



COUNCIL MINUTES

March 23, 2026

The City Council of the City of Mesa met in the Study Session room at City Hall, 20 East Main Street, on March 23, 2026, at 5:02 p.m.

COUNCIL PRESENT

Mark Freeman
Scott Somers
Rich Adams
Jennifer Duff
Alicia Goforth
Francisco Heredia
Dorean Taylor

COUNCIL ABSENT

None

OFFICERS PRESENT

Scott Butler
Holly Moseley
Jim Smith

Mayor Freeman conducted a roll call.

1. Review and discuss items on the agenda for the March 23, 2026, 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

In response to a question from Mayor Freeman regarding agenda Item 5-a, **(Approving and authorizing the City Manager to enter into an option to lease and option to purchase agreement; ground lease; and purchase and sale agreement between the City of Mesa and Helix Apartments, to lease and for the development and sale of approximately 0.92-acres of City-owned land southwest of the intersection of Center Street and University Drive. (District 4))**, on the Regular Council meeting agenda, Deputy City Manager Candace Cannistraro displayed a PowerPoint presentation. **(See Attachment 1)**

Ms. Cannistraro explained that the proposed property was purchased following Council direction in November 2024 using Federal Neighborhood Stabilization Program funds, which require the site to be used for affordable housing. She noted that after completion of the required environmental review, it was determined that the City of Mesa (COM) would not fund development of the project and that the proposed development would instead be financed by the private developer through Low-Income Housing Tax Credits (LIHTC) and other available housing resources. She identified Commonwealth Development Corporation as the proposed development partner and described the project, known as Helix Apartments, as a 62-unit senior multifamily development consisting of one- and two-bedroom units, with common areas for

exercise and resident programming, as well as a covered parking and amenity deck design. (See Pages 2 through 5 of Attachment 1)

Ms. Cannistraro reviewed the terms of the proposed ground lease agreement and highlighted the initial 50-year term with an optional 25-year extension, which would preserve affordability for up to 75 years. She stated that lease payment amounts are set below the \$2,000 threshold to maintain eligibility for additional tax credit points. She explained that the developer would have the option to purchase the land after year 25 at market value; however, the affordability requirement would remain in place for the full initial 50-year term through a deed restriction and the developer would be required to partner with a nonprofit service provider to offer resident support services and programming throughout the affordability period. (See Pages 6 and 7 of Attachment 1)

In response to a question from Mayor Freeman, Ms. Cannistraro explained the application process for the LIHTC program and noted that Commonwealth Development Corporation had previously applied for funding through the program, but the State exhausted its available tax credits before the project could be funded. She pointed out that the deadline for the next application cycle is April 1, 2026.

Discussion ensued regarding the proposed lease terms.

Responding to a question from Councilmember Adams, Ms. Cannistraro stated that both HOME funds and LIHTC funds are subject to Department of Housing and Urban Development (HUD) affordability requirements, which are based on household size and income, with rent generally limited to an affordable percentage of household income. She emphasized that these are HUD standards, not COM regulations, and noted that the affordability requirements would remain in effect throughout the full 50-year lease term. She added that the monthly ground lease payments would help cover the administrative costs associated with staff oversight to verify ongoing tenant eligibility and compliance with program requirements.

In response to questions from Councilmember Taylor, Ms. Cannistraro stated that occupancy would depend on the size and configuration of each unit, noting that the development would include both one- and two-bedroom units. She reported that the COM has identified a very high demand and low supply for affordable senior housing and noted that the Balanced Housing Master Plan found that the combined age and income demographic represents one of the fastest growing housing gaps in the community.

Mayor Freeman thanked staff for the presentation.

Responding to a question from Councilmember Goforth regarding agenda Item 4-d, **(North Higley Lift Station and Thomas Road Sewer Project - Northeast Mesa, Construction Manager at Risk (CMAR) (District 5))**, on the Regular Council meeting agenda, City Engineer Lance Webb recalled that the CMAR delivery method was selected because it provides greater flexibility for a complex project in a rapidly developing area with multiple adjacent property owners and evolving site conditions. He noted the conditions of the project area and explained how the CMAR delivery method differs from a traditional design-bid-build process. He added that the CMAR also provides opportunities for cost savings, greater transparency in bidding, and development of a guaranteed maximum price. He pointed out that as part of that process, the COM and contractor would work through a risk register to identify and quantify potential unknowns. He confirmed that the project is expected to be eligible for capacity growth fee recovery associated with future development.

In response to a question from Councilmember Taylor regarding agenda Item 4-a, **(Use of a Cooperative Contract for the Purchase of Emergency Communications Eventide 911 Solution (Replacement/Upgrade) for the Department of Innovation and Technology (Citywide))**, on the Regular Council meeting agenda, Chief Information Officer Scott Conn introduced Mesa Public Safety Support Director Kimberly Meza.

