

COUNCIL MINUTES

May 2, 2016

The City Council of the City of Mesa met in a Study Session in the lower level meeting room of the Council Chambers, 57 East 1st Street, on May 2, 2016 at 5:00 p.m.

COUNCIL PRESENT

John Giles
Alex Finter
Christopher Glover
Dennis Kavanaugh
Dave Richins

COUNCIL ABSENT

David Luna
Kevin Thompson

OFFICERS PRESENT

Christopher Brady
Jim Smith
Dee Ann Mickelsen

Mayor Giles excused Councilmembers Luna and Thompson from the entire meeting. He excused Councilmember Richins from the beginning of the meeting; he arrived at 5:03 p.m.

1. Review items on the agenda for the May 2, 2016 Regular Council meeting.

All of the items on the agenda were reviewed among Council and staff and the following was noted:

Conflict of interest: None.

Items removed from the consent agenda: None.

2-a. Hear a presentation, discuss and provide direction on the City Council Strategic Priorities "Transforming Neighborhoods" and the related departmental proposed budgets.

Special Projects Manager Niel Curley introduced staff from the various departments who worked collaboratively on the "Transforming Neighborhoods" project. He displayed a PowerPoint presentation (**See Attachment 1**) and announced that the statement defines a transformed neighborhood as:

"Mesa's neighborhoods are clean, safe, diverse, and economically vibrant places. Residents and businesses are engaged, informed and take pride in their properties and their community."

Mr. Curley illustrated that a map of blighted areas (See Page 3 of Attachment 1) was created to show a color-coded scale of the high level areas of code violations, crime rates, graffiti, and vacant properties.

In response to a question from Councilmember Richins, Mr. Curley replied that the information related to vacant properties was provided from the CoStar database, which includes residential and commercial buildings that are empty for six or more months.

Assistant City Prosecutor Paul Hawkins reported that 34,904 code violation cases were received between January 2013 and January 2016. He displayed a density analysis of those cases, which were broken down into 314 census block groups. (See Pages 4 and 5 of Attachment 1)

Mr. Hawkins explained that staff focused on the block groups that fall within the top 10% of code complaints per housing unit, which equates to the top 31 offending block groups within the City of Mesa. He said that statistically, one-third of all code complaints occur within that area. (See Page 6 of Attachment 1)

Mr. Hawkins reviewed additional maps (See Pages 7 through Page 11 of Attachment 1) that overlaid the demographics of the top 10% block group to identify the following:

- The median age is generally between 25-25 years old
- The median income is generally between \$30K to \$44K
- The rental percentage is generally between 15-35%
- The structures were generally built between the 1960's to 1970's
- The vacancy percentage is generally between 5%-10%

Mr. Hawkins reported that the maps were then expanded to show the top 25% of block groups (See Page 12 of Attachment 1) and determined that the same trends remained.

City Manager Christopher Brady announced that Mr. Hawkins was on rotation from the City Prosecutor's office to help with this project. He thanked Mr. Hawkins for assisting staff with understanding the trends and analysis of blight areas. He added that staff can use the information to present the Council with different approaches of increasing community outreach to address those challenges.

Interim Code Enforcement Administrator Eloy Garza stated that the information gathered from the Transforming Neighborhoods Committee has assisted him in understanding that his current staff, which is focused on code enforcement, is more reactive than proactive. He commented that the partnership with Housing and Community Development offers an outreach component that enables his department to identify which areas need additional education.

Mr. Garza illustrated that Mesa has a consistent compliance rate between 77-80% over the past three years and the number of violations increases each year. (See Pages 14 and 15 of Attachment 1) He stated that the goal is to abate the issue prior to a citation, and explained that citations are increasing due to the fact that residents are not educated on the Code Compliance process.

Mr. Garza gave a brief synopsis of the current process, which ideally should be 35 days between the first notice and the citation. He stated that, unfortunately, the process takes approximately four months. (See Page 16 of Attachment 1) He announced that the new process would be more streamlined in order to allow issues to be addressed sooner. He declared that the partnership in community outreach and education will assist staff's ability to be more proactive.

Housing and Community Development Director Liz Morales discussed the key strategies to addressing outreach and education. She stated that the goal is to achieve visible improvement

and overall improved perception to anyone who enters the neighborhood. She announced that the Community Development Block Grant (CDBG) is a federal funding source to be utilized for the following program components:

- Significant Housing Rehabilitation
- The Love Your Block assistance program
- Minor housing rehabilitation and education on exterior home maintenance
- Grants to improve the exterior of small businesses
- Existing City resources, which are non-federal funds but can be used to expand and leverage what is being done with the CDBG funds

Ms. Morales indicated that the first component of the program is 'Educate and Beautify Neighborhoods'. (See Page 18 of Attachment 1) She pointed out that this is an eligible activity under the federal program of CDBG that has proven to be successful in other communities in serving targeted areas of low to moderate income households. She explained that staff will fund an external agency that will be selected through a competitive Request for Proposals (RFP) process. She pointed out that the City will collaborate with the community partner to provide expertise in housing rehabilitation and educate residents. She estimated that the available funding will serve 50 homes and one or two local businesses.

In response to a question from Councilmember Richins, Ms. Morales replied that multi-family homes do not fit as well into the structure of the program as do single-family homes. She clarified that multiplexes are dispersed throughout the communities and will be within the targeted area, so staff will work with Code Enforcement to address those rental properties.

Mr. Brady clarified that part of the approach is to work with Code Compliance and the information provided by Mr. Hawkins in order to create a targeted impact area. He added that the geographic area determined to have chronic blight issues will receive the resources, with no exclusions.

Mayor Giles commented that some multi-family properties are investor-owned and may have the resources but refuse to make the necessary improvements, whereas the single-family homes would be more need based.

Mr. Brady concurred and stated that staff will address such scenarios by encouraging investors and using other tools as needed.

In response to a question from Councilmember Richins, Mr. Brady agreed to include enforcement of the Tri-Star Program as well.

Ms. Morales commented that the focus of the Educate and Beautify component is the financial assistance that may be provided with the CDBG funds.

Ms. Morales continued the presentation and stated that the Love Your Block project assistance has been incorporated into the pilot due to its success in the past. She explained that the funds will be used through an application by a neighborhood group that will identify one small neighborhood project. She noted that the project will be funded indirectly through the City in order to obtain better bulk vendor prices. She estimated that the small project assistance will serve four to eight neighborhoods. (See Page 19 of Attachment 1)

Ms. Morales indicated that staff wants to be strategic in selecting the neighborhood and the following factors will be considered in the decision (See Page 20 of Attachment 1):

- Must be a CDBG targeted area
- Must align with the focus area and demographics identified by data and statistics
- Must have potential for visible improvement and revitalization
- Must be primarily single-family residential
- Must be an area that has not previously received extensive program assistance

Mr. Brady informed Council that although the CDBG funds are restricted to specific areas, staff will try to leverage all City resources in order to help with other issues inside the neighborhoods, such as education and outreach.

Ms. Morales indicated that all factors will be reviewed and staff will return to Council to identify the final neighborhood selection.

Ms. Morales explained that the actual FY 15/16 budget includes seven Code Enforcement officers funded by the General Fund, and two full-time officers and one temporary officer funded by \$217,000 of CDBG dollars, for a total of ten officers. She stated that the FY 16/17 budget proposes to maintain the CDBG funded officers for \$217,000, add \$200,000 toward the Outreach and Education pilot, and increase by two full-time officers in the General Fund, for a total of 12 officers. She pointed out that recent Community and Cultural Development Committee discussions revised the proposed budget to move the \$217,000 for CDBG officers to increase the pilot program to \$417,000, which resulted in a total of ten officers instead of twelve. (See Pages 21 through 23 of Attachment 1)

Vice Mayor Kavanaugh advised that the intent of the Committee was not to eliminate the additional officer positions, but rather add them under the General Fund. He expressed the opinion that the CDBG fund should be used for the Outreach and Education pilot.

Councilmember Richins indicated that increased outreach and education of the Code Compliance process to citizens should lessen the code violations and the need for additional officers.

In response to a question from Councilmember Glover, Mr. Garza replied that the current staff is reactive instead of proactive and stated that the current ten officers would only maintain that same service level.

Councilmember Finter suggested that officers prioritize their focus more on the blighted areas when documenting new violations, rather than generating other minor violations while answering other calls.

Mr. Brady responded to Councilmember Finter's comment and suggested that the answer could be that officers responding to calls in blighted areas can use that opportunity to educate the residents, rather than enforce additional citations. He noted that educating the habitual offenders will free up officer time.

Vice Mayor Kavanaugh followed up by stating that he receives complaints that Code Enforcement officers respond to calls and fail to cite similar violations that exist on the same street. He suggested that when areas are identified as having multiple violations that the officer initiate education and outreach in that area to minimize future citations.

Mr. Garza advised that he asks the officers responding to a violation to observe the surrounding block for similar violations and deliver a notice, not a citation, in order to be fair to all neighbors. He indicated that 80% of those who receive notices comply before any citation is given.

