



Minutes City Council's Housing Committee April 21, 2009

Minutes of the meeting of the City Council's Housing Committee held on Tuesday, April 21, 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:

Carlos de Leon, Dep Public Wrks Mgr
Craig Hittie, Comm Dev
Jan Hort, City Clerk
Theresa James, Comm Dev
Jayson Matthews, TCC
Sheri Partridge, Comm Rel
Chris Salomone, Comm Dev Mgr
Sheri Wakefield-Saenz, Comm Dev
Shauna Warner, Neighborhood Svcs Dir.

Guests Present:

Tony Bradley, AZ Multi-Housing
Alan Carlson, NewTown
Pen Johnson, NewTown

Councilmember Woods called the meeting to order at 3:06 p.m.

Agenda Item 1 – Public Comment

None.

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

Councilmember Woods stated that the process is on track and is expected to be complete in April and be presented to Council on May 7th. Craig Hittie will be the staff liaison.

Agenda Item 3 – Housing Trust Fund Revenue Source

There is not current update to the revenue source. This will be on the board's work-plan once the board has been selected and appointed.

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

Sheri Wakefield-Saenz summarized that there are 39 shopping centers on corners, representing 3.8M sq. ft. This represents the highest density in the county.

- In the General Retail Submarket category, Tempe, north of Guadalupe, has 1.1M sq. ft. with 7.9% vacancy. Vacancy over the metro area is 6.2% and South Tempe shows a 4.6% vacancy.
- Average rental rate is \$22.73/sq ft and the average Valley rental rate is \$20/sq ft.
- Industrial/office/retail combined is 10%.
- As examples, the center at Baseline and McClintock has a vacancy rate of 10% and the center at Elliot and McClintock has a vacancy rate of 21%.

Ms. Wakefield-Saenz further summarized that:

- The challenge is that investors saw opportunities and took down shopping centers, and in the long term will have problems with turnover because the dollar is slow or stores like Goodwill have come in.
- Staff will work with Development Services on agreements and tools to turn centers over to rehabilitate from the tenants' perspective.
- The center at the northwest corner of Elliot and Priest might have workforce housing uses or mixed uses compatible with the neighborhood. Staff is looking for Council's guidance to use PAD's and zoning to assist.
- The center at the northeast corner of Baseline and Rural has the highest vacancy so far in the City.
- There are still affordable investments in neighborhood centers in Tempe. Demographics and traffic volume are still strong.

One of the challenges is the results from investors who saw opportunities and took down shopping centers long term and used dollar stores or Goodwill stores as the anchor which do not attract businesses to the vacant spaces. This makes turnover a challenge. Staff is looking to work with development agreements and other tools to turn the centers over for rehabilitation based on tenant perspective. For example, the northwest corner of Elliot and Priest may be compatible for workforce housing or mixed used which would be compatible with the neighborhood.

They will be looking for Council guidance to use PAD's and zoning as tools. Neighborhood centers are still affordable investments within Tempe. Demographics and traffic volumes are still strong to attract businesses.

She added that staff will bring a study to the Mill and Lake District Committee meeting in May, along with the Project Public Space report.

Agenda Item 5 – 2009/2010 Annual CDBG Action Plan - Draft

Craig Hittie summarized that there are \$1.6M in CDBG funds, and \$471,000 in HOME funds. This was presented at IRS, and this draft provides more detail on each activity. Page 4 of the draft provided to the committee shows a chart that summarizes all of the activities.

The Council will adopt this on May 7th and then it will be submitted to HUD. The Amendment is separate and deals with grants only, but meetings regarding the amendment and the Annual CDBG Action Plan may occur concurrently on both IRS and Formal and should not be confused with one or the other.

Agenda Item 6 – American Recovery & Reinvestment Act (ARRA) Funding Update

Craig Hittie summarized that the money that is coming from the Block Grant through the Recovery Act will be referred to as "CDBG(R)". This will be \$440K. Again, an amendment will need to be published to this year's action plan outlining how the money will be used. HUD has not yet published the regulations to tell how the money can be used and there have been conflicting reports. For planning purposes, staff is reviewing current City projects for the public infrastructure and is also looking at weatherization or energy-efficiency projects. Staff is waiting for the regulations to be published.

Theresa James summarized that the substantial amendment to the Action Plan for this pot of money is ready and the City will receive \$661,447 for Homeless Prevention and Rapid Re-Housing. This money comes with a lot of strings. Basically, it is to prevent Tempe residents from becoming homeless and the City must serve people who, without this assistance, would become homeless. The dollars are to be used for financial assistance to get caught up with rent and utilities, but not mortgage assistance or acquisition or rehab of property. The other piece is for rapid re-housing of people who are currently homeless, those who are on shelter waiting lists, or those living on the streets, etc. It is for the outreach, case management, and follow-up, not just a band-aid. This would involve home visits and inspection of the properties where they are living. The amendment needs to go to HUD in the middle of May, and then an RFP will be issued for Tempe agencies to let staff know how these dollars can be spent.

Councilmember Woods clarified that a specific data collection system must be utilized in order to acquire this money.

Ms. James agreed. They require that anyone who uses this money enters their data into the Homeless Management Information System, which is mandated by HUD. The City will be getting this system in their office for use by the Homeless Outreach Team.

Councilmember Woods asked the cost of the system.

Ms. James responded that for agencies that provide homeless services, it is a very small fee, but for an agency to buy into it, who isn't a typical homeless service provider, it would cost several hundred dollars. At the County level, they are working with HMIS and with the local provider to see how it can be made more affordable.

Mr. Hittie added that the system is simply a web base. It involves a license agreement to log in and the licenses themselves are an eligible cost from the fund so the cost can be reimbursed.

Vice Mayor Ellis noted that it mentioned IHELP and Tumbleweeds. We already have non-profits that case manage and collect data, so she clarified that they will be working with IHELP directly.

Ms. James agreed.

Agenda Item 7 – Future Agenda Items

- Housing Trust Fund Advisory Board and meeting time
- Update on stimulus funds
- Valley of Sun United Way – affordable housing meeting update

Meeting adjourned at 3:44 p.m.

Prepared by: Connie Krosschell
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