



ATTACHMENT A
City of Phoenix
Minutes

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

City Council Policy Session

Tuesday, January 10, 2023

2:30 PM

phoenix.gov

CALL to ORDER

The Phoenix City Council convened in Policy Session on Tuesday, Jan. 10, 2023, at 2:37 p.m. in the Council Chambers.

Present: 8 - Councilmember Carlos Garcia, Councilwoman Betty Guardado, Councilwoman Ann O'Brien, Councilwoman Laura Pastor, Councilwoman Debra Stark, Councilman Jim Waring, Vice Mayor Yassamin Ansari, and Mayor Kate Gallego

Absent: 1 - Councilman Sal DiCiccio

COUNCIL INFORMATION AND FOLLOW-UP REQUESTS

This item is scheduled to give City Council members an opportunity to publicly request information or follow up on issues of interest to the community. If the information is available, staff will immediately provide it to the City Council member. No decisions will be made or action taken.

Councilwoman O'Brien wished everyone a happy New Year. Councilwoman O'Brien provided an update on her participation in the Jan. 9 National Law Enforcement Appreciation Day. Councilwoman O'Brien donated funding from Council District 1 appropriation to the Black Mountain Police Precinct to purchase new bicycles and safety equipment. Councilwoman O'Brien reported having discussions with constituents and police officers regarding illegal activities occurring in City parks and the challenges officers experienced in patrolling those parks without having the proper equipment. Councilwoman O'Brien noted a recent video she participated in with colleagues to express gratitude for the City's law enforcement officers. Councilwoman O'Brien stated she will host a community breakfast at the Metrocenter Double Tree Hotel on Jan. 27.

Vice Mayor Ansari provided an update on homelessness. Vice Mayor Ansari noted a recent report which indicated a 22 percent increase in unsheltered individuals in Maricopa County. Vice Mayor Ansari announced Council District 7 is launching a social media campaign

to overcome homelessness and will highlight City-wide approaches to address the issue, including a new plan to build a 280-bed emergency shelter. Vice Mayor Ansari commented on collaboration efforts with City staff to engage unsheltered individuals and help clean “The Zone,” a homeless encampment near downtown. Vice Mayor Ansari discussed increased engagement and outreach with unsheltered persons in Laveen. Vice Mayor Ansari informed constituents of a recent shooting incident that left Police Sergeant Scott Galbraith of neighboring Scottsdale, Arizona injured while serving a search warrant. Vice Mayor Ansari stated she will host a community safety meeting on Jan. 21.

Councilwoman Pastor provided an update on small business initiatives, adding that Council District 4 staff will be at the HIVE on 16th, located at 2222 N. 16th St., on Jan. 11 to engage constituents and celebrate small businesses. Councilwoman Pastor announced she will be at the Tru Burger restaurant located at 2535 N. Central Ave. to hold discussions with residents. Councilwoman Pastor informed constituents of an upcoming annual cancer screening event with police and firefighters. Councilwoman Pastor also noted the passing of Mel Hannah, a local Black and Brown Coalition leader and civil rights advocate who served in various civic leadership roles throughout the state.

Councilmember Garcia echoed Councilwoman Pastor’s sentiments regarding the passing of Mel Hannah. Councilmember Garcia provided an update on various community events in Council District 8, including a Dec. 17 event at Nevitt Park and a movie experience night at Lindo Park. Councilmember Garcia said he will participate in the following community events: South Mountain Cleanup on Jan. 21, Unity in the Community at Esteban Park on Jan. 29, and Francisco Highland Festival on Feb. 25 at Francisco Highland Park.

Councilwoman Guardado provided an update on upcoming community events in Council District 5, including a community cleanup on Jan. 14, a community safety and crime prevention plan meeting, and a ribbon-cutting ceremony at West Plaza Park on Jan. 19 at 11:00 a.m.

Councilwoman Stark commented on a recent major water leak in Council District 3 and thanked City staff for the prompt response. Councilwoman Stark praised the owners of 3A Automotive Diesel Repair for donating a car to Nathan Catlin, a special education teacher assistant at Mountain View Elementary School in north Phoenix.

Mayor Gallego joined colleagues in recognizing the passing of Mel Hannah, noting his service to the City, including serving as an Outreach Director for Mayor Greg Stanton.

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.

DISCUSSION AND POSSIBLE ACTION (ITEM 1)

1 General Plan 2025 Update Public Participation Plan (PlanPHX)

Discussion

Mayor Gallego invited Councilwoman Stark to introduce the General Plan 2025 Update Public Participation Plan (PlanPHX) item.

