

Minutes Housing Trust Fund Advisory Board February 8, 2010

Minutes for Housing Trust Fund (HTF) Advisory Board held on Monday, February 8, 2010, 6:30p.m., in Hatton Hall, 34 East 7th Street Building B, Tempe, Arizona.

HTF Advisory Board Members Present:

Kolby Granville excused himself at 7:25
Shane Graser
Todd Marshall
Kevin Kaesberg-arrived 7:15 PM

Council Members Present:

Corey Woods, Councilmember

City Staff Present:

Craig Hittie, Community Development/Housing Services

Members of the Public Present:

Jayson Matthews, TCC
Kevin Ransil
Amy Schwobenlender, Valley of the Sun United Way
Reid Butler, Butler Housing Company
Pete Tekampe
Tony Bradley, Arizona Multi-Housing Association

The meeting was not called to order due to a lack of a quorum. As of 6:56 PM, only three Board Members were present, Todd Marshall, Shane Graser and Kolby Granville. Although not enough members were present to establish a quorum, Board Chair, Todd Marshall, permitted the agendized Arizona Multi-Housing Association members to present their prepared remarks.

- **Pete Tekampe provided an update on the current rental market in Tempe and in Maricopa County as a whole.**
- **Pete stated that the rental market in Tempe is at its worst in several years.**
 - Rents are going down
 - Record number of vacancies-15% Valley wide average; 14% in North Tempe; 8.9% in South Tempe

-30% of Tempe's rental housing inventory built prior to 1970

-From 1/1/10/-2/4/10 668 foreclosures within Tempe

- **Pete stated that he believed that there may be as many as 100,000 “shadow” rental units. These are single family homes that have been foreclosed upon and purchased by investors and offered for rent.**
- **Reid Butler expanded on a Memo he provided to the Members present. See attached file for further information.**
- **Mr. Butler presented several affordable housing projects that he has participated in. Several of the projects that he referenced were recipients of low income housing tax credits (LIHTC) and suggested that Tempe be more aggressive to encourage and support such endeavors. He admitted that the process is cumbersome and difficult to navigate and offered to be a resource to the HTFAB.**
- **Staff pointed out that Tempe has supported and continues to support tax credit applicants citing the recently awarded Apache Trails development.**

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

Meeting ended at 8:25 PM without formal adjournment.

Prepared by: Craig Hittie
Reviewed by Todd Marshall

ATTACHMENT 1

BUTLER HOUSING COMPANY, INC.

DATE: 2/8/2010
TO: TEMPE HOUSING TRUST FUND ADVISORY BOARD
FROM: REID BUTLER, PRESIDENT OWNER
RE: AFFORDABLE HOUSING, ECONOMIC DEVELOPMENT AND COMMUNITY REVITALIZATION

- **Affordable Housing/Definitions/“Labels”/Confusion.**
 - **Public Housing/“The Projects”.** City of Phoenix: Luke (at St. Luke’s Hospital); Krohn; Foothills; Housing Authority of Maricopa County: Coffelt (19th Avenue and Broadway Curve).
 - **HOPE VI.** Public housing redevelopment. Matthew Henson (7th Ave/Buckeye).
 - **“HUD Housing”.** No such thing. HUD provides financing programs through the Federal Housing Administration (FHA), but HUD does not own homes.
 - **Section 8 (vouchers or “site based”).**
 - **Affordable Housing/“Workforce Housing”.**
 - **“Working Poor”.** Really a poor definition of affordable housing.
 - **Special Needs/Example: Veteran’s Housing.** Also: AIDs/HIV positive; Victims of Domestic Violence; Ex-Convicts; Sex Offenders. **Big Issue for Special Needs Housing: “mainstream/assimilate or separate”.**
 - **Mixed Income Housing.** Affordable housing and market rate housing in the same project (Legacy Bungalows; Roosevelt Square).
 - **Real World Housing Needs.** Everyone needs a home. Every night.
- **Butler Housing Company/Project Experience.**
 - **Legacy Bungalows (12th Avenue and Van Buren).** 200 apartments; Downtown Phx/State Capitol. Lessons learned:
 - Location/Location/Location (in particular for affordable housing).
 - Extensive Community Support.

