



ATTACHMENT A  
**City of Phoenix**  
**Minutes**

Meeting Location:  
City Council Chambers  
200 W. Jefferson St.  
Phoenix, Arizona 85003

**City Council Policy Session**

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**Tuesday, March 26, 2024**

**2:30 PM**

**phoenix.gov**

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**CALL TO ORDER**

The Phoenix City Council convened in Policy Session on Tuesday, March 26, 2024, at 2:35 p.m. in the Council Chambers.

**Present:** 7 - Councilwoman Yassamin Ansari, Councilwoman Betty Guardado, Councilwoman Kesha Hodge Washington, Councilwoman Ann O'Brien, Councilwoman Laura Pastor, Councilman Kevin Robinson, Councilman Waring and Mayor Kate Gallego

**Absent:** 1 - Vice Mayor Debra Stark

**COUNCIL INFORMATION AND FOLLOW-UP REQUESTS**

Mayor Gallego wished Councilwoman Guardado a happy birthday and congratulated Councilman Robinson on serving as Grand Marshal of the Ahwatukee Easter Parade. Mayor Gallego acknowledged Arizona Forward's Environmental Excellence Awards, where various City departments were recognized for outstanding work, including Planning and Development staff for solar efforts, Aviation staff for green curb initiatives, and Sustainability staff for work on solar for low-income homes. She also recognized Public Works staff being honored with the Crescordia Award for their composting and food waste initiatives. She also recognized Councilwoman Ansari, noting it was her last official Council meeting. She commended Councilwoman Ansari's diligent work and invited the International Rescue Committee to present Councilwoman Ansari with a token of appreciation for her service.

Councilwoman Ansari expressed her heartfelt gratitude to everyone who engaged with and supported the District 7 team during her time in office. She highlighted the people-first policies championed by her office and credited her young, diverse, and energetic team for their contributions. She reflected on the

diversity of voices on the Council and emphasized the importance of responding to the priorities outlined by voters, including climate action, housing, homelessness, and community safety. She stated as the first Iranian American elected to office in Arizona, she understands the significance of representation for immigrant and refugee communities. She thanked the International Rescue Committee and Arizona State University for their ongoing partnership in establishing the City's first Office of Refugee Support and for organizing multicultural events like Nowruz. She encouraged continued investment in Phoenix, civic engagement, and urged constituents to organize and run for office, emphasizing the accessibility of the Council and the potential for rapid change. She concluded by expressing her commitment to staying connected with the talented employees of the City and her eagerness to continue serving Phoenicians in the years ahead.

Councilwoman Guardado extended her best wishes to Councilwoman Ansari on her next endeavor, expressing confidence in her future success. Councilwoman Guardado reflected on their shared experiences navigating the challenges posed by the COVID-19 pandemic and working together to allocate resources to communities, address homelessness, and pass important policies like the Prevailing Wage Ordinance. She acknowledged Councilwoman Ansari's contributions and noted the continued work ahead for the City.

Councilwoman Pastor began her remarks by offering birthday wishes to Councilwoman Guardado and acknowledging their collaborative efforts on various projects. She highlighted the partnership between herself, Councilwoman Guardado, and Councilwoman O'Brien in addressing issues on 27th Avenue and commended their work on the Real-Time Operations Center at Cactus Park Precinct. Councilwoman Pastor recognized former boxer [Phil Moore] and his contributions to Phoenix, noting the ceremonial naming of a street in his honor. She also highlighted initiatives such as the Phoenix College dental clinic, the Love Your Block grant program, and Cesar Chavez Day. She encouraged participation in community events, including the Final Four event and health screenings hosted by CVS Pharmacy. She invited constituents to attend a coffee discussion on hot topics in District 4, and to participate in the 3rd annual 5K event supporting educational programs for youth. Finally, she thanked Councilwoman Ansari for her service and contributions to passing progressive policies during her tenure on the Council. She expressed well wishes for Councilwoman Ansari's future endeavors.

