



Minutes Housing Trust Fund Advisory Board September 27, 2010

Minutes for Housing Trust Fund Advisory Board held on Monday, September 27, 2010, 6:00 PM, at 34 East 7th Street Building B, Tempe, Arizona.

HTF Advisory Board Members Present:

Kolby Granville
Shane Graser
Todd Marshall
Kevin Kaesberg
Myra Jefferson
Neil Calfee
Stanley Nicpon

HTF Advisory Board Members Absent:

Council Members Present:

None

Members of the Public Present:

Jayson Matthews, TCC
Catherine Mayorga, Tempe Chamber of Commerce
Teresa Brice, LISC
Dan Klocke
Kurt Creager, ASU Stardust
Jake Hinman, Capital Consulting

The meeting was called to order at: 6:06 PM by Board Chair, Todd Marshall

Agenda Item 1- Public Comment

No public comments

Agenda Item 2- Acceptance of August 9, 2010 Meeting Minutes (Todd Marshall, Chair)

- August minutes were approved unanimously.

Agenda Item 3- Transit Oriented Development (TOD) Land Bank Fund Concept (Kurt Creager, ASU Stardust Center)

- Kurt made a presentation that highlighted the work that Stardust has done with the Maricopa County Association of Governments (MAG) Sustainability Planning Grant that focuses on transit oriented development opportunities. He mentioned that members of that team, including Theresa Brice with LISC are presenting to a working group of the Living Cities Foundation www.livingcities.org that may generate support for foundation dollars towards these projects.
- Ms. Brice attended and gave more information about the presentation.
- Chairman Marshall asked Mr. Creager to discuss the term “equitable development”, to which he presented and gave examples of other communities (Plano, TX, Pasadena, CA, and Vancouver, WA) that have provided mixed income housing using public resources.

Agenda Item 4- Continued Discussion of HTF Policy Recommendations (Group Discussion)

Agenda Item 5-Proposed HTFAB Working Plan - Neil Calfee (for Board Discussion and Action/Attachment I)

- Chairman Marshall recommended that agenda item 4 and 5 be condensed and discussed at the same time. Committee approved by consensus.
- Neil Calfee presented the HTFAB Working Plan that could be presented to the Tempe City Council by the end of calendar year 2010.
- Kolby Granville is supporting, but inquired about the stated 60% recapture rate. There was a discussion of whether that was a good number to start with, but the committee agreed that this is a supportable number that may change over time based on City Council input.
- ACTION: Motioned by Kevin Kaesberg and Seconded by Kolby Granville; Approved by Consensus.
- Discussion: The Committee recommended that they seek staff support to present the Working Plan to the City Council at one of the November Issue Review Session with a preference of 11/4. Because of this presentation, the Committee agreed to cancel the October HTFAB meeting, which would make the next HTFAB meeting be scheduled for November 8, 2010.

Agenda Item 5-Future Meeting Frequency, Dates and Location

- Update on the Sustainable Communities Working Group’s Living Cities Presentation
- Update on the IRS Presentation
- Next meeting scheduled for November 8, 2010 at 6:00 PM.

Adjourned 7:04 PM

Prepared by: Jayson Matthews and Craig Hittie
Reviewed by Todd Marshall

ATTACHMENT I

Proposed HTFAB Working Plan

Given the progress the board has made over the last year, it would appear to be time to move forward with recommendations to the City Council as to how HTF may be structured and operated. While the board is not specifically charged with identifying potential funding sources for the fund, the board has discussed the identification and pursuit of such sources; albeit this function would appear prohibitively speculative given the state of the economy. In order to solicit funds or to propose a funding source, it is important to be able to provide a plan as to how the funds would be distributed. The adoption of the Working Plan by council provides a go-forward framework for the advisory board and the fund. Further, by agreeing on the structure and operation of the fund, additional funding opportunities may become available.

Using the adopted goals and objectives the HTF would focus on funding the following operating activities (listed in no order of preference)

- a) Downpayment Assistance – income qualified buyers would receive funding necessary to “buy down” a mortgage to make it affordable for the given income limits
- b) Direct Project Investment – funding may be used to invest in a for-sale or rental housing project to secure a defined number of housing units that may be offered as affordable to income qualified owners or renters. Could be contributed as a low interest loan (with or without servicing) due on the sale or refinance of the asset.
- c) Financing “Back-Stop” – funding would be pledged to secure a financing pool that could offer below-market project financing in return for the creation of affordable housing units.
- d) Affordable Housing Education Efforts – Public education of the on-going need for affordable housing and the “face” of affordable housing.

With the above activities (other than the education component), the board would recommend that the overall portfolio of HTF investments would target a recapture rate of 60% of the funds invested over some period of time. Such an investment strategy would ensure the continued viability of the HTF while allowing for the flexibility to deploy capital in the most effective manner over the long term.