



Agenda

Economic Development and Equity Subcommittee

Wednesday, March 22, 2023

10:00 AM

City Council Chambers

OPTIONS TO ACCESS THIS MEETING

Virtual Request to speak at a meeting:

- **Register online** by visiting the City Council Meetings page on phoenix.gov **at least 2 hours prior to the start of this meeting**. Then, click on this link at the time of the meeting and join the Webex to speak:

<https://phoenixcitycouncil.webex.com/phoenixcitycouncil/onstage/g.php?MTID=e444398a67370e945c13186b2f700a0eb>

- **Register via telephone** at 602-262-6001 **at least 2 hours prior to the start of this meeting**, noting the item number. Then, use the Call-in phone number and Meeting ID listed below at the time of the meeting to call-in and speak.

In-Person Requests to speak at a meeting:

- Register in person at a kiosk located at the City Council Chambers, 200 W. Jefferson St., Phoenix, Arizona, 85003. Arrive **1 hour prior to the start of this meeting**. Depending on seating availability, residents will attend and speak from the Upper Chambers, Lower Chambers or City Hall location.

- Individuals should arrive early, 1 hour prior to the start of the meeting to submit an in-person request to speak before the item is called. After the item is called, requests to speak for that item will not be accepted.

At the time of the meeting:

- **Watch** the meeting live streamed on phoenix.gov or Phoenix Channel 11 on Cox Cable, or using the Webex link provided above.

- **Call-in** to listen to the meeting. Dial 602-666-0783 and Enter Meeting ID 2553 860 9244# (for English) or 2558 925 0587# (for Spanish). Press # again when prompted for attendee ID.

- **Watch** the meeting in-person from the Upper Chambers, Lower Chambers or City Hall depending on seating availability.

Para nuestros residentes de habla hispana:

- **Para registrarse para hablar en español**, llame al 602-262-6001 **al menos 2 horas antes del inicio de esta reunión** e indique el número del tema. El día de la reunión, llame al 602-666-0783 e ingrese el número de identificación de la reunión 2558 925 057#. El intérprete le indicará cuando sea su turno de hablar.
<https://phoenixcitycouncil.webex.com/phoenixcitycouncil/onstage/g.php?MTID=ec3d3636d9f42c615996225b42b5e34da>

- **Para solamente escuchar la reunión en español**, llame a este mismo número el día de la reunión 602-666-0783; ingrese el número de identificación de la reunión 2558 925 057#. Se proporciona interpretación simultánea para nuestros residentes durante todas las reuniones.

- **Para asistir a la reunión en persona**, vaya a las Cámaras del Concejo Municipal de Phoenix ubicadas en 200 W. Jefferson Street, Phoenix, AZ 85003. Llegue 1 hora antes del comienzo de la reunión. Si desea hablar, regístrese electrónicamente en uno de los quioscos, antes de que comience el tema. Una vez que se comience a discutir el tema, no se aceptarán nuevas solicitudes para hablar. Dependiendo de cuantos asientos haya disponibles, usted podría ser sentado en la parte superior de las cámaras, en el piso de abajo de las cámaras, o en el edificio municipal.

CALL TO ORDER

000 CALL TO THE PUBLIC

MINUTES OF MEETINGS

- 1 **Minutes of the Economic Development and Equity Subcommittee Meeting** **Page 7**

This item transmits the minutes of the Economic Development and Equity Subcommittee Meeting on Feb. 22, 2023 for review, correction or approval by the Economic Development and Equity Subcommittee.

THIS ITEM IS FOR POSSIBLE ACTION.

Responsible Department

This item is submitted by Deputy City Manager Ginger Spencer and the City Manager's Office.

CONSENT ACTION (ITEM 2)

- 2 **Approval of Warehouse and Threatened Building Grant - City Center Motel - 600 W. Van Buren St.** **Page 16**

This report requests Economic Development and Equity Subcommittee approval of a Historic Preservation Warehouse & Threatened Building grant of up to \$150,000 to assist with rehabilitation of the historic City Center Motel at 600 W. Van Buren St.

THIS ITEM IS FOR CONSENT ACTION.

Responsible Department

This item is submitted by Deputy City Manager Alan Stephenson and the Planning and Development Department.

INFORMATION ONLY (ITEM 3)

3 Phoenix Convention Center Post Pandemic Booking Update

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This report provides information on post pandemic booking activity at the Phoenix Convention Center (PCC) to the Economic Development and Equity Subcommittee.

THIS ITEM IS FOR INFORMATION ONLY.

Responsible Department

This item is submitted by Interim Deputy City Manager John Chan and the Phoenix Convention Center Department.

DISCUSSION AND POSSIBLE ACTION (ITEMS 4-5)

**4 First and McKinley Streets Parcels Lease and Redevelopment -
Authorization to Issue Solicitation**

Page 22

This report requests the Economic Development and Equity Subcommittee recommend City Council approval to issue a Request for Proposals (RFP) for the lease and redevelopment of City-owned property at First and McKinley Streets and authorization to begin negotiations with the recommended proposer.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Responsible Department

This item is submitted by Acting Deputy City Manager John Chan and the Community and Economic Development Department.