Councilwoman O'Brien expressed excitement about the opening of the Real-Time Operations Center at Cactus Park Precinct, highlighting its advanced technology and its role in enhancing public safety. She recounted a specific instance where the technology aided in solving a shooting case in her district, emphasizing its potential to save lives and protect communities. She discussed a recent meeting held with Arizona State University to explore the use of artificial intelligence in improving City services and productivity. She also shared updates on community events, including the Village Meadows Neighborhood Flea Fest, Easter celebrations, and the Black Mountain Community Alliance's Excellent Adventure. She reflected on personal milestones, such as celebrating her granddaughter's 1st birthday, and attending events supporting Lesbian, Gay, Bisexual, Transgender, Intersex, Queer/Questioning, and other identities (LGBTQ+) youth. Lastly, she thanked Councilwoman Ansari for her service to the City and wished her well in her future endeavors.

Councilwoman Hodge Washington shared updates on recent activities in District 8, including the opening of Harvest Park in Laveen and participation in the Laveen Youth Talent Showcase, where the talents of young individuals were showcased. She mentioned the renaming of streets in honor of local legends Michael Carbajal and Vernell Myers Coleman, highlighting the community's celebration of their contributions. She stated that she recently spoke at the Latino Leadership Conversation, emphasizing the importance of education in minority communities. She extended best wishes to Councilwoman Ansari, acknowledging her contributions to Laveen meetings and community outreach efforts.

Councilwoman Guardado reminded residents of upcoming community events, including the Easter Jubilee at Homestead Park on March 30th. She also highlighted an in-person public meeting to discuss proposed street paving and bicycle lane changes along 31st Avenue on March 28th at Ocotillo Elementary School. She mentioned the Maryvale Mercado event on April 7th, and the Maryvale Jobs and Resource Fair on April 13th, providing job opportunities and resources for residents.

Councilman Waring joined virtually at 3:00 pm.

Councilman Waring expressed his appreciation for Councilwoman Ansari, acknowledging that while they may not always see eye to eye, he valued her insights and learned a lot from her. He wished her the best of luck in her future endeavors.

City Clerk Denise Archibald read 24-Hour Paragraph.

### **CONSENT ACTION**

This item is scheduled to allow the City Council to act on the Mayor's recommendations on the Consent Agenda. There is no Consent Agenda for this meeting.

### **CALL FOR AN EXECUTIVE SESSION**

A vote may be held to call an Executive Session for a future date.

### **REPORTS AND BUDGET UPDATES BY THE CITY MANAGER**

This item is scheduled to allow the City Manager to provide brief informational reports on topics of interest to the City Council. The City Council may discuss these reports but no action will be taken.

### **ORDINANCES, RESOLUTIONS, AND FORMAL ACTION (ITEM 1)**

Roll Call and City Clerk Reads 24-Hour Paragraph

1 **Phoenix City Code Chapter 18: Proposed Amendments for the Mitigation of Heat-Related Illnesses and Injuries in the Workplace (Ordinance G-7241)**

**Discussion**

Councilman Waring left the meeting at 3:13 pm.

Councilwoman Ansari expressed her gratitude to the workers, Council, and labor leaders who have advocated for stronger worker protections, particularly regarding extreme heat. She acknowledged Phoenix's vulnerability to climate change and the urgency of addressing heat-related issues.

She commended the Service Employees International Union and the iron workers for bringing attention to heat-related illnesses and lack of protections on construction sites. She thanked City staff for collaboration on developing stronger policies to address extreme heat and build resilience in Phoenix.

Assistant City Manager Lori Bays outlined the agenda for the presentation, which discussed the impacts of heat in Phoenix, provided an overview of the City's heat response plan, summarized workplace safety measures, detailed efforts to protect City employees and contractors, reviewed the proposed ordinance and stakeholder engagement, and made a recommendation for Council consideration.

Heat Response and Mitigation Director Dr. David Hondula acknowledged the importance of the City's overall heat response plan in enhancing public health and community resilience. He highlighted rise in heat-associated deaths in the region, emphasizing that for every recorded fatality, there are numerous unrecorded cases of heat-related medical incidents and health challenges. He emphasized the significance of implementing a heat response plan not only for public health but also for economic reasons, as it enhances worker productivity and contributes to the City's attractiveness for talent and investment. He pointed out the impact of heat-related headlines on potential workers, investors, and residents' perceptions of the City. He also discussed collaborative efforts at the regional and State levels to mitigate the adverse impacts of heat, including the introduction of a State Emphasis Program (SEP) on heat safety by the Arizona Division of Occupational Safety and Health (ADOSH). He acknowledged the contribution of the City's Human Resources Safety team in interpreting the SEP and crafting ordinance language for the proposed amendments to the City Code regarding heat-related workplace safety.

Ms. Bays explained there are currently no Occupational Safety and Health Administration (OSHA) standards that specifically address heat hazards for employees. She said heat risk mitigation falls under the OSHA general duty clause, which mandates that workplaces should be free from recognized hazards likely to cause serious harm or death. She mentioned the ADOSH SEP introduced last July, which focuses on promoting safe

working conditions and reducing incidents related to heat exposure. She outlined the City's efforts to ensure the safety of its employees, including implementing written heat safety plans for applicable departments and creating administrative regulations to ensure compliance with heat safety measures. She stated the importance of developing a proposed ordinance to address heat-related illnesses and injuries in the workplace. She stated the proposed ordinance would require all City contractors, lessees, and licensees, as well as their subcontractors and sub-lessees with employees working outdoors, to have a heat safety plan. She requested City Council approval of the proposed amendments to Phoenix City Code to address contractor requirements for mitigating heat-related illnesses and injuries in the workplace.

Councilwoman Ansari made a motion to approve the item. Councilwoman Guardado seconded the motion.

Mayor Gallego opened the floor to public comment.

Jason Sangster, representing Iron Workers Local 75, shared his experiences as an ironworker and the importance of the proposed ordinance regarding heat safety in the workplace. He recounted instances where workers were asked to complete projects in extreme temperatures without access to clean water, shade, or rest areas. He highlighted the severity of the situation, noting incidents of workers becoming dehydrated and even losing consciousness due to heat-related issues. He stressed the significance of guaranteeing workers access to essential resources like water, shade, and rest areas, emphasizing that these measures could prevent injuries and save lives. He expressed gratitude to the Mayor, Council, and City staff for their work on the ordinance and urged its approval to ensure implementation before the upcoming summer months.

Jose Torres shared his experiences working at the airport for 30 years. He explained that Sky Chefs employs around 300 workers in Phoenix who prepare, cook, pack, and transport meals for flights. He expressed concerns about working in extreme heat during the summer months, especially while sitting in trucks without air conditioning. He shared his

hopes that the proposed ordinance would finally address the workers' long-standing concerns. He thanked Councilwoman Ansari for her advocacy for worker protection in Phoenix and expressed gratitude to Councilwomen Guardado and Pastor, as well as the Mayor and the rest of the Council, for listening to their stories and supporting their cause.

Councilwoman Guardado clarified that Mr. Torres mentioned he was advocating for air conditioning units to be installed inside work trucks.

Filiberto Cordova expressed concerns about the working conditions for truck drivers at Sky Chefs, where extreme heat during the summer months makes their work difficult and sometimes unbearable. He mentioned instances where truck drivers were reported to be working without functioning air conditioning units during consecutive days of extreme heat. He stated the physical toll these conditions take on workers, including exacerbating existing health issues. He urged the City to take action for better working conditions, particularly the installation of functioning air conditioning units in work trucks to ensure the safety and well-being of workers during hot weather.

Linda Ressler shared her experience working in extreme heat conditions. She described the challenges faced by workers, including cleaning aircraft cabins in triple-digit temperatures without access to cooling breaks or cold drinking water. She recounted her own experience of suffering severe heat exhaustion and ending up in the hospital despite scavenging for discarded water bottles just to stay hydrated. She expressed appreciation for the proposed measures to protect workers from heat illness but emphasized the need for both City-contracted employers and airlines to prioritize worker safety in hot weather conditions. She concluded by affirming her commitment, along with others, to continue advocating for worker protection until all workers are safe from the heat.

Cecilia Ortiz expressed concerns about working conditions in extreme Arizona heat without adequate protections. She highlighted the need for safer working conditions and protections from the heat for herself and her coworkers. She acknowledged the City's efforts to address these issues, and emphasized that more work needs to be done to ensure the protection of all workers.

Jordan Greenslade from Unite Here Local 11 expressed support for the proposed ordinance aimed at addressing dangerous working conditions. He mentioned past reports indicating the lack of functional air conditioning in work trucks used by Sky Chefs workers. He thanked Councilwomen Guardado, Pastor and Ansari for their support in advocating for workers' rights. He urged the Council to vote in favor of the ordinance to protect workers across the City.