Councilwoman Stark stated State Statute requires the City to review its General Plan every 10-years and the updated plan must be adopted by residents. Councilwoman Stark noted it has been about a decade since the last update in 2015. Councilwoman Stark stated she is looking forward to active public participation in the 2025 General Plan.

Mayor Gallego welcomed Deputy City Manager Alan Stephenson.

Mr. Stephenson highlighted the objectives of the PlanPHX, noting its overall outreach plan and broad-based community approach.

Mr. Stephenson introduced Acting Assistant Planning and Development

Director Joshua Bednarek, Acting Deputy Planning and Development Director Tricia Gomes, and Acting Special Projects Administrator Joel Carrasco.

Ms. Gomes presented the 2025 PlanPHX framework, including maximizing transportation resources, providing affordable housing, implanting transit-oriented development, and educating residents on all things planning and development.

Mr. Carrasco discussed how the 2025 PlanPHX aligns with the City's vision, mission, and strategies in creating an inclusive framework for the next 10 years.

Councilwoman Pastor asked if 19th Avenue south of Camelback Road would be included in the areas being prioritized.

Mr. Bednarek replied it could be, depending on Council direction and community feedback.

Mayor Gallego recognized and thanked Mr. Mo Stein and Mr. Phil Pangrazio for helping the City with General Plans. Mayor Gallego commented on the effort it took to implement the 2015 PlanPHX vision to becoming the most sustainable desert city, which is part of Phoenix's values now. Mayor Gallego noted the various development and planning opportunities in the 2025 PlanPHX, including efforts to link water planning, long-term supplies, and land use planning.

Councilmember Garcia asked about the City's community outreach plan with Spanish speakers and how the 2025 PlanPHX will gauge or measure up compared with previous development plans.

Mr. Bednarek responded staff plans to re-identify the City's core values and vision for the future as the 2025 PlanPHX takes shape. Mr. Bednarek added the City intends to lean on its multilingual workforce for Spanish interpretation and will look for councilmembers for direction on where and how to prioritize community engagement.

Councilwoman Guardado expressed support for the 2025 PlanPHX. Councilwoman Guardado invited staff to the Council District 5 February community leaders meeting to engage with constituents and learn about their specific needs.

Councilwoman Stark asked if staff plans to include the Citizen Transportation, City Council, and boards and commissions as part of the 2025 PlanPHX participation plan committees.

Mr. Carrasco responded yes.

Councilwoman Stark stated it is important to make the 2025 PlanPHX an all-inclusive process that reflects the priorities of various boards, commissions, and industry experts as part of the participation plan committees. Councilwoman Stark invited staff to attend Council District 3 events, including the Annual Slope Fest in the Sunnyslope neighborhood.

Vice Mayor Ansari inquired if the 2025 PlanPHX would provide an opportunity to amend village layouts or core designations, namely Estrella Village.

Mr. Bednarek replied the 2025 PlanPHX would lay the foundation for potential modifications to core designations and use that as a policy basis to amend village layouts and core corridors.

Vice Mayor Ansari asked if staff would conduct an outreach to targeted residents that use the transit system to get around, bike to work, or are disabled.

Mr. Bednarek answered the City has a diverse PlanPHX Leadership Committee with many contacts and would engage with other groups as recommended by councilmembers.

Vice Mayor Ansari questioned if there were opportunities to add new goals and commitments other than those already stated in the 2025 PlanPHX.

Mr. Bednarek replied yes.

Councilwoman Pastor stated the importance of facilitating inclusive community outreach and engagement with working families, recent immigrants, and refugees. Councilwoman Pastor asked whether the City has adequate staffing to engage with these groups.

Mr. Bednarek replied staff plans to bring in additional planners to help with the 2025 PlanPHX implementation and maximize current staff resources.

Councilwoman Pastor questioned the possibility of asking retired City planners to return as volunteers and assist with the 2025 PlanPHX implementation and community outreach.

Mr. Bednarek answered staff would consider all suggestions, including recruiting volunteers and students to help facilitate community outreach.

Councilwoman O'Brien asked if staff could consider working with school districts to help with the 2025 PlanPHX implementation and community outreach. Councilwoman O'Brien also inquired whether the director of the State Land Trust in Council Districts 1 and 2 could be involved in this effort.

Mr. Bednarek responded yes.