Councilmember Glover agrees that education is key and focusing on the high blight areas would be most effective. He expressed the opinion that transferring Code Compliance over to the Police Department may offer more credibility to code officers.

Councilmember Richins stated that the wording of the courtesy notice is very formal and may be misconstrued by the recipient and a friendlier approach may be more successful.

Ms. Morales provided an overview of the proposed funding sources for the pilot Outreach and Education program as follows (See Page 24 of Attachment 1):

- Previous CDBG funds for Code Enforcement - \$217,000
- CDBG Housing Rehabilitation Program - \$325,000
- One-time CDBG Educate and Beautify - \$200,000
- Community Services Administration - \$38,500

Community Services Director Ruth Giese reviewed the additional resources to be provided to the target area in the pilot program. (See Page 25 of Attachment 1) She stated that staff would take a multi-departmental approach in order to combine City resources, including focus on the Tri-Star program and the Clean Sweep/Green Sweep Program. She noted that renters' education workshops would be offered to assist renters in finding ways to buy homes.

Ms. Giese stated that staff would return to Council with a proposed target area and RFP and will implement and measure results over the year in order to decide how to add the program into the FY 17/18 budget.

Ms. Giese announced that 'Building Strong Neighborhoods' (BSN) is an existing community service program that began in January 2006 and she provided the following results (See Page 28 of Attachment 1):

- 58 BSN have been completed
- 19,369 households have been engaged
- 30% of the neighborhood responded to survey
- 3,179 tons of debris has been collected through Clean Sweep/Green Sweep Program
- 80% of the 1,615 total BSN code cases opened have been closed

Ms. Giese indicated that the City would continue using the existing housing programs to assist with the pilot, as well as the FY14/15 impact of the Love Your Block program. (See Pages 29 and 30 of Attachment 1)

Ms. Giese displayed the FY 16/17 budget for Community Services and noted that most of the \$32,602,197 budget comes from federal funds. She stated that Neighborhood Outreach, Animal Control and a small portion of the Housing and Community Development budget comes from the General Fund. (See Page 31 of Attachment 1)

Mayor Giles thanked staff for the presentation and for taking a data-driven approach to evaluating the situation in the community and shining a light on it.

In response to a question from Mayor Giles, Ms. Morales clarified that \$417,000 constitutes new funds to be used toward this new approach. She added that the past year's budget funded two full-time officers and one temporary, as well as homeowner rehabilitation.

In response to a question from Mayor Giles, Mr. Garza confirmed that the violation notices are currently sent out in Spanish, however, they were not in the past.

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

Vice Mayor Kavanaugh: Fundraiser for the 100 Club Arizona

Councilmember Richins: Hannover Industrial Fair

Mayor Giles: Mental Health Month Celebration

4. Scheduling of meetings and general information.

City Manager Christopher Brady stated that the schedule of meetings is as follows:

Thursday, May 5, 2016 – Council Study Session

5. Adjournment.

Without objection, the Study Session adjourned at 5:51 p.m.





JOHN GILES, MAYOR

ATTEST:



DEE ANN MICKELSEN, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the City Council of Mesa, Arizona, held on the 2nd day of May, 2016. I further certify that the meeting was duly called and held and that a quorum was present.



DEE ANN MICKELSEN, CITY CLERK

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(attachment – 1)

Strategic Priority

Transforming Neighborhoods

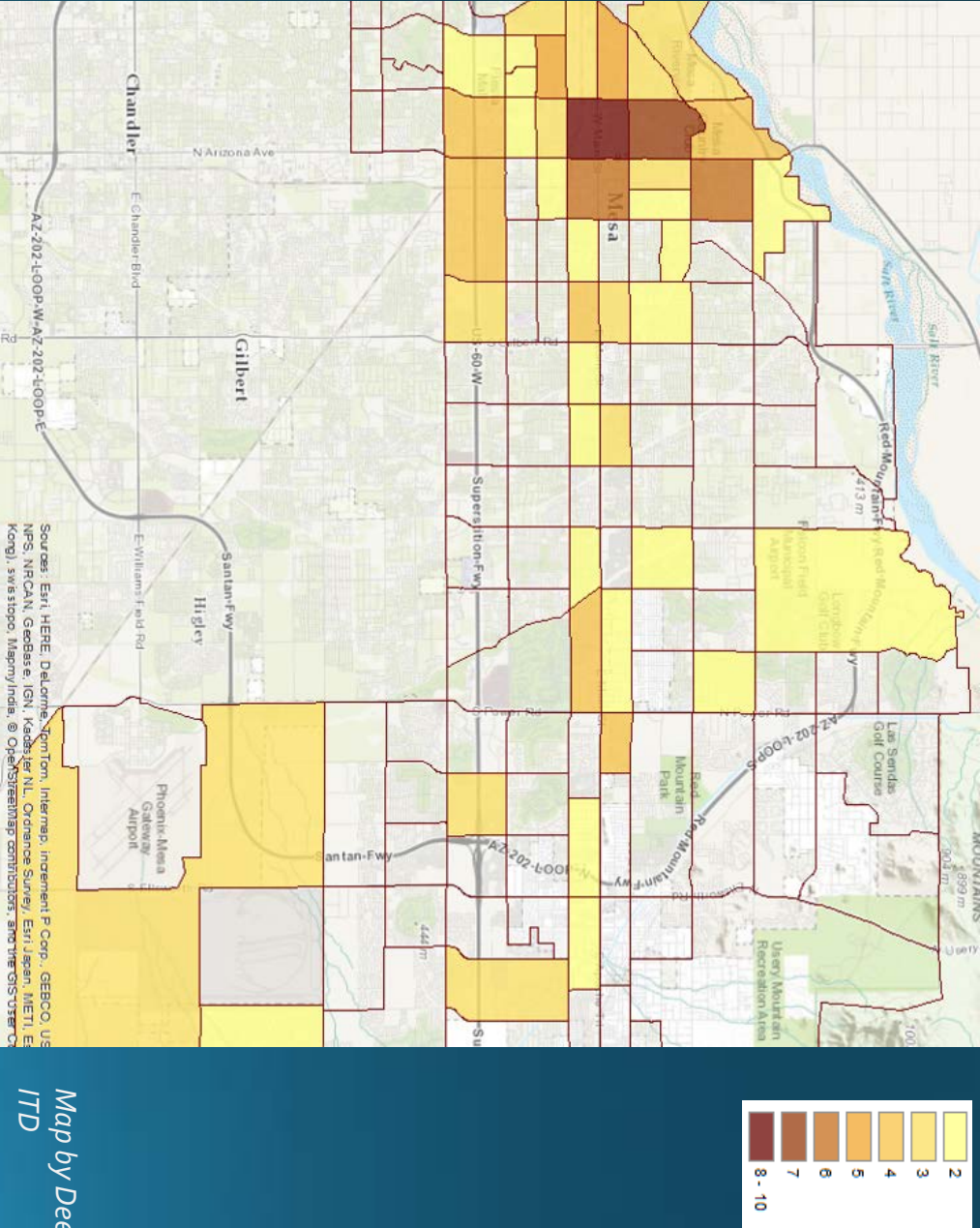
Primary Contributing Departments:

- Development Services
- Diversity and Community Services

Strategic Priority: Transforming Neighborhoods

Mesa's neighborhoods are clean, safe, diverse, and economically vibrant places. Residents and businesses are engaged, informed and take pride in their properties and their community.