Katelyn Parady from the National Council for Occupational Safety and Health emphasized the critical need for the proposed heat safety requirements in Phoenix. She highlighted the suffering experienced by workers underscoring the importance of implementing these measures to protect workers from extreme heat while working for City contractors. She provided context on the deadly impact of heat on workers across the country, citing statistics that show thousands of heat-related deaths and injuries each year, with disproportionate impacts on Latino, Black, and low-wage workers. She stressed the effectiveness of simple interventions like access to water, shade, paid rest, and training, advocating for workers to have a seat at the table for monitoring and enforcement of these measures.

Mark Rodriguez expressed his gratitude to Mayor Gallego and members of the Council, particularly Councilwoman Ansari, who he said he will miss as she leaves her position. He reminisced about meeting Mayor Gallego in 2021 and shared his love for Phoenix despite the heat, mentioning his routine of going outside to various places. He thanked several Councilmembers, extended birthday wishes to Councilwoman Guardado, and expressed appreciation for a recent event with Councilwoman Pastor.

Alana Billingsley shared her perspective on the challenges faced by workers in extreme heat, particularly those at Sky Chefs who had functional air conditioning systems removed from their work trucks. She stated the importance of worker safety and security in maintaining the safety of airline operations. She called on City leaders to take a stand for worker protection and criticized the treatment of workers who face difficult conditions.

Sebastian Portillo expressed support for the ordinance presented. He commended the City for taking steps to protect workers and thanked Service Employees International Union and other labor allies for their efforts. He shared statistics, such as Latinx workers being three times more likely to die from heat stress and the 51 percent higher death rate for Black construction workers due to heat. He addressed worker exploitation and stressed the importance of ensuring accountability for corporations that violate the ordinance. He urged the Council to include workers in the proposed advisory committee and to vote in favor of the ordinance to improve workers' lives.

Mayor Gallego closed the floor to public comment.

Councilwoman Guardado expressed gratitude to City staff for their hard work and stated the importance of measures to protect workers in extreme heat conditions. She emphasized the legacy of Cesar Chavez and the responsibility of City leaders to support workers' rights and well-being. She also called for proactive measures to exceed basic requirements and ensure the highest level of protection for workers. She inquired about potential actions, such as writing a letter to the Federal Aviation Administration (FAA), to address concerns raised by workers.

Ms. Bays explained there are potential jurisdictional challenges with implementing an ordinance that would impact the inside of an airplane cabin. She suggested two potential actions: monitoring the OSHA rulemaking process, which may address the issue; and writing a letter to the Department of Transportation (DOT) addressing the importance of protecting Phoenix workers and urging the DOT to consider implementing measures to address concerns raised by workers cleaning airplanes in extreme heat. She recommended directing the letter to the DOT, as the FAA falls under its umbrella, to avoid potential jurisdictional challenges and encourage the DOT to act.

Councilwoman Guardado expressed gratitude to all the labor groups present at the meeting by thanking them for their presence and for holding the Council accountable. She also stated her happiness in being able to support the proposed ordinance.

Councilwoman Ansari inquired about the FAA authorization process and whether OSHA might have jurisdiction over certain aspects, rather than the FAA. She asked whether it would be possible to include regulations for aircraft cleaning within a future ordinance if OSHA were found to have jurisdiction over such matters.

Ms. Bays responded that the possibility of including regulations for aircraft cleaning within a future ordinance depends on how the FAA authorization process and the OSHA jurisdictional matters unfold. She explained that staff would continue to evaluate the situation as these processes progress, and if there are changes that allow such regulations to fall within the City's purview, staff could bring this ordinance back to the Council at a later time.

Councilwoman Ansari highlighted Ms. Ressler's story as an example of the challenges workers face due to inadequate working conditions. Councilwoman Ansari expressed concern about workers facing retaliation for taking breaks or reporting health issues. She urged proactive monitoring to explore avenues where the City may have authority to address such issues and suggested including efforts to curb retaliation in future updates to relevant ordinances.

