



Minutes City Council's Housing Committee February 17, 2009

Minutes of the meeting of the City Council's Housing Committee held on Tuesday, February 17, 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
Craig Hittie, Affordable Hsg Supvr
Jan Hort, City Clerk
Theresa James, Homeless Coordinator
Jayson Matthews, TCC
Shauna Warner, Neighborhood Svcs Dir.

Guests Present:

Beth Fiorenza, TCAA
Lisa Roach, NAC/Housing Subcommittee
Stephen Sparks, TCAA

Councilmember Woods called the meeting to order at 3:05 p.m.

Agenda Item 1 – Public Comment

None.

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

Councilmember Woods summarized that the current boards and commissions process will be followed and the seven members will be selected through that process. The City Clerk will coordinate a time table for the final recommendations and will publish a description of the board to the website.

Agenda Item 3 – Public Housing Authority (PHA) Annual Plan

Liz Chavez presented a draft of the Section 8 Public Housing Authority (PHA) 5-Year and Annual Plan. She explained that this is a mandated plan that is time sensitive and will be on Council's agenda for April 9 for final adoption. There have been some changes to the Section 8 program and these are identified in the plan and will be forwarded to HUD for final submission and approval. The changes are a reflection of budget changes. Because of a substantial decrease over the years of about 20% of the Section 8 budget, changes are necessary to continue to cover families on the program. Some of the changes are:

- Voucher issuance. The budget covers a certain amount of families per year and the funding for 2009 is unknown. Reserves are being used to operate at this time. Staff has had to quit issuing vouchers until the funding is known. They expect to hear in March.
- Subsidy standards. In the past, they have been able to allow families to rent a higher unit size based upon their family size. If a 2-bedroom voucher was issued to a family and they found a 3-bedroom unit within that payment standard amount, they were allowed to rent the larger size. They can no longer do that because the City ends up paying the cost of utility allowances which causes the subsidy to go higher for that family.
- Utility allowances. Staff reviewed the allowances beginning January 1st and the cost has decreased, so the amount the City will subsidize will decrease.
- Insure rent reasonableness. They don't allow families to rent units that are higher than what is reasonable for the market in that area, so for every unit, they ensure that the unit meets rent reasonableness.
- Portability. The program allows that families can "port" out of Tempe to other jurisdictions that administer that cost. Interested families cannot go into another jurisdiction unless that agency decides to absorb the total cost of that family moving into that jurisdiction or if their payment standard is lower or at the same amount than the City is currently subsidizing. We won't pay a higher subsidy for that family going to another jurisdiction because we end up paying a cost for that receiving jurisdiction to "babysit" that family.
- Fraud approach. Staff is working with HUD's Office of Investigation to enable a more stringent screening of families entering the program. That office is taking action for any amounts over \$1,000 that a family may have in terms of fraud. Staff is taking a proactive approach in trying to recoup our money.

Stephen Sparks asked if all their clients knew about the February 23rd utility assistance day at Escalante Center. This is an opportunity to utilize the \$1.4M in LYHEAP (federal money) coming to Maricopa County for utility assistance.

Ms. Chavez asked to receive information to place in their lobby.

Agenda Item 4 – Tour of Potential Properties for Affordable Housing Development - Update

Craig Hittie summarized that because this would be a public meeting with two councilmembers present, it would need to be posted with specific times at each address. Vice Mayor Ellis opted not to attend and Councilmember Woods will attend and report back.

The date of March 9th at 10 a.m. was set. Attendees will meet in the Housing Services office.

Agenda Item 5 – Economic Stimulus Bill and/or TARP funds – Update

Craig Hittie summarized that the Economic Stimulus Bill was signed today.

- Community Development Block Grant (CDBG) funds – final bill had \$1B, which is about 25% of what is allocated annually. Three years ago it was \$3.7B. Tempe's share will be \$300K to \$400K.
 - Existing formula for CDBG allocation will be used.
 - Must commit within 18 months.
 - Prioritize contracts or activities that can be under contract within 120 days.
- \$2B from NSP Program – about half of what was funded last year.
 - Will be awarded competitively.
 - Awarded communities will have the highest percentage and number of foreclosures. Currently in Tempe, there are 918 homes in foreclosure. Mesa has 7,200. HUD has 75 days to publish the criteria for selection.

Vice Mayor Ellis asked, regarding the CDBG funds, if the City will still use the same formula and allocate 15% to the basic services.

Mr. Hittie responded that HUD was given the discretion to supersede any existing law.

Vice Mayor Ellis clarified that they might say that we can't do the 15%.

Mr. Hittie responded that HUD will develop their own criteria.

Jayson Matthews noted the City's agency review process takes into consideration level funding. The recommendations will be taken to Council on March 5th, so if there happens to be a change, he can then work with the Housing Department to readjust those. They are already funding \$115K less per Council action last year.

Vice Mayor Ellis asked for the amount of CDBG.

Mr. Mathews responded it was \$238K.

Mr. Hittie added that the Home Investment Partnership funds (money used internally for the City's own regular rehab programs along with the down payment assistance program) was put in at \$2.25B which is more than last year's allocation, but 100% of that goes to the State Financing Housing Authority who issue the low income housing tax credits. It will be used for tax credit activities that have stalled. The tax credits about six to eight months ago became almost worthless because the banks didn't need the credit. This money is geared toward gap financing for tax credit activities that have already been approved and have been awarded some tax credits. It is good news for the Apache Trails ASL project. The City won't have any say what to do with those monies, but the monies will be put to good use.

He added that the TARP announcement will be made tomorrow.

Agenda Item 6 – Homeless Street Count

Theresa James reported that the 2009 homeless street count took place on January 27th. The results are compiled from across the county and included in the application that brought over \$21M to service providers last year. On that day, staff counted between 4 p.m. and 6 p.m. The reality is that it is impossible to accurately count people living on the street. They did count 138 homeless people, and four days prior to that at the Homeless Connect event, 273 homeless individuals participated. Of the 138, there were 106 single adult men, 5 male youth, and two families. She will report the county numbers when they are available.

Vice Mayor Ellis suggested holding the Homeless Connect on the same day as the count.

Ms. James added that Phoenix does its count after 7 p.m. because they do it when the shelters and the soup kitchens close.

Agenda Item 7 – Future Agenda Items

- Staff to provide more information at the March committee meeting on a working meeting for residents, agencies, etc. on what to move forward
- A discussion on strip center redevelopment into affordable housing
- Timeline for Housing Trust Fund

Meeting adjourned at 3:45 p.m.

Housing Committee
Minutes – February 17, 2009

4

Prepared by: Connie Krosschell
Reviewed by: Liz Chavez

Jan Hort
City Clerk