AGENDA ITEM 1

DATE 12-13-07

Minutes
Affordable Housing Summit
October 20, 2007

Minutes of the Affordable Housing Summit held on Saturday, October 20, 2007, 9:00 a.m., in the Tempe Public Library Program Room, 3500 S. Rural Road, Tempe, Arizona.

Minutes approved with corrections on 11/27/07.

Council Members Present:
Mayor Hugh Hallman
Vice Mayor Hut Hutson
Councilmember Ben Arredondo
Councilmember Shana Ellis
Councilmember Mark Mitchell
Councilmember Onnie Shekerjian

Other Elected Officials Present:
Meg Cahill, Arizona State Senator
Ed Ableser, Arizona House of Representatives
Zita Johnson, Tucson School Board

City Staff Present:
Chris Salomone
Neil Calfee
Craig Hittie
Theresa James
Terry Haley-Kolesar
Ken Jones
Rachel Perez

Invited Presenters Present:
Liz Morales, Arizona Behavioral Health Corporation
John Ramirez, Chicanos Por La Causa, Inc.
Jeff Hale, Community Services of Arizona
Missie D'Aunoy, Habitat for Humanity
John Smith, Housing Our Communities
Teresa Brice, Local Initiatives Support Corporation
Allen Carlson, Newtown
Ben Sanders, Salvation Army of Tempe
Beth Fiorenza, Tempe Community Action Agency
Kate Hanley, Tempe Community Council
Ina Wintrich, Arizona State University

Ernesto Fonseca, ASU Stardust Center

Councilmember Shana Ellis called the meeting to order at 9:10 a.m.
Agenda Item 1: Opening Statement from Mayor Hugh Hallman

- Stated that Tempe is proud of its diversity among its residents
- Thanked Councilmember Ellis for taking the lead in addressing affordable housing issues in Tempe.
- Introduced Council members present.
- Introduced State elected officials present
- Introduced School Board members present
- Stated that the Mayor and City Council have sought fees from the developers of Center Point and University Square to be utilized for affordable housing activities.
- Stated that current market conditions may present an opportunity for the City to acquire properties that are currently used as rentals and transform them into owner occupied affordable housing units.

Agenda Item 2: Introduction of City Council by Councilmember Ellis

- Councilmember Ellis stated that as Mayor Hallman had already made the introductions, she would take the time to thank the City Staff present for their hard work in assisting her in planning the Forum.
- Councilmember Ellis introduced former City Council members: Pam Goronkin and Linda Spears.

Agenda Item 3: Presentation of current and future city affordable housing projects by Councilmember Shana Ellis

Councilmember Ellis presented:

- A definition of affordable housing.
- A continuum of activities that affordable housing encompasses.
- Factors that determine affordability: Family size and funds available for housing costs.
- The need for affordable ownership units as well as affordable rental units.
- Current fiscal year HUD funding.
  -$8,343,221, Section 8 Rental Assistance
  -$487,711, HOME Entitlement Grant
  -$1,635,822, Community Development Block Grant
  -$12,919, American Dream Downpayment Initiative
- The City's programs funded with HUD dollars.
  -Section 8 Rental Assistance
  -Home Rehabilitation (Full and Emergency)
  -Rental Rehabilitation
  -Community Assisted Mortgage Program
  -Family Self Sufficiency

-Fair Housing
-15% of CDBG funds used for social services

- A list of funding provided by developers to be used for affordable housing
- A proposal for a City wide In Lieu Fee Program
- An non inclusive list of current City non profit partners
- Current affordable housing initiatives:
  -Community Development Reorganization
  -In Lieu Fee Study
  -TOD Density Bonus Program
  -Adopted Affordable Housing Strategy Plan
  -Ad-Hoc Affordable Housing Creation (Apache ASL Project)
- The future of affordable housing in Tempe
  -Land cost/construction cost escalation
  -The In Lieu Fee study illustrating that the per unit subsidy is as high as $60,000 per unit
  -The need to provide affordable housing near transit stations and employment centers
- New models for achieving affordability
  -Restrictive covenants that provide for resale and shared equity restrictions to ensure long periods of affordability

Agenda Item 4: Break

Councilmember Ellis broke the meeting for a brief (10 minute) recess

Agenda Item 5: The city's non profit and faith based partners showcase local affordable housing projects

Councilmember Ellis requested each invited presenter to discuss its role in providing affordable housing in the City of Tempe.

Liz Morales, Arizona Behavioral Health Corporation (ABC)

- Stated that ABC provides affordable housing to the serious mental illness population (SMI)
- Stated that ABC is its own Public Housing Authority with 15 grant funding sources
- Stated that 80% of the population they serve fall into the extremely low income category
- Stated that the units they do provide are integrated into the community and 5% of their tenants live in Tempe

Beth Fiorenza, Tempe Community Action Agency (TCAA)

- Stated that TCAA provides numerous services to the public, including rent and utility assistance, gas vouchers, bus passes and food boxes
- Stated that TCAA has provided homeless prevention services for the past 40 years

- Stated that partnering with the City and other non profit agencies is the key to providing Tempe citizens with affordable housing options
- Stated that TCAA is interested in partnering with ABC in providing Housing First units in Tempe
- Stated that TCAA serves approximately 5,000 people each year

Kate Hanley, Tempe Community Council (TCC)

- Stated that TCC has assisted the City of Tempe in generating task force reports, including reports on the homeless, aging and disabled communities
- Stated that TCC makes recommendations to the Mayor and Council on human services funding
- Discussed TCC Shared Living for the Elderly program

Missy D'Aunoy, Habitat for Humanity

- Stated that Habitat's mission is to provide low income homeownership opportunities for the working poor
- Stated 7 Habitat homes have been built in Tempe
- Stated that Habitat's partnership with Newtown and the Community Land Trust was an innovated way to serve the population