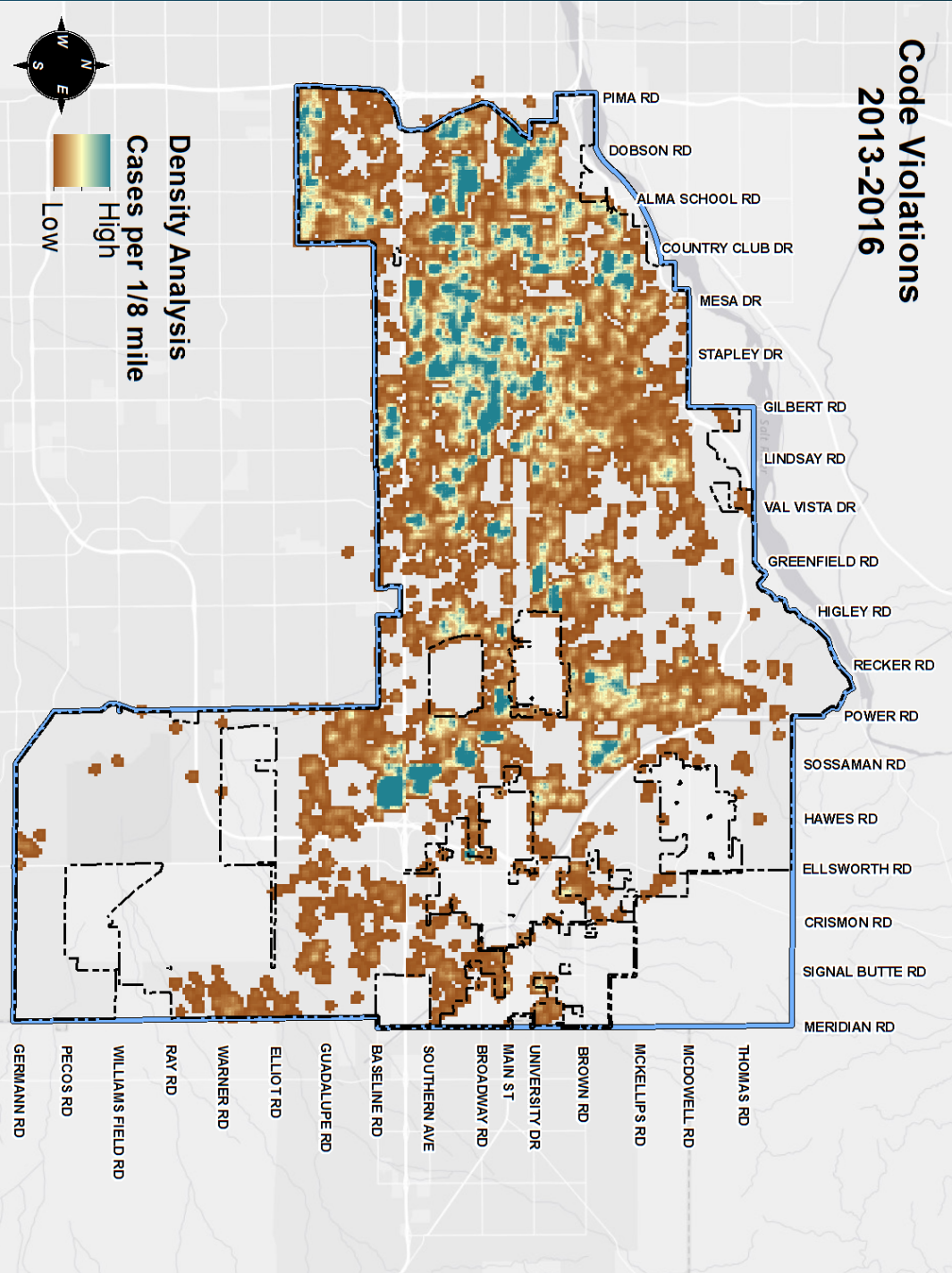
Strategic Priority: Transforming Neighborhoods



Blight Index:
Overlay of
code violations,
crime rates,
graffiti,
and vacant
properties
(commercial
and residential)

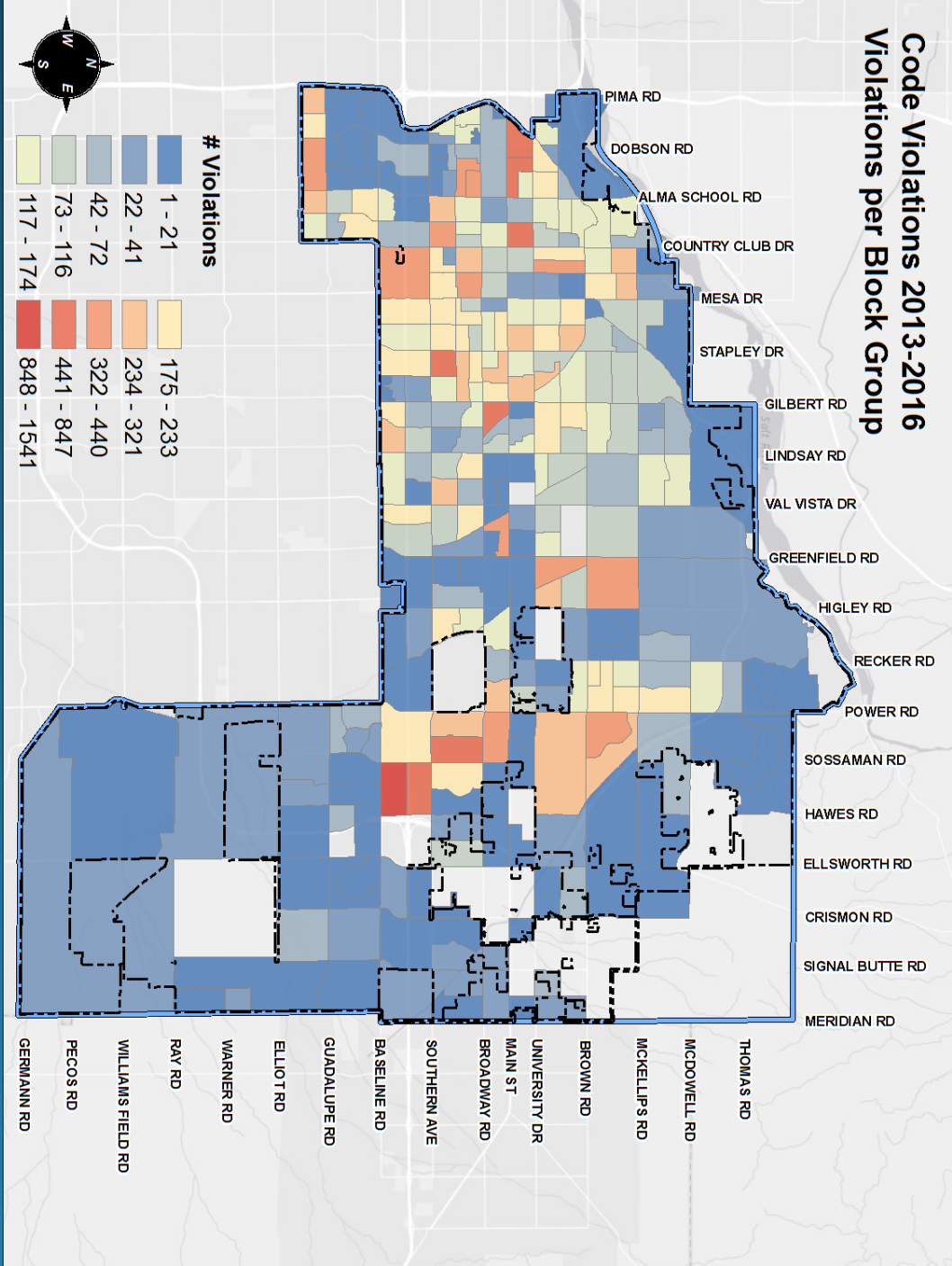
Map by Dee McKenzie,
ITD

Strategic Priority: Transforming Neighborhoods



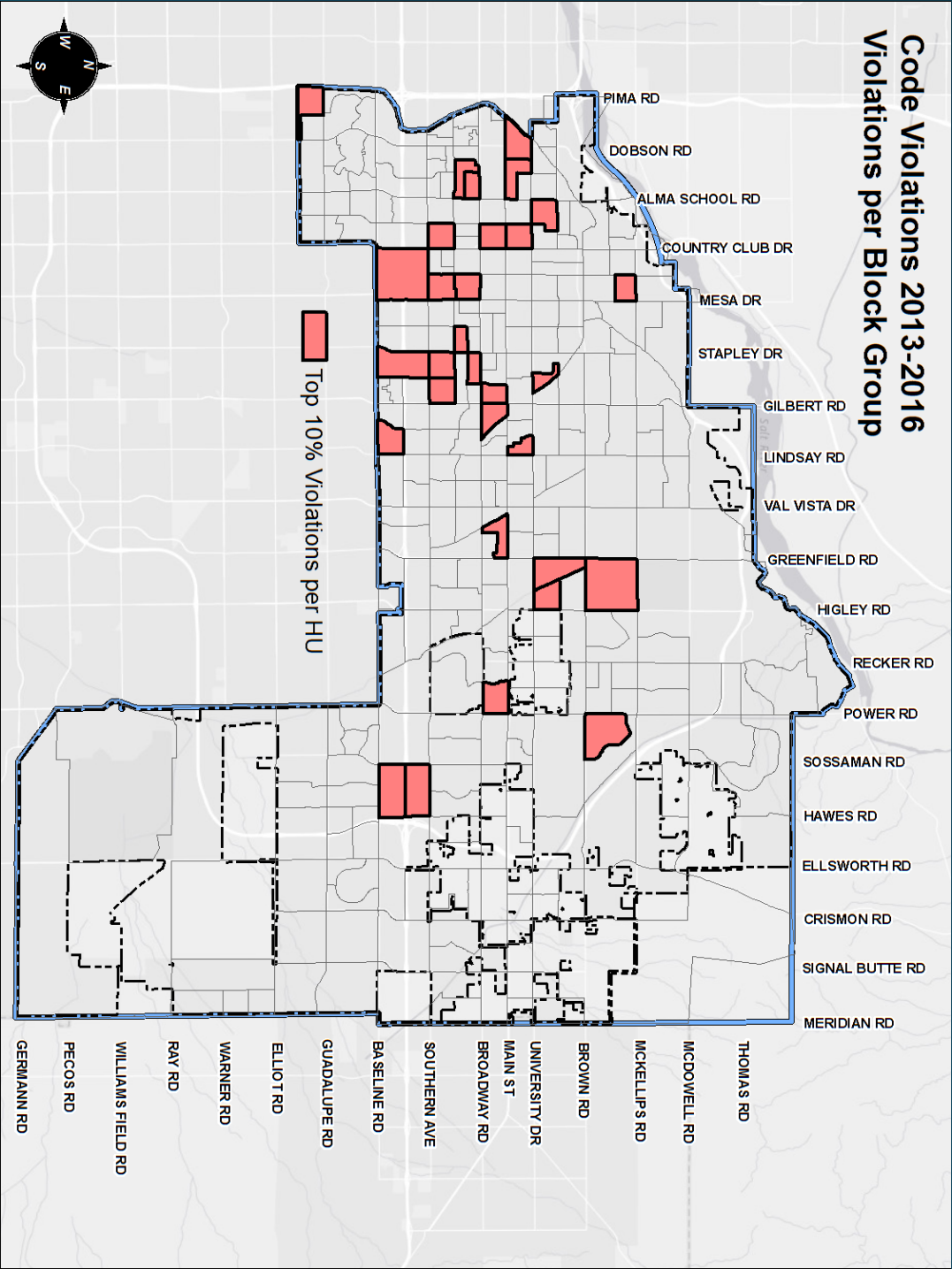
Data includes
code complaints
from 1/13 – 1/16.
(34,904 cases)

Strategic Priority: Transforming Neighborhoods



Mesa contains 314
census block
groups.