5 Affordable Housing and Housing Phoenix Plan Follow-Up

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This report provides the Economic Development and Equity Subcommittee additional information on Housing Phoenix Plan efforts, Planning and Development Zoning Ordinance text amendments, and Housing Choice Voucher Landlord Incentive Program updates.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Responsible Department

This item is submitted by Deputy City Managers Gina Montes and Alan Stephenson and the Housing and Planning and Development departments.

000 CALL TO THE PUBLIC

FUTURE AGENDA ITEMS

ADJOURN

For further information or reasonable accommodations, please call the City Council Meeting Request line at 602-262-6001. 7-1-1 Friendly.

Persons paid to lobby on behalf of persons or organizations other than themselves must register with the City Clerk prior to lobbying or within five business days thereafter, and must register annually to continue lobbying. If you have any questions about registration or whether or not you must register, please contact the City Clerk's Office at 602-534-0490.

Members:

Councilwoman Laura Pastor, Chair
Vice Mayor Yassamin Ansari
Councilwoman Ann O'Brien
Councilwoman Debra Stark



Minutes of the Economic Development and Equity Subcommittee Meeting

This item transmits the minutes of the Economic Development and Equity Subcommittee Meeting on Feb. 22, 2023 for review, correction or approval by the Economic Development and Equity Subcommittee.

THIS ITEM IS FOR POSSIBLE ACTION.

The minutes are included for review as **Attachment A**.

Responsible Department

This item is submitted by Deputy City Manager Ginger Spencer and the City Manager's Office.

ATTACHMENT A

**Phoenix City Council
Economic Development and Equity (EDE) Subcommittee
Summary Minutes
Wednesday, Feb. 22, 2023**

City Council Chambers
200 W. Jefferson St.
Phoenix, Ariz.

Subcommittee Members Present

Chairwoman Laura Pastor, Chair
Councilwoman Ann O'Brien
Councilwoman Debra Stark
Vice Mayor Yassamin Ansari

Subcommittee Members Absent

CALL TO ORDER

Chairwoman Pastor called the Economic Development and Equity Subcommittee to order at 10:06 a.m. with Councilwoman Ann O'Brien, Councilwoman Debra Stark, and Vice Mayor Yassamin Ansari present.

CALL TO THE PUBLIC

None.

MINUTES OF MEETINGS

Chairwoman Pastor opened the floor for public comment.

1. Minutes of the Economic Development and Equity Subcommittee Meeting

Councilwoman Stark made a motion to approve the minutes of the Jan. 25, 2023 Economic Development and Equity Subcommittee meeting. Vice Mayor Ansari seconded the motion which passed unanimously, 4-0.

INFORMATION ONLY (ITEMS 2-3)

2. Key Phoenix Economic Indicators Quarterly Report

Information only. No councilmember requested additional information.

3. Housing Department Capital Improvement Update

Information only. No councilmember requested additional information.

INFORMATION AND DISCUSSION (ITEMS 4-5)

4. Affordable Housing and Housing Phoenix Plan Update

Deputy City Manager Gina Montes, Housing Director Titus Mathew and Deputy Housing Director Samantha Keating provided an update on the Housing Phoenix Plan and the Housing Department's affordable housing efforts.

Chairwoman Pastor asked for clarification about funding for affordable housing construction.

Mr. Mathew replied with a discussion of federal government dollars.

Chairwoman Pastor asked about zoning and Senate Bill (SB) 1117.

Ms. Montes provided details about SB1117.

Councilwoman Stark asked if SB1117 would impact affordable housing.

Ms. Montes responded the bill had no direct impact on affordable housing.

Councilwoman Stark noted she believed the bill also exempted cities under a population of 25,000 such as Paradise Valley and Oro Valley.

Chairwoman Pastor asked about qualifications for affordable housing.

Mr. Mathew gave a summary of federal government definitions of affordable and workforce housing.

Chairwoman Pastor asked about Accessory Dwelling Units (ADUs).

Ms. Montes and Planning and Development Director Josh Bednarek replied with an overview of ADUs, provided examples, and discussed what was currently permitted in the code and a possible amendment.

Councilwoman Stark commented on ADU benefits such as individuals taking care of elderly or special needs family members.

Councilwoman O'Brien asked if amendments had been applied previously to address this matter.

Mr. Bednarek discussed the City's previous amendments to zoning ordinances within the last two years.

Chairwoman Pastor asked if a tiny home would be considered an ADU.

Mr. Bednarek replied yes.

Chairwoman Pastor asked about affordability and ADUs.

Mr. Bednarek responded having some type of affordable condition associated with ADUs was not something staff had contemplated but it could be explored further.

Councilwoman O'Brien commented on the importance of stakeholder input and asked if SB1117 would prevent communities from offering input.

Mr. Bednarek replied to Councilwoman O'Brien's assessment, stated it was correct, and spoke about staff's process of collaborating with Village Planning Committees and community stakeholders.

Vice Mayor Ansari asked about other policies Phoenix was pursuing that were in line with positive elements of SB1117.

Mr. Bednarek highlighted the Walkable Urban Code around light rail corridors.

Ms. Keating continued the presentation.

Councilwoman Stark asked what the City was doing to make affordable housing a priority and expedite building permits.

Mr. Bednarek responded the City had shifted their service model including becoming more electronic and adding additional team leads to help intake, process and approve plans efficiently.

Councilwoman Stark asked about standardized housing plans.

Mr. Bednarek replied staff could explore standardization further.

Vice Mayor Ansari asked for projections on when the City would meet housing benchmarks and if the City was on track.

Ms. Keating responded the City was on track to meet the goal of 50,000 units, noted the projections were updated on a quarterly basis and discussed an updated housing needs assessment forthcoming with Bloomberg Associates.

Vice Mayor Ansari asked if staff could share what percentage of new units would be workforce and affordable housing after the needs assessment was complete.

Ms. Keating replied yes.

Vice Mayor Ansari requested urgency for sub-initiative target dates and goals in the housing plan that appeared to be two years behind.

Ms. Keating agreed there was more work to be done.

Councilwoman O'Brien asked for housing voucher details.

Mr. Mathew responded there was a 56 percent success rate for voucher holders to find a unit within six months and noted the Landlord Incentive Program had helped increase the success rate.

Councilwoman O'Brien expressed support for streamlining processes to build more affordable housing.

Chairwoman Pastor asked if the ADU process could move quicker.

Mr. Bednarek replied he could not guarantee an outcome of the process, but assured staff understood the urgency.

Chairwoman Pastor asked for a timeline and metrics to help move ADU initiatives forward, requested an update in March and asked how to incentivize developers to support voucher holders and affordability.

Mr. Bednarek responded a zoning stipulation could be explored in collaboration with the Housing Department.

Chairwoman Pastor asked for clarification on mobile home text amendments.

Mr. Bednarek provided details about three text amendments related to mobile homes.

Chairwoman Pastor opened the floor for public comment.

Nicole Rodriguez expressed concern about zoning practices and the state of affordable housing.

Cory Kincaid expressed concern about the affordable housing goal timeline.

Ryan Boyd discussed zoning entitlement bonuses for designing affordable units.

Chairwoman Pastor gave a summary of eComments submitted.

Vice Mayor Ansari expressed concern about exclusionary zoning and asked what it would take to reduce parking fees around Transit Oriented Development (TOD).

Mr. Bednarek replied staff was exploring policy options and could report back.

5. Super Bowl LVII Recap

Deputy City Manager Inger Erickson, Interim Deputy City Manager John Chan and President and Chief Executive Officer of the Arizona Super Bowl Host Committee Jay Parry gave a preliminary review of Super Bowl LVII events held in the City from Feb. 4-12, 2023, including two videos highlighting the local events.

Vice Mayor Ansari expressed gratitude to staff for their work with the Super Bowl and asked where the 44-foot saguaro art piece would go.

Ms. Parry replied staff was working to find a new home for the cactus.

Councilwoman O'Brien, Councilwoman Stark and Chairwoman Pastor thanked staff for their hard work and congratulated them on the successful events.

DISCUSSION AND POSSIBLE ACTION (ITEM 6-8)

Chairwoman Pastor requested the Arena Suit Policy presentation be heard as Item 8 and the 1016 N. 2nd Street Parcel Disposition and Redevelopment – Authorization to Issue Solicitation be heard as Item 7.

6. Update on the Phoenix Central Business District

Community and Economic Development (CED) Director Christine Mackay and CED Deputy Director Xandon Keating gave an update on the Phoenix Central Business District and opportunities for expansion.

Councilwoman Stark expressed support for Expansion Option C because the plan included Rio Salado and asked why the proposed area stopped at Roosevelt.

Ms. Mackay replied with an overview of staff's thought process behind the boundary.

Councilwoman Stark noted Expansion Option D would be her second choice and asked why the boundary did not go further north.

Ms. Mackay responded the area would need to meet the designation of a redevelopment area and staff could conduct research to provide more details.

Vice Mayor Ansari expressed support for Expansion Option C and asked how this option would encourage positive development along Rio Salado.

Ms. Mackay replied with a summary of community visions for the area and Transit Oriented Development (TOD).

Vice Mayor Ansari commented on gentrification.

Ms. Mackay responded with a discussion of gentrification risks and benefits.

Chairwoman Pastor asked if a combination of Expansion Options C and D could be prepared and brought back.

Ms. Mackay replied a map could be brought back.

Councilwoman Stark asked if staff was on a strict timeline.

Ms. Mackay responded there was no strict timeline.

7. Arena Suite Policy

This item was heard out of order.

Community and Economic Development Director Christine Mackay gave an overview of the City Suite Policy.

Chairwoman Pastor asked for clarification on economic development purposes.

Ms. Mackay provided examples of economic development purposes including recruitment of companies and future development.

Councilwoman Stark asked about funding for Sister Cities Youth Ambassadors.

Ms. Mackay responded private fundraising efforts, such as the Phoenix Sister Cities 50th Year Anniversary, helped send Youth Ambassadors to their countries. She added

parents of students who were financially capable may also contribute to their child's travels.

Councilwoman O'Brien asked when councilmembers travel to their Sister City, if the funds came from Phoenix Sister Cities.

Ms. Mackay replied yes.

Councilwoman O'Brien asked how trips were funded for councilmembers going on trade missions or inaugural flights.

Ms. Mackay responded funding came from several sources, including Council Office budgets.

Councilwoman O'Brien asked how often a member of Council had been invited to the suite for economic development purposes.

Ms. Mackay replied with an overview of the suite use.

Councilwoman O'Brien asked for clarification on the value of having councilmembers interact with potential investors and company executives while in the suite.

Ms. Mackay replied it was an important opportunity for councilmembers, who represent their constituents, to share what was important to them.

Councilwoman O'Brien asked about the rationale behind permitting local unions in the arena suite.

Ms. Mackay replied the suite policy allowed workforce items to be discussed in the suite.

Councilwoman O'Brien asked how extra tickets for the suite were funded.

Ms. Mackay responded taxpayer dollars were not used to pay for extra tickets and discussed various scenarios.

Councilwoman O'Brien asked if a councilmember had ever paid for tickets used by them or a member of their group.

Ms. Mackay replied she would connect with staff and report back.

Chairwoman Pastor said she had paid for tickets in the past.

Councilwoman O'Brien asked if a portion of ticket sales when the suite was not being used by the City for economic purposes went back to the Phoenix Economic Partners nonprofit.

Ms. Mackay replied yes but clarified the suite was first offered to the youth.

Councilwoman O'Brien asked how much a ticket would be sold for.

Ms. Mackay replied the price was dependent on the event and ticket prices were determined by the Suns.

Councilwoman Stark asked what the process to request councilmembers in attendance included.

Ms. Mackay responded the process depended on the situation and described different scenarios.

Councilwoman Stark asked how council staff factored in.

Ms. Mackay replied when a councilmember could not attend an event, council staff may participate on their behalf.

Councilwoman Stark asked if leasing the suite would require changing the contract.

Assistant Chief Counsel Deryck Lavelle responded leasing would not change the contract.

Ms. Mackay added leasing the suite would make money for the Phoenix Economic Partners per what was approved by City Council in 1992.

Councilwoman Stark suggested if the City leased the suite, then money could be directed towards the Parks Foundation, Library Foundation, etc. and asked if this opportunity could be explored.

Ms. Spencer replied staff could explore the idea further.

Vice Mayor Ansari commented on the wide variety of strategies used to pursue economic development and spoke to an example of when she leveraged the suite to bring an investor to her district.

Chairwoman Pastor asked about who was included in the Phoenix Economic Partners.

Ms. Mackay responded with an overview of the Phoenix Economic Partners Committee.

Chairwoman Pastor commented on efforts to lease the suite.

Ms. Mackay discussed how in addition to hosting executives, the suite was also used by youth, teachers, and nonprofits.

Chairwoman Pastor asked if Phoenix Economic Partners could use the funds for other reasons.

Ms. Mackay replied in the past funds had been used to reimburse dinners for a dignitary delegation, but all expenses had to be related to economic development or youth activity.

Chairwoman Pastor commented on the Phoenix Economic Partners budget, workforce research and advocated for equity in the suite participation process.

8. 1016 N. 2nd Street Parcel Disposition and Redevelopment – Authorization to Issue Solicitation

This item was heard out of order.

Community and Economic Development (CED) Director Christine Mackay, CED Deputy Director Xandon Keating, CED Special Projects Administrator Gretchen Wolfe and CED Program Manager Jeff Stapleton requested to issue a Request for Proposal for the disposition and redevelopment of City-owned property located at 1016 N. 2nd Street.

Vice Mayor Ansari asked if affordable and workforce housing could be added as a bonus point for this project and if there could be a preference for projects with greater density.

Ms. Mackay replied this request could be put in the recommendation that goes forward to the full Council.

Vice Mayor Ansari made a motion to approve the item. Councilwoman O'Brien seconded the motion which passed unanimously, 4-0.

CALL TO THE PUBLIC

None.

FUTURE AGENDA ITEMS

None.

ADJOURNMENT

Chairwoman Pastor adjourned the meeting at 12:38 p.m.

Respectfully submitted,

Danielle Vermeer

Management Fellow



Approval of Warehouse and Threatened Building Grant - City Center Motel - 600 W. Van Buren St.

This report requests Economic Development and Equity Subcommittee approval of a Historic Preservation Warehouse & Threatened Building grant of up to \$150,000 to assist with rehabilitation of the historic City Center Motel at 600 W. Van Buren St.

THIS ITEM IS FOR CONSENT ACTION.

Summary

The buildings at 600 W. Van Buren St. (main building) and 316 N. 6th Ave. (annex) were constructed in 1959 as the City Center Motel. The main building is a modern Googie-style concrete block structure designed with “space-age” features including a long, angular, “rocket-like” porte cochere, and an extended sign with tall spires. The two-story annex building is more utilitarian in design; it contributes to the historic character of the property but is not individually significant.

The property is currently owned by Fabius Enterprise, LLC, who is seeking to construct a new multi-story hotel on the site. Initially, both buildings were slated for demolition to allow for the construction of the new hotel. However, as a result of an agreement negotiated by the owner and Historic Preservation (HP) Commission, the majority of the main building will be preserved and incorporated as part of the new hotel, while the annex will be demolished. The owner also consented to establishing HP zoning over the portion of the property that will be preserved. The City Council approved the HP zoning overlay on Nov. 2, 2022.

