



Minutes City Council's Housing Committee January 27, 2009

Minutes of the meeting of the City Council's Housing Committee held on Tuesday, January 27, 2009, 1:00 p.m., in the 3rd Floor Conference Room, Tempe City Hall, 31 E. 5th Street, Tempe, Arizona.

Committee Members Present:

Councilmember Corey Woods, Chair
Vice Mayor Shana Ellis

City Staff Present:

Liz Chavez, Housing Administrator
Carlos de Leon, Dep Public Wrks Mgr
Matthew Hess, Affordable Hsg. Spec.
Craig Hittie, Affordable Hsg Supvr
Jan Hort, City Clerk
Theresa James, Homeless Coordinator
Jayson Matthews, TCC
Shauna Warner, Neighborhood Svcs Dir.

Guests Present:

Christy Bitsa, ASU Student
Chris Diba, ASU Student
Jake Hinman, AZ MultiHousing Assn.
Zita Johnson, TCAA
Lisa Roach, NAC/Housing Subcommittee
Jeff Zetino, NewTown CDC

Councilmember Woods called the meeting to order at 1:05 p.m.

Agenda Item 1 – Public Comment

None.

Agenda Item 2 – Housing Trust Fund Update

Craig Hittie summarized that Tempe is the first city in the Valley to create a Housing Trust Fund. He thanked the Mayor and Council for their support in this effort, as well as the community for its strong support. The Housing Trust Fund (HTF) Advisory Board will be appointed by Council and he has been working with the City Attorney regarding the appropriateness of staggering terms since it was not written into the ordinance. Once the appointments are made and the first meeting held, the goals, policies and procedures will be set. The first process will be to begin identifying revenue sources outside the initial funding. As information becomes available, he will pass it along through this committee and on the list serve.

Councilmember Woods added his thanks to Vice Mayor Ellis for her efforts and the continued support of the community.

Agenda Item 3 – Housing Rehabilitation Procedures Manual

Matthew Hess, Affordable Housing Specialist, summarized that the manual is scheduled for Council approval on February 19th.

- HUD requires a procedures manual be created, and the current manual was out of date.
- Three housing-related programs run through the Housing Division.
 - Emergency Grant Program is funded entirely by CDBG money and is to be used for immediate threats to welfare and safety to households. Up to \$7500 is available once every three years.
 - Housing Improvement Program (HIP) is a loan program for up to \$35K in a 100% deferred or amortized non-forgivable loan. This is a change from the previous loans with a forgivable component.
 - Rental Reinvestment Program offers up to \$14,999 per unit for 1 to 4 unit properties. Owner must contribute between 25% to 50% of the total rehabilitation cost, depending on location in the City.
- All procedures that govern these programs from beginning to end are listed in the manual.

Mr. Hess explained that preference area #1 for the Emergency Grant Program is north of Alameda Drive (mostly zip 85281) and preference area #2 is south of Alameda Drive. For the Rental Reinvestment Program, preference area #1 is south of Southern Avenue. On the south side of Tempe, where there tends to be more single family, rental units are being promoted, and in north Tempe, where there tends to be more rental, the single family programs are being promoted.

Agenda Item 4 – Mobile Home Relocation/Zoning Policy Ordinance Update

Jayson Matthews summarized a collection of what has been done so far, as well as some proposed next steps. He is seeking potential direction for next steps. This process has included staff members at Tempe Community Action Agency and Chicanos Por la Causa and City staff members in Community Development, Development Services, and City Attorney's Office, as well as staff at TCC.

- A year and a half ago, the Tradewinds Mobile Home Park was being redeveloped and there were some complaints regarding notification and treatment of the residents within the purview of Arizona statutes for relocation. Residents were given 30 days to relocate and a firestorm of controversy began. Many different non-profits and City staff members were called to help. A series of public meetings were held, and eventually the tenants on that property were given additional time and resources and treated in a fair manner. In addition, staff tried to give some conditions to the developer/owners of the property to allow them to redevelop the property within their legal rights.
- Staff determined that since more mobile home parks would be redeveloped, it was necessary to develop a policy that captures more time for residents to relocate, more resources for that relocation and the establishment of a fair and respectful process for those residents as well as the developers.
- Much information was exchanged with the redevelopers of Tradewinds (Campus Suites LLP).
- The existing work, in order to prepare for a future development, there was a list of mobile home locations (October 2007) to show what is coming. There is a need for this kind of policy because there are still a number of parks that could have this change of use.
- On January 10, 2008, City Council directed staff to work towards a more comprehensive policy and to bring an ordinance change to Council requiring owners to provide a 90-day notice to mobile home park residents if the park is rezoned. That emergency clause was adopted on February 21, 2008.
- Through the summer, the City Attorney's Office drafted a laundry list of recommendations that could benefit tenants evicted for a change of use. That list includes many options. Staff looked at a best practice model

from Ashland, Oregon, which had a city ordinance that captured the same concerns. The Oregon state law is comparable to Arizona, especially regarding Prop. 207 issues.

Vice Mayor Ellis asked if anyone in Ashland had challenged the ordinance.

Mr. Matthews responded that it had not been challenged as yet. He outlined the points to consider:

- Does the adopted ordinance give enough time?
- Does Council want to pursue a policy of additional payment to residents by owners/developers?
- Does the City want to pursue any other policies that create a fair and respectful process for both residents and owners/developers?

He added that staff recommends that any potential policy undergo a public process.

Liz Chavez asked if this list was specific to developers only.