A motion was made by Councilwoman Stark, seconded by Councilwoman Pastor that this item be approved. The motion carried by the following vote:

Yes: 8 - Councilmember Carlos Garcia, Councilwoman Betty Guardado, Councilwoman Ann O'Brien, Councilwoman Laura Pastor, Councilwoman Debra Stark, Councilman Jim Waring, Vice Mayor Yassamin Ansari, and Mayor Kate Gallego

No: 0

Absent: 1 - Councilman DiCiccio

INFORMATION AND DISCUSSION (ITEM 2)

2 American Rescue Plan Act Affordable Housing and Community Land Trust Programs

Discussion

Mayor Gallego welcomed Deputy City Manager Gina Montes.

Ms. Montes introduced Housing Director Titus Mathew and Deputy Housing Director Samantha Keating to provide an overview of the affordable housing programs currently allocated in the American Rescue Plan Act (ARPA strategic plan).

Mr. Mathew discussed the expansion of Housing investments, strategic plan, timeline, and plan for procurement solicitations.

Ms. Keating discussed the \$16 million Affordable Housing Program and the \$5 million Community Land Trust Housing (CLT) Plan. Ms. Keating noted the Affordable Housing Program increased by \$4 million due to the reallocation of funding approved by Council in December 2022.

Councilmember Garcia asked Ms. Keating to explain how the CLT program subsidies works.

Ms. Keating replied the \$200,000 subsidy could be used to reduce the overall home price or help with the down payment. Ms. Keating provided an example, stating if a property sells for \$400,000 in the current housing market, the CLT program could give a \$200,000 subsidy, and the home buyer would pay the remaining \$200,000, making the home affordable.

Councilmember Garcia remarked CLT is an effective way to maintain home affordability. Councilmember Garcia asked Ms. Keating to discuss how CLT helps support home affordability and keeps units within a certain price.

Ms. Keating answered the program provides a subsidy to CLT administrators to sell homes to CLT participating home buyers at a price they can afford.

Councilmember Garcia noted other jurisdictions using CLT programs and asked if the City is consulting with them or learning from their experiences.

Ms. Keating replied yes.

Councilwoman Guardado asked why CLT-supported homes remained in a trust after being sold to an income-eligible buyer.

Ms. Keating replied that when a CLT purchases homes and resells them to income-eligible buyers, only the houses are mortgaged, not the land the property is being occupied. Ms. Keating added that the CLT remains the landowner, and income-eligible buyers acquire long-term leases.

Councilwoman Guardado inquired what happens if an income-eligible buyer never sells the house.

Mr. Mathew answered an income-eligible buyer could live in a CLT home indefinitely or pass it on to their family. Mr. Mathew added CLT homes would only change status if the buyer decided to sell.

Vice Mayor Ansari asked if the City would compensate CLT buyers who choose to stay in their homes, pass away while residing there, or when family members who inherit the house do not qualify for affordable housing.

Mr. Mathews answered yes, and added that no CLT buyers would lose money.

Vice Mayor Ansari asked if the City could use the CLT program to purchase open land and build dense multiple-family housing projects.

Mr. Mathew replied the current CLT model supports only single-family and townhomes, but the City would be happy to expand the program with City Council direction.

Vice Mayor Ansari inquired if CLT homes could be used as live-work spaces for buyers who want to run businesses out of their homes.

Mr. Mathew responded staff would do some more research, as he is not aware of any CLT-related restrictions that would prevent buyers from doing that.

Councilwoman O'Brien asked how CLT homeownership equity is determined.

Mr. Mathew explained the general practice is that the buyer keeps between 25 to 30 percent of the profit when a home is sold. CLT keeps the remaining balance to continue the model of keeping homes affordable and accessible for people under 80 percent area medium income.

Councilwoman O'Brien asked if the terms of the agreement dictate the equity percentage.

Mr. Mathew responded yes.

Councilwoman O'Brien asked if the homeowner would lose money if the mortgage defaults.

Mr. Mathew replied that CLT income-eligible home buyers are buying at a discount, so if they have a mortgage, the home's value is far higher than the mortgage they own. Mr. Mathew added that if the homeowner walks away from the property, they still keep their equity and percentage of any potential profits.

Councilwoman Pastor asked for clarification regarding the total cost of the programs discussed.

City Manager Jeff Barton replied that the ARPA Affordable Housing program totaled \$16 million, \$10 million for the Moreland project and \$6 million for gap financing. Mr. Barton explained this included the additional \$4 million Council recently approved in reallocated ARPA funds that occurred in December. Mr. Barton added the Housing Department also had \$5 million for the Community Land Trust Program.

ADJOURN

There being no further business to come before the Council, Mayor Gallego declared the meeting adjourned at 3:57 p.m.

Respectfully submitted,

Yusuf Dirow, Management Fellow