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## Minutes Housing Trust Fund Advisory Board January 11, 2010

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Minutes for Housing Trust Fund (HTF) Advisory Board held on Monday, January 11, 2010, 6:30p.m., in Hatton Hall, 34 East 7<sup>th</sup> Street Building B, Tempe, Arizona.

**HTF Advisory Board Members Present:**

Kevin Kaesberg  
Kolby Granville  
Myra Jefferson  
Todd Marshall  
Stanley Nicpon

**Council Members Present:**

Shana Ellis, Vice Mayor  
Corey Woods, Councilmember

**City Staff Present:**

Craig Hittie, Community Development/Housing Services  
Chris Anaradian, Development Services

**Members of the Public Present:**

Jayson Matthews, TCC  
Allen Carlson, Newtown CDC  
Tony Bradley, Arizona Multi-Housing Association

**Board Member Todd Marshall called the meeting to order at 6:33p.m.**

**Agenda Item 1-Public Comment**

None.

**Agenda Item 2-Acceptance of October 12, 2009 minutes**

Accepted, 5-0

**Agenda Item 3-Review Suggestions Made by Previous Housing Trust Fund Working Group**

Allen Carlson reviewed the history and background that led to the creation of the Housing Trust Fund to the Housing Trust Fund Board Members present.

Mr. Carlson expressed concern that the Advisory Board is expending an unnecessary amount of time discussing and formulating the Board's mission and purpose when those items are expressly stated within the HTF Resolution and the HTF Advisory Board Ordinance.

Mr. Carlson recommended Board Members review the City Ordinance, Resolution and the Housing Trust Fund working group's proposal to Council to better understand the Trust and the Board's role in allocating its funds.

Mr. Carlson explained that the working group spent a considerable amount of time debating various funding sources and it was determined that the best way to create a sustainable fund for a community problem is with a community resource.

Todd Marshall thanked Mr. Carlson for his presentation and reminded him that while the Board appreciated the working group's efforts and is interested in the conclusions that were reached, the direction and of the HTFAB will be created by the Board. In addition, Mr. Marshall stated the Board has been and will continue to promote a broad based education on housing issues. Mr. Marshall assured Mr. Carlson that the Board is fully aware of the Ordinance and Resolution documents.

#### **Agenda Item 4-Presentation by the City's Development Services Department Discussing the Development Fee Structure**

Chris Anaradian reviewed the City's "Art in Private Development Guidelines" with the Board.

Mr. Anaradian mentioned that the guide can also be found online at: [www.tempe.gov/arts](http://www.tempe.gov/arts).

Mr. Anaradian explained that the Private Art Guidelines dictate that the property owner(s) of any project that contains more than fifty thousand (50,000) square feet *net floor area* of commercial or office use shall contribute to Art in Private Development. The art contribution shall take the form of either on-site installation of exterior artwork or an equivalent cash donation to the Tempe Municipal Arts Fund. *Net floor area* means the sum of all floor areas (including mezzanines, outdoor retail and dining areas) devoted to an activity, excluding exterior walkways and the thickness of exterior walls.

The developer's investment in artwork is based on the amount of square footage of the *net floor area* dedicated to commercial or office use, and is adjusted on Feb. 1 of each year based on the Consumer Price Index for All Urban Consumers (CPI-U) of the previous year. *The 2009 value: \$0.41 per square foot.*

Mr. Anaradian also provided the Board with a table that illustrated the totals for both the Designated Art that has been created and the total amount of contributions that have been made in lieu of a designated art project. The table indicated that since fiscal year 2004, \$1,132,355 designated art has been created and \$79,000 has been paid in lieu of creating public art.

Stan Nicpon commented that considering the state of the economy and the lack of an adequate supply of affordable housing, it may be appropriate to support affordable housing activities before art issues. There was no further comment from the Board.

Kolby Granville asked Mr. Anaradian if there were considerations other than the net commercial space created that are taken into account. For example, the type of tenant moving into the commercial space or the anticipated rent to be collected from the future tenant.

Mr. Anaradian stated that, in his opinion, using the “net square footage” approach is more objective and assists developers in determining their project costs by removing possible variables from the construction cost equation.

Mr. Granville asked Mr. Anaradian if any developer had objected to the public art requirement to the level that the project was not undertaken, or undertaken in a different community.

Mr. Anaradian stated that he was not aware of such a project and that the public art requirement, in his opinion, has had no negative impact on development in Tempe.

Mr. Anardian also presented to Board a chart illustrating the 5 year history of development activity in the City. The chart indicated that in 2005-2006, the peak of the development boom, the Development Services Department grossed a total of \$5.5 million dollars in related fees. The chart indicates the year to date totals for FY09/10 to be \$1.1 million.

#### **Item 5-Discusion of Current Housing Activities**

Due to illness, the scheduled presenter was unavailable. The Board agreed unanimously to move the agenda item to the next month’s meeting.

#### **Item 6-Future Agenda Items**

1. Discussion of Current Housing Activities (Tony Bradley, Arizona Multi-Housing Association)
2. Stardust Foundation Discussion (Kurt Creager, Executive Director)
3. Housing Trust Fund Advisory Board Continuing Discussion of Board Goals (Group Discussion)

#### **Item 7-Future Meeting Date**

Date for next Housing Trust Fund Advisory Board meeting scheduled for February 8, 2010 @6:30 PM-Hatton Hall.

**Meeting adjourned at 8:00 p.m.**

Prepared by: Craig Hittie  
Reviewed by Todd Marshall