Mr. Matthews responded that currently, it is for owners/developers of mobile home parks, but a point of consideration would be whether any changes made within this would go into any other type of relocation, including eminent domain, etc.

Ms. Chavez added that there are federal policies that mandate relocation. If any federal money is used for the acquisition of land which displaces persons, it is mandated to follow those regulations which have specific timeframes for notices and compensation.

Mr. Matthews clarified that is why he was bringing it to this committee.

Vice Mayor Ellis stated that some of the locations are currently zoned R4 and some locations appear to have different parts of the property zoned differently. She asked if this ordinance covers only the part being re-zoned.

Mr. Matthews responded that he thought it would be for the part that is re-zoned.

Vice Mayor Ellis clarified that if someone decided to build, the ordinance would only cover half the people. Half would get the 90 days, and the other might get 30 days, so there are two different laws for the same property.

Mr. Mathews added that it is a complicated situation. He summarized Attachment C which contains notes compiled by the City Attorney's Office.

- The City could pursue a policy where the park owners/developers would have to pay something to the displaced residents. The option is how much and what is fair. One option would be the difference between the state assistance and the actual moving and reconnection costs. In the Tradewinds case, there were many property owners who were not naturalized U. S. citizens and, therefore, did not qualify for the State relocation funds. It's not only how much would be a fair relocation amount, but also who is an eligible party for that.

Ms. Chavez asked if someone would be monitoring that with the developer.

Mr. Matthews responded that a question to be determined is what administrative body would oversee this.

Ms. Chavez asked whether federal regulations would supersede state or local government. There is quite an administrative burden in relocation, and she urged that that regulation be looked at in comparison to this.

Mr. Matthews asked if that only pertained to federal dollars being used for relocation.

Mr. Hittie responded that it is anywhere federal dollars are mingled in.

Mr. Mathews added that in this particular case study, the reason many other communities don't go down this path is that it is so complicated. At the same time, there is a great need for this type of policy.

- There are examples where the owner/developer is required to provide a list of other mobile home parks in the region with vacancies. That might be a way of providing other resources that can be mandated with a relocation effort.
- There is an option of a tenant assistance plan.
- "Forbid a landlord to take advantage of ARS 33-1476.0(E), which allows a landlord to skip a state statutory notice period and, instead, pay more into the MH relocation fund." The City Attorney's Office believes this could be a potential Proposition 207 violation. He suggested, however, that it be pursued. Where it says the developer can pay more into the relocation fund, it actually shorts the mandated time from 180 days down to a required notice. It buys less notice time. A City ordinance might be able to overstate that, but there might be a challenge.

He suggested that everyone look at this information and provide him with any suggestions or questions. He would like to present this again after receiving that feedback.

Ms. Chavez added that \$1,000 for relocating a family of four or five isn't really enough.

Mr. Matthews added that it is important not to create some barriers to make redevelopment of mobile home parks impossible within the City of Tempe. The biggest issue in the Tradewinds example was enough to relocate as much as possible and, again, that varied, but the one constant was the time. Thirty days to completely uproot a family is unbearable. That has possibly been addressed with the ninety-day ordinance.

Ms. Chavez stated that they used federal money to relocate some families and it tripled in dollar amount. One of the hardships was in getting proper notification to the actual lessees that were residing in the mobile home park. The addresses that they had received from the developer were not always the case. There will be obstacles.

Mr. Mathews added that any proposed policy will have to have built-in flexibility on how that policy will be implemented.

Vice Mayor Ellis added that it is important to get Development Services involved at the ground level. There are always instances when a request for a zoning change happens and businesses need to be relocated, and developers are very aware that when they purchase a parcel or request re-zoning, they will have to relocate the business and there will be costs. We need to be clear with the developers ahead of time that when they come to the City to request a zoning change, it adds value to that parcel. If they can build that into their financial portfolio as an added cost ahead of time, it is more beneficial than the previous case where it was renegotiated back and forth. Many times, people don't understand. They hear "mobile home" and they think it can be hitched to a truck and moved. It was discovered that most of the mobile homes could not be moved because of the code changes that had happened since they were originally located in that park and sometimes they end up being abandoned. An education with the developers would help, and it's important to let them know upfront what the expectations are.

Mr. Hittie added that the properties that are already rezoned, the issues with notice become more complicated because we can't supercede landlord/tenant, so if they are on a month-to-month, it will leave them out.

Mr. Mathews added that it is necessary to find overriding “right thing to do” principles for all three points. .

DIRECTION: Add to the March meeting agenda.

Agenda Item 5 – Homeless Street Count

Theresa James summarized that the homeless street count is part of the application process that brings HUD funding into Maricopa County. Local communities are asked to do a count of homeless individuals and families living on the street. Homeless families staying in shelters are counted in a separate count. HUD sets the day, which is today, and in Tempe, it will occur from 4 p.m. to 6 p.m. The City is divided into areas and a team of volunteers will focus on people who have been out there. HUD’s emphasis is on chronically homeless people, those who have been homeless at least one year. In the last five years, staff has counted an average of 148 people. In reality, it is probably more like 300 to 500 homeless in Tempe. About 10% of those counted are youth; the majority are adult males. The information is then sent to the Maricopa Association of Government (MAG). She will share data at the next meeting.

Agenda Item 6 – Future Agenda Items – February 17, 2009, 3:00 p.m.

- Stimulus/economic recovery bill update
- Public Housing Section 8 Plan
- Housing Trust Fund Board update on selection
- Homeless Street Count update

Meeting adjourned at 2:00 p.m.

Prepared by: Connie Krosschell
Reviewed by: Liz Chavez

Jan Hort
City Clerk