Now that the property has received historic designation, the owner has submitted an application requesting grant funds for rehabilitation. Fabius Enterprise, LLC, is seeking funding assistance for the following eligible work items: preservation of the exterior historic motel structure while building out the new hotel, preservation of historic signage, preservation of the exterior awning and soffit, and repair of the foundation on the historic building. The proposed work will include reversal of previous alterations to help restore the historic integrity of the property. Work will be carried out per the conceptual plans that have been provided, with construction

drawings to be reviewed and approved by HP staff. The total cost of the eligible work items, along with eligible architectural and engineering expenses, is estimated to be \$490,000. The cost of the entire project, including construction of the new hotel, is approximately \$26.9 million. If approved, the grant funds will be disbursed to the applicant on a reimbursement basis as work is completed. The applicant will be required to provide evidence of a dollar-for-dollar match.

Financial Impact

The requested amount is \$150,000. In exchange for the grant funds, the city will receive a 30-year conservation easement on the property. The easement will require City review and approval of exterior alterations to the historic building and that the building be insured and kept in good repair. Funding is available in the HP operating budget, utilizing a portion of the funds allocated by the City Council for grants to threatened buildings.

Concurrence/Previous Council Action

The HP Commission recommended approval of this item on Feb. 13, 2023, by a 6-0 vote.

Location

600 W. Van Buren St.
Council District: 7

Responsible Department

This item is submitted by Deputy City Manager Alan Stephenson and the Planning and Development Department.



Phoenix Convention Center Post Pandemic Booking Update

This report provides information on post pandemic booking activity at the Phoenix Convention Center (PCC) to the Economic Development and Equity Subcommittee.

THIS ITEM IS FOR INFORMATION ONLY.

Summary

Hosting national conventions and trade shows generates economic activity in the State of Arizona and the City of Phoenix through air travel, rental car, lodging and hospitality spending from visitors. The PCC partners with Visit Phoenix (also known as the Greater Phoenix Convention and Visitors Bureau) on the development and implementation of strategies to market and attract citywide conventions, trade shows and group business to Phoenix.

From 2015 through 2019, the PCC hosted on average, 67 citywide conventions each year, representing an average of 245,000 convention delegates annually. This activity equated to approximately 1.6 million hotel room nights generating an estimated \$1.7 billion of direct spending. Calendar year 2020 was on pace to be a record setting year for the PCC with 69 definite conventions contracted and an additional 20 tentative conventions at or nearing final negotiations. In early March of 2020, the global spread of COVID-19 began to directly impact the convention and visitor industry. The World Health Organization declared the COVID-19 outbreak a global health pandemic. This was followed by similar declarations from federal, state, and local government agencies as well as public health agencies including the Centers for Disease Control, and the Arizona Department of Health Services. This resulted in cancellations and postponements of all large gatherings including conventions, meetings, and public events. During the pandemic impacted years of years of 2020 and 2021, 98 contracted citywide convention groups cancelled events at the PCC. These cancellations represented more than 302,000 anticipated convention attendees with a projected direct spending impact of more than \$465 million.

While the PCC resumed hosting in-person events in June 2021, multiple COVID-19 variants resulted in additional cancellations. Despite the continued loss of business, optimism remained high as evidenced by an increase in lead volume which indicated

sustained enthusiasm for Phoenix as a destination. In collaboration with Visit Phoenix, the PCC sales team has aggressively sourced business for future years by leveraging national exposure from hosting major events and high-profile associations industry bookings.

According to the Center for Exhibition Industry Research, cancellation rates for industry events have dropped significantly since 2021. Additionally, attendance numbers for in person events have risen steadily since 2021, which is reflective of the pent-up demand for group meetings. Attendance is a leading indicator of performance, and the year 2024 is expected to see a 4.5 percent increase in attendance over 2019. Convention Sports and Leisure surveyed national convention planners in 2021. Of those surveyed, 76 percent expect the events industry to return to pre-pandemic numbers by 2024, while 92 percent expect a return by 2025. Understanding this demand, event organizers are looking for creative spaces to build events. Outdoor event space such as Canyon on Third, an onsite local brew pub, resonate with planners that are looking for ways produce memorable experiences for their attendees. The PCC is positioned to capitalize on that demand by focusing on industry trends that set the destination apart from competitors.

Convention booking data for calendar year 2022 and beyond, show the PCC has returned to pre-pandemic levels. Future booking pace reports, high lead volumes, and demand for group business indicate that strong convention activity is expected to continue for the next several years. The PCC is well positioned to build on the positive momentum gained from the recovery of convention and visitor business.

Additional details and information are provided in **Attachment A** for review by this Subcommittee.