- Political Leadership.
 - High Quality Design (same design and construction team as The Legacy on Camelback/10th Street and Camelback).
 - Mixed Income Housing.
 - Property Management (Legacy Partners Residential).
 - Affordable Housing as economic development/community revitalization.
- **Roosevelt Commons (6th Avenue and 5th Avenue between Roosevelt and McKinley).** 48 apartments; Downtown Phx; Roosevelt Historic Neighborhood. Lessons learned:
- Roosevelt Community Support--extensive.
 - Political Leadership.
 - High Quality Design.
 - Historic Preservation and Affordable Housing: restored 8 historic buildings (originally constructed in 1919-1922) in the Roosevelt Historic District.
 - Property Management (Dunlap & Magee).
- **Matthew Henson/HOPE VI (7th Avenue and Buckeye).** Downtown Phx. Public housing redevelopment; 611 homes. Mixed Income housing.
- Design/Quality.
 - City Leadership Downtown Phoenix/Business Leadership.
- **Roosevelt Commons/Lessons Learned (in detail).**
- **Innovations in Design.** This Community is an excellent example of Smart Growth—infill housing development that combines higher-density affordable housing with adaptive re-use of existing historic buildings. Key additional architectural features: (i) retaining the historic building setbacks along 6th Avenue for a neighborhood feel, (ii) locating the new 2-story buildings in the back off the public alley, (iii) keeping the housing open to the neighborhood by not “gating” or “fencing off” the Community, (iv) careful use of design and paint and color and upgraded materials to create “fit” within the neighborhood (like the “good old days” when each home was individually designed), and (v) 2 pavilions and play equipment for use by the residents of the Community and the Roosevelt neighborhood.
 - **Community Partners.** Affordable housing needs extensive community support. Roosevelt Commons example: (i) Roosevelt Action Association/Neighborhood; (ii) City of Phoenix (many Departments: Council District 7—Councilman Doug Lingner, City Manager’s Office, Housing, Neighborhood Services, Development Services, Planning) (iii) Arizona Department of Housing, (iv)

AIG/SunAmerica/Fannie Mae, (v) Phoenix Community Alliance, (vi) Downtown Phoenix Partnership, (viii) Westlake Reed Leskosky Architects, (ix) Tofel Construction, and (x) Dunlap & Magee.

- **Development Budget.** Raise enough money to protect design: \$9,000,000 costs.
- **Affordable Housing and Economic Development and Community Revitalization.**
 - **Residents Actually Live/Work/Shop There.**
 - **Great Architecture/Design—transforming.**
 - **Sponsorship.**
 - **Property Management.**
 - **Long-term Ownership.**
- **Incentives/Specialized Financing Programs.** Each year, the State of Arizona Department of Housing directs approximately \$200,000,000 in financing for affordable housing projects in the form of Low Income Housing Tax Credits, HOME Funds, Private Activity Tax-Exempt Bonds, and now Federal Stimulus Funds (T-CAP; Tax Credit Exchange, Weatherization Funds). In addition, Arizona's Cities and Towns have access to affordable housing funds and certain incentive programs to support affordable housing. These funding programs typically result in private capital from national investment companies that is invested long-term in the Arizona housing market (investment in tax credits and tax-exempt bonds from large national banks and investment funds). The result is that the private sector (for-profit and non-profit) then develops or acquires affordable housing communities using these specialized funds.
 - **AMA.** The AMA has long supported the concept of using these specialized funds and appropriate incentive programs to support the creation of affordable housing by the private sector, instead of the policy that certain jurisdictions have adopted around the United States to mandate the creation of affordable housing.
- **Impact/Think Big/No Small Plans/Roosevelt Corridor Revitalization.** Affordable housing will help transform a neighborhood. Example: Roosevelt Commons is part of many projects within the Roosevelt Corridor with public and private partners that have transformed this area. The Roosevelt Corridor will continue to grow—really all the way across Downtown from 15th Avenue/Grand to 16th Street in the Garfield Neighborhood:
 - **Roosevelt Commons (Butler Housing Company, AIG/SunAmerica, Fannie Mae, AZ Dept. of Housing, Phoenix Housing Department).**
 - **O'Carroll Group/Street of Dreams (west side of 6th Ave: re-sales at \$600,000).**
 - **PRD 845/Urbistruct/Studio Ma (8th Avenue and Roosevelt).**
 - **Oasis Hotel (15th Avenue and Grand Avenue and Roosevelt).** Hotel conversion to 61 affordable apartments/artists housing/music and art venue.

- Local Breeze (4th Avenue and Fillmore).
- Cibo's Restaurant (5th Avenue and Fillmore).
- 4th Avenue and McKinley (48 new condominiums planned).
- 5th Avenue and McKinley (54 units of affordable housing planned).
- 2nd Avenue and McKinley (City RFP/2 historic renovations).
- 5th Avenue/Fillmore/Pappas School (City ownership).
- Arizona Theater Company Complex (Terry Goddard).
- Corpstein Complex/Arizona Commission on the Arts (Phil Gordon).
- Kenilworth Apartments (Larry Lazarus Building).
- Gold Spot Marketing Center (Desert Viking).
- Fontanelle.
- Trinity Cathedral/Bishop's House/Fair Trade Coffee House.
- Roosevelt Square Apartments.
- Portland's Restaurant (Michelle and Dylan Bethge).
- Portland Place Condominiums (Tim Sprague, John Hill, Feliciano Vera).
- Guiding Star/Sun Dee (Desert Viking relocation/restoration).
- GS 3 (Desert Viking—29 new condominiums planned).
- Carly's Restaurant (2nd Street and Roosevelt).
- Artisan Village (Eric Brown).
- Tammy Coe's Bakery/Artisan Village.
- Portland 38 (JAG Development).
- Garfield/Little Sister's of the Poor/Home for the Aged.
- Ranch Market (16th Street and Roosevelt).

For additional information, contact Reid Butler at reid@butlerhousingcompany.com.