John Ramirez, Chicanos Por La Causa, Inc. (CPLC)

- Stated that CPLC has been in the business of providing affordable housing opportunities to low income families for 39 years.
- Stated that CPLC has over 800 employees and serves 31 communities
- Stated that affordable housing is one of four divisions within CPLC
- Stated that its housing department is charged with creating new affordable housing units, providing homebuyer education and counseling services and facilitating the purchases for first time homebuyers
- Stated that CPLC is currently pursuing higher density projects

Allen Carlson, Newtown Community Development Corporation

- Stated that Newtown provides permanently affordable homes and homebuyer education and counseling services to its participants
- Stated that its Land Trust program currently has 34 properties within the Trust
- Stated that Newtown also administers the IDA matching program through the Federal Home Loan Bank of San Francisco
- Informed the attendees that Newtown recently completed its first Land Trust resale

John Smith, Housing Our Communities (HOC)

- Stated that among the services they provide is homebuyer education
- Stated that HOC sees its role in Tempe as a Technical Services provider, offering its full support to Newtown and the growth of the Land Trust program
- Stated that HOC supports the City of Tempe's efforts to provide opportunity to anyone who wants to live in Tempe

Jeff Hale, Community Services of Arizona (CSA)

- Stated that CSA provides downpayment assistance and foreclosure prevention services to its participants
- Stated that CSA owns hundreds of affordable rental units and offers supportive services at each facility
- Proposed 3 initiatives the City of Tempe should enact to assist in the production of more affordable housing units.
    1. The City of Tempe should waive impact fees for developers building affordable housing units.
    2. The City of Tempe should enact a city wide In Lieu Fee program
    3. The City should streamline the RFP process for vacant land to ensure fairness in the RFP selection process.

Ernesto Fonseca, ASU Stardust Center

- Stated that he believes there are many misconceptions as to the design and look of affordable housing
- Stated that the Stardust Center partners with many non profit developers and provides funds to assist with the design of affordable housing units
- Proposed the City of Tempe consider a higher density program to assist in the production of affordable housing

Teresa Brice, Local Initiatives Support Corporation (LISC)

- Stated that LISC provides technical assistance, financial assistance and administrative assistance to local non profit affordable housing providers
- Made two proposals to the City of Tempe
    1. Suggested the City of Tempe look into using publicly owned land for the creation of affordable housing units
    2. Suggested the City of Tempe consider mixed use housing for the creation of affordable housing units

Ben Sanders, Salvation Army of Tempe

- Stated that the Salvation Army provides numerous services to the homeless population in Tempe
- Stated that he was proud Tempe was taking the lead into solving the affordability problem

Agenda Item 5: Roundtable Discussion:

Councilmember Ellis introduced Ina Wintrich who was to facilitate the roundtable discussion

- Ina Wintrich asked that each invited participant be prepared to discuss one accomplishment, one challenge and one opportunity that presented itself this past year.

- In addition, Ina Wintrich requested that each participant write down their answers on note cards, which were provided, and place them on the story boards in the front of the room.

- Vice Mayor Hut Hutson discussed ASU's intent to construct up to an additional 14,000 bed units for on campus housing. He stated that this may present an opportunity to buy back a number of properties in north Tempe that are currently being used as rentals and occupied by ASU students.

- John Smith stated that the City of Tempe and local non profit developers need to talk with the larger employers in the area to discuss the possibility of employer assisted housing.

- Public comment: A member of the audience stated that he lives in a mobile home and have difficulties paying for the monthly rent. He stated that Tempe Housing Services should allow Section 8 vouchers to be used in mobile homes.

- Public comment: A member of the audience stated that she believed collaboration between non profits was already taking place and that the real issue was the lack of project funding. The audience member also stated that she hoped this Forum was the first in many to come.

- Beth Fiorenza stated that she agreed that funding resources are scarce, but that the State government is offering some technical assistance through a grant opportunity and that the Stardust Center is also a valuable resource.

- Ken Jones stated that he thought it would be a good idea if the City would create a list of Tempe resources for the non profit developers to distribute to their participants.

- Kate Hanley stated that time was of the essence because of the escalation of property values surrounding the light rail. She stated that the City and its non profit partners should move quickly while the opportunities to create affordable housing still exist.

- Chris Salomone stated that Tempe was in a unique position to move on various affordable housing initiatives due to the current Council's unanimous support.

- Ernesto Fonseca stated that developing affordable housing is good business for everyone and can be very profitable for developers.

- John Ramirez asked where we should go from here as Federal funding sources are dwindling. John suggested that Maricopa County is a resource that has not yet been approached for assistance. John made two proposals for the City.
    1. All the organizations participating in today's forum (including the City of Tempe) should approach the County with a united voice.

2. The City should create a direct funding source for the creation of an affordable housing trust fund.

- Ben Sanders stated that non profits should not overlook the faith based organizations as they can be a valuable resource and provide volunteer support.

- Public Comment: A member of the public stated that he believed Tempe should be proud of itself because of the numerous programs offered to low income households. He also stated that he believes the programs that the City does offer should be better advertised and promoted to the community.

- Kate Hanley asked Councilmember Ellis when the next forum will take place.

- Councilmember Ellis stated that no date has yet been set for the next forum, and the evaluations completed by attendees will play a part in making that decision.

- Councilmember Ellis thanked all the invited guests and members of the public who attended and participated in the Forum and requested everyone complete a program evaluation form. Councilmember Ellis also stated that the PowerPoint presentation will be emailed to all attendees who signed in and supplied the City with their email address.

- Councilmember Ellis adjourned the Forum at 12:10 p.m.

Drafted by: Craig Hittie

Approved by: