full Council for discussion, but stated that Committeemember Somers preferred to engage in a "more holistic discussion" with the Council regarding those downtown properties prior to moving forward with any proposal. He requested Committeemember Glover's input in this regard.

Committeemember Glover expressed support for moving all of the proposals forward to the full Council. He said that the Downtown Property Committee, which he chairs, examines each downtown property and can make recommendations to the full Council. He noted that for this purpose, he would prefer that all housing projects come before the full Council.

It was moved by Chairman Richins, seconded by Committeemember Glover, that the proposals received from the Escobedo Development RFP (2a) and the Downtown Area Development RFP (2b) be forwarded to the full Council for discussion and consideration.

Upon tabulation of votes, it showed:

AYES - Glover-Richins
NAYS - Somers

Chairman Richins declared the motion carried by majority vote.

Chairman Richins clarified that all of today's proposals would be presented to the full Council at a future date and time.

2-c. Hear a presentation, discuss and provide direction on the proposed redevelopment of the A New Leaf, La Mesita site.

Torrie Taj, Chief Operating Officer of A New Leaf, introduced Luz Bojorquez, Chief Financial Officer of A New Leaf, Diana Yazzie-Devine, President and Chief Operating Officer of Native American Connections, Inc. and Doug McCord, architect for the project.

Ms. Taj displayed a PowerPoint presentation (**See Attachment 5**) and reported that in March, A New Leaf, in partnership with Native American Connections, a non-profit organization, intends to submit a low-income housing tax credits application to the ADOH for the proposed redevelopment of the La Mesita site. She explained that the existing 3.2 acre site would be transformed from a 30-unit emergency homeless shelter to 144 apartment units and 16 units for an emergency homeless shelter. (See Page 2 of Attachment 5)

Ms. Taj stated that the project was planned for three phases: Phase 1 – 80-unit mixed-use apartment community; Phase 2 – 16-unit homeless shelter; and Phase 3 – 64 additional apartment homes. She noted that the total cost for Phase 1 was \$14.5 million.

Ms. Taj briefly highlighted the collaborators on the La Mesita redevelopment project, which include public, private and non-profit partners. (See Page 4 of Attachment 5)

Ms. Taj remarked that the La Mesita redevelopment, which would be the first purposefully built structure on the transit oriented development (TOD) site in the City of Mesa, would be a mixed-use development, with commercial uses at the street level and various community services provided for the La Mesita residents. Ms. Taj added that the project would maximize public transit, create walkable communities and hopefully achieve a Leadership in Energy and Environmental Design (LEED) Gold rating.

Ms. Taj discussed the current on-site services at La Mesita (See Page 6 of Attachment 5) and said that the redevelopment would lead to greater efficiencies and service delivery. (See Page 7 of Attachment 5)

Ms. Taj advised that A New Leaf is requesting that the City invest \$1.5 million (i.e., a zero interest 40-year loan) in Phase 1. She noted that A New Leaf would also apply for 30 project-

based vouchers so that an equal number of units could be set aside for former homeless individuals.

Ms. Yazzie-Devine briefly reviewed a breakdown of the \$14.5 million in funding for Phase 1 of the project. (See Page 8 of Attachment 5) She clarified that in order for A New Leaf's ADOH application to move forward, the zero interest loan from the City and the 30 project-based vouchers must be in place.

In response to a series of questions from Chairman Richins, Planning Director John Wesley advised that A New Leaf has submitted its application, which is currently being reviewed by the Planning Department. He explained that staff's goal was to present the case to the Planning & Zoning Board (P&Z) in March and to the Council in April in order to approve the necessary zoning changes for the project. Mr. Wesley noted that the City has granted a fee waiver on the application. He added that the timeframe was somewhat challenging, but said that staff would work with the applicant to assist them in this process.

Ms. Lewis stated that staff was seeking Committee approval to forward this item to the full Council for consideration.

(Chairman Richins called for a brief recess of this item at 9:23 a.m. so that the Committee could address items 2a and 2b with Committeemember Glover, who was participating in the discussion via telephone. The recess concluded at 9:37 a.m.)

Housing and Community Development Department Director Tammy Albright reported that staff was interested in changing its Annual Action Plan to include project-based-vouchers. She explained that such action requires going through a Substantial Amendment process, which staff hopes to bring back to the Committee in the next few months. Ms. Albright stated that staff has the ability to narrowly define in the Action Plan what the City wants to use the project-based vouchers for, such as only facilities that have tax credits and workforce housing, and suggested that they do so at this time. She pointed out that such efforts would make it easier for staff to administer the program. Ms. Albright added that the maximum number of project-based vouchers that the City can commit is 20% of its total vouchers. She also briefly discussed the City's Section 8 vouchers, which currently total 1,500.

Committeemember Somers requested that Ms. Albright prepare a report for the Council regarding how A New Leaf's proposal would impact the City's project-based vouchers.

Chairman Richins commented that there was a variety of ways in which the City could structure its \$1.5 investment in the project, whether it was a loan or a combination of a loan and a CDBG award.

Mr. McCord displayed a schematic drawing of the La Mesita redevelopment and briefly reviewed various elements of the project.

It was moved by Committeemember Somers, seconded by Chairman Richins, to recommend to the full Council that the A New Leaf proposal be approved.

Chairman Richins declared the motion carried unanimously by those present.

Chairman RIchins recognized Bruce Nelson, who submitted one of the speaker cards, for creating a documentary film on the Washington Park neighborhood, which will premier Saturday, February 11th at 7:00 p.m. at the Nile Theater. He also noted that Maria Mancinas, who submitted the other speaker card, was a long-time resident in the Washington Park neighborhood and an advocate for her community.

3. Adjournment.

Without objection, the Community & Cultural Development Committee meeting adjourned at 9:45 a.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Community & Cultural Development Committee meeting of the City of Mesa, Arizona, held on the 6th day of February, 2012. I further certify that the meeting was duly called and held and that a quorum was present.

LINDA CROCKER, CITY CLERK

pag
(attachments – 5)

Escobedo at Verde Vista

Specific Redevelopment Plan



WEST MESA
COMMUNITY DEVELOPMENT CORPORATION



Escobedo at Verde Vista

Specific Redevelopment Plan



**A unique
public/private/
non-profit
PARTNERSHIP**

WEST MESA
COMMUNITY DEVELOPMENT CORPORATION

**GORMAN
& COMPANY, INC.**

Core Purpose

“Initiate strategies and implement solutions to revitalize communities and build strong neighborhoods.”



Glendale Enterprise Lofts - Glendale, AZ



Public/Private Partnerships

Gorman & Company made the first private investment in our neighborhood in 30 years. They now participate as an active member of our neighborhood partnership”

Natalie Stahl, Neighborhood Leader
Orchard Glen Weed & Seed
Glendale, AZ



Glendale Enterprise Lofts - Glendale, AZ



Glendale Enterprise Lofts - Glendale, AZ



Glendale Enterprise Lofts - Glendale, AZ



Glendale Enterprise Lofts - Glendale, AZ



Glendale Enterprise Lofts - Glendale, AZ



Glendale Enterprise Lofts - Glendale, AZ



Glendale Enterprise Lofts

Apartments

Continued from D1

For his father, Khalid Mohammed, the family's three-bedroom, two-bath unit means more than a

The federal Fair Housing Act requires landlords to let a tenant with disabilities make reasonable modifications to their apartment at their own expense and re- store it when the tenant

rise as Baby Boomers age. Brian Swanton, hired by Gorman in 2008 to lead its expansion in the state, said the cost of building a dis-

OPENING ACCESS Gorman & Co. looks to bridge the Valley's...

the Roosevelt Historic Dis-

erates a thrift store. Opening



1912-2012
 Arizona's Centennial

BUSINESS

Apartments are aimed at the disabled

By Cecilia Chan
 The Arizona Republic

A Wisconsin-based developer is adding affordable and accessible apartments for Valley residents with disabilities.

In a metro Phoenix area with a flood of homes on the market and numerous apartments, only three apartment complexes are fully accessible to the physically handicapped. Two are in Glendale and one is in Tempe, according to Arizona Bridge to Independent Living.

The apartments offer features such as keyless entry, higher toilets and wider doorways to allow

greater maneuverability.

Gorman & Co. recently opened the Glendale Enterprise Lofts with a near ribbon-cutting set for formal ribbon-cutting set for Thursday. The company, which specializes in downtown revitalization, adaptive reuse of historic buildings and affordable housing,

plans two more metro Phoenix projects. Gorman should break ground this month on apartments in downtown Phoenix, followed by a project in Tempe in 2012. All three projects are aimed at renters with physical disabilities or limited income.

About half of the \$4.2 million Glendale lofts were built with fed-

eral funding, including \$295,000 from Glendale that was federal money to stabilize neighbor-

In Glendale, the lofts are already filled with a waiting list capped at 60 families.

Alli Razouki, 15, who has a form of muscular dystrophy and uses a wheelchair, is one of the new tenants. Razouki said he loves his new home with the roll-in shower and wider entrances. And like any other teen, Razouki, a sophomore at Glendale High School, likes his room and the complex's computer lab.

See APARTMENTS, Page D2

SECTION D
 SATURDAY, 6.18.2011
 THE ARIZONA REPUBLIC
 MONEY.ACZENTRAL.COM

DOW JONES	+42.76	12,004.28
NASDAQ	-7.22	2,618.48
S&P 500	+3.86	1,271.50
MARKET NEWS, D4		



Glendale Enterprise Lofts are accessible to people with physical disabilities. They also aim to be affordable. GORMAN & CO.

Lofts at McKinley - Phoenix, AZ



Lofts at McKinley - Phoenix, AZ





Lofts at McKinley - Phoenix, AZ



Lofts at McKinley - Phoenix, AZ



Lofts at McKinley – Phoenix, AZ



Lofts at McKinley – Phoenix, AZ

Gorman & Company is one of the Nation's leaders in green development. We're lucky to have them here in the Phoenix area"



Phil Gordon, Mayor
City of Phoenix



Escobedo Redevelopment – Mesa, AZ



- (28) 1BR TOWNHOMES – 1 STORY**
- (38) 2BR TOWNHOMES – 1 STORY**
- (13) 2BR LOFTS – 2 STORIES**
- (3) 2BR FLATS – SECOND FLOOR**
- (22) 3BR TOWNHOMES – 1 STORY**
- (16) 3BR TOWNHOMES – 1 STORY**
- (4) 4BR TOWNHOMES – 1 STORY**
- (124) UNITS TOTAL**
- 11.5 AC = 10.8 UNITS PER ACRE**
- 6,800 SF – HISTORIC COMMON SPACE**
- 1,700 SF – NEW COMMON SPACE**
- 30,000 SF – NON-PROFIT INCUBATOR**

Escobedo Redevelopment – Mesa, AZ



POSTER FROST MIRTO

Escobedo Redevelopment – Mesa, AZ



POSTER FROST MIRTO



Escobedo Redevelopment – Mesa, AZ



POSTER FROST MIRTO

Escobedo Redevelopment – Mesa, AZ



POSTER FROST

Escobedo Redevelopment – Mesa, AZ



POSTER FROST MIRTO



Escobedo Redevelopment – Mesa, AZ

1-BR Max Rents

(+/- 680 sq. ft.)	\$411 (40% AMI)
	\$536 (50% AMI)
	\$660 (60% AMI)

2-BR Max Rents

(+/- 850 sq. ft.)	\$490 (40% AMI)
	\$639 (50% AMI)
	\$789 (60% AMI)

3-BR Max Rents

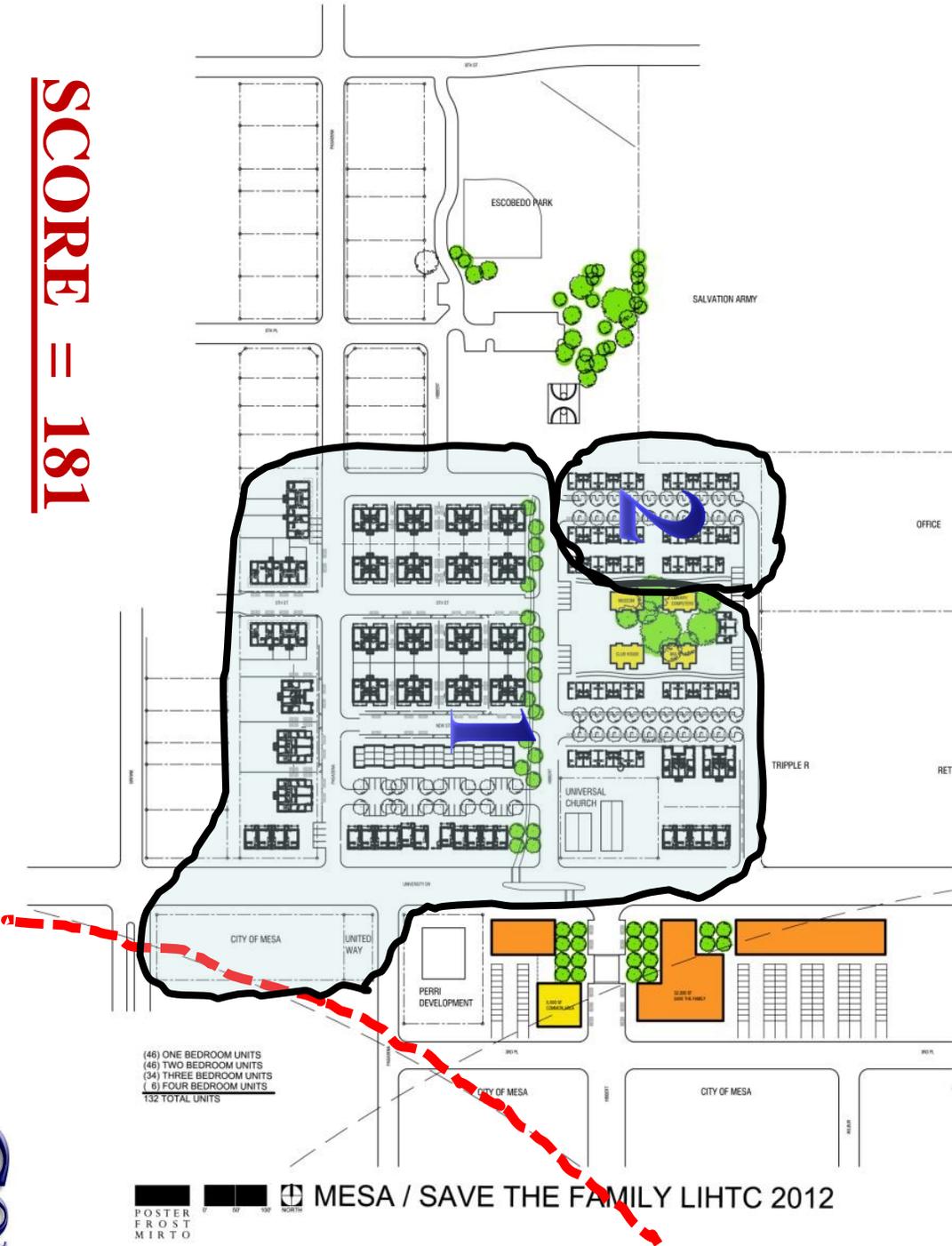
(+/- 1,065 sq. ft.)	\$560 (40% AMI)
	\$732 (50% AMI)
	\$905 (60% AMI)

4-BR Max Rents

(+/- 1,265 sq. ft.)	\$617 (40% AMI)
	\$809 (50% AMI)
	\$1,002 (60% AMI)

SCORE = 181

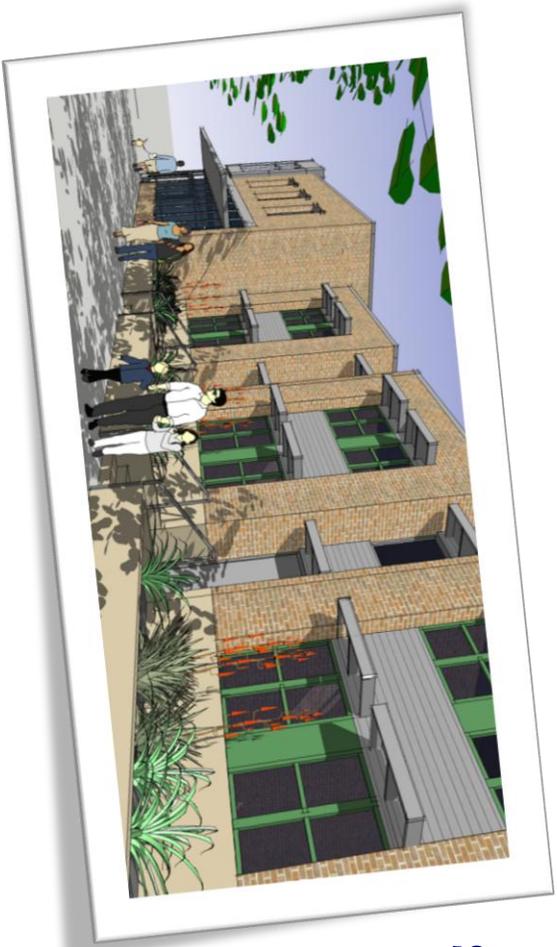
Phasing Option 1



Escobedo Redevelopment – Mesa, AZ

96 UNITS – 7.5% TAX CREDIT RATE

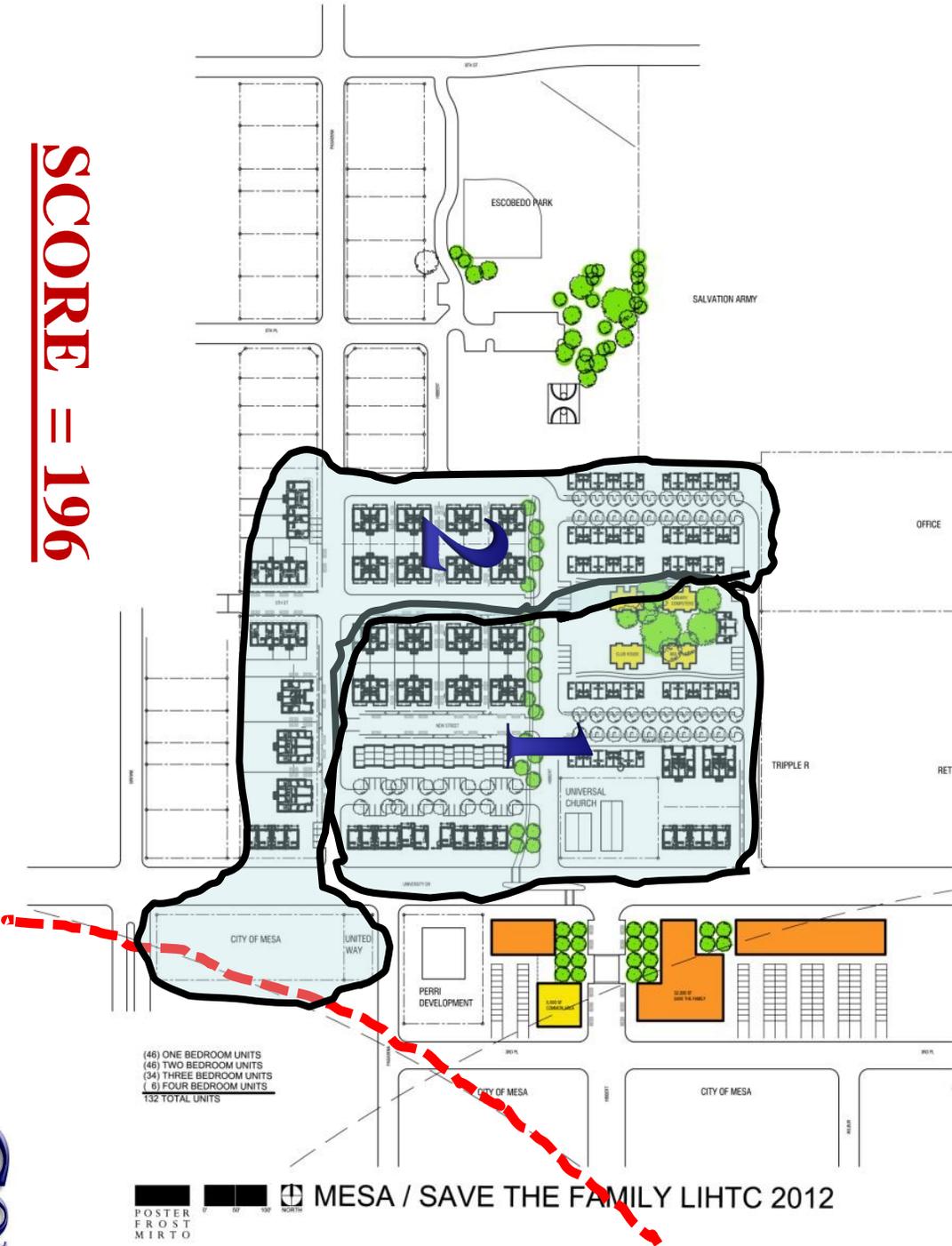
1 st Mortgage Loan	\$ 1,445,000
Private Tax Credit Equity*	\$14,398,560 (88%)
Arizona Dept. of Housing Gap	\$ 750,000
	\$ 483,261
TOTAL:	\$17,076,821



*\$1.5 Million CAP. \$0.96 Credit Pricing

Phasing Option 2

SCORE = 196



Escobedo Redevelopment – Mesa, AZ

68 UNITS – 9% TAX CREDIT RATE*

(permit submittal by 5/1/2012)

1st Mortgage Loan	\$ 750,000
Private Tax Credit Equity*	\$13,248,343 (94%)
ADOH	\$ 128,316
TOTAL:	\$14,126,659



*9% tax credit rate
generates an additional
\$2.2 Million in equity!

Escobedo Redevelopment – Mesa, AZ

Community Engagement



WEST MESA
COMMUNITY DEVELOPMENT CORPORATION

GORMAN
& COMPANY, INC.



Brian Swanton, Arizona Market President

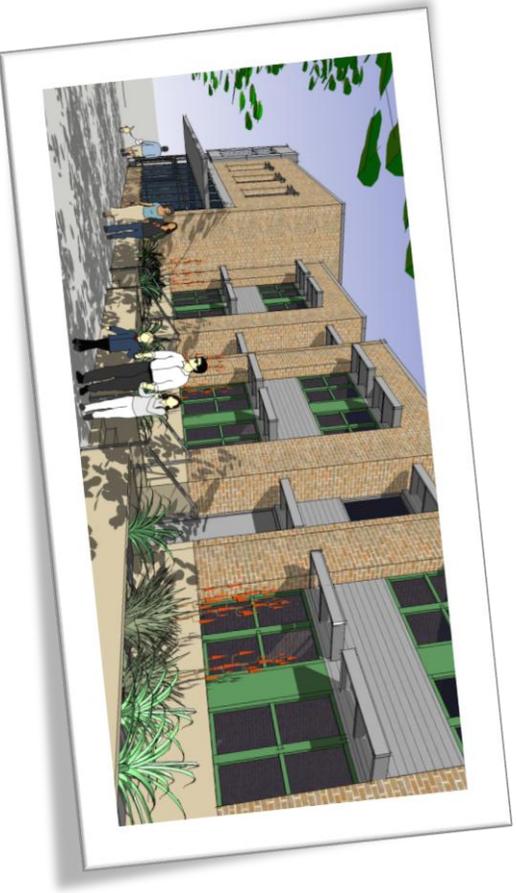
2375 E. Camelback Road, 6th Floor

Phoenix, AZ 85016

(602) 708-4889

bswanton@gormanusa.com

www.gormanusa.com





*A Proposal to Transform
the Escobedo Apartments
site and adjacent property
into a community of Choice
in partnership with the City
of Mesa, Mesa
Neighborhood Residents
and Cappable, Local
Partners.*

Agenda:



Team + Experience
Approach
Outcomes

URBANIST



Fundamental.PLC



Member/Local Partner

W|e|l|c|o|m|e



CityScape
Phoenix, AZ



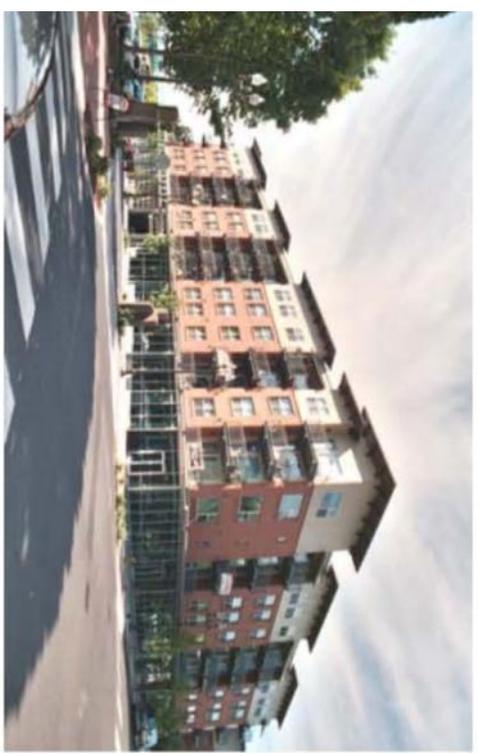
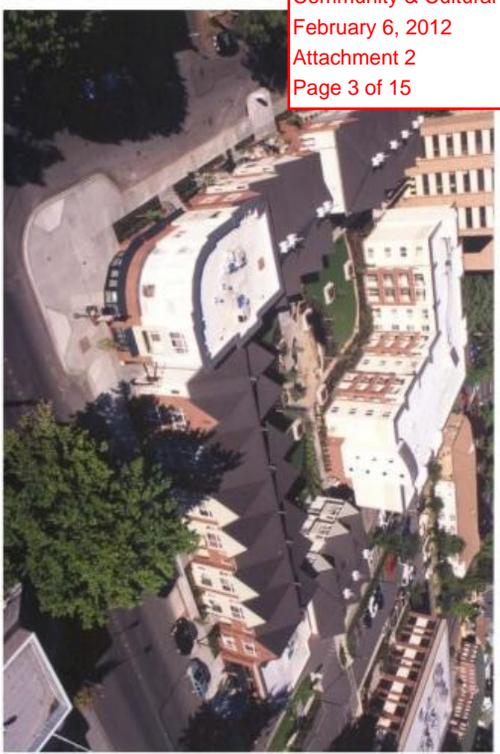
URBANIST



Experience

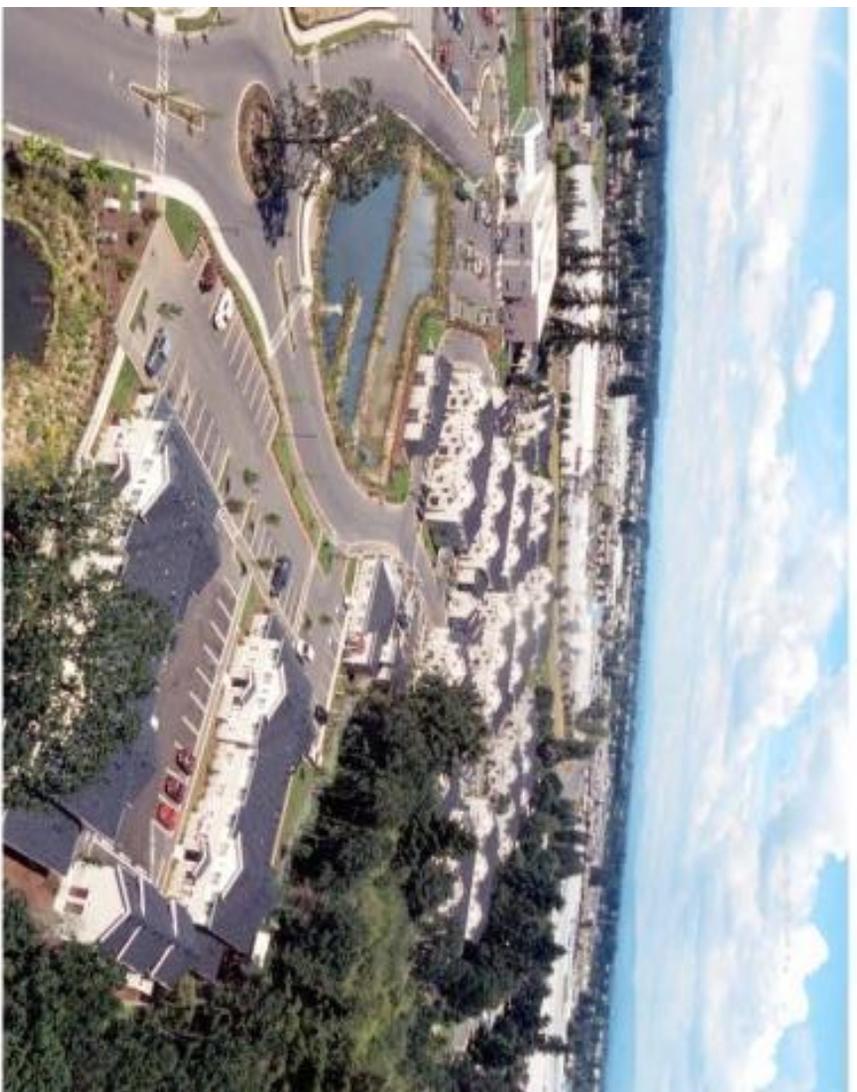
Anthem Park

Vancouver, WA



Esther Short Commons

Vancouver, WA



Springbrook Village

Vancouver, WA





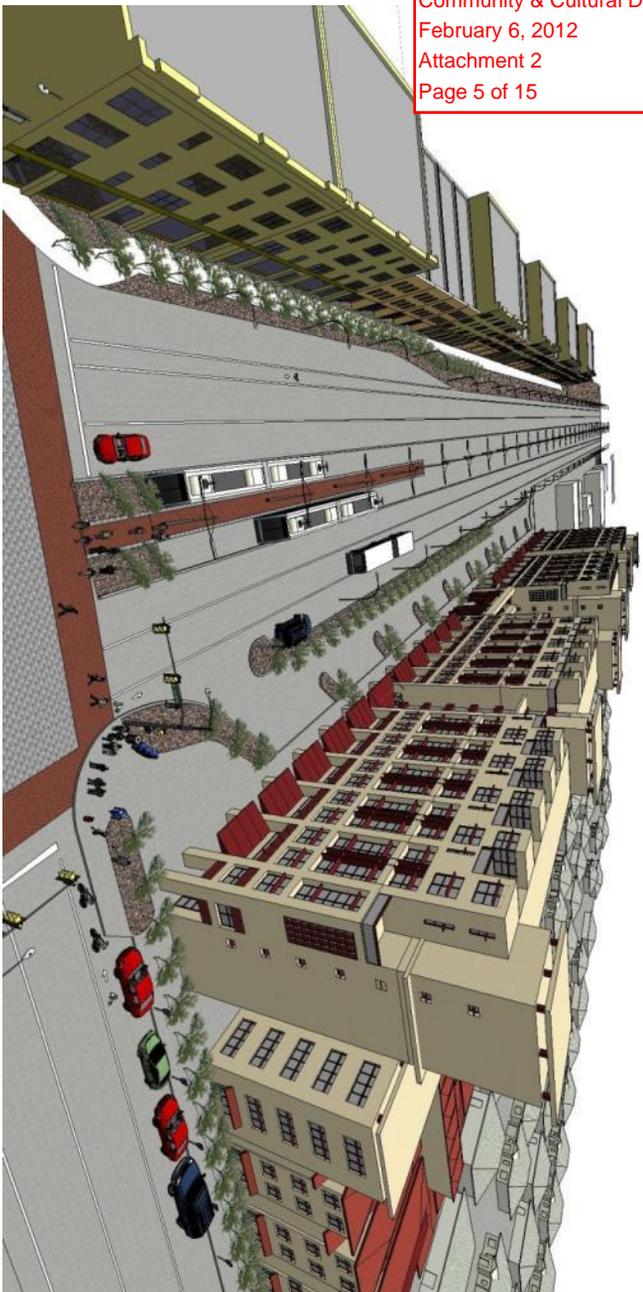

Avondale Revitalization Plan and Community Workshops
Avondale, AZ

URBANIST

 Fundamental, LLC

 Otak
Member/Local Partner

Experience




West Mesa Main Street
Community Workshop
Mesa, AZ

URBANIST



otak



Experience



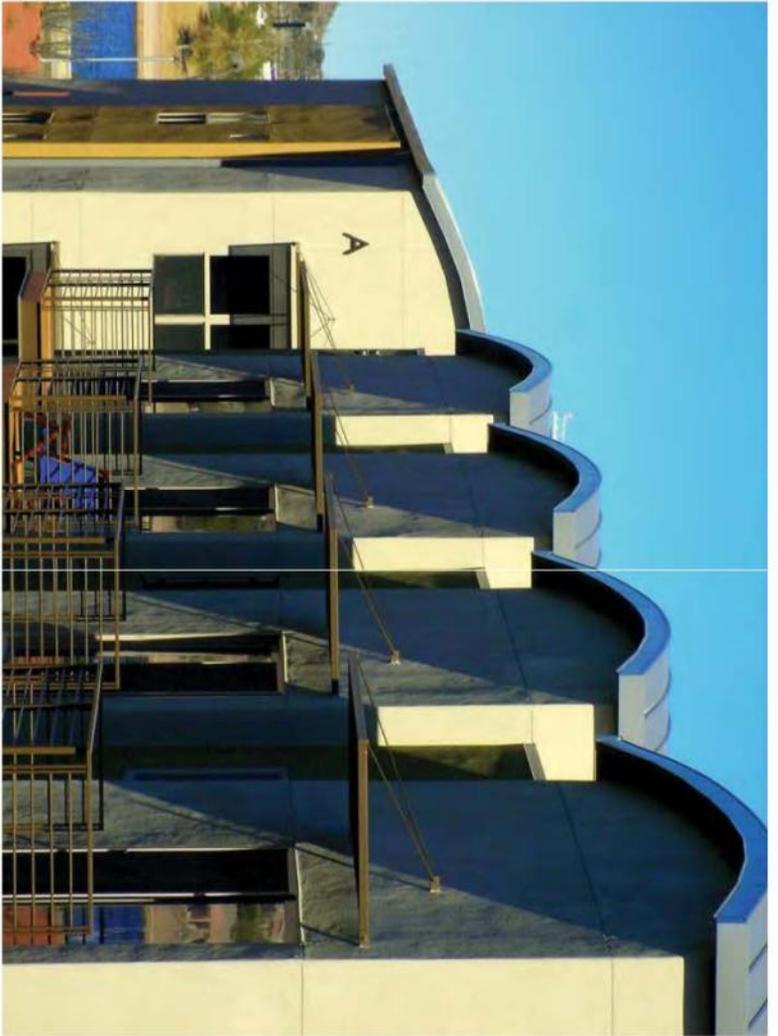
Plum Meadows
Vancouver, WA



URBANIST



Experience



525 Town Lake
Tempe, AZ

URBANIST



Experience

Proposed Community

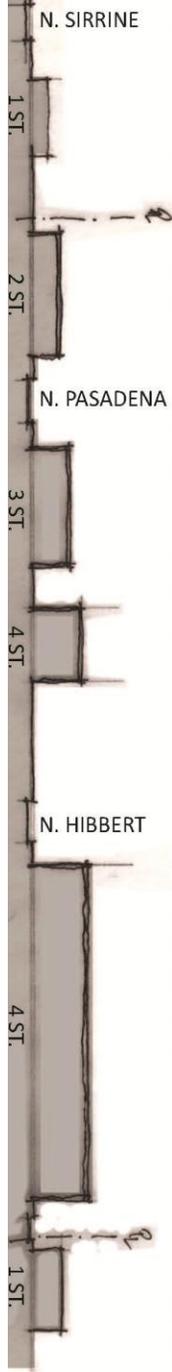
225 Units (20.5 d.u./ac.)

- Community Amenity
- Community Garden
- Re-Connect Existing Patterns
- New Housing Choices

Community & Cultural Development
February 6, 2012
Attachment 2
Page 8 of 15



SECTION



SECTION

SECTION



Approach

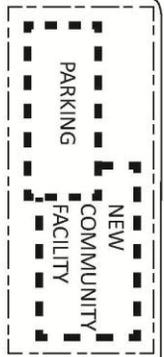


SINGLE FAMILY ATTACHED - LEASE / SALE

ZONING: R-4
 SITE: 4.25 AC
56 UNITS
 13.2 DU / AC
 (30.0 ALLOWABLE)
 118 PARKING SPACES
 2.1 SPACES / DU

MULTI-FAMILY - RENTAL

ZONING: R-4
 SITE: 6.25 AC
169 UNITS
 27.3 DU / AC
 (30.0 ALLOWABLE)
 358 PARKING SPACES
 2.1 SPACES / DU





Desired Outcomes:

Estimated New Total Population: 725

(Assumes 1-4 PP/HH)

Estimated Income:

Market Rate Units (based on 80% AMI)

\$42K / YR (2 person HH)

\$53K / YR (4 Person HH)

Tax Credit /Units

\$32K / YR (2 person HH)

\$40K / YR (4 Person HH)

Estimated Hard Cost to Construct:

\$33M (Sales Tax + Property Tax)

Enough new Roof to:

Collect 725K Gal. / YR of Rain Water

or

Produce 700 kWh / YR Electricity produced by PV



**Request for Proposals:
RFP #2012104
Development of
Escobedo Apartments Complex
&
APN 138-61-094A
Downtown Mesa, Arizona**



Questions?



Looking North East

URBANIST

 Fundamental, P.C.

 otak
Member/Client Partner

Proposal



Looking North West

URBANIST

 Fundamental, p.l.l.c.

 otak
Member of the Otago Group

Proposal



Looking East



Proposal



Proposed Incentives: The following are proposed with the understanding that negotiation may cause some to be modified, withdrawn or omitted:

- City to carry the land through the course of land use entitlements with a purchase and sales agreement featuring a delayed closing estimated September 2013;
- City to agree to connect the purchase price to the permitted density of the approved project. We estimate 225 dwelling units in two phases: attached row houses leased with an option to purchase (56 dwelling units) and 169 dwelling units of workforce housing in four story structures befitting the city's plans for urban density downtown. The proposed purchase price of \$2,286,900 therefore is dependent upon a minimum yield of 225 units;
- City to assist financially with the replacement of infrastructure water, sanitary sewer and storm water facilities in addition to street repairs to North Pasadena, North Hibbert and East Fifth Street;
- City to participate financially in the planned community garden as an area wide amenity;
- City to abate the known hazardous materials (asbestos-containing materials and lead) consistent with federal and/or state statutes and financing requirements;
- City to consider reducing the parking required on the site from current code (2.1 cars/unit) to an agreed lower number to be determined;
- City to Consider to the extent possible to waive or finance the impact fees and system development charges or give credit back for the existing 103 dwelling units, as appropriate.

Conceptual Discussion:
High Density Residential Development
Downtown
Mesa, Arizona



thornton
HOMES

High Density Residential in Relation to Commercial Development

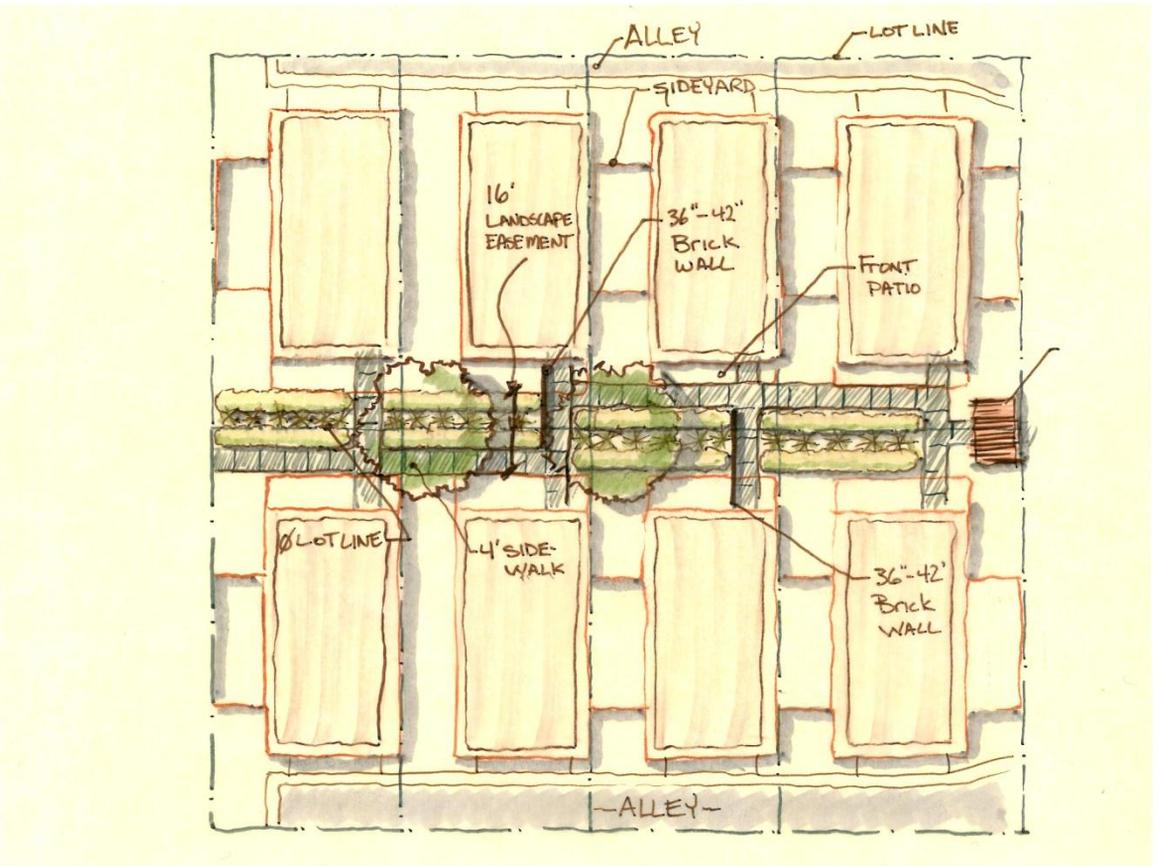


COOLEY STATION
STREETSCAPE SOUTH OF VILLAGE CENTER

Typical Cluster for 8-9 duos Single Family Detached

This layout employs 2 and 3 story single family detached homes. The 3 story homes have ground floor space for commercial purposes, i.e. design studios, accounting, hairdresser, insurance agency, etc.