Responsible Department

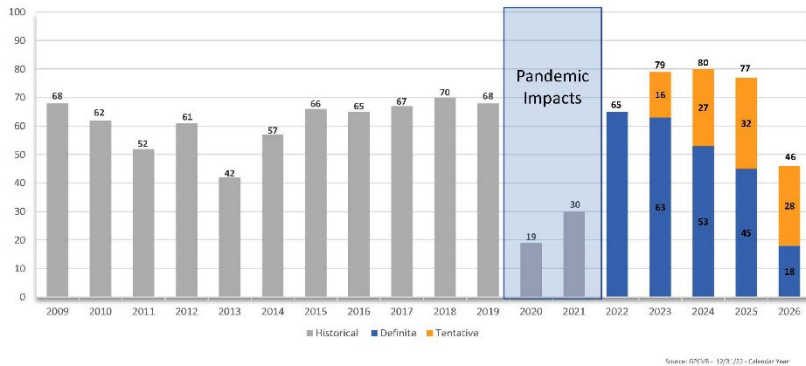
This item is submitted by Interim Deputy City Manager John Chan and the Phoenix Convention Center Department.

ATTACHMENT A



PHOENIX CONVENTION CENTER & VENUES POST PANDEMIC BOOKING UPDATE

Total Conventions Calendar Year

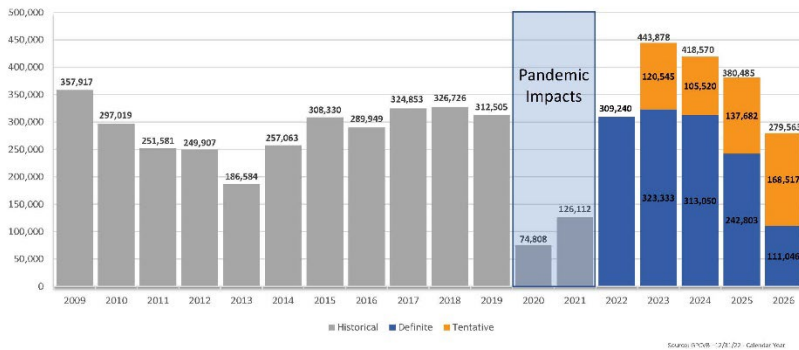


Pre-Pandemic Trend

From 2015 through 2019 the PCC averaged 67 citywide conventions per year

- Sales lead volume is up 22% year over year, indicating that enthusiasm for Phoenix as a destination remains high.
- Event bookings for 2023 are 7% ahead of pace
- Event bookings for 2024 are 10% ahead of pace

Hotel Room Nights Calendar Year



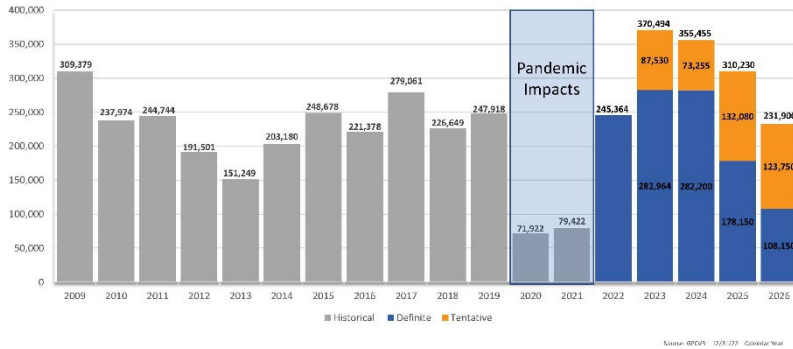
Pre-Pandemic Trend

From 2015 through 2019 the activity at the PCC generated approximately 1.6 million hotel room nights

- Hotel room nights are 12% ahead of pace over the next 8 years
- 2026 remains a need period as room nights are below pace by 19%

Delegates

Calendar Year



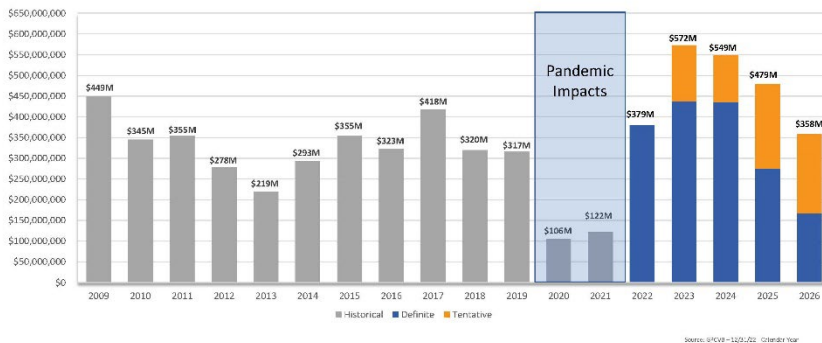
Pre-Pandemic Trend

From 2015 through 2019 the PCC averaged 245,000 convention delegates per year

- The nearly 283,000 delegates booked for 2023 are more than any of the five pre-pandemic years

Estimated Direct Spending

Calendar Year



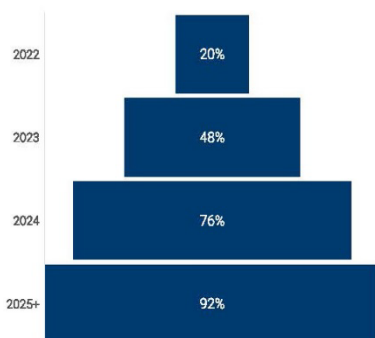
Pre-Pandemic Trend

From 2015 through 2019 activity at the PCC generated approximately \$1.7 billion in direct spending

- 270,000 future delegates were booked in FY 21-22 with a projected direct spend of over \$420 million.

