

**Minutes  
Housing Trust Fund Advisory Board  
May 10, 2010**

Minutes for Housing Trust Fund (HTF) Advisory Board held on Monday, May 10, 2010, 6:00p.m., in Hatton Hall, 34 East 7<sup>th</sup> Street Building B, Tempe, Arizona.

**HTF Advisory Board Members Present:**

Kolby Granville  
Todd Marshall  
Kevin Kaesberg  
Myra Jefferson  
Neil Calfee  
Stanley Nicpon

**HTF Advisory Board Members Absent:**

Shane Graser

**Council Members Present:**

Vice Mayor, Shana Ellis  
Corey Woods

**City Staff Present:**

Craig Hittie, Community Development/Housing Services  
Andrew Ching, City Attorney

**Members of the Public Present:**

None

**The meeting was called to order at 6:00 PM by Board Chair, Todd Marshall**

**Agenda Item 1- Public Comment**

No public comments

**Agenda Item 2- Acceptance of April 12, 2010 Meeting Minutes** (Todd Marshall, Chair)

- March minutes were approved unanimously as amended.

**Agenda Item 3- Legal Structure of the HTF and the Mechanics of How the Funds are Received and Held; Specifically, Funds Derived From Private Benefactor Donations**  
(Andrew Ching, City Attorney)

- Mr. Ching clarified to the Board that the Housing Trust Fund is a conduit to which funds are allocated or donated. Monies for the HTF are held by the City in a Cost Center designated for the funds.
- Mr. Ching stated that the HTF Advisory Board makes recommendations to the Community Development Manager and the City Council on the expenditure of the funds, but does not accept funding on behalf of the HTF.
- A question was raised about whether the City Council would be required to approve a donation to the Fund. Mr. Ching responded that Council would have input and approval authority on the acceptance of funds for the HTF.
- A question was posed to Mr. Ching about the structure of other organizations organized to support other City programs and initiatives. For example, the Tempe Foundation for the Arts, the Rio Salado Foundation, etc.) Mr. Ching explained that those organizations were founded for the purpose of providing direct support for these programs and that because these organizations were established as 501(c)(3) non profits, private donations to them are considered charitable donations, and therefore, tax deductible. Mr. Ching also stated that he had not researched whether private donations to the HTF would be tax deductible.

**Agenda Item 4-Potential Uses of the HTF** (Group Discussion)

- Todd Marshall opened the discussion by suggesting that the Board brainstorm possible funding options for the HTF based on the hypothetical premise that the HTF has \$1 million capital account
- A discussion on the mechanics of issuing a RFP followed.
  - The process must be public and transparent
  - The RFP should be issued with direct support to the HTFAB Mission including guidance on income and favoring locations deemed to be advantageous to residents by offering proximity and/or transit connection(s) to existing Public infrastructure including the civic, academic and cultural amenities.
  - The RFP would be structured to consider the then current market conditions
- A detailed discussion of possible funding followed:
  - Project based. E.g. acquisition/rehab of an existing multifamily unit
  - Scattered sites. E.g. downpayment assistance
  - Vacant land acquisition
- Regardless of the activity being funded, it should enhance existing infrastructure. E.g. light rail transit, or perhaps encourage development within the existing TOD overlay district.
- A suggestion was made that it might be easier to subsidize the buyer rather than the development or project.
- Discussion of two different funding models transpired. Resale restrictions with equity sharing vs. Recapture of initial funds.
- A point was made that a diversity of projects and activities should be pursued. In addition, priority should be given to projects that protect the initial capital investment and/or promote a positive rate of return on the investment.

- After discussion on the various funding models, three remained strong possibilities for the Board:
  1. Scattered Site model utilizing downpayment assistance. The model could return 100% of the initial investment plus a participation in the appreciation.
  2. Project Based or Scattered Site model utilizing a loan guarantee or credit enhancement tool. This model also could return 100% of the initial investment. Since the funds are pledged and not spent, this model may also allow for interest income on the funds.
  3. Project Based model utilizing direct investment into the development. the model is has the potential for being the simplest to execute and administer but may also prove to be the least leverage and no oppurtunty to recapture the funds.
- After discussion of these models, it was suggested that the HTF incorporate an outreach/education annual budget line item as a means to educate the community on the benefits/necessity of affordable housing programs.
- Group discussion also focused on collaborating with local non-profits to assist in carrying out the Board's funding goals, regardless of which models were funded.
- A suggestion was made to further "flush out" the three funding alternatives.
- Neil Calfee volunteered to further breakdown the three alternatives and provide a generalize model approach for each. Neil agreed to email each Board member the summaries.

**Agenda Item 5-Calendar of Events Related to Housing on Local and State Levels** (Craig Hittie, City of Tempe)

- Craig Hittie reviewed the handout (Attachment A) with the Board.

**Agenda Item 6- Future Agenda Items** (Group Discussion)

- More detailed discussion of the three funding alternatives. (Group Discussion)

**Agenda Item 7- Future Meeting Date and Time**

- After discussion about taking a short Summer sabbatical, the Board agreed