

Meeting Minutes

City Council Work Session

May 23, 2022 | 4:30 p.m.
Council Chambers Conference Room
88 E. Chicago St., Chandler, AZ



Call to Order

The meeting was called to order by Mayor Kevin Hartke at 4:30 p.m.

Roll Call

Council Attendance

Mayor Kevin Hartke
Vice Mayor Terry Roe
Councilmember Mark Stewart
Councilmember René Lopez
Councilmember Christine Ellis
Councilmember Matt Orlando

Appointee Attendance

Josh Wright, City Manager
Rosemary Rosales, Sr. Assistant City Attorney
Dana DeLong, City Clerk

Absent

Councilmember OD Harris - excused

Staff in Attendance

Tadd Wille, Assistant City Manager
Dawn Lang, Deputy City Manager/CFO
Andy Bass, Deputy City Manager
Derek Horn, Development Services Director
David de la Torre, Planning Manager
Leah Powell, Neighborhood Resources Director
Amy Jacobsen, Housing and Redevelopment Manager
Lauren Schumann, Principal Planner
Ryan Peters, Strategic Initiatives Director
Thomas Allen, Assistant City Attorney
Matt Burdick, Communications and Public Affairs Director

Discussion

1. Presentation and discussion on Chandler housing affordability, types, definitions, current conditions and future options.

MAYOR HARTKE introduced the discussion item and called for a staff presentation.

JOSHUA WRIGHT, City Manager, said Council had requested more specifics on where in our community, from a land use perspective, do housing affordability options make sense. Mr. Wright said they would share a set of characteristics around the types of sites that would be suitable for housing affordability. Then, they would share some examples of sites with those characteristics. However, nothing binds the site to its use, as there would need to be future conversation with developers and owners. Mr. Wright said staff is looking to gather Council feedback on sites that could be utilized and improved by tools that the City can provide.

DAVID DE LA TORRE, Planning Manager, presented the following presentation.

- Housing Affordability Part 2
- Meeting Intent
 - Review Housing Types
 - What Are We Missing?
 - Take a Virtual Tour
 - Discuss Housing Affordability Options
- Let's Review
- Housing Continuum
- Affordable Housing
- Workforce/Attainable Housing
- Market Rate Housing
- What Are We Missing?
- Diminishing Housing Affordability
 - Current Affordability "Gap Analysis" for Chandler

MAYOR HARTKE mentioned this has been discussed before, but at 95% buildout, being able to reach the goal of 23,000 units is aspirational. With redevelopment there is some flexible space. Mayor Hartke asked if there is a plan to get there or is that just identifying a need.

MR. DE LA TORRE answered that there is the opportunity to redevelop along the High-Capacity Transit Corridor which may produce more units, but would not be able to reach the goal units needed.

COUNCILMEMBER LOPEZ mentioned that this is an existing housing gap, examined with the incomes and numbers of residents of Chandler. If someone were to try to rent an apartment or buy a house there is a gap.

MR. DE LA TORRE said yes.

COUNCILMEMBER LOPEZ clarified that this is an evaluation of people living in Chandler currently, there is a gap, but they still reside here. They just happen to be paying more than they should in rent.

MR. DE LA TORRE said yes, that was his understanding.

AMY JACOBSON, Housing and Redevelopment Manager, confirmed, and said they are paying more than 30% of their income to housing. There is not enough supply for individuals in the lower bracket who can only pay up to \$875 for rent.

COUNCILMEMBER LOPEZ asked if someone were to come into Chandler to try to live here in that income bracket, would that be possible.

LEAH POWELL, Neighborhood Resources Director, said that this is examining people living in Chandler today who are paying over cost on their rent or mortgage. To correct that, this is the number of units needed. This does not include new residents; this only includes current residents.

COUNCILMEMBER LOPEZ said in the housing segment, it may be that the value of the house increased from the initial purchase date.

MS. JACOBSON said that when monthly rent is around \$875, there is a need of 8,000 units with a supply of only 2,500 units.

COUNCILMEMBER LOPEZ responded that the rental value changes month to month, but homes are already owned, and they would not be able to buy their own house at current market value.

MS. JACOBSON answered that for the ownership side, the deficit is on the lower bracket who can only afford a certain amount of monthly rent. There is a supply gap of around 4,300 units which is less than the number of owners that can afford that.

COUNCILMEMBER ORLANDO said if the price of rent keeps going up, the individuals currently living there may be priced out.

MS. JACOBSON said yes.

COUNCILMEMBER STEWART asked if this study breaks down single family versus multifamily homes needed.

MS. JACOBSON responded that the chart shows homeowners and rentals which could include single family rentals.

MR. DE LA TORRE continued the presentation.

- Constraints and Limitations
 - 1. Chandler nearing buildout, limited land available for housing options
 - 2. State law prohibits municipalities from implementing controls on home pricing and rent charges
 - 3. State law prohibits municipalities from requiring affordable housing as a condition of zoning
 - 4. Housing projects often take several years before units become available
- Addressing Housing Affordability, One Site at a Time...
- Housing Types
 - Low-Density Residential (2.5-3.4 du/ac)
 - Medium Density Residential (3.6-12 du/ac)
- Housing Types
 - High Density Residential (13-18 du/ac)
 - Urban Residential (18+ du/ac)
- Housing: Build-Out, Build-Up and Infill Let's Take a Tour...
- Site Location Criteria for Affordable Housing
 - 1. Sites along High-Capacity Transit Corridor (Arizona Ave, Chandler Blvd, & Rural Rd)
 - 2. Infill parcels with non-traditional shapes
 - 3. Sites with mixed-use development opportunities
 - 4. Publicly owned land
 - 5. Sites that are buffered from existing low-density neighborhoods

COUNCILMEMBER ORLANDO asked for information on the third point on the slide.

MR. DE LA TORRE said that point refers to redevelopment opportunities, some are mixed use, it may be an existing development that is proposed. There may be a commercial corner that could be utilized if it is not occupied; there are two corners proposed and they both include mixed-use opportunities. There is also a vacant parcel on one of the sites that has a mixed-use opportunity. It is not just redevelopment; it could be any site that makes sense for mixed use.

COUNCILMEMBER STEWART asked if he was referencing the four-corners location where we were trying to take down some old retail and replace it with multi-family units or other use on this corner.

MR. DE LA TORRE responded yes, that this is built into this consideration.

COUNCILMEMBER STEWART asked if there were some projects moving forward in that program.

MR. DE LA TORRE said yes, there are two.

MR. DE LA TORRE continued the presentation.

- Example #1: Sites along High-Capacity Transit Corridor
 - Southwest corner of Chandler Blvd and 56th St
 - Zoned I-1 Planned Industrial and PAD for Commercial
 - Adjacent to Industrial and Commercial
- Example #1: Sites along High-Capacity Transit Corridor
 - Along High-Capacity Transit Corridor
 - Within Loop 202/I-10 Growth Area
 - Appropriate location for Mixed Use; Urban Residential and Commercial to support Employment area

COUNCILMEMBER ORLANDO asked how many units could fit in this area.

MR. DE LA TORRE answered that the urban-residential is two acres, which is just the immediate corner. The rest of the area is larger.

COUNCILMEMBER ORLANDO asked if this was referring to the two acres or the larger area.

MR. DE LA TORRE answered that the entire area is the example site.

COUNCILMEMBER ORLANDO asked how many units you could get in there.

MR. DE LA TORRE responded that maybe 500 units could fit there.

COUNCILMEMBER ORLANDO asked if the I-1 Planned Industrial zoning would mean employment opportunities. Councilmember Orlando asked why we would convert the industrial area when we would have the same issue as by the airport.

MR. DE LA TORRE said additional residents could support employment, so residents could be able to live near where they work. However, this does not have to be converted.

MAYOR HARTKE said that there is also existing transit at this location.

MR. DE LA TORRE added that this location was along the High-Capacity Transit Corridor and thus would make a good candidate for affordable housing.

MR. DE LA TORRE continued the presentation.