Ms. Bays stressed the importance of monitoring for retaliation and ensuring safe working conditions. She suggested encouraging airline partners to use temporary air conditioning systems for planes parked at the gate. She noted that while this practice is already in place, it is not consistently applied. She mentioned the availability of units at Sky Harbor Airport that can be borrowed for this purpose.

Councilwoman Ansari stated the importance of incorporating worker input processes and advisory committees into ordinances.

Ms. Bays outlined the process for establishing the City Manager's Advisory Committee, indicating that applications would be sought from interested individuals representing all stakeholders. She mentioned the committee would provide subject matter expertise to advise on best practices and guidelines for monitoring contracts related to the ordinance.

Councilwoman Ansari asked about the timeline for sending out applications.

Ms. Bays replied staff could initiate the process within the next 30 days if the ordinance passes.

Councilwoman Ansari inquired about including City staff in the heat safety ordinance and discussed efforts to ensure all departments have robust heat safety plans.

Ms. Bays outlined the efforts to implement heat safety plans for all City staff. She mentioned the existence of an internal policy mirroring the proposed ordinance's elements, holding staff to similar standards.

Councilwoman Ansari acknowledged the efforts of Mayor Gallego in calling for extreme heat to be declared a natural disaster and highlighted the need for federal resources to address extreme heat in the future. Councilwoman Ansari recognized the significance of the proposed ordinance as a first step in improving working conditions and emphasized the importance of monitoring its effectiveness and updating the ordinance as needed. She also mentioned the need to address workers' fears of retaliation for taking breaks due to heat-related illness and expressed appreciation for the support of labor unions and workers in advocating for better working conditions.

Councilwoman Pastor said the Arizona Associated General Contractors (AGC) wrote a letter in opposition to this ordinance, stating that it is redundant and that mitigation is already covered under the ADOSH SEP. She asked staff to elaborate on whether the ordinance is redundant.

Ms. Bays replied many elements in the ordinance are redundant, as it was built around the elements of the ADOSH SEP. She said the only addition was the provision related to having air conditioning in vehicles, stating the SEP lacks a mechanism for administering those requirements in contracts. She then said the purpose of the ordinance is to allow monitoring and implementation of regulations within the City's jurisdiction.

Councilwoman Pastor noted while elements of the ordinance may appear repetitive, it now extends to contractors and those with whom the City does business, ensuring compliance with the City's regulations.

Ms. Bays mentioned during stakeholder meetings, many contractors expressed that complying with the ordinance would not be an issue because they were already implementing similar practices outlined in the ordinance based on the SEP and best practices. She added while not every organization shared this sentiment, the majority of contractors indicated ease of compliance with the ordinance's elements.

Councilwoman Pastor said by formalizing these practices into City ordinances, the City can ensure consistency and accountability, and organizations who were not previously following these guidelines will now be required to comply with the ordinance. She said it is a significant step towards ensuring the safety and well-being of workers.

Ms. Bays affirmed that was correct.

Councilwoman Pastor asked if OSHA regulations take precedence over local ordinances.

Ms. Bays explained that while OSHA's regulations would indeed take precedence, there are nuances due to Arizona's State Plan, which would require adoption of OSHA's regulations by the State.

Councilwoman Pastor stated the importance of Phoenix taking a proactive stance on heat-related issues by advocating at the federal level. She highlighted the need for protection of workers against retaliation and sought clarification on the mechanisms in place to safeguard workers.

Ms. Bays acknowledged there is not specific retaliation language in the ordinance but stated the expectation that contractors and subcontractors would not retaliate against employees who raise compliance issues. She suggested considering incorporating such language in the future, and proposed monitoring complaints of retaliation to address concerns effectively.

Councilwoman Pastor stated the need for a collective conversation to address these issues effectively and proposed establishing a system to track and address instances of retaliation by companies.

Ms. Bays clarified that while there is not a specific mechanism in the City ordinance for reporting retaliation related to this ordinance, there is existing whistleblower protection under ADOSH. She stated workers who feel retaliated against can approach ADOSH and express their concerns, as ADOSH has provisions in place to support them in such cases.

Councilwoman Pastor suggested discussing this matter further to ensure that subcontractors have a means to report grievances and that the City can monitor and audit compliance with proper behavior standards.

Ms. Bays mentioned plans to collaborate with Finance staff to create guidelines for contract monitors. She said the guidelines aim to aid contract monitors in effectively ensuring compliance with the ordinance, pending its approval.

Councilwoman Pastor raised a question about the consequences for violations of the ordinance.

Ms. Bays explained the existing processes for contract compliance, which include steps such as conducting an inquiry, issuing formal notices of non-compliance, providing opportunities for resolution, and applying sanctions like contract suspension or termination if necessary.

Councilwoman Pastor inquired about the selection process and equity considerations for the Advisory Committee.

Ms. Bays responded that the selection process for the Advisory Committee would be managed by the City Manager's Office. She said staff would convene a panel to review applications and select members, and the final selections would be reported back to the Council.

Councilwoman Hodge Washington expressed gratitude to staff and stakeholders for their work on the heat safety ordinance. She stated the need for measures like access to water, breaks, shaded areas, and proper training. She stated that she sees the ordinance as crucial for protecting public health, promoting equity, and building a safer city. She then inquired about whether the proposed ordinance would apply to the tarmac area, seeking clarification on whether it falls under the jurisdiction of the FAA.

Ms. Bays clarified ground workers would indeed be covered by the proposed ordinance. She noted that the airplanes themselves fall outside of the City's jurisdiction.

Aviation Services Director Chad Makovsky confirmed the ordinance would apply to employees working on the tarmac.

Councilwoman Hodge Washington clarified that section 18-4-413(C), pertaining to the monitoring process, operates as a complaint-driven mechanism. She said it suggests that neither the contractor nor the City would proactively inspect to confirm compliance with heat safety plans, instead, the process is triggered by complaints.

Ms. Bays explained that according to the ordinance, contractors or subcontractors are not required to submit heat safety plans to the City. She said the plans must be available to City staff and if any concerns arise, contract monitoring staff will request the plan and seek an explanation from the vendor regarding the implementation.

Councilwoman Hodge Washington inquired about the estimated number of workers who would fall under the coverage of this ordinance.

Ms. Bays estimated that approximately 10,000 workers would be affected by the ordinance.

Councilwoman Hodge Washington asked about the process for determining sanctions in case of non-compliance with the ordinance. She sought clarification on who decides the scale of the sanctions and the steps taken once a violation is alleged or confirmed.

Ms. Bays responded the process for determining sanctions depends on the terms outlined in the contract. She said the initial step involves an inquiry into the alleged violation, followed by staff requesting more information from the contractor. She added if the contractor's response is unsatisfactory, a formal notice is issued, prompting the contractor to address the concerns. She advised failure to comply could lead to additional sanctions outlined in the contract, such as suspension or termination.

Councilwoman Hodge Washington inquired about the time frame for curing violations as outlined in the ordinance. She noted that the ordinance does not specify a time frame for making necessary changes.

Deputy Finance Director Adrianna Phillips explained the process for addressing contract violations. She said staff identifies the issue, works with the relevant department to determine the time frame for compliance, notifies the contractor of the required changes within a specified time frame, and allows the contractor to remedy the situation. She said if the contractor fails to comply within the given time frame, the process escalates to potential suspension or termination of the contract.

Councilwoman Hodge Washington noted the importance of clarity and uniformity in the time frame for the opportunity to cure violations. She pointed out a typo in section 18-4-14 and sought clarification on section 14-4-14(B), which uses both permissible and mandatory language regarding additional documentation. She requested an explanation of the intent behind this provision.

Ms. Bays replied that the provision in section 14-4-14(B) allows for the submission of additional documentation beyond the required plan, which could demonstrate a vendor's ability to mitigate heat-related illness. She said the provision ensures that contract monitors have the option to request such documents from vendors if needed in response to complaints or findings during monitoring.

Councilwoman Hodge Washington clarified that the intent of the provision is to offer the opportunity to supplement information to the department if necessary. She made a motion to revise the language.

Mayor Gallego proposed that if both the maker of the motion and the seconder deemed Councilwoman Hodge Washington's suggestion as acceptable as a friendly amendment, the change could be incorporated into the motion.

Councilwoman Ansari requested clarification.

Councilwoman Hodge Washington proposed amending section 18-4-13(B) to replace "may" with "upon request" and adjust the language for clarity. She said this change would ensure that contractors are obligated to provide additional documentation upon request by the department.

Mayor Gallego confirmed that both the maker of the motion, Councilwoman Ansari and the seconder, Councilwoman Guardado accept the proposed amendment. She then recognized the agreement to fix the spelling mistake.

Councilwoman Hodge Washington inquired about the education and outreach planned for contractors regarding the new ordinance. She sought insight into ensuring effectiveness, particularly considering the involvement of contractors in the stakeholder process.

Ms. Bays responded that all contractors with outdoor workers were invited to participate in the stakeholder process, although not all did. She said if the ordinance is approved, the information will be shared with all contractors, including details on its passage and effective date. She then said contractors will receive information on how contract monitoring will proceed and the automatic inclusion of ordinance requirements in contracts.

Mayor Gallego confirmed there is no concern from City staff regarding changes made during the meeting.

Ms. Bays affirmed that was correct.

**A motion was made by Councilwoman Ansari, seconded by Councilwoman Guardado, that this item be approved as amended. The motion carried by the following vote:**

**The motion carried by the following vote: 7-0**

- Yes:** 7 - Councilwoman Ansari, Councilwoman Guardado, Councilwoman Hodge Washington, Councilwoman O'Brien, Councilwoman Pastor, Councilman Robinson and Mayor Gallego
- No:** 0
- Absent:** 2 - Councilman Waring and Vice Mayor Stark

## **DISCUSSION AND POSSIBLE ACTION (ITEM 2)**

### **2 Phoenix IDA Strategic Planning and Priorities**

#### **Discussion**

Deputy City Manager Ginger Spencer introduced the update on the Phoenix Industrial Development Authority (IDA) and the Phoenix Community Development and Investment Corporation (PCDIC). She explained that the IDA oversees private activity bonds and has nine board members appointed by the Mayor and Council. She added the PCDIC operates as a nonprofit 501(C)(3) organization and administers the New Market Tax Credits program on behalf of the City.

Phoenix IDA Chief Executive Officer Juan Salgado outlined the key focus areas for the Phoenix IDA, including affordable housing initiatives, and highlighted some collaborative programs with City departments. He detailed the history and mission of the Phoenix IDA, emphasizing its role in providing funding to benefit underserved communities. He discussed the issuance of private activity bonds and the significant projects funded by the IDA since its establishment. He also highlighted community investments and partnerships, including initiatives supporting affordable housing and homeless services. He then outlined the Phoenix IDA's priorities for 2024, focusing on affordable housing strategies, home ownership programs, support for Choice Neighborhoods projects, and initiatives to address homelessness.

Mayor Gallego referenced a Council meeting from November 2021 where several Councilmembers, had suggested pursuing sustainable financing opportunities. She asked if he discussed these suggestions

with the board and how they were considered in determining strategic priorities.

Mr. Salgado responded sustainability has been a significant focus in all their projects. He mentioned the recent appointment of a sustainability expert and their plans to explore the establishment of a green bank. He added the IDA is considering supporting venture capital groups focused on healthcare policies as another initiative.

Mayor Gallego inquired about the requirements for establishing a green bank or implementing initiatives similar to what the Tucson IDA is doing with low impact development.

Mr. Salgado indicated the IDA is in the early stages of exploring these initiatives, so he did not have a specific request yet. He mentioned that he would return to the Council soon with a formal request once more details are available.

Mayor Gallego asked about the possibility of offering preferential lending rates for sustainability-related projects.

Mr. Salgado affirmed it was possible.

Mayor Gallego requested for an explanation of the criteria used to determine whether New Market Tax Credits should be allocated to Phoenix or other jurisdictions.

Mr. Salgado explained the PCDIC's operational area has been Maricopa County, but the remaining funds from the current New Market Tax Credit allocation, totaling about \$32 million, will be targeted towards projects in Phoenix.

Mayor Gallego inquired about utilizing the IDA and New Market Tax Credits to address budget challenges, particularly in light of potential cuts due to State budget issues.

Mr. Salgado responded the IDA is open to exploring ways the New Market Tax Credits could support Phoenix in addressing budget

challenges.

Mayor Gallego asked about the IDA's discussions regarding seeking authority to administer projects statewide and requested about scenarios where projects outside Phoenix might be sought and how the geographical focus would be differentiated.