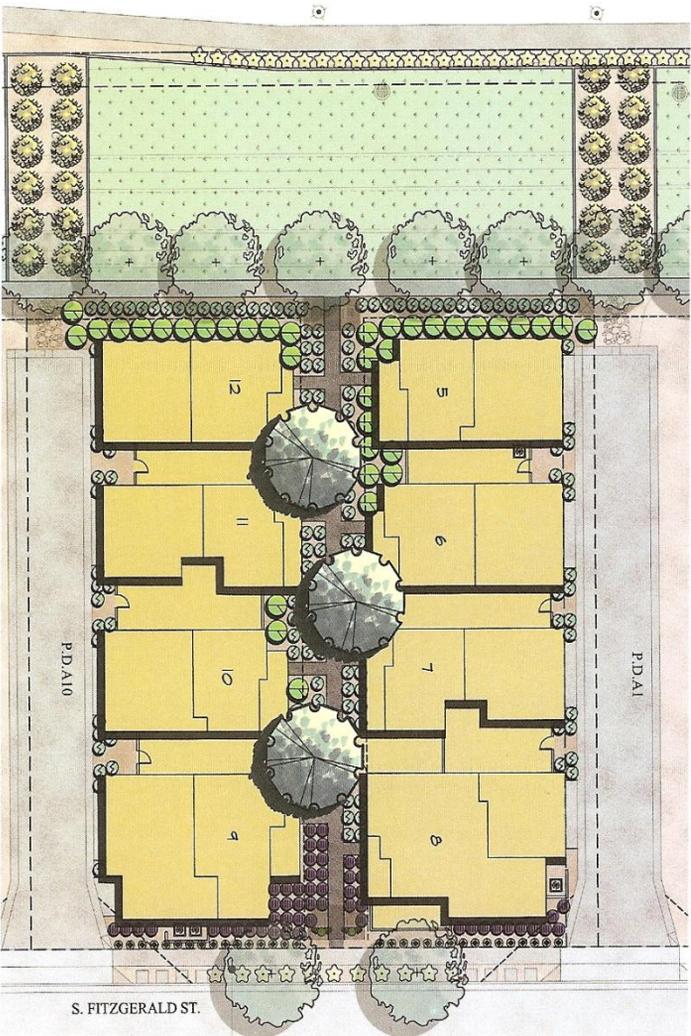
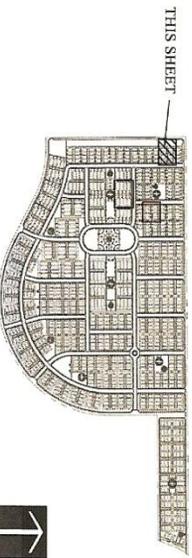
This housing type, layout and density have proven successful in urban redevelopment in many U.S. cities. This type of layout and property use maintains a neighborhood feel while transitioning to higher classifications of commercial use.



Typical Housing Location Relationships

PLANT LEGEND

SYMBOL	BOTANICAL NAME	COMMON NAME
TREES		
	<i>PALEVERDEA SISCOO</i>	SISCOO TREE
	<i>FRAXINUS VELUTINA</i>	FAN-TEX ASH
	<i>RIO GRANDE</i>	
	<i>ELMUS PARVIFOLIA</i>	EVERGREEN ELM
SHRUBS		
	<i>LEUCOPHYLLUM CANDIDUM</i>	THUNDER CLOUD
	<i>MYRTUS COMMUNIS</i>	COMMON MYRTLE
VINES		
	<i>MACFADYENA UNGUIS-CATI</i>	CAT'S CLAW VINE
GROUNDCOVER		
	<i>GAZANIA RIGENS</i>	COPPER KING
	<i>LANTANA MONTEVIDENSIS</i>	PURPLE LANTANA
	TURF	EZ - TURF
INERT GROUNDCOVER		
	DECOMPOSED GRANITE	SADDLEBACK BROWN
	CONCRETE	PLAIN CONCRETE



NOTE: OFF SITE LANDSCAPE WILL BE APPROVED UNDER SEPARATE REVIEW.

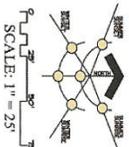
4430 E. Camelback Rd.
 Suite 100 • Phoenix, AZ 85018
 Phone: 602.998.2222
 Fax: 602.998.2222
 Website: www.pinnacle-design.com
 Pinnacle is a registered trademark of Pinnacle Design, Inc.

PINNACLE DESIGN, INC

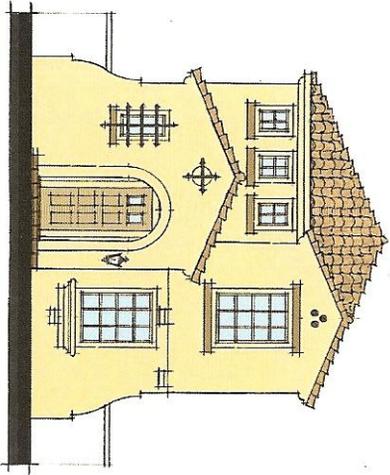
HOUSING PRODUCT EXHIBIT

ELDON POINT GILBERT, AZ

THIS EXHIBIT IS CONCEPTUAL AND IS SUBJECT TO CHANGE WITH FINAL CONSTRUCTION DOCUMENTS



320 Series, 4 Plans, 3 Elevations



321A FRONT ELEVATION

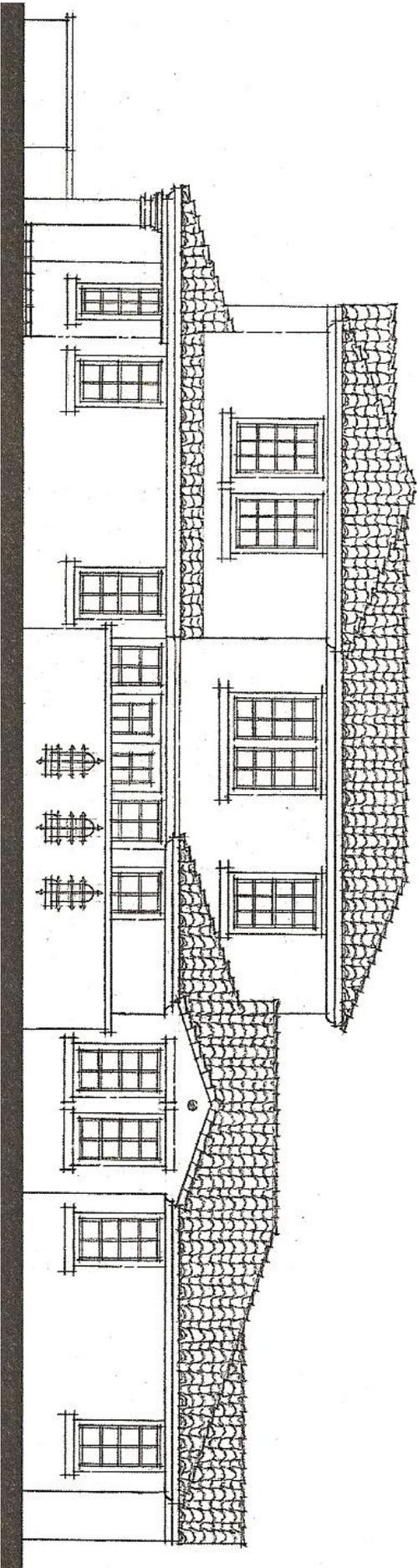


321B FRONT ELEVATION



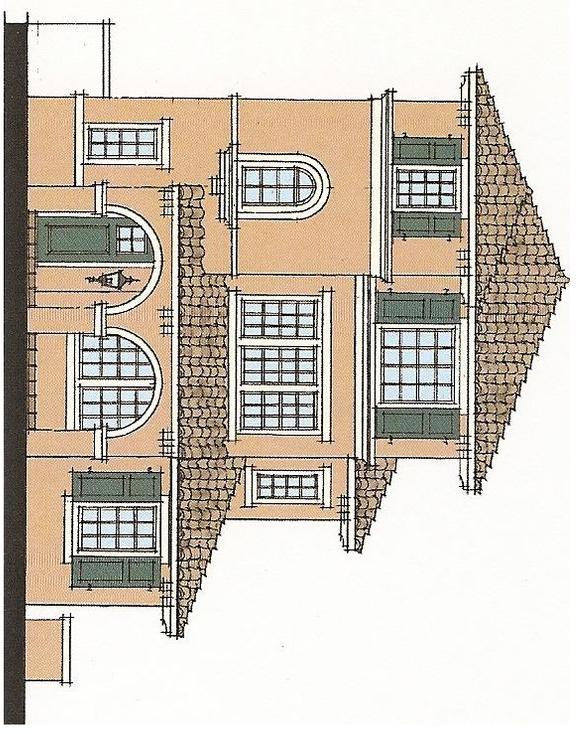
321C FRONT ELEVATION

Typical Side Elevation 4 Sided Design of The 360 Series

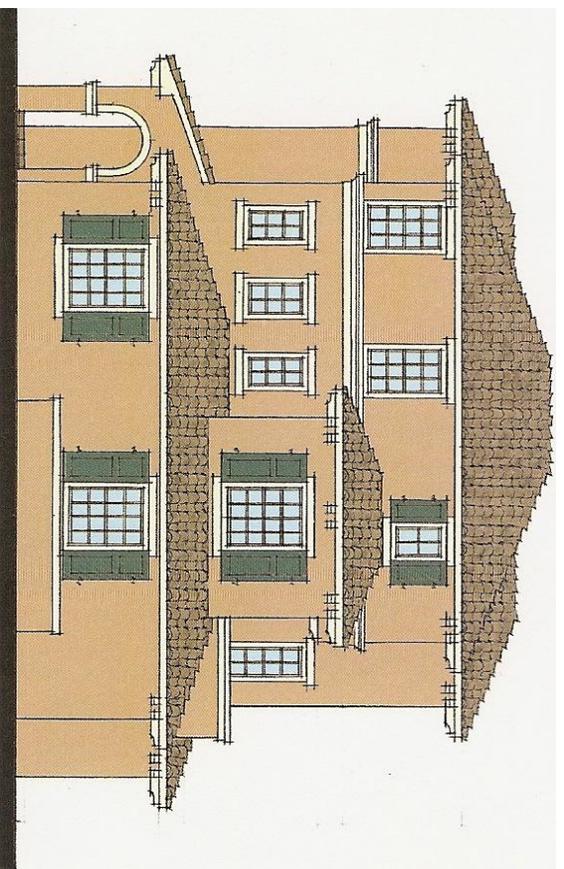


340 Series 3 Story Plans Can Have Main Floor Business Use

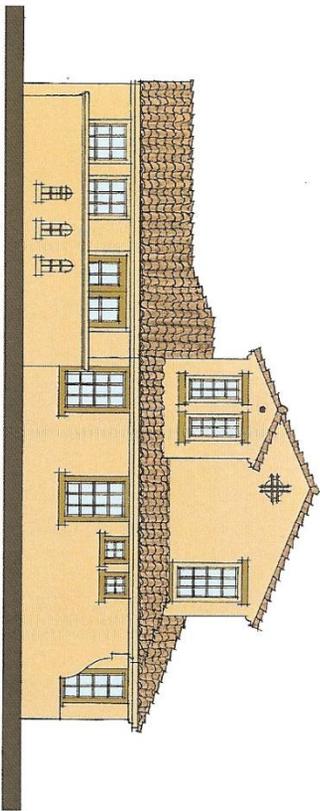
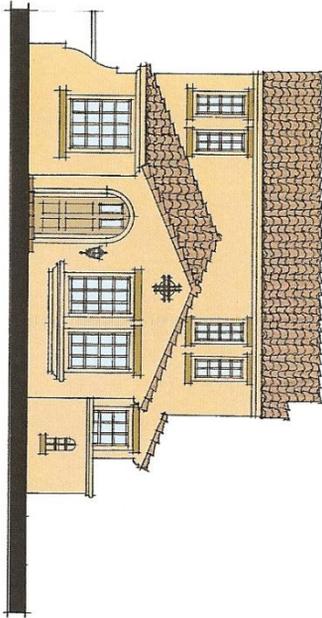
Front Elevation



Side Elevation



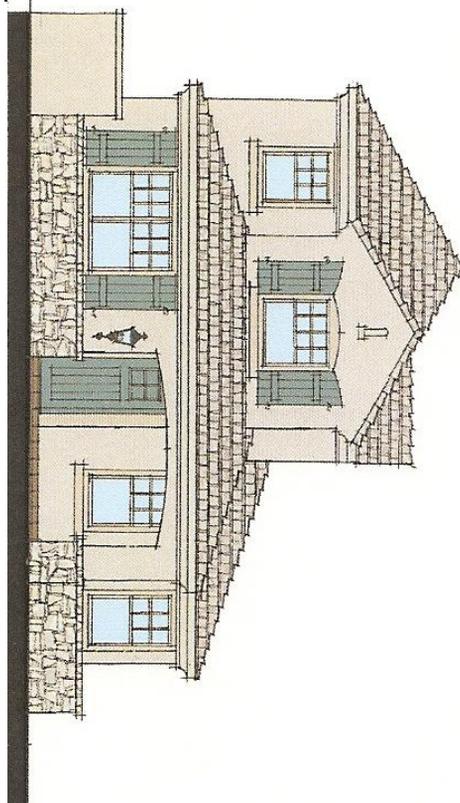
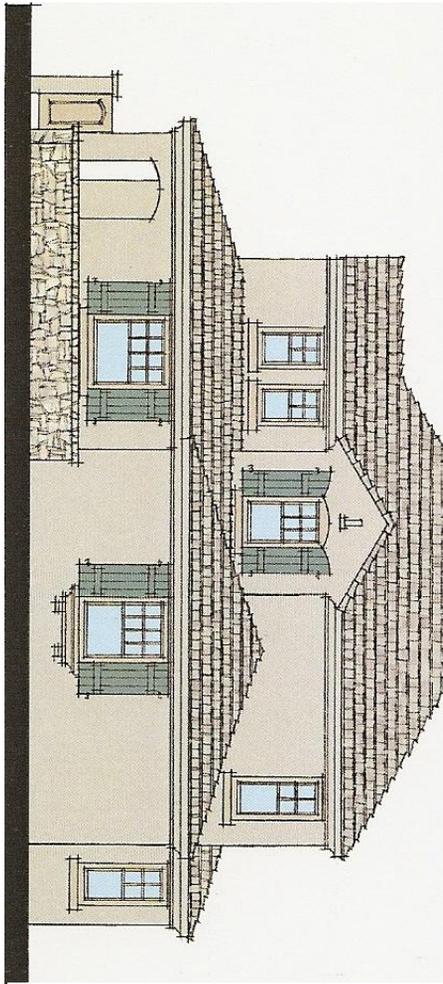
320 Series



HIDON POINT - 32 SERIES
CHUBBIE, ARIZONA

PLAN 322
1555 S.F.





Pine Lake

Chandler, Arizona

Pine Lake was acquired from another developer at pre-plat stage. The developer was having trouble gaining the necessary approvals to record the plat and develop the property. After meeting with City of Chandler officials we felt confident we could resolve the issues in question. We moved forward with the property acquisition, gained approvals, developed the property and the result was one of the most successful developments in the highly competitive South Chandler market.

We completely re-engineered the original sewer plan, changed a very deep sewer depth profile, eliminating the need for a sewer lift station and shaved \$1.3 million out of the development budget. We accomplished all of that after Final Plat approval, during grading and did not lose one day in our construction schedule.



Pine Lake Chandler, Arizona

**Pine Lake is located between a regional city
park and a municipal golf course**



**Some of Arizona best public schools are in
Pine Lake's school districts**



Pine Lake

Chandler, Arizona

In 2001 when Pine Lake was developed, the housing market had not begun to reach the frenzied pace that it would three to five years later. Residential developments were still very difficult to obtain and develop at reasonable land prices with predictable development costs. We accomplished both.

Pine Lake had 217 lots on 133 acres. The lots were designed for 3 distinct product types. That allowed us to sell 2 of the lot types to other builders, achieving a lot sale profit that lowered the finished lot cost basis on our remaining lots. We sold lots to Shea and Trend Homes. They both had substantial advertising budgets which drove large amounts of sales traffic to the community.



The Trails

Chandler, Arizona

The Trails remains one of Chandler's most desirable neighborhoods.

Driving through this community today, after one of the most difficult periods in history for housing, one feature stands out: **NO FOR SALE SIGNS.**

Our housing plans won several **MAME Awards** (Marketing and Merchandising Excellence) from the Home Builders Association of Central Arizona. The Trails consists of 287 homes on 105 acres.

The Trails has remained a stable and desirable neighborhood thanks in large part to our policy of only selling to owner/occupiers. We refused the easy sale path to unqualified investors followed by the large national builders.



The Trails

Chandler, Arizona

n abundance of well designed open space and play areas makes The Trails a great place to live and play. It is no coincidence that local Pop Warner and flag football teams use the open space at The Trails as their preferred place to practice. Community soccer teams are also regular visitors. Sports teams practicing, children riding bikes, playing on the swings and jungle gyms combined with family get-togethers make The Trails a place where great memories are created. Holidays are truly celebrated in this community. Halloween, Easter and 4th of July routinely see streets barricaded for block parties so families can gather and celebrate safely. Christmas decorating takes on a whole new meaning at The Trails.



Stratland Estates

Gilbert, Arizona

With 401 lots and 4 lot sizes spread over 160 acres, Stratland Estates completed development at the beginning of the housing downturn in late 2006. Stratland Estates is defined by it's unique lakeside community gathering amphitheater, deeper lots and a Traditional grid street layout that minimizes traffic on local streets. Landscaped boulevard collector streets protect and limit traffic flow. Stratland Estates became one of the most coveted communities by large national home builders after Stratland Homes ceased operations. Finished lots sold in 2009 for the highest price in the Southeast Valley. Stratland Estates is now home to Pulte, Meritage, Toll Brothers and Taylor Morrison Homes. It is one of the fastest selling Master Planned communities in it's submarket.



Stratland Estates

Gilbert, Arizona

**Many of Stratland Estates streets are
dead end cul-de-sacs, limiting pass
through traffic**



**A landscaped path leads to one of
Stratland Estates many mini-parks**



Stratland Estates

Gilbert, Arizona

In addition to the centrally located lake and amphitheater, Stratland Estates has several smaller recreation parks, strategically distributed throughout the community.

Stratland Estates was granted a very rare General Plan Amendment to increase planned density. An open and informative neighborhood meeting process preceded our formal application for zoning and preliminary plat. We were able to secure unanimous support from the neighboring custom home communities for our vision. The Town of Gilbert Planning staff fully supported our development plan.



Countryside Estates

Chandler, Arizona

This gated community was designed with two landscaped boulevards serving a series of dead end cul-de-sac streets laid out in a simple grid. Countryside Estates was initially rejected by the City of Chandler as too unconventional in it's design. It became one of Chandler's proudest achievements in residential development, earning the city's **Architectural Excellence Award** in 2005.

We bought finished lots from Pulte Homes. Pulte was having trouble generating sales and had given up when they sold us half of the community. Our award winning housing designs soon generated a very swift sales pace which greatly aided Pulte in generating sales.



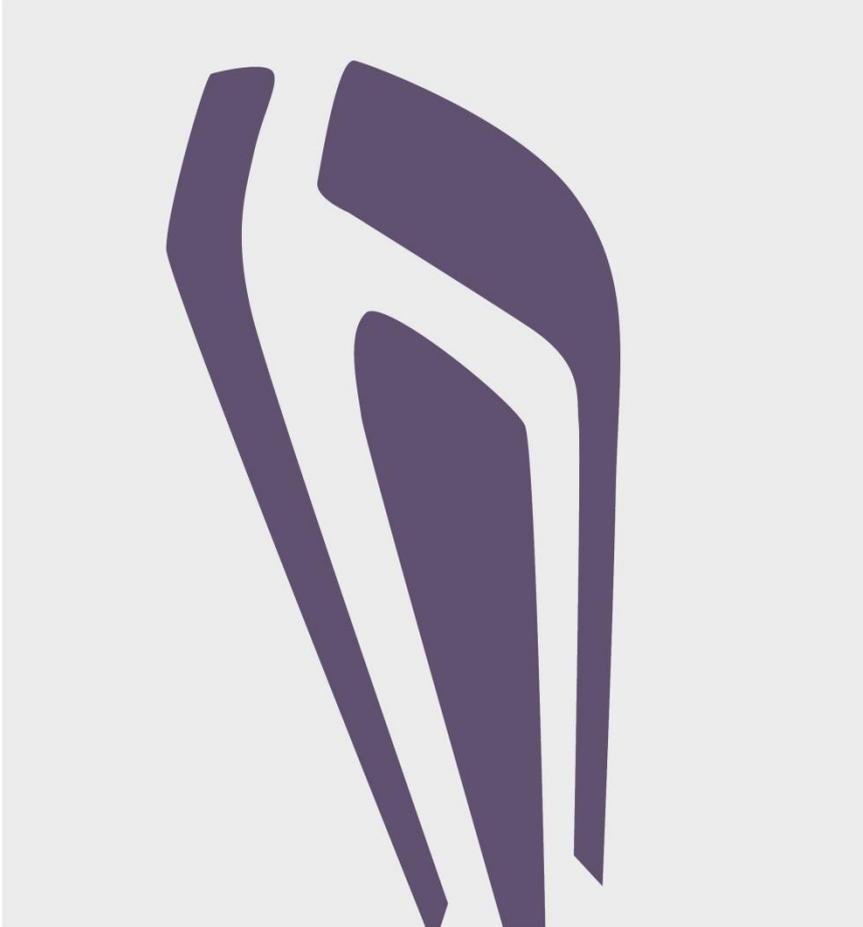
Development responsibilities

Thornton Homes

- Planning and Entitlement
- Housing Design and Product
- Construction Financing
- Housing Construction
- Project Management
- Land Development Project Management
- Sales and Marketing

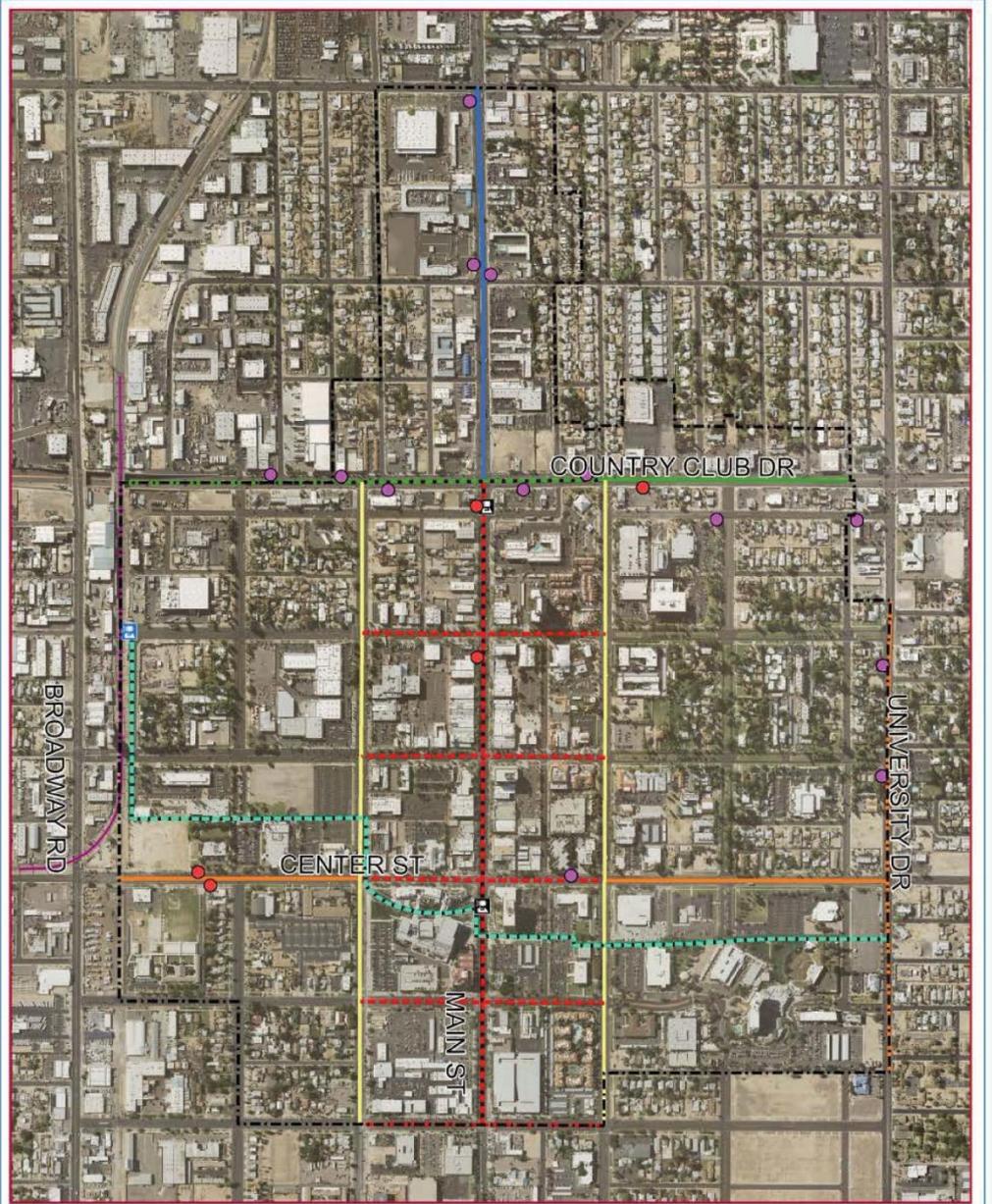
City of Mesa

- Redevelopment of Land into Buildable Lots
- Rolling Lot Option Financing to Thornton Homes



Proposal for
DEVELOPMENT IN DOWNTOWN MESA, ARIZONA
RFP #2012105

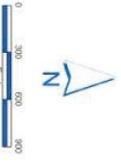
January 23, 2012
Mesa Housing Associates, LLC



Map 12

Central Main Plan
 - Street Character and Mobility Plan -
 - Downtown -

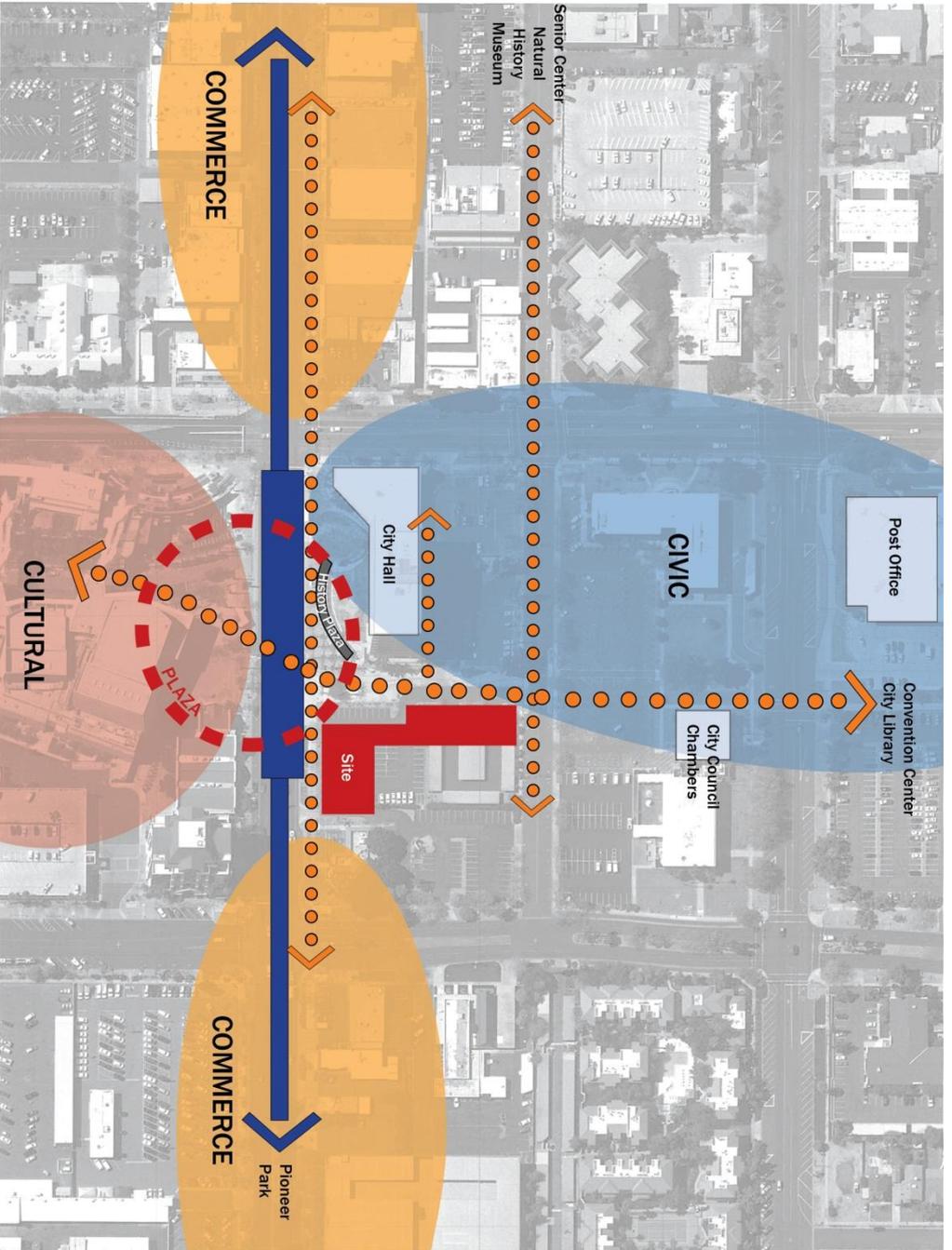
- Street Character**
- Downtown/Village Main Street
 - Downtown Neighborhood Street
 - Urban Transit Corridor
 - Semi-Urban Arterial
 - Regional Transit Arterial
 - Regional Arterial
 - Collector Street
- Transit**
- Light Rail Station - Location TBD
 - Commuter Rail Station - Location TBD
 - Bus Stop Improvements - Seating and Shade
 - Bus Stop Improvements - Shade
 - Inter-City Commuter Rail
- Pedestrian**
- Pedestrian Connection



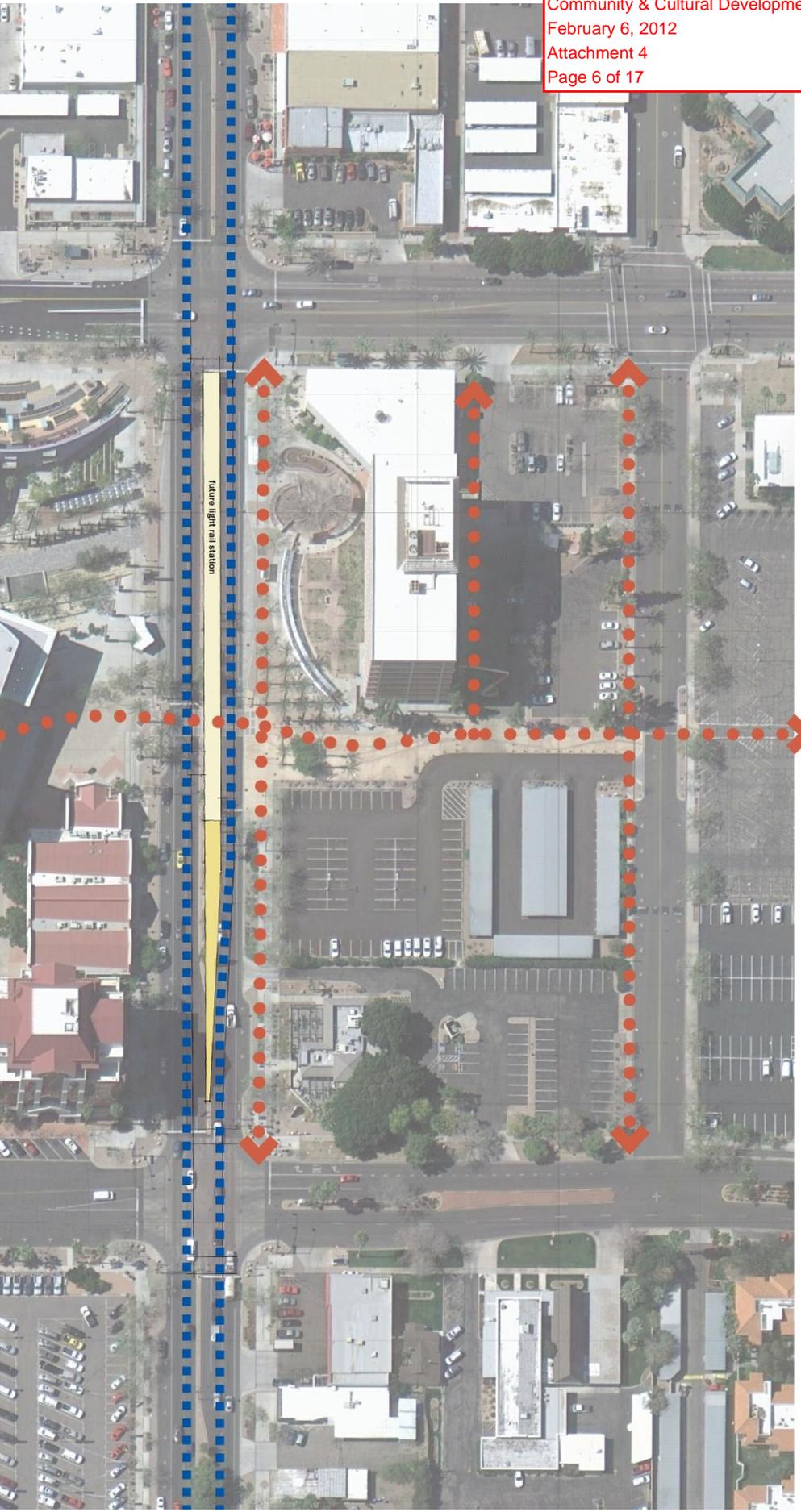
Created By: Mesa - Planning
 Print Date: 08/13/2011
 Source: City of Mesa

The City of Mesa makes no claims concerning the accuracy or reliability of the information on this map or the information herein.

COPIRIGHT 1988, 2009 CITY OF MESA, ARIZONA

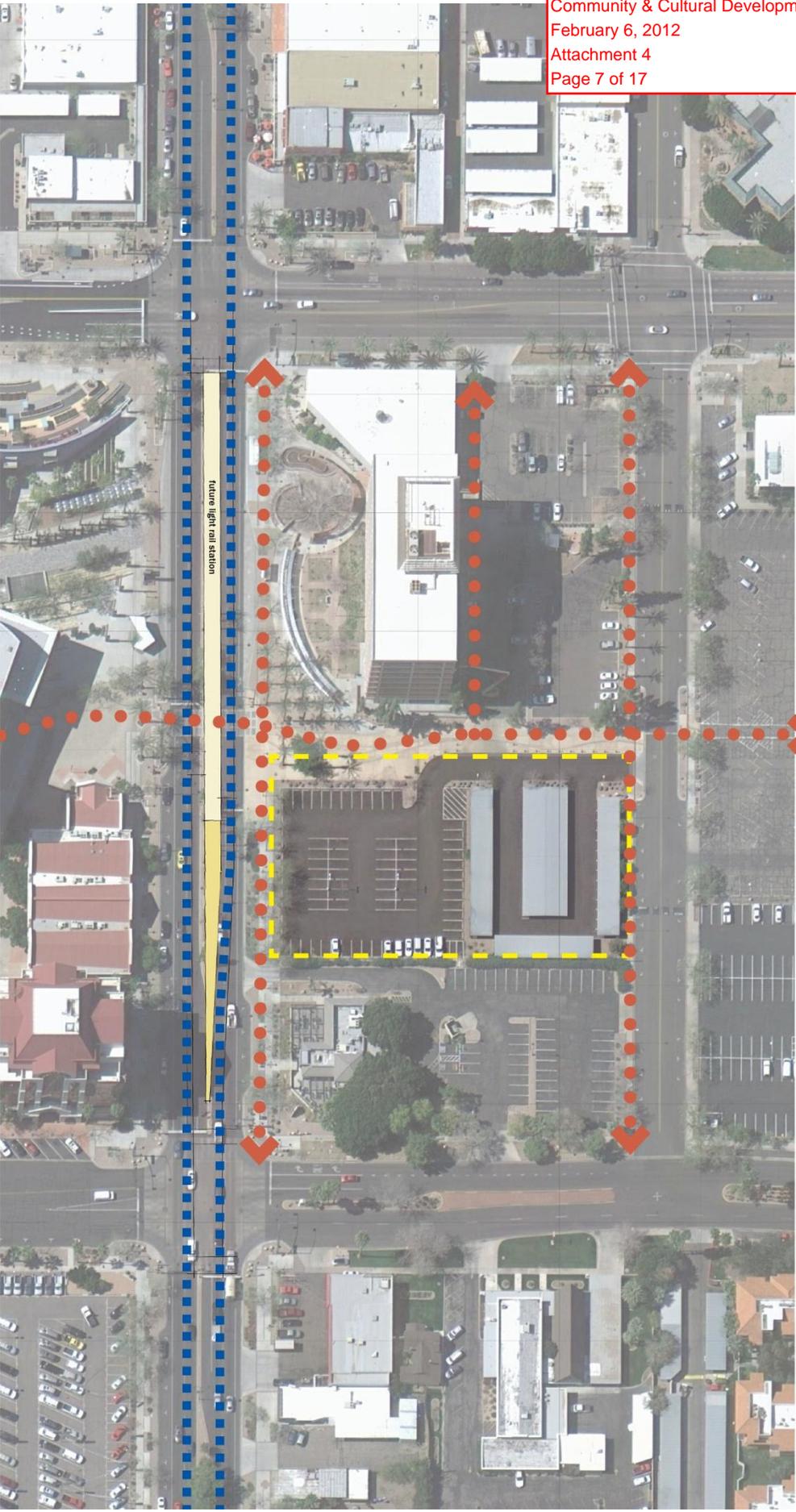






future light rail station

F







future light rail station

EXISTING PLAZA

activity space

CENTENNIAL WAY

PEPPER PLACE











PROJECT TEAM

mesahousing
associates

 **OKLAND**
CONSTRUCTION



KLAND CIVIL ENGINEERS

vollmer
ASSOCIATES

PROJECT MILESTONES

City of Mesa Authorizing Resolution	February 2012
ADDOH Tax Credit Application Submittal	March 1, 2012
Site Plan Approval & Final Plat	May 1, 2012
Building Permit Application	May 1, 2012
ADDOH Tax Credit Award	July 1, 2012
Financial Closing and Construction Start	November 1, 2012
Construction Completion	October 31, 2013
New Residents Move in to Downtown Mesa	November 1, 2013



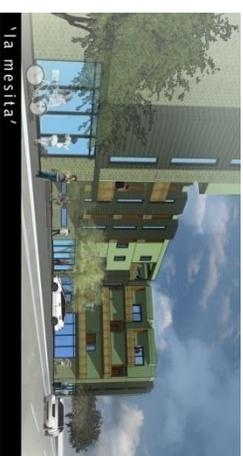


NATIVE AMERICAN CONNECTIONS

A New Leaf, Inc.

La Mesita

Helping Families...Changing Lives





NATIVE AMERICAN CONNECTIONS



'la mesita'

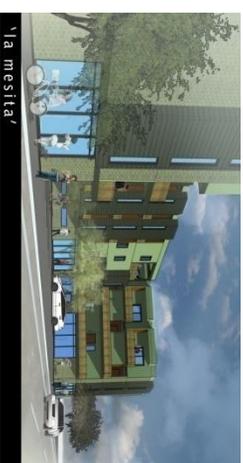


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NATIVE AMERICAN CONNECTIONS

- Redevelopment - 3.2 acre site from a 30 unit emergency homeless shelter to a 144 apartment unit and 16 unit emergency homeless shelter
 - 160 units vs 30 units
- Three phases
 - Phase 1 – 80 unit mixed use apartment community
 - Phase 2 – 16 unit homeless shelter
 - Phase 3 – 64 additional apartment homes





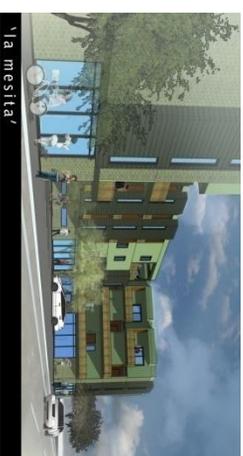
La Mesita



NATIVE AMERICAN CONNECTIONS

Collaborators

- A New Leaf, Inc.
- NAC - Native American Connections
- City of Mesa
- Arizona Department of Housing
- Mesa United Way
- Private Debt & Equity
- Service Providers
 - A New Leaf, Inc.
 - Marc Center
 - Other





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NATIVE AMERICAN CONNECTIONS

- On the light rail and bus line – TOD development
- LEED Gold
 - Downtown Mesa
 - ASU
 - Tempe
 - City of Phoenix
- West Main Street Development Plan





La Mesita



NATIVE AMERICAN CONNECTIONS

On site services

- Child Care
- Before and after school program
- Behavioral services
- Wellness center
- Community Space
 - Financial literacy
 - Parenting skills
 - Workforce development
 - Teen groups
 - Community



La mesita



La Mesita



NATIVE AMERICAN CONNECTIONS

- Greater efficiencies
 - Service delivery
 - Public investment → Leverage
 - CDBG Funding recommendation
 - Neighborhood revitalization
- Tax revenue to City of Mesa
- Employ 250 construction professionals
- Total projected cost of Phase 1 project
\$ 14.5 million

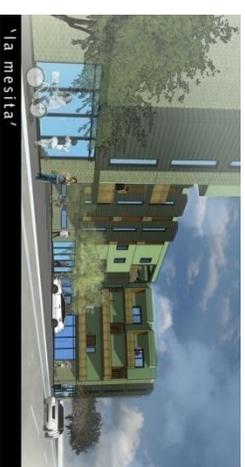




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- Az Dept of Housing - Private Equity - \$ 12.5 million
- Federal Home Loan Bank of San Francisco – \$ 500k
- City of Mesa investment (loan) - \$ 1.5 million
- Long Term Sustainability
 - Real Estate Operations
 - Resident Services



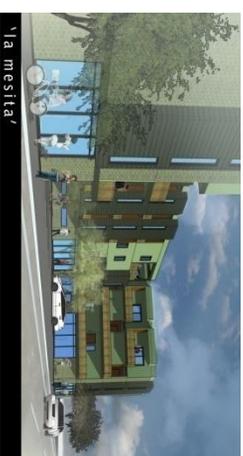


La Mesita



NATIVE AMERICAN CONNECTIONS

- Request from City of Mesa Partnership
 - Planning
 - Zoning
 - Design Review
- \$1.5 million investment in Phase 1
 - Zero interest 40 year loan
- Project Based Vouchers
 - Minimally 30 needed to serve Mesa residents





La Mesita



NATIVE AMERICAN CONNECTIONS

- Thank you – City of Mesa for your vision, partnership and support of the La Mesita Project



'La Mesita'