- Example #2: Infill Parcels with Non-Traditional Shapes
 - Southwest corner of Arizona Avenue and Germann Road
 - Zoned PAD Commercial in 1998, PDP in 2004

- Adjacent Multi-Family, gas station, drive-thru restaurant and car wash
- Example #2: Infill Parcels with Non-Traditional Shapes
 - Along High-Capacity Transit Corridor
 - Appropriate location for High Density – Urban Residential Density
- Example #3: Sites with Mixed-Use Development Opportunities
 - Northeast corner of Alma School and Warner roads
 - Zoned PAD Commercial in 1991, Former Fry's grocery store currently vacant
 - Adjacent Multi-Family, office, retail and restaurant uses
- Example #3: Sites with Mixed-Use Development Opportunities
 - Located within Infill Area
 - Excellent Arterial Road access
 - 4-Corners Report
 - Appropriate location for Mixed-Use; Urban Residential & Commercial

COUNCILMEMBER ORLANDO asked if this would be a much bigger mixed-use project.

MR. DE LA TORRE answered that the project currently under review is mixed-use.

COUNCILMEMBER ORLANDO asked what they are anticipating for number of units.

MR. DE LA TORRE said he did not have that information but staff would follow up.

MR. DE LA TORRE continued the presentation.

- Example #4: Publicly Owned Land
 - West side of Hamilton St just north of Frye Rd (East of Downtown)
 - Owned by Chandler Unified School District
 - Zoned I-1 (Planned Industrial)
 - Adjacent light industrial, and High Density across Hamilton St
- Example #4: Publicly Owned Land
 - Urban residential under construction to the northwest
 - Parcel to the west submitted a preliminary technical review application for urban residential
 - Appropriate location for High Density to Urban Residential due to proximity to downtown

COUNCILMEMBER LOPEZ asked what was north of the site.

MR. DE LA TORRE said to the north is light industrial properties, businesses, and small offices.

COUNCILMEMBER LOPEZ asked about the empty lot.

MR. DE LA TORRE said that it is zoned I-1.

MR. DE LA TORRE continued the presentation.

- Example #5: Publicly Owned Land
 - Northeast corner of Alma School and Ray Roads
 - City-owned and private property
 - Zoned C-2 Community Commercial and MF-2 Multiple-Family Residential
 - Adjacent Single-Family, Church, Retail and Multi-Family
- Example #5: Publicly Owned Land
 - Located within Infill Area
 - 4-Corners Report
 - Appropriate location for Medium Density to High Density Residential

COUNCILMEMBER STEWART asked if we have ever tried to sell this land.

MR. WRIGHT answered we have tried to sell this land twice.

COUNCILMEMBER STEWART asked if we have tried to sell it recently.

MR. WRIGHT said once in the past five years.

COUNCILMEMBER ORLANDO said that usually the demand is for whole pieces of land, and what was here before was not desirable.

MR. DE LA TORRE continued the presentation.

- Example #6: Sites that are buffered from existing low-density neighborhoods
 - Southwest corner of Arizona Avenue and Pecos Road
 - Zoned PAD for Retail, Office, Hotel
 - Adjacent Loop 202 Freeway, Multi-Family, regional Commercial
- Example #6: Sites that are buffered from existing low-density neighborhoods
 - Along High Capacity Transit Corridor
 - Entryway to Downtown
 - Appropriate location for Mixed Use; Urban Residential, Office and Commercial
- Next Steps
 - Continue Repositioning of Public Housing to Increase Availability of Units
 - RAD Development Agreement anticipated summer 2022
 - When sites meet affordable housing criteria, use planning tools and incentives to stimulate private sector solutions
 - Updates codes and area plans to reflect need for more housing options
 - Support State and Federal efforts to address housing strategies and affordability

COUNCILMEMBER ELLIS asked about the third point on the slide, there was previously a presentation about that from Zoning, updating some codes. Councilmember Ellis asked if we are in an assessment or presentation phase.

MR. DE LA TORRE said that because of loss of staff, the timeline on that project has been delayed, but it is in progress and would return to Council. An estimated time of completion is unknown.