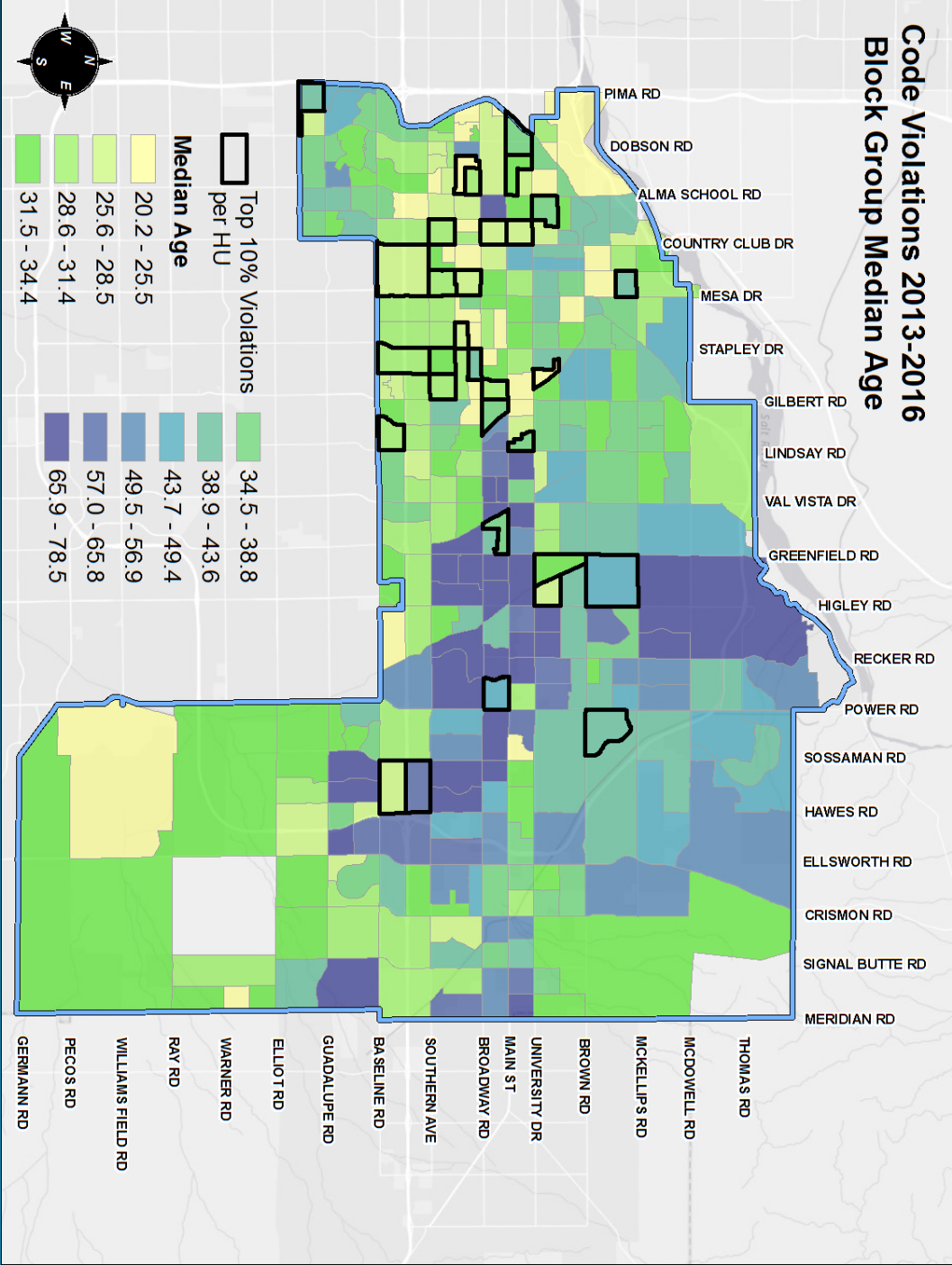
Strategic Priority: Transforming Neighborhoods



First examined the block groups within the Top 10% of code complaints per housing unit. (top 31 block groups)

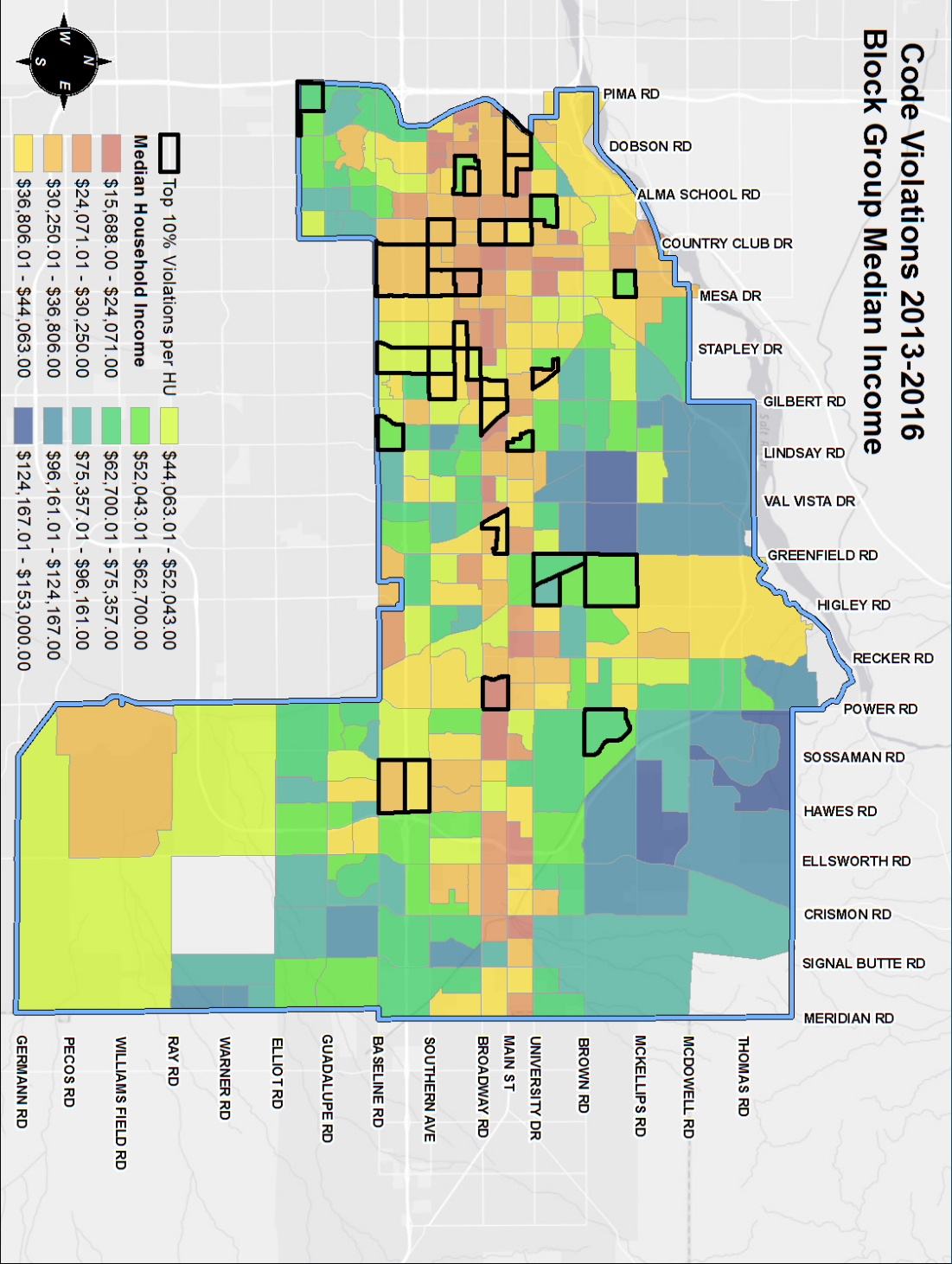
One-third (33.9%) of all code complaints occur within these “Top 10%” block groups. (11,839 violations)