Mr. Conn explained that the COM's current software platform is nearing the end of its useful life, noting that once a vendor announces end-of-life, support typically begins to diminish as resources shift to newer products.

Ms. Meza stated that the proposed replacement was selected because it offers a better solution than the current system, is already being used successfully by other agencies, and would allow Police, Fire, and Medical dispatch operations to function on a common platform. She noted additional benefits of the new system with annual ongoing costs of approximately \$84,000 for all three departments combined, a cost described as comparable to current expenditures. She confirmed that while the software itself would not directly change call answer times, it would support improved performance monitoring and operational review.

Mr. Conn stated that the cooperative purchase represented the best pricing option available, significantly lower than other proposals considered, and that, if approved, the goal would be to transition to the new system within the next few months.

City Manager Scott Butler emphasized that the software upgrade is part of the COM's ongoing work to ensure its public safety answering process is among the best in the country. He confirmed that the purchase would be funded through the public safety budget.

Responding to a question from Councilmember Taylor regarding agenda Item 4-c, **(Three-Year Use of a Cooperative Term Contract with Seven One-Year Renewal Options for the Purchase of a Capital Planning and Asset Management Solution for the Department of Innovation and Technology for the Parks, Recreation and Community Facilities and Facilities Management Departments (Citywide))**, on the Regular Council meeting agenda, Facilities Management Director Tony Miele introduced Parks, Recreation and Community Facilities Deputy Director Zac Kocejka and Assistant Chief Information Officer Paul Poledna.

Mr. Miele stated that the proposed asset management and capital planning system consists of multiple components serving both the Parks, Recreation and Community Facilities Department and the Facility Management Department. He noted that the project would cover more than 300 buildings and includes facility condition assessments, software to house and manage data, and a planning component to support long-term capital and maintenance decisions. He clarified that the investment is intended not simply for analytics, but to provide a comprehensive system for evaluating facility conditions, organizing asset information, and planning future maintenance and replacement needs. He stated that the system would provide detailed, real-time information to support decision-making.

Mr. Butler added that once the COM catches up on deferred maintenance, maintaining those assets in a more timely and strategic manner should produce long-term savings by reducing reliance on more costly breakdown maintenance.

2. Acknowledge receipt of minutes of various boards and committees.

2-a. Parks and Recreation Advisory Board meeting held on January 14, 2026.

2-b. Human Relations Advisory Board meeting held on January 28, 2026.

2-c. Design Review Board meeting held on February 10, 2026.

It was moved by Councilmember Adams, seconded by Vice Mayor Somers, that receipt of the above listed minutes be acknowledged.

Upon tabulation of votes, it showed:

AYES – Freeman–Somers–Adams–Heredia–Duff–Goforth–Taylor

NAYS – None

Carried unanimously.

3. Current events summary including meetings and conferences attended.

There were no reports on meetings and/or conferences attended.

4. Scheduling of meetings.

City Manager Scott Butler stated that the schedule of meetings is as follows:

Thursday, March 26, 2026, 7:30 a.m. – Study Session

Thursday, March 26, 2026, 7:30 a.m. – Mesa Housing Services Governing Board

4. Adjournment.

Without objection, the Study Session adjourned at 5:46 p.m.

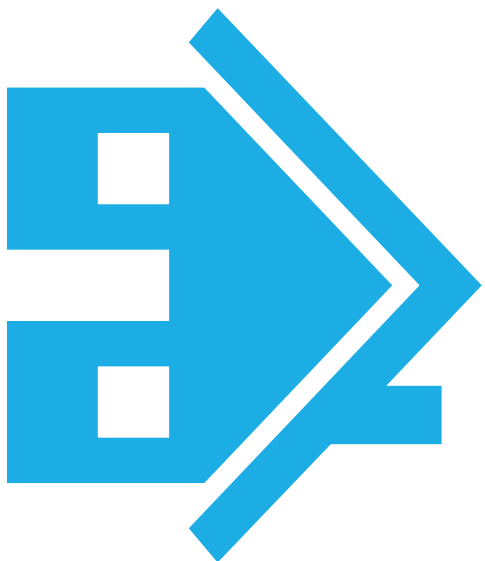
MARK FREEMAN, MAYOR

ATTEST:

HOLLY MOSELEY, 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 23rd day of March 2026. I further certify that the meeting was duly called and held and that a quorum was present.

HOLLY MOSELEY, CITY CLERK



SENIOR AFFORDABLE HOUSING

Private/Public Partnership

City Council Study Session
March 23, 2026

Candace Cannistraro, Deputy City Manager

Background

- **Seniors are one of the fastest growing populations entering homelessness**
- **“The City’s population is aging slightly faster than that of Maricopa County and nationwide. As the City population ages, the demand for senior-friendly housing with integrated support services will increase”***
- **“Over time, the City can benefit from approximately 23,400+ total housing units at monthly payments affordable for households that make 50 percent or less of the AMI (\$42,000 or less)”***

*Source: City of Mesa Balanced Housing Master Plan 2024



City-owned Land

Adjacent to the Senior Center in downtown Mesa

- 17, 31, and 37 W. University Drive
- 0.92 acres total

Purchased by the city in 2025 with federal funds for the purpose of developing senior affordable housing through a private/public partnership

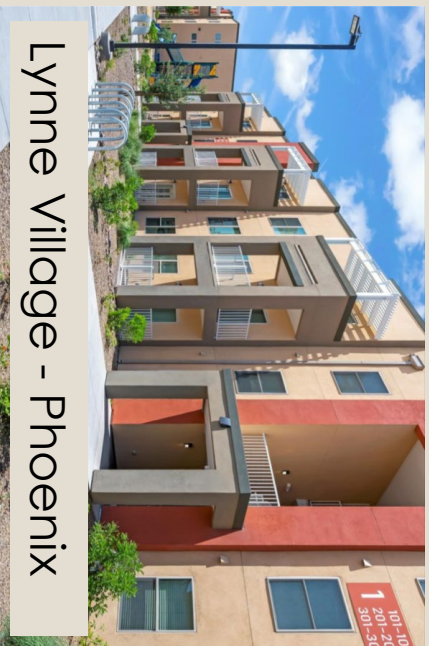


Partner Developer

Commonwealth Development Company

“Since our founding in 2001, Commonwealth’s core focus has been to improve lives and enhance Communities by providing high-quality housing that is affordable.”

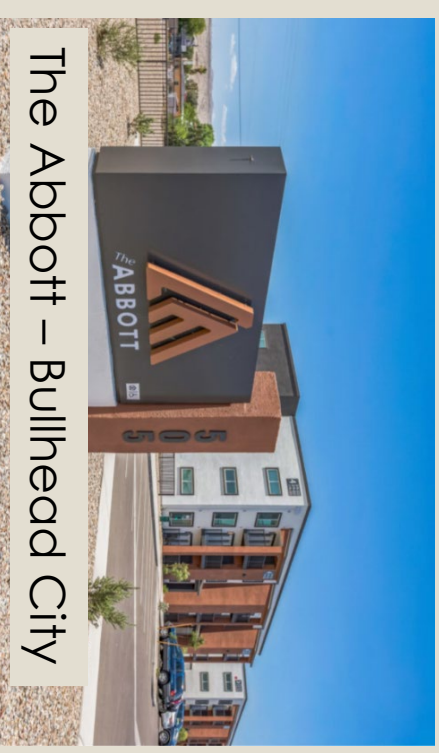
WHO WE ARE - The Commonwealth Companies



Lynne Village - Phoenix



The Cove - Phoenix



The Abbott – Bullhead City

Proposed Development – The Helix Apartments

62 Unit multi-family complex

- Combination of one- and two-bedroom units
- Common areas for exercise and programming
- Amenity roof deck
- Covered parking incorporated into first floor

*Concept plans only. Final design will go through the standard city process



Terms of Option to Lease

- **Grants developer option to enter into ground lease only if LIHTC awarded in 2026 or 2027 cycle**
 - If developer wants to use HOME funds, it cannot exercise the option until after environmental review completed
- **Sets forth key terms that must be in ground lease:**
 - **Initial term of 50 years**
 - Automatic extension of 25 years if requested by developer, with conversion to a market rate rent upon first day of extension
 - **50-year affordability period, which would be extended if lease is extended**
 - Standard is 15-year for LIHTC and 20-year for HOME

Terms of Option to Lease

- During construction phase, rent is \$100/month, increases to **\$1,999.99/month once certificate of occupancy issued**
 - \$2,000 is maximum dollar amount allowed under LHTC
 - LHTC requires construction to begin by 12/31 of year following award
- **Option for developer to purchase land after year 25. Affordability requirement remains with the land for the full 50-year period**
 - Purchase price would be fair market value of land (developer already owns the improvements)
- **Partnership with non-profit for provision of support services and programming**
- **Remainder of lease terms to be negotiated upon exercise of option**

Authority Requested

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- Asking for authority for City Manager to do the following:
 - Execute the Option to Lease and Option to Purchase Agreement
 - Negotiate remaining terms of Ground Lease and Option to Purchase Agreement and Purchase and Sale Agreement and enter into the agreements if required conditions met
 - If any of the key lease terms set forth in the Option were to change, would need Council authorization

