



Minutes City Council's Housing Committee March 23, 2009

Minutes of the meeting of the City Council's Housing Committee held on Monday, March 23, 2009, 3:00 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
Jan Hort, City Clerk
Jayson Matthews, TCC
Chris Salomone, Comm Dev Mgr
Larry Schmalz, Comm Dev
Shauna Warner, Neighborhood Svcs Dir.

Guests Present:

Alan Carlson, NewTown
Beth Fiorenza, TCAA
Alisa Lyons, Valley Partnership
Nick Miner, NewTown
Stephen Sparks, TCAA

Councilmember Woods called the meeting to order at 3:11 p.m.

Agenda Item 1 – Public Comment

None.

Agenda Item 2 – Housing Trust Fund Advisory Board Selection Process Update

Councilmember Woods summarized that the applications closed last Friday and the selections should be made within thirty days. The membership of the board will include:

- One member with expertise in the area of real estate lending practices
- One member with expertise in the area of housing development or construction best practices
- One member with expertise in the rental housing industry
- Four members with experience in housing related issues

Councilmember Woods clarified that the process used for selecting membership for the existing boards and commissions will be used for the Housing Trust Fund Advisory Board. The applications will go to two councilmembers for recommendations, and the Mayor has the ability to make the final appointments.

Vice Mayor Ellis suggested that the new members be recognized at a Council meeting and, perhaps, have a swearing-in ceremony during the meeting to highlight the new board.

Agenda Item 3 – Tour of Potential Properties for Affordable Housing Development Update

Larry Schmalz summarized that there are two properties and an RFP will be issued later this year. The properties are:

- 1130 S. Stratton Lane. Approximately 4700 sq. ft. with an existing structure waiting to be demolished. There is the potential to use economic stimulus money to acquire two additional properties there to enable a larger project. The two additional properties would add about 1500 sq. ft., including a cul-de-sac, which could be utilized within the development as long as it satisfies Planning, Engineering, Water, and Fire services.
- 2227 E. Randall. The City owns about 16,000 sq. ft. and staff hopes to acquire two additional pieces. Trying to avoid probate. An RFP will be issued during the third quarter.

There was a question about the status of the property at Kyrene and Southern.

Mr. Schmalz was not sure of the status and added that it is not a City-owned property.

Chris Salomone added that it is a proposal and it hasn't been taken to the City Council yet. Staff will be discussing this with Council at the Executive Session this week.

Agenda Item 4 – Presentation/Discussion of Current Retail Centers that may be Potential Sites for Workforce Housing

Chris Salomone summarized that a report will be coming to the Council in about a month. The Council's Technology, Economic and Community Development Committee will also be looking at this item. Aging retail centers have long been an issue.

- An inventory has been created of the sites, the tenants, and the surrounding areas to determine the characteristics of each of the sites.
- An array of tools has been created including:
 - Funding for façade programs, signage, and lighting based on loan and grant programs. Those will be used to create enhanced treatments.
 - Development Agreements. Most want to have enhanced lighting and enhanced signage, things the current ordinance doesn't allow. Mark Vinson is creating visuals to show appropriate signage, lighting, etc. Since that could be allowed through a development agreement, the City's ordinances wouldn't be violated.
 - Zoning opportunities. Mixed-use zoning would allow for housing and intensification which could create workforce housing opportunities.
- A workshop with Michael Pollack is being planned with City staff and Councilmembers of the committees to talk about his experience, pros and cons, what the market looks like now, what he thinks the market will look like in the future, how tenancing works, and what tenants are out there.
- Staff would like to do a triage exercise where it is narrowed down to two or three ideal candidate sites for these tools and use them as a demonstration.

He suggested that staff return to the committee next month with the program.

Vice Mayor Ellis asked if the inventory would include shopping centers with multiple owners.

Mr. Salomone responded that it would, and some will be very difficult.

Agenda Item 5 – Economic Stimulus Bill Update

Liz Chavez summarized that staff has received official notice from Secretary of HUD allocating the amounts to be directly given to the City. Staff has yet to receive an actual funding notification, however.

- The City will be receiving the CDBG grant in the amount of \$432,569 and the Homeless Prevention Fund of \$661,474. The letter from HUD has not been received, however. Concerning the Homeless Prevention Fund grant, it appears there is a three-year period to expend this funding. It specifies partnering with other agencies. It will require an amendment to the action plan which will be going to IRS on April 9th. This will concern entitlement funding, so this funding won't be included, but for the second public hearing on April 27th some of this funding will be addressed in that action plan.
- In addition, the City is receiving Section 8 Project Base Rental Assistance of \$142,884. This amount reflects the funding needed to meet federal contractual obligations. There will be additional competitive funding and in order to receive that funding, the City would have to apply through the grant funding that is available.
- Also, a listing for the grants being awarded to the State for the Tax Credit Assistance has been received. Developers utilizing Tax Credit financing can apply to the State, for \$32,308,066. Officially, a HUD award letter has been received, but it does not detail the actual funding.

Councilmember Woods asked if there was any further update on the Neighborhood Stabilization money.

Ms. Chavez responded that will be another pot of funding that will be available on a competitive basis. Staff is waiting to see the details and will take swift action to try to secure money from that. No dollar amount has been revealed. We will be getting an increased funding in the Section 8 Program, CDBG, and HOME funding.

Vice Mayor Ellis asked about the partnership with the State on the \$32M tax credit assistance and whether the City has any projects that will be submitted.

Mr. Salomone responded that there are two other projects that are contemplating competing and staff is just waiting for regulations to be revealed.

Vice Mayor Ellis asked about the Section 8 assistance and whether the City will apply for the full amount.

Ms. Chavez responded that the full amount will be received since Tempe is an entitlement city. The dollar allocation has not yet been received.

Vice Mayor Ellis asked about the Homeless Prevention funds and whether this will involve a competitive grant process.

Ms. Chavez clarified that the City will receive that amount. The funding will be administered through her office and will partner with other agencies to expend the money so it would be more of a sub-recipient grant process.

Vice Mayor Ellis suggested one grant process rather than four separate ones, which would help the agencies because many would apply for the same ones. It would also help keep the money in the community.

Agenda Item 6 – Future Agenda Items

- Mobile Home Park Relocation
- Housing Trust Fund Advisory Board Update
- Retail Centers
- Economic Stimulus (Recovery Act 2009) Update
- Revenue Source for Housing Trust Fund

Meeting adjourned at 3:40 p.m.

Prepared by: Connie Krosschell
Reviewed by: Liz Chavez

Jan Hort
City Clerk