Strategic Priority: Transforming Neighborhoods



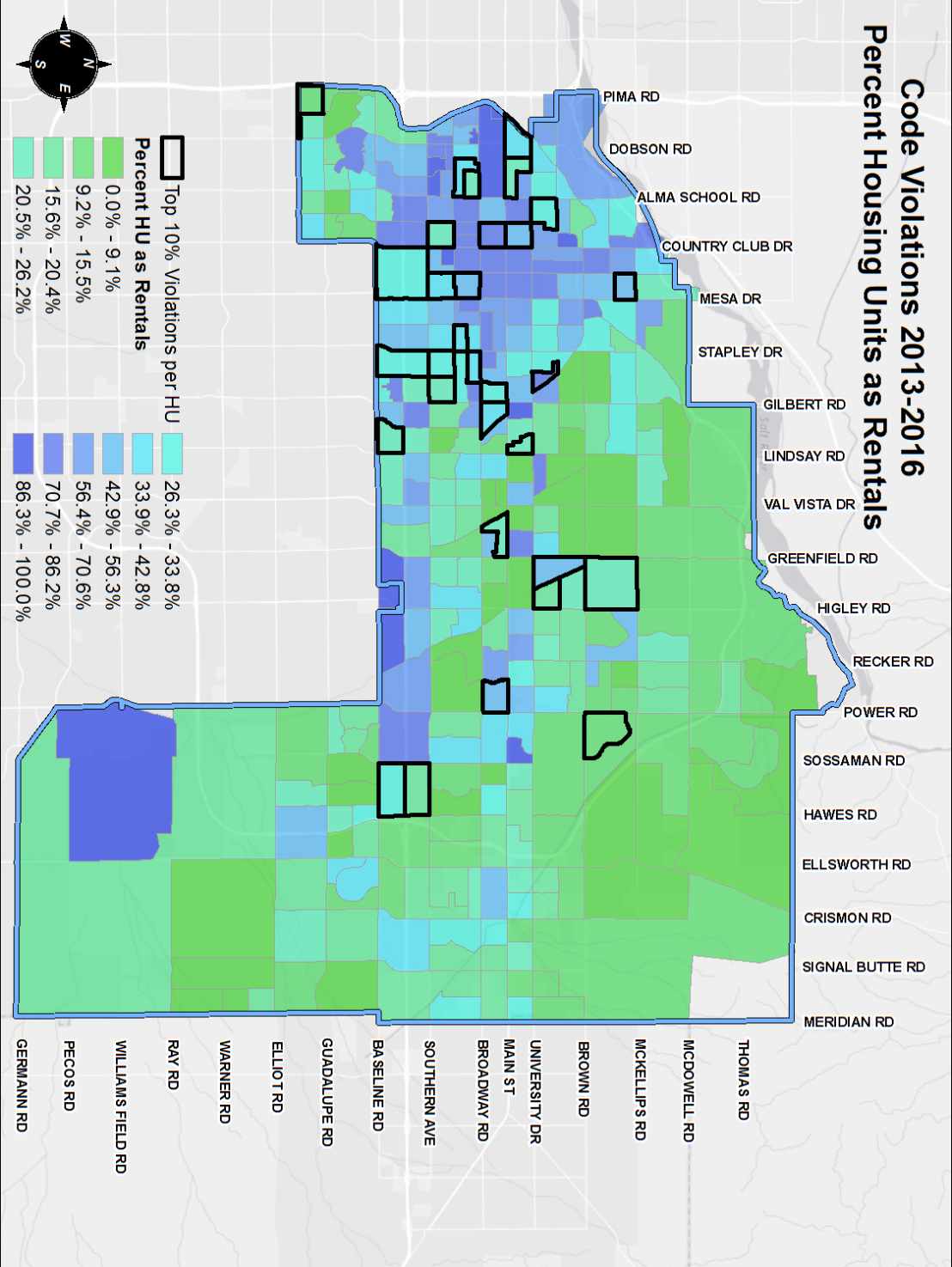
Generally, median age between 25-35 years old.

Strategic Priority: Transforming Neighborhoods



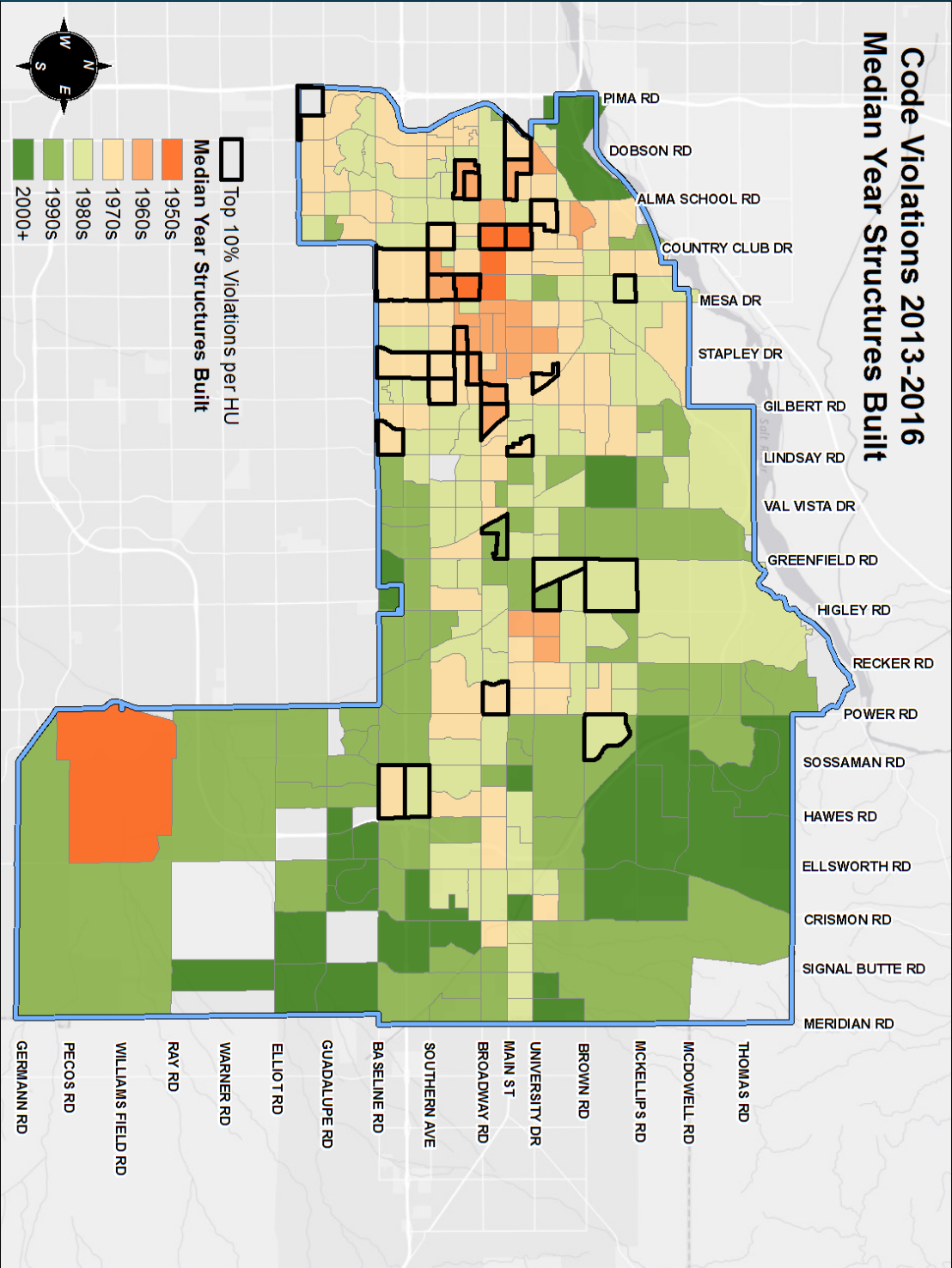
Generally, median income is between \$30,000 and 44,000

