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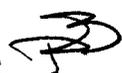


Chandler • Arizona
Where Values Make The Difference

MEMORANDUM Planning and Development, Housing Division, Council Memo No. HD07-07

DATE: June 14, 2007

TO: MAYOR AND COUNCIL

THROUGH: W. MARK PENTZ, CITY MANAGER 
DOUG BALLARD, PLANNING AND DEVELOPMENT DIRECTOR 

FROM: KURT KNUTSON, HOUSING AND REDEVELOPMENT MANAGER 

SUBJECT: RESOLUTION NO. 4090 AUTHORIZING AND APPROVING THE DEMOLITION OF A FOUR BEDROOM APARTMENT ON CITY-OWNED TRUST PROPERTY LOCATED AT 130 NORTH HAMILTON STREET, A PUBLIC HOUSING DEVELOPMENT SITE.

RECOMMENDATION:

Staff and the Public Housing Authority Commission (vote 7 to 1) recommend the adoption of Resolution No. 4090 authorizing the demolition of a four-bedroom apartment (No. 16) at the Public Housing development located at 130 North Hamilton Street. This action will lower the density of apartments on the site. The remaining land will be used to create additional open space and help improve the long-term sustainability and marketability of the property.

BACKGROUND:

In April 2006, the Public Housing Authority Commission adopted Resolution No. H0035, which authorized the submission of the 2006 Public Housing Annual Plan to the U.S. Department of Housing and Urban Development (HUD). As a part of the Annual Plan, the Housing Division outlined Public apartments that were identified for possible demolition. Apartment 16 at 130 N. Hamilton Street, a four-bedroom unit, was identified for potential demolition whenever it became vacant. In April, 2007 Apartment No. 16 became vacant.

DISCUSSION:

Two main factors have targeted Apartment No. 16 (and two others) at 130 North Hamilton Street for removal. Other contributing factors have helped to support this recommendation.

First, 130 N. Hamilton Street is the highest density family apartment site the Housing and Redevelopment Division operates. This site contains 53 apartment units, at a density of 11.86 single story apartment units per acre. By comparison, the other family sites contains no more than 40 apartment units and site densities range from 6.14 to 10.02 apartment units per acre.

Secondly, the site at 130 N. Hamilton Street is notably under allocated for open space and parking space by today's standards. Removal of this apartment will reduce the concentration of buildings on the east side of the complex and create a small open passive space in this area of the complex. The space created by the removal of the apartment building would include a bench sitting area and enhanced landscaping to include a shade tree(s).

Each year, as an update to the five-year capital improvement plan, Housing staff meets with and polls public housing residents on what physical improvements they would like to see made to the apartments and the sites. Parking and open space related issues consistently rank in the top five improvements desired by residents that reside at 130 N. Hamilton Street and 210 N. McQueen Road (another Public Housing property).

A meeting in April 2007 with the Unified Resident Council of Chandler (the resident's representative organization) has shown support for this proposal. The Resident Council had previously approved the proposed demolition of this apartment and two others as part of the Annual Plan process. The plans to eliminate apartment number 16 at 130 N. Hamilton Street and reuse the remaining land as open space was talked about. All resident members in attendance were in favor of plan. Staff has also proposed to demolish two more buildings (No. 34 and No. 23) at 130 N. Hamilton Street in the future. The future removal of Apartment No. 23 would have the most significant impact by allowing the creation of a large open green space. This would be the first green space at this location and the space adjoins the existing sand playground area and would allow for "active play" space. However, the removal of apartment No. 16 and No. 34 (four-bedroom apartments) will further reduce the population at this location and will add to improve the overall livability of entire site.

By removing the four-bedroom apartment at 130 N. Hamilton Street, there will be a reduction in site density from 11.86 to 11.63 units per acre. The population of the site will be also be reduced by five to eight residents. The land where the apartment currently exists is to be demolished and will be used to create passive open space between buildings. One additional visitor parking space will be created helping to ease some parking issues.

The subject apartment is being demolished under HUD Notice 99-19 the "De Minimis Exception for Demolition Rule". Under this rule, a Housing Authority may demolish a limited number of Public Housing units if the space is to be used for meeting the service needs of the public housing residents (use of space to construct a laundry facility, community center, or for use as open space or garden). The four-bedroom apartment is being demolished in order to reduce density and create additional open space. Since the demolition is a preplanned, self-directed, and a resident desired improvement to the existing Public Housing site, pre-approval by the United States Department of Housing and Urban Development (HUD) is not required. HUD would also not require that the unit be replaced.

The demolition of the apartment at 130 N. Hamilton Street will reduce the number of public housing units at our family sites from 163 units to 162 units. The waiting list for Public Housing is approximately 1500 families. However, the waiting list for large bedroom units is only 2% percentage of the total wait list. Currently, there are 24 families on the waiting list for four bedroom units and one family on the waiting list for five bedroom units. While demolition is a difficult choice to make, staff feels that reducing the building and population density at this site will enhance the long-term livability and marketability of the apartment site as HUD moves toward a market driven funding based formula.

Councilmember Weninger requested that Housing Staff look at alternatives to demolition to improve the open space/density situation at 130 N. Hamilton Street. Housing Staff consulted with Community Services Staff to review the existing layout at the apartment site. Community Services Staff provided options, which if implemented, could improve the visual curb appeal of the site. Suggestions included adding more plant materials, trees and a sitting area in front on some of the apartments. These amenities could improve the curb appeal of the site and may soften the harshness of the building and desert landscape. However, both staffs agreed that these improvements would not create additional open space, just improve the appearance of the site and offer a community amenity. Community Services staff was reluctant to hypothesize if these amenities would mitigate problems that arise from higher density at this site in the same manner as demolishing the buildings would. We both agreed that landscaping and amenities would improve the appearance of the site and may foster a better sense of community. The suggested landscaping improvements could be made on the apartment site in two areas around the apartments proposed for removal for about the same cost of the demolition (\$10,000 - \$12,000).

Community Services Staff did believe that if a building was going to be removed, that removing apartment number 23 provided the most potential for creating "usable" open space. This location would provide both turf, plant and shade areas that would accommodate active and passive recreation activities due to its' proximity to the existing playground area. It also would significantly improve the curb appeal of the site from Hamilton Street and provide an open area that was family oriented and provided flexible functionality.

Housing staff knows that removing any affordable dwelling unit from our inventory is a difficult decision to address. Staff still believes that the selected removal of some of the dwelling units at this site is the best long-term solution to addressing density and related issues at this site until the funding is identified to completely redevelop the site. However, Staff is certain open to trying other options and alternatives if this is the direction of the governing board.

Housing staff is also hopeful that Public Housing Authority Commission (PHAC) will consider authorizing the future purchase of a few single family homes to help to offset this reduction of units of affordable housing and subsequently increase our portfolio of small bedroom affordable units. Regardless, of the outcome of the requested demolition, Housing Staff is likely to request PHAC approve the purchase of some additional single-family properties.

FINANCIAL IMPLICATIONS:

The Housing Authority will lose the rent revenue and the HUD subsidy that was provided annually for this unit to the Housing and Redevelopment Division. The average HUD subsidy over the last three years has been approximately \$161.50 per month, per unit. The average rent amount for this four-bedroom unit over the past three years has been around \$110.00 per month. The City also receives capital funds for each unit every year (approximately \$1,400). Capital funds will continue for 5 years after the unit is demolished. It is estimated that it will cost approximately \$10,000 - \$12,000 to demolish the unit and landscape the area into a passive sitting area with shade trees.

As a cost savings, the Housing and Redevelopment Division will not have the maintenance and utility (water, sewer and trash) costs associated with this unit. Maintenance costs are somewhat unpredictable, but generally speaking, maintenance repairs and utility costs for a 4-bedroom apartment are higher than one, two, and three bedroom apartments operated by the City.

PROPOSED MOTION:

Move to approve Resolution No. 4090, authorizing the demolition of a four-bedroom apartment (Unit No. 16) building at the Public Housing development located at 130 North Hamilton Street and authorize the Housing and Redevelopment Manager to sign all related contracts, certifications and supportive documents related to the demolition.

Attachments: Resolution No. 4090
 Site Maps

RESOLUTION NO. 4090

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, AUTHORIZING AND APPROVING THE DEMOLITION OF A FOUR-BEDROOM APARTMENT ON CITY-OWNED TRUST PROPERTY LOCATED AT 130 NORTH HAMILTON STREET

WHEREAS, the property located at the southwest corner of Chandler Boulevard and Hamilton Street is a public housing development, having a street address of 130 North Hamilton Street, and is owned by the City of Chandler in trust for the benefit of the United States of America, Secretary of Housing and Urban Development (HUD); and

WHEREAS, the Public Housing Authority Commission is the governing body for the Housing Authority, a component unit of Chandler's Municipal Government that is administered through the Housing and Redevelopment Division and that is responsible for Chandler's Public Housing and Section 8 Voucher programs, which are operated for the benefit of HUD; and

WHEREAS, the Public Housing Authority Commission previously adopted Resolution No. H0035 (Public Housing Annual Plan), which planned and called for the potential demolition of Apartment Number 16, a four-bedroom apartment, from the property at 130 North Hamilton Street; and

WHEREAS, the land where Apartment Number 16 now stands will be transformed into additional open space and will incidentally decrease the density of the site from 53 units to 52 units of Public Housing.

WHEREAS, staff and the Housing and Human Services Commission have recommend approval of this modification of the subject property, and the next step required by HUD is to consult with the local municipal governing body for their views on the proposed action;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chandler, Maricopa County, Arizona, as follows:

Section 1. The City Council is in support of the proposed demolition and agrees that the aforementioned subject property should be demolished.

Section 2. That the underlying land, upon which the Apartment Number 16 is situated, is tol become open space at 130 North Hamilton Street with improved landscaping and a sitting area.

Section 3. That the Housing & Redevelopment Manager is authorized to execute and deliver to HUD related documents on behalf of the City/Housing Authority, and is authorized to execute and deliver all additional documents necessary to consummate the transition of the site to open space per HUD requirements.

Section 4. That the demolition of the subject property is being undertaken through the HUD De Minimis Exception for Demolition Rule, as herein provided, and is not subject to the prior endorsement of HUD.

PASSED AND ADOPTED by the City Council of the City of Chandler, Arizona, this ____ day of _____, 2007.

ATTEST:

CITY CLERK

MAYOR

C E R T I F I C A T I O N

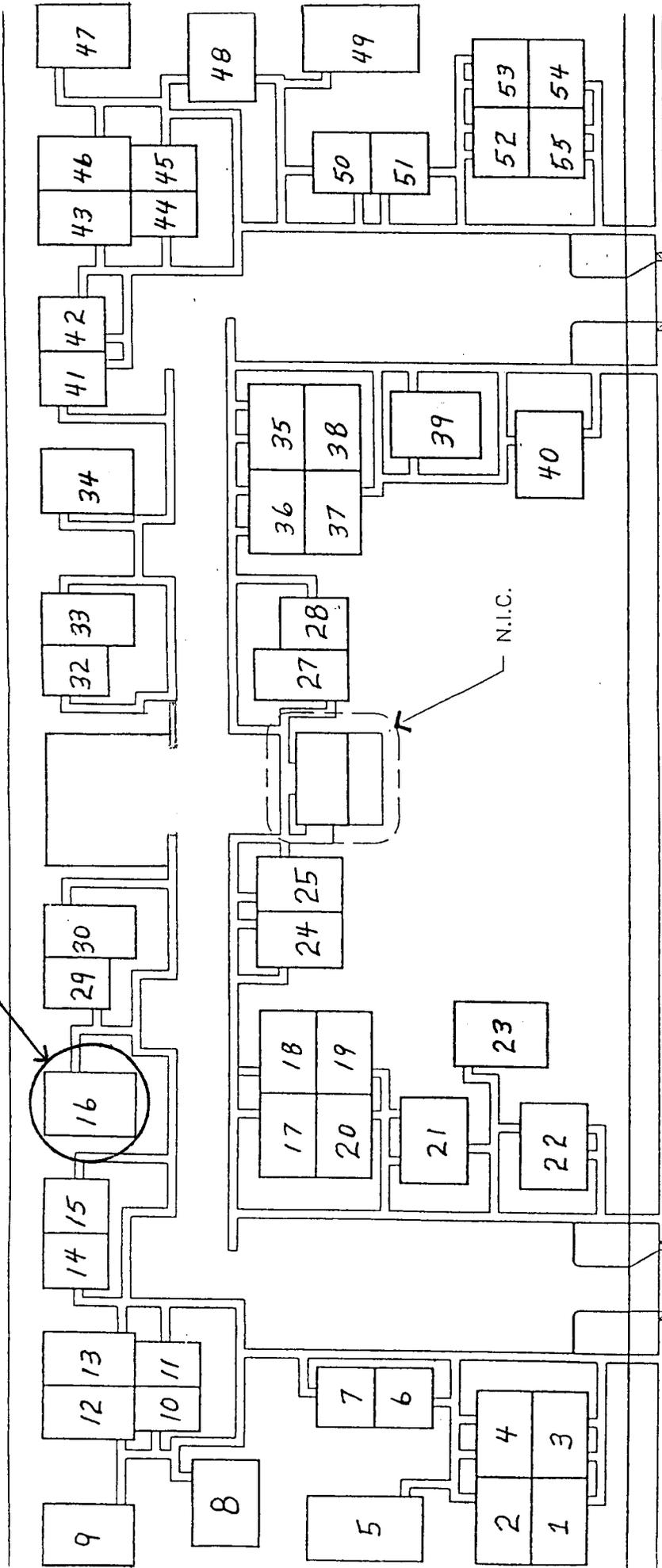
I HEREBY CERTIFY that the above and foregoing Resolution No. 4090 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on the ____ day of _____, 2007.

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY *KAR*

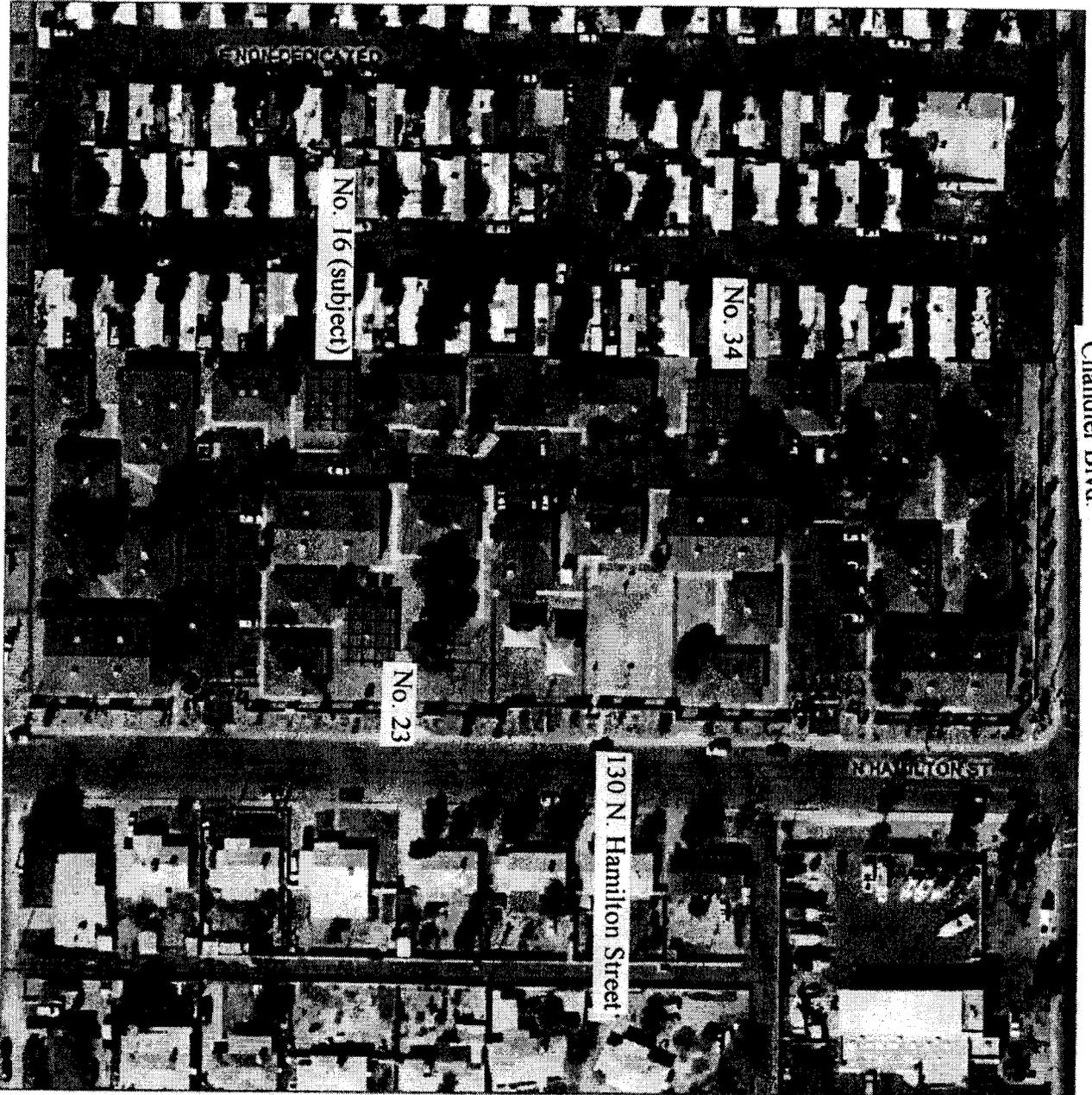
Subject Demo



Hamilton Street

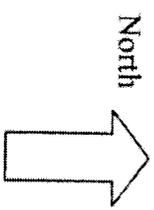


1 BUILDING LOCATION SITE PLAN - 130 NORTH HAMILTON
SCALE: 1"=60'-0"



Chandler Blvd

130 N. Hamilton Street



North