COUNCILMEMBER ELLIS said that as this is important to encourage accessibility for builders, it should be a priority.

MR. DE LA TORRE answered that it could be brought up to a priority.

MAYOR HARTKE mentioned that there is a wide variety and asked if an economic job case for each of those sites is there. It varies for each site. Mayor Hartke said they must look at the sites to determine appropriate or best use. Over the years, the site in example six was considered for many different uses. Maybe mixed use could work, but each of these sites are unique. To consider urban density versus another use, more discussion is needed for redevelopment or infill. Not every piece of property could have the same criteria applied.

COUNCILMEMBER ORLANDO commented that knowing the value of the property is important, and some of these sites may be more expensive, even for affordable housing or other units without putting a retail or other use to pay for the cost of the land. All these sites would be rezoned. Councilmember Orlando asked if there are other high-capacity corridors anticipated.

RYAN PETERS, Strategic Initiatives Director, said that Arizona Avenue, Chandler Boulevard, and Rural Road are high-capacity corridors.

COUNCILMEMBER ORLANDO asked about Price Road.

MR. PETERS said Price Road is not a high-capacity road.

MAYOR HARTKE said that it was considered at a point, but it did not work out. It is a job corridor, but it has a big flow in, big flow out.

COUNCILMEMBER ORLANDO said that a high-capacity transit corridor should also mean increasing other transit such as bus routes could be added.

MR. WRIGHT thanked Council for the feedback. Mr. Wright emphasized that each case would have to be handled individually. It is a partnership with the private sector. Mr. Wright said it sounded like there was support of now going through this exercise through these properties with possible characteristics. It is important to use our tools planning perspective help that discussion. It is a worthwhile exercise to go through as sites come in for redevelopment.

MAYOR HARTKE agreed.

COUNCILMEMBER STEWART said we are facing pressure at the top, with the gap from luxury homes and single family, and at the bottom especially for seniors. Seniors may be priced out of their homes from inflation and rising costs. We need to work on both sides, not just low-income and multi-family housing. Councilmember Stewart asked about the situation on single-family homes.

MR. DE LA TORRE answered that most of the large pieces of land are gone, one parcel just went through Council, and another one is coming soon for review for single-family developments.

COUNCILMEMBER STEWART asked if there is any communication with the County for land that could be annexed for multi-family or single-family housing.

MR. DE LA TORRE said there is communication with the County. The County does send the City applications received within Chandler's borders. Mr. De La Torre said they have not received any applications for multi-family or new subdivisions in a while but usually, they get sent to the City.

COUNCILMEMBER STEWART asked if it is appropriate to be proactive in communication with the County asking about plots of land for future City use.

MR. WRIGHT answered that Mr. De La Torre is correct in mentioning keeping lines of communication open so inquiries and applications can continue to be forwarded to Chandler. The annexation process is from the stakeholder or landowner asking the City about it. The intention is to close the County island holes within City limits.

COUNCILMEMBER ELLIS commented that there is a property where people are being placed into a lottery to purchase a lot. After money is put down, the price increases and the individuals can no longer qualify. People are being moved out of Chandler into Laveen. We must watch the single-family home market, as there cannot be limitation, but must include some oversight so people are not taken advantage of. Once the market stabilizes or drops, how can we help the people who overpaid for their houses. There needs to be a balance between constraint and limitations with this process.

COUNCILMEMBER ORLANDO remarked that the High-Capacity Transit Corridor has a lot of multifamily sites there. Councilmember Orlando said they have the last mile concept with ridesharing services now and did not want to be limited to just these areas and this could expand potential opportunities.

MAYOR HARTKE summarized that Council is open to add the consideration review exercise for these types of properties.

Adjourn

The meeting was adjourned at 5:12 p.m.

ATTEST: _____
City Clerk

Mayor

Approval Date of Minutes: June 9, 2022

Certification

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Work Session of the City Council of Chandler, Arizona, held on the 23rd day of May 2022. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this _____ day of June, 2022.

City Clerk