Strategic Priority: Transforming Neighborhoods



Rental percentage is generally
between 15%-35%

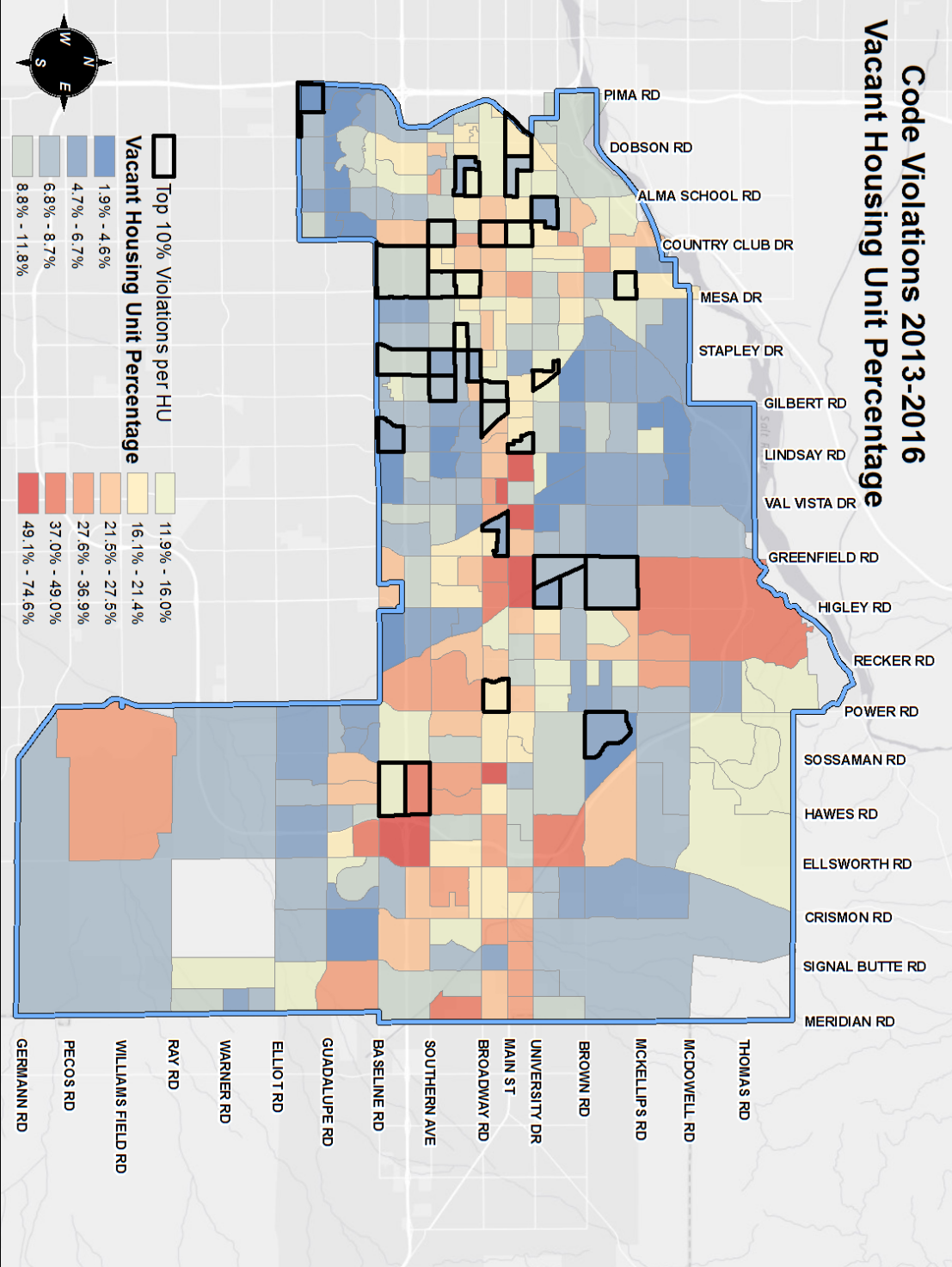
Strategic Priority: Transforming Neighborhoods



Structures generally built
between 1960s-1970s

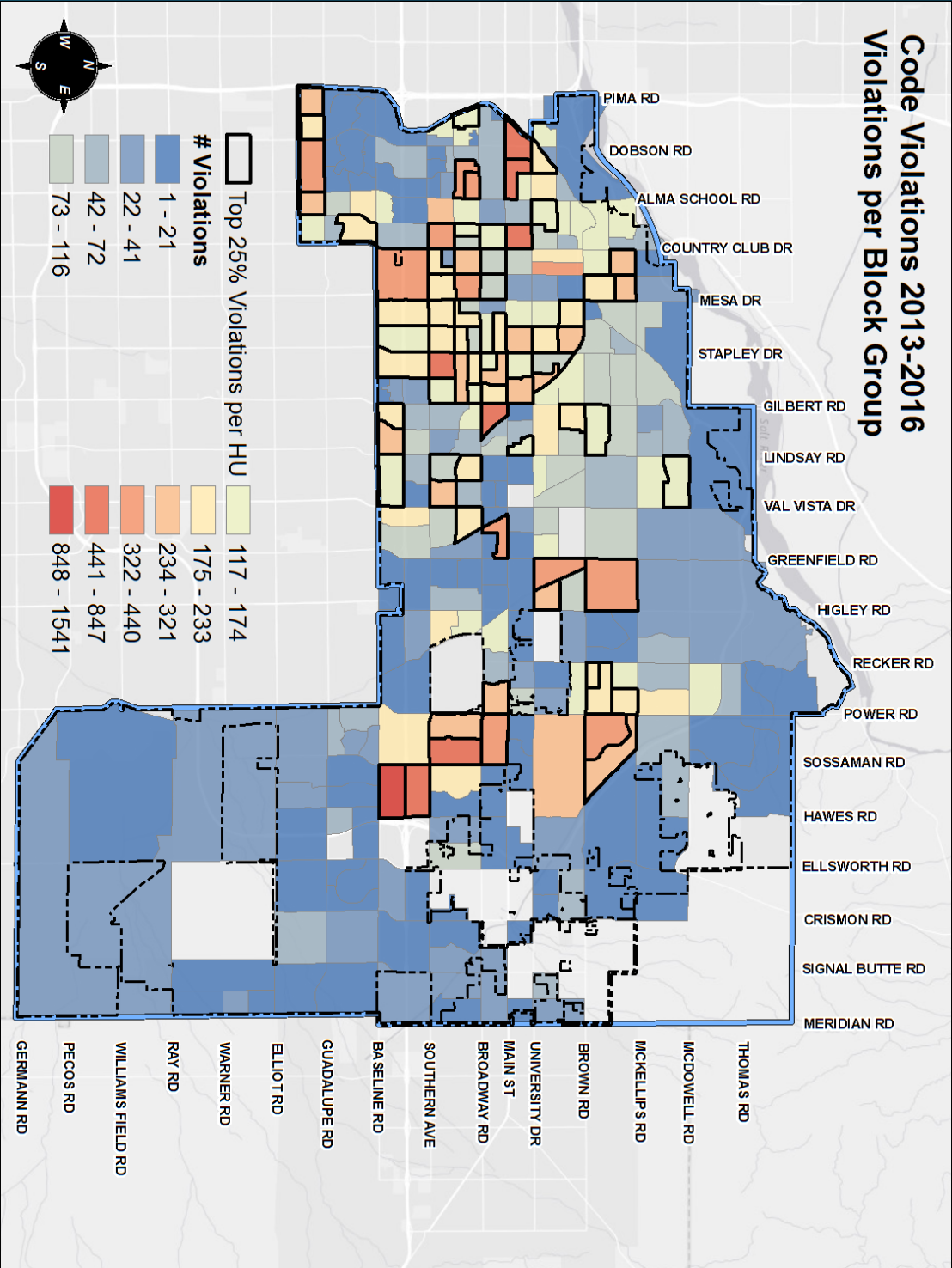
Strategic Priority: Transforming Neighborhoods

Code Violations 2013-2016
Vacant Housing Unit Percentage



Vacancy percentage is generally between 5%-10%.