Survey of Convention Planners

Expectation of the year the convention industry will return to pre-pandemic conditions



Source: CSL survey of national convention planners, 2021.

A report by Tourism Economics and 2Synergize, "FuturePace Year-end Goal Forecast 2022 to 2025," using booking pace data from more than 250 Destination Marketing Organizations, estimates that by 2024, group demand could reach 98.1% of 2019 levels. Group demand is expected to surpass 2019 levels by 2025.



First and McKinley Streets Parcels Lease and Redevelopment - Authorization to Issue Solicitation

This report requests the Economic Development and Equity Subcommittee recommend City Council approval to issue a Request for Proposals (RFP) for the lease and redevelopment of City-owned property at First and McKinley Streets and authorization to begin negotiations with the recommended proposer.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Summary

The City owns parcels located in the Downtown Phoenix Redevelopment Area, comprising approximately 65,300 square feet (SF), or 1.49 acres, at the southwest and southeast corners of First and McKinley Streets (Site). The Site is zoned West Evans Churchill within the Downtown Code. The western portion of the Site was recently included in a recommendation to the Economic Development and Equity Subcommittee as one of many sites on a property disposition list. The eastern portion of site is currently leased to Arizona State University for parking.

With approval, staff will issue a RFP seeking offers for a compatible, infill, mixed-use, high-rise development with true ground floor activation on the Site. Proposals that include residential development will also be required to allocate a minimum of ten percent of the total units to affordable housing and a minimum of ten percent of the total units to workforce housing. Proposals that include parking will need to offer creative and unobtrusive solutions. All proposals will be encouraged to incorporate design considerations and programmatic elements that support and enhance the arts community along Roosevelt Row.

An appraisal of the Site is currently underway and will be completed prior to the RFP issuance. Proposers will be asked to submit a project for the entire site, including the parcels separated by Right of Way. Each proposer will be required to provide a return to the City equal to or greater than appraised value and demonstrate successful completion of at least one mixed-use development within the last seven years.

The RFP will include standard terms, conditions and other necessary requirements,

and will include the following evaluation criteria:

- Concept to Activate the Site (0-375 points)
- Return to the City (0-325 points)
- Proposer's Qualifications and Experience (0-300 points)

If approved, the RFP will be issued later this year and will be open for at least 60 days. Responsive proposals will be evaluated by a panel that includes City staff and community representatives. Following negotiations with the recommended proposer, business terms will be presented to the Economic Development and Equity Subcommittee for review and recommendation, then to the full City Council for approval.

Financial Impact

There is no impact to the General Fund as a result of this action.

Public Outreach

Staff presented to the Downtown Voices Coalition on Dec. 10, 2022; the Roosevelt Row Merchant Association on Dec. 15, 2022; the Central City Village Planning Committee on Jan. 9, 2023; the Roosevelt Action Association on Jan. 17, 2023; the Evans Churchill Neighborhood Association Board on Jan. 18, 2023; and the Evans Churchill Neighborhood Association on March 8, 2023.

Location

The Site is located at the southwest and southeast corners of First and McKinley Streets and includes nine parcels (APNs 111-43-007A, 111-43-006A, 111-43-005A, 111-43-060, 111-43-059, 111-43-058, 111-43-063, 111-43-062, 111-43-061).

Council District(s): 7

Responsible Department

This item is submitted by Acting Deputy City Manager John Chan and the Community and Economic Development Department.



Affordable Housing and Housing Phoenix Plan Follow-Up

This report provides the Economic Development and Equity Subcommittee additional information on Housing Phoenix Plan efforts, Planning and Development Zoning Ordinance text amendments, and Housing Choice Voucher Landlord Incentive Program updates.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Summary

This item is a follow-up to the Feb. 22, 2023, Subcommittee meeting in which the Housing Department provided an update on the Housing Phoenix Plan.

City Council approved the Housing Phoenix Plan (HPP) on June 16, 2020. The Plan set out a goal of creating or preserving 50,000 units by 2030 through the implementation of nine policy initiatives.

In addition to the nine policy initiatives, the HPP included a needs assessment and housing gap analysis. Based on 2019 data, the HPP detailed that an additional 163,067 housing units, 99,581 of which needed some sort of subsidy, were needed to adequately house the City's current population. Housing staff will undertake an updated needs assessment and gap analysis in 2023. The phased study will assess existing housing stock in addition to forecasting future housing needs. The first phase of the study, analysis of existing conditions, will commence this spring. A second phase, determining future housing needs, will follow in the summer. The result of this effort will allow staff to develop revised metrics, evaluate potential housing goals and help inform future program and policy recommendations.

Initiative 2 of the Plan proposes amending the Phoenix Zoning Ordinance to facilitate more housing options. The Planning and Development Department (PDD) has initiated several text amendments that address expanding housing options and providing affordable housing incentives. Three of the text amendments are regarding mobile homes. The proposed amendments will address standards for non-conforming mobile home parks, modernize standards for new mobile home parks and establish an incentive framework for preservation of existing mobile homes. In addition to the

mobile home focused text amendments, PDD has also initiated four other text amendments consistent with Initiative 2. These amendments include the expansion of allowances for accessory dwelling units, modification of standards to promote a greater variety of housing types, establishment of an incentive framework for affordable housing, and a reduction of parking requirements for affordable housing. The PDD team is commencing with stakeholder outreach on the mobile home focused text amendments this spring with the goal of bringing two of the three text amendments to the City Council for action in July. The PDD team is preparing language for the four other Initiative 2 text amendments and will begin vetting the language with stakeholders and the village planning committees throughout the spring. PDD is finalizing a schedule for these text amendments and is looking to have at least one text amendment come before the City Council in July with the others to follow in the fall.

Initiative 7 of the Plan is designed to expand efforts to preserve existing affordable housing stock, including implementation of landlord incentives and resources. The Housing Department launched a Landlord Incentive Program in October 2020 as an innovative strategy to help combat the shrinking number of units and fewer affordable housing opportunities for Phoenix Section 8 Housing Choice Voucher (HCV) holders. Since the program's inception, over \$2.6 million in incentive funds have been disbursed to property owners, successfully executing over 2,400 Housing Assistance Payment (HAP) contracts equating to secured housing for voucher holders in Phoenix. The one-time, \$2,000 incentive payment program has helped to attract landlords. Currently, we have 2,000 landlords of which 350 are new first-time landlords to the HCV program.

As the Public Housing Authority (PHA) for Phoenix, the City's Housing Department has over 6,200 voucher holders currently leased in the HCV program of the 7,355 vouchers allocated to Phoenix. In 2022, the voucher success rate, defined as the percentage of all households provided vouchers who lease a housing unit, was 56 percent, and the average amount of days from voucher issuance to lease up was 114 days.

Given the increasing rents, low vacancy rates, and limited housing stock in the Phoenix market, the Housing Department employs the following strategies to increase the voucher lease-up success rate:

- **Landlord Incentive Program** - First implemented in 2020, the Landlord Incentive Program has disbursed over 2,400 incentives to landlords that have leased a unit to a voucher holder.
- **Voucher Issuance of 180 Days** - The U.S. Department of Housing and Urban

Development (HUD) requires Public Housing Authorities to make a voucher available to families to search for a unit for a minimum of 60 days. Over the years, the Housing Department has extended the search time from the required 60 days, to 120 days, to the current 180 days to allow families more time to search for and secure housing.

- **Increased Payment Standards** - The department adopted payment standards at 120 percent of the 2023 Fair Market Rents, published annually by HUD, which significantly increased the amount of housing assistance paid on behalf of a participant. Compared to 2022 payment standards, this represents an average of over a 50% increase.
- **Landlord Engagement** - The department hosts biannual Landlord Open House events to engage with and educate Phoenix-area property owners on the benefits of participating in the Housing Choice Voucher program. A dedicated landlord liaison leads additional ongoing targeted efforts to strengthen relationships and recruit more property owners for the program.
- **Streamlining with Technology** - The department sends the required Housing Assistance Payment (HAP) contracts electronically requesting a landlord's electronic signature, which has decreased the turnaround time for contract execution from weeks or months to just days. Additionally, Landlords are also receiving rent payments faster and more securely as they can opt in to receive Automated Clearing House (ACH) payments instead of paper checks. Enrollment by landlords in ACH has increased over the last few years from 27 percent to currently more than 98 percent.

On May 1, 2023, the Mayor and City Council approved an amendment to Chapter 18 of the Phoenix City Code, which prohibits housing discrimination based on a renter or buyer's source of income.

Recommendations to increase the voucher success rate include the following:

- **Increasing Landlord Incentive** - Increasing the Landlord Incentive Program can further incentivize landlords to rent to voucher holders. Options to increase the incentive payment utilizing the remaining funds include \$2,500, \$3,000, and \$3,500 per new HAP contract, as illustrated on **Attachment A**.
- **Housing Navigators** - Housing Navigators can assist with identifying, applying for, leasing and moving into units. HUD does not provide PHAs dedicated funds for housing navigation support for HCV program participants. Therefore, if this item is adopted, a funding source will need to be identified.

Financial Impact

The Landlord Incentive Program was initially funded by federal CARES Act funding

and City Council approved federal American Rescue Plan Act (ARPA) funds.

Concurrence/Previous Council Action

- On June 16, 2020, the City Council approved the HPP.
- On Aug. 28, 2020, the City Council approved \$500,000 of federal CARES Act funding for the Landlord Incentive Program.
- On Sept. 7, 2021, City Council approved \$1 million of City-allocated ARPA funding for the Landlord Incentive Program.
- On June 7, 2022, City Council approved an additional \$4 million of City-allocated ARPA funding for the Landlord Incentive Program.

Responsible Department

This item is submitted by Deputy City Managers Gina Montes and Alan Stephenson and the Housing and Planning and Development departments.

Attachment A

Landlord Incentive Program \$4 Million ARPA Second Tranche Funding		Possible Increased Incentive Options Beginning May 1, 2023		
	Current	Option 1	Option 2	Option 3
Amount Per Incentive Payment	\$2,000	\$2,500	\$3,000	\$3,500
Projected Disbursement Timeline	13 Months By June 2024	11 Months By April 2024	9 Months By February 2024	8 Months By January 2024
Projected Remaining Payments/Units	1,229	983	819	702