Mr. Salgado responded that the Phoenix IDA's board approves all projects, pending approval from the Council. He clarified that currently, the State IDA can issue housing bonds anywhere in Arizona, and counties can issue bonds in any city, but municipalities are restricted to issuing bonds only within their jurisdiction. He mentioned that the Phoenix IDA's projects presented are just a few examples, as both the State and Maricopa County have been issuing tax credits for housing projects in Phoenix. He stated the options under consideration include either allowing issuance of bonds wherever needed or prohibiting issuers from issuing bonds within local jurisdictions.

Mayor Gallego expressed her preference to focus on housing challenges within Phoenix, acknowledging that there are still many issues to address in the City. She emphasized the importance of prioritizing Phoenix's needs given the housing challenges discussed during the meeting.

Councilwoman Guardado stated the need for more housing in Phoenix and raised concerns about access to childcare facilities. She suggested exploring partnerships to build childcare facilities in conjunction with affordable housing projects to address these needs.

Mr. Salgado expressed willingness to continue discussions regarding the possibility of developing childcare facilities in conjunction with affordable housing.

Councilwoman Guardado acknowledged the financial strain faced by both the community and the City. She expressed reliance on the IDA and its ability to continue supporting the community despite budget constraints anticipated in the coming years.

Mayor Gallego noted the Urban League had collaborated on two projects

to incorporate childcare facilities into their facilities. She emphasized the widespread need for childcare support.

Councilwoman Pastor expressed gratitude to the IDA for their efforts, acknowledging the challenges faced with each new project. She said she initially advocated for projects to remain within Phoenix, but expressed openness to considering projects outside the City if the projects prove beneficial to the community. She highlighted the dynamic nature of addressing community needs and commended the IDA for their ability to adapt and respond effectively.

Councilwoman Hodge Washington expressed gratitude for the IDA's work in fostering economic growth, development, and community advancement in the area. She highlighted the organization's role in supporting various projects in District 8. She also commended the IDA's efforts in addressing homelessness and housing challenges. She requested reports on the Home in Five Program to understand the demographics served, and suggested considering financial support for mobile home communities interested in forming cooperatives. She expressed excitement about the Senior Bridge project. She also encouraged the IDA to focus on Phoenix unless there are circumstances where projects outside the City would benefit Phoenix. She expressed interest in supporting the Home in Five Program to promote homeownership as a means of building generational wealth for families.

Mr. Salgado assured the Council he would provide the requested information and expressed willingness to discuss strategic approaches moving forward.

Councilwoman Ansari expressed gratitude to the IDA.

Mr. Salgado clarified that while there is \$32 million of tax credits left in the current allocation, the decision to restrict the funds to Phoenix is up for consideration by the board of directors. Ultimately, the board will decide on restricting the funds to Phoenix.

Mayor Gallego suggested the board could take a sense of the Council on the matter, but ultimately the Council would leave the final decision to the

board.

Mayor Gallego opened the floor to public comment.

Mohammed Zahir Bakhshi briefly introduced himself as an Afghan immigrant who arrived in the United States in 2015. He then shared his educational background and professional journey, including his work as a medical billing specialist and his establishment of an import and distribution company and a grocery store catering to the Afghan community in Arizona. He thanked Councilwoman Ansari for her dedication to serving the refugee and Afghan communities in Phoenix. He expressed appreciation for Councilwoman Ansari's efforts in building strong relations between communities with shared culture and language.

Mark Rodriguez expressed appreciation to Mayor Gallego and members of the Council for their work on housing and community development. He mentioned the progress in various communities and expressed excitement for upcoming store openings and a theater.

Aaron Rippenkroeger thanked the Council, Mayor Gallego, and City leadership for their focus on housing for vulnerable populations in Phoenix. He acknowledged the Council's support for initiatives benefiting refugees and immigrants, and requested further support in welcoming these communities through cultural events, investment in federal funds, and infrastructure improvements. He emphasized the critical housing challenges facing refugees and immigrants, and humbly requested that these populations be considered in future housing and IDA efforts.

Mayor Gallego closed the floor to public comment.

## **ADJOURN**

There being no further business to come before the Council, Mayor Gallego declared the meeting adjourned at 5:06 p.m.