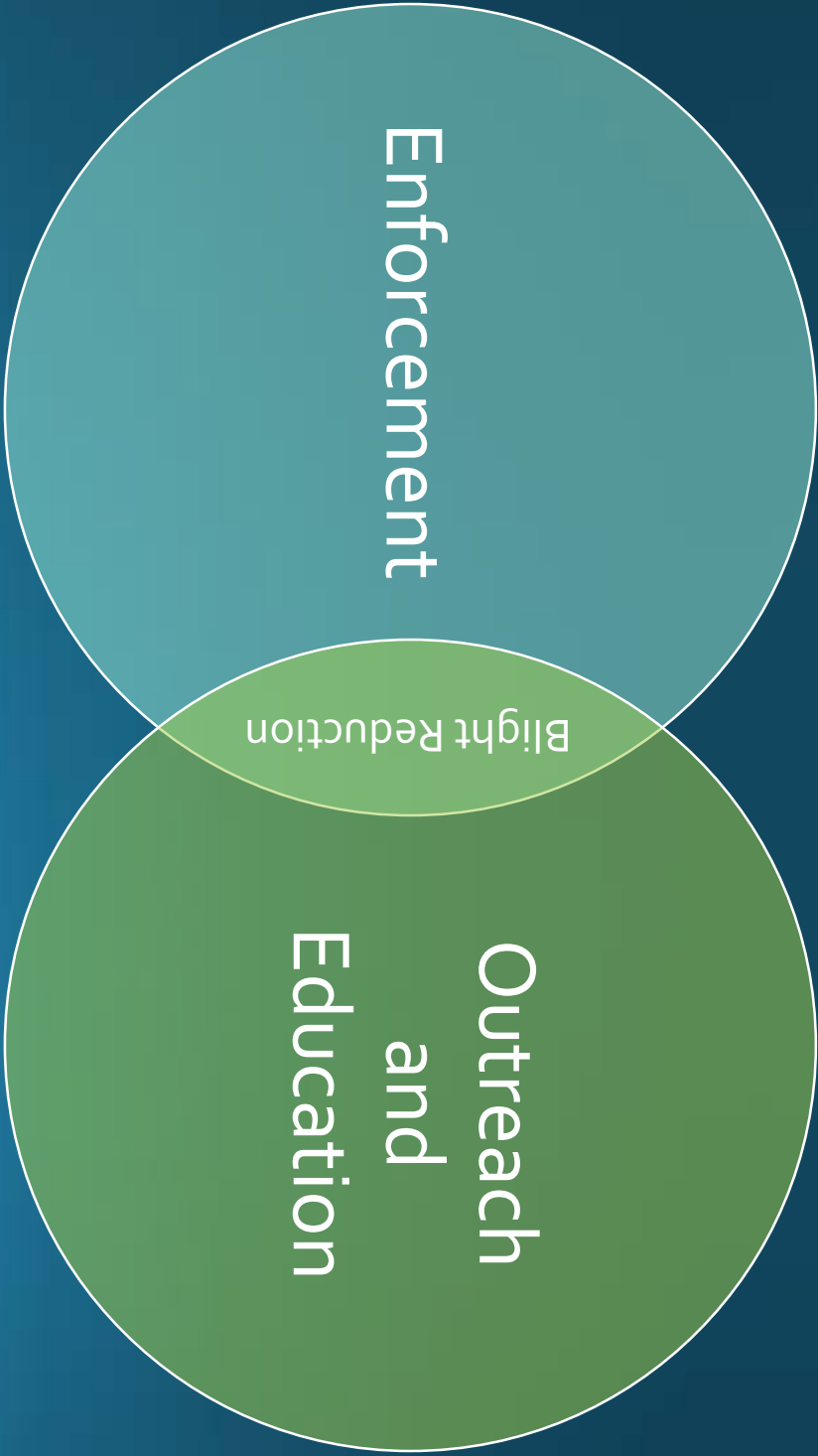
Strategic Priority: Transforming Neighborhoods



Expanded to Top 25% of block groups with the most complaints per housing unit. (78 block groups)

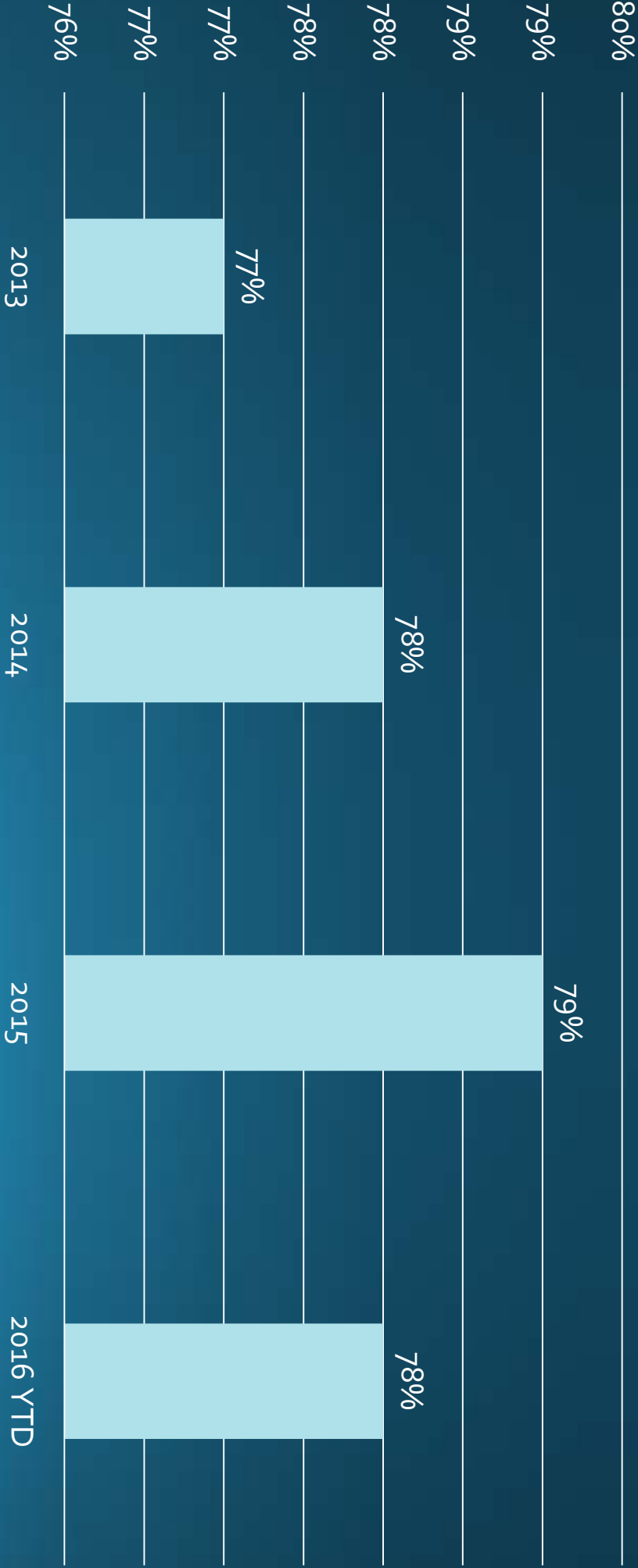
63% of all code complaints happen within this Top 25% group. (22,002 cases between 1/13-1/16)

Strategic Priority: Transforming Neighborhoods



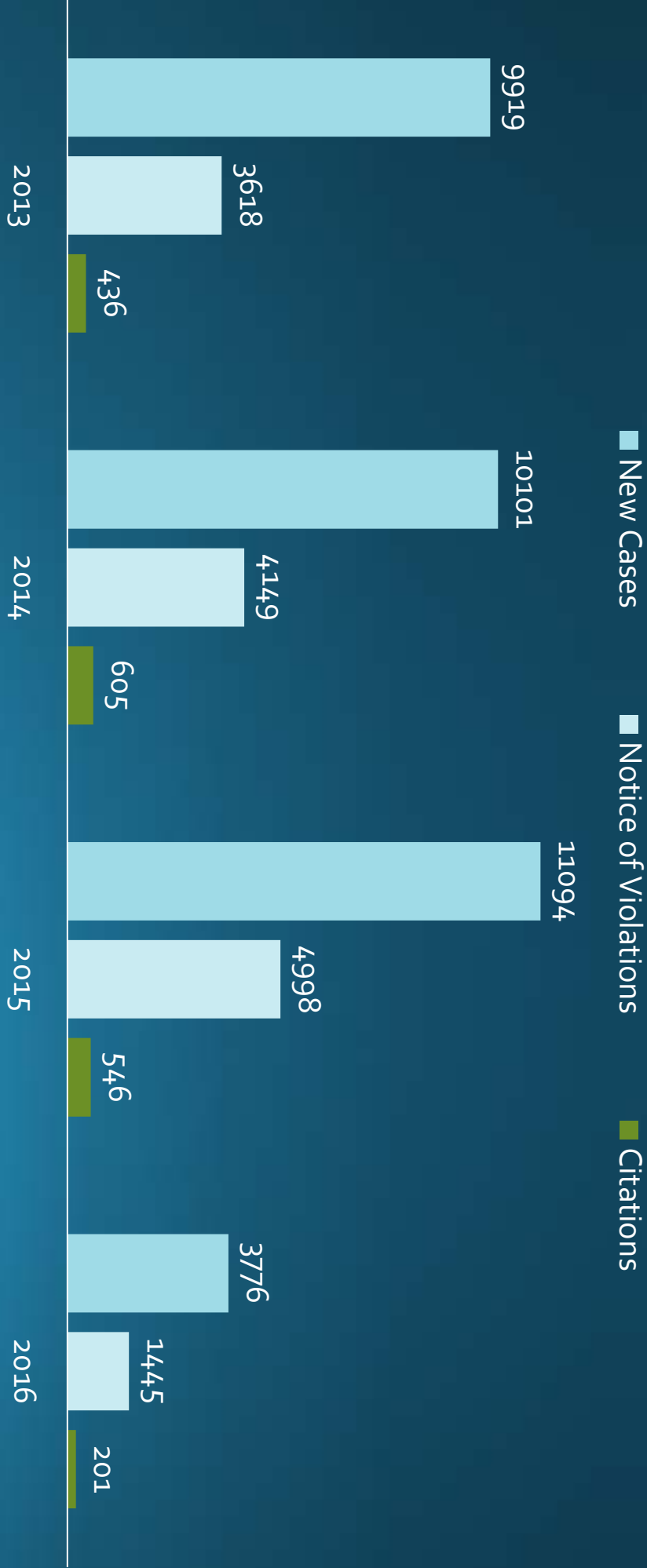
Strategic Priority: Transforming Neighborhoods

Voluntary Compliance Metrics



Strategic Priority: Transforming Neighborhoods

Code Violation Metrics



Strategic Priority: Transforming Neighborhoods

Process Efficiencies

Current Process (Prior to Citation):

- Best case scenario: 35 days*
- Worst case scenario: 4 months

New Process:

- Eliminates redundancy in notices and inspection
- Best case scenario: 25 days*
- Worst case scenario: 2 months
- Improve consistency in applying code process (with exceptions for special circumstances by supervisor)

*Note: Case does not involve a repeat or habitual offender.

