



Village Planning Committee Meeting Summary

Z-110-23-5

Date of VPC Meeting	January 17, 2023
Request From	C-2
Request To	WU Code T5:5
Proposal	Multifamily residential
Location	Approximately 310 feet north and 280 feet west of the northwest corner of 19th Drive and Northern Avenue
VPC Recommendation	Approval, per the staff recommendation
VPC Vote	12-0-0

VPC DISCUSSION & RECOMMENDED STIPULATIONS:

One speaker card was received on this item in support and wishing to speak.

Committee Member Krentz declared a conflict of interest reducing the quorum to 11 members. Committee Member Barraza arrived bringing the quorum to 12 members (10 needed for a quorum)

STAFF PRESENTATION

Mr. Hales, staff, provided an overview presentation of the site context, policy context, and staff recommendation which is to approve the request subject to stipulations.

APPLICANT PRESENTATION

Mr. Reid Butler, of Butler Housing Company, Inc., introduced the team which included Mr. Mike Krentz of DAVIS and Mr. Trevor Barger of Zenni Homes. Mr. Butler shared that they have built multifamily housing in the Phoenix area for approximately 40 years. The subject site is a remnant of the former El Caro Golf Course and is at a transition location between the commercial along Northern Avenue and the residential at the interior of the former golf course. The subject site was gifted for the development of affordable housing. The proposal seeks to be a pilot for two ideas related to affordable housing; first, to use a land gift for affordable housing, and second, to use manufactured housing produced on the Navajo Nation to provide high-quality affordable housing.

Mr. Mike Krentz, of DAVIS, described the project, site plan, and elevations which are well aligned with the 19North TOD Policy Plan by activating an underutilized site and by creating 80 affordable units near light rail that will improve safety and security in the

area by adding both people and eyes on the street. The site plan and elevations have already been updated based on staff comments related to the frontage on 21st Drive and the creation of an east-west public pedestrian pathway through the site.

Mr. Trevor Barger, of Zenni Homes, explained the housing product which is produced on the Navajo Nation in Page, Arizona. Unlike traditional manufactured housing, Zenni Homes are built in a strong steel chassis that allows them to be fully furnished and fully finished before being shipped, to have floor-to-ceiling glass, to meet all building and fire codes, and to be stacked to a maximum of five units high.

Mr. Butler explained the proposal is for working seniors, 55+ in age, with incomes of approximately \$20K to \$40K per year. The proposal will compete for Low Income Housing Tax Credits which would restrict the property to long-term affordability requirements. The tax credit application is due in April of 2024 and, if awarded, construction would begin in Q1 2025 and be completed by Q1 2026. Thanks to Zenni Homes, the construction will be 12 months rather than 18 months for a traditional construction.

QUESTIONS FROM COMMITTEE

Committee Member McBride explained that this site has been a blight for many years and that its awkward configuration and small size limit what can be built on the site. They expressed support for the project and hope that it will be able to scale into a broader solution for affordable housing.

Committee Member Perez stated that their first home was manufactured because that was most affordable to them. They asked for confirmation that the first floor is parking and asked why they've elected to not provide ground-floor retail. **Mr. Butler** confirmed and responded that the tax credits are difficult to use in mixed-use developments.

Vice Chair Matthews asked for details on the amount of vehicular parking proposed on the site. **Mr. Butler** responded that units will be parked at a rate of 0.5 spaces per dwelling unit which is consistent with their experience in this market for affordable senior housing.

Committee Member Alauria asked for confirmation about the age restriction and the targeted price-points for these units. **Committee Member Whitney** echoed the request. **Mr. Butler** responded that the units would have deed restrictions for 55 years to ensure long-term affordability, would target working seniors of 55 years and up, and would have rents roughly between \$500 and \$850 per month. The target audience will be individuals with incomes between \$20K to \$40K per year and the rent is approximately 1/3 to 1/2 of the market rate.

Committee Member Barraza noted the target demographic may already be vulnerable and expressed concern that the east-west pedestrian accessway will place these residents at further risk. **Committee Member Molfetta** asked for confirmation on whether the parking will be gated. **Mr. Butler** explained that neither the site nor the parking will be gated and that the approach to safety and security includes the following: cameras, on-site management, good lighting, and that the project will bring a critical mass of “eyes on the street” since all units have balconies and large windows. **Committee Member McBride** added that there is a community collaboration along this portion of Northern Avenue where most property owners have pooled their funds to hire private security and added that the program has been very effective and very affordable. **Mr. Butler** indicated that the project would participate in the collaboration.

Committee Member Adams asked if there will be on-site management. **Mr. Butler** stated there will be on-site management during business hours. **Committee Member McBride** stated the management company makes a big difference and asked who they intend to use. **Mr. Butler** responded that they will likely use KK due to their specialization in affordable housing management and compliance.

Committee Member O’Connor asked for details on the materials and what would be site built. **Mr. Barger** responded that the elevator and stair tower would be site-built, the Zenni Homes would be delivered complete and furnished, and the balconies would be delivered whole and installed on site.

Committee Member O’Hara noted that steel boxes heat up fast during a fire and asked for detail on if the units will be sprinkled. **Mr. Barger** responded that the units have both internal and external insulation and meet all commercial and fire codes.

Committee Member Adams noted that the units are small at 320 square feet. **Mr. Butler** responded that these are not for everyone but will be a good fit for many, especially when the alternative is likely a sub-standard rental. **Mr. Barger** noted that there are two Zenni Homes available to tour in Mesa and they’ve been very popular with hundreds of tours.

Committee Member Barraza asked for details on the schedule of this project compared to traditional construction. **Mr. Butler** responded that the construction will be expected to be 12 months compared to 18 months for traditional construction. **Mr. Barger** noted that Zenni Homes can produce three dwelling units per day.

Committee Member Barraza asked if these units could be deployed in an ownership configuration such as a condominium. **Mr. Barger** responded that there are no projects that have done so but that there is no reason it is not possible. The individual units are permitted by the site and the combination of the “boxes” are then permitted by the City. In a condominium configuration, the owner would legally own the “box.”

PUBLIC COMMENTS

Ms. Debra LaPlante from the North Glen Square Neighborhood expressed support for the proposal especially its focus on crime prevention design and affordability.

APPLICANT RESPONSE

None.

FLOOR/PUBLIC DISCUSSION CLOSED: MOTION, DISCUSSION, AND VOTE

MOTION:

Committee Member Perez moved per the staff recommendation. **Committee Member Whitney** seconded the motion.

DISCUSSION:

None.

VOTE: 12-0-0, motion to approve Z-110-23-5 per staff recommendation passes with Committee Members Adams, Alauria, Barraza, McBride, Molfetta, O'Connor, O'Hara, Perez, Sommacampagna, Whitney, Matthews, and Chair Fogelson in favor; none in opposition; and none in abstention.

STAFF COMMENTS REGARDING VPC RECOMMENDATION AND STIPULATIONS:

None.