Strategic Priority: Transforming Neighborhoods

Outreach and Education Key Strategies



Strategic Priority: Transforming Neighborhoods

Educate and Beautify Neighborhoods

(Competitive Process) Community Partner will provide:

- Minor Exterior Rehab
- Education
 - Standards of Exterior Property Maintenance
 - Home Maintenance
 - Energy Conservation
 - City Resources
- Estimate serving: up to 50 homes
 - Business Assistance
 - Estimate serving: 1-2 Businesses

Strategic Priority: Transforming Neighborhoods

Love Your Block Small Project Assistance

- Neighborhoods can apply for assistance in the form of supplies, materials, key resources, volunteer recruitment and planning
- Small scale neighborhood service projects may include: cleanups, painting, fence repairs, etc. in target areas
- Transform and improve neighborhood appearance

Estimate Serving: 4-8 Neighborhoods

Strategic Priority: Transforming Neighborhoods

Criteria for selection target areas

- CDBG targeted area
- Aligns with focus area and demographics identified by data and statistics
 - Code Compliance
 - Crime Statistics
 - Vacancy Rates
 - Graffiti Data
- Potential for visible improvement and revitalization
- Primarily single-family residential
- Area has not previously received extensive program assistance

Strategic Priority: Transforming Neighborhoods

Code Enforcement Funding

- **ACTUAL FY 15/16 (total 10 FTEs)**
 - 7 officers (General Fund)
 - Total Budget \$764,851
 - 2 officers and 1 temp (CDBG) \$217,000

Strategic Priority: Transforming Neighborhoods

Code Enforcement Funding

- **PROPOSED FY 16/17 (total 12 FTEs)**
 - 9 officers (General Fund)
 - Total Budget \$956,858
 - 2 officers and 1 temp (CDBG) \$217,000
 - Outreach and Education Pilot (CDBG) \$200,000

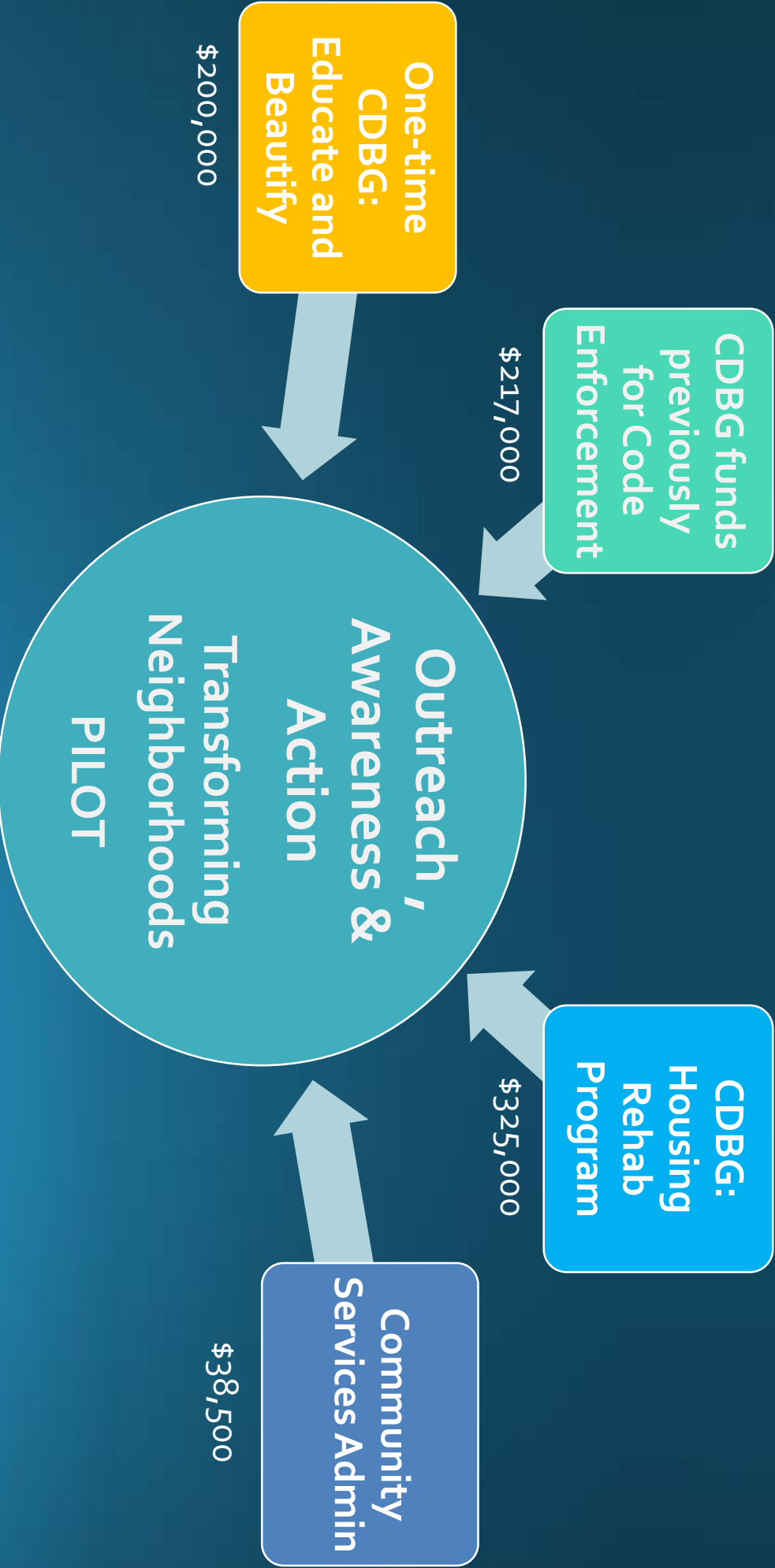
Strategic Priority: Transforming Neighborhoods

Code Enforcement Funding

- **COUNCIL REVISED FY 16/17 (total 10 FTEs)**
 - 9 officers and 1 temp (General Fund only)
 - Total Budget \$787,317
 - Outreach and Education Pilot (CDBG) \$417,000

Strategic Priority: Transforming Neighborhoods

Outreach and Education One-Year Program Funding Sources



Strategic Priority: Transforming Neighborhoods

Additional Resources Provided to Target Area

- Funding from Existing Owner Rehab Program
 - Significant Rehab for Interior & Exterior
 - Low/Moderate Income Homeowners in Target Area
 - Up to \$325,000
- Focused code enforcement
- Graffiti removal
- Clean Sweep/Green Sweep
- Renters education workshops
- Collaborative department approach

Strategic Priority: Transforming Neighborhoods

Outreach and Education Program Overview



Existing Programs

Community Services

Strategic Priority: Transforming Neighborhoods

Existing Activities Transforming Neighborhoods *Building Strong Neighborhoods Initiative Results*

January 2006-January 2016

- 58 Building Strong Neighborhoods completed
- 19,369 households engaged
- 30% completed survey response (typical response rate)
- 3179 tonnage collected through Clean Sweep/Green Sweep Program
- 1615 Code cases opened; 80% closed during BSN



Strategic Priority: Transforming Neighborhoods

Existing Activities Transforming Neighborhoods

- Neighborhood Stabilization Programs 1&3
 - Designated Target Areas based on Foreclosures
 - Major Rehab (Interior & Exterior) of Single Family Homes and Rental Housing with 2-4 units
 - Public Facilities – Eagles Park
- Since 2010, 60 Homes Sold, 40 Units of Rental Housing
- Housing Rehabilitation
 - Major Rehab (Interior & Exterior) of 3 to 4 Single Family Homes a year
- HOME Homebuyer Program
 - Major Rehab (Interior & Exterior) of 5 Single Family Homes a year



Strategic Priority: Transforming Neighborhoods

Existing Activities Transforming Neighborhoods *Love Your Block-Utilizing Service to Achieve Impact*

- 14-15 Impact for Love Your Block (grant funded period)
 - 3,248 volunteers
 - \$12,915 hours served
 - Value of \$297,960 to Mesa
 - 356.64 tons of refuge removed
 - 74,935 sq. ft. of residential and community spaces painted
 - 13,484 sq. ft. of graffiti reported and abated



Strategic Priority: Transforming Neighborhoods

Community Services FY 16/17 Budget - \$32,602,197

- Housing and Community Development
 - General Fund \$738,794
 - Human Services \$1,051,536
 - Community Development \$16,058,519
 - Housing Choice Voucher \$13,569,791
- Neighborhood Outreach and Animal Control
 - General Fund
 - Neighborhood Outreach \$657,266
 - Animal Control \$526,291

Strategic Priority

Transforming Neighborhoods

Primary Contributing Departments:

- Development Services
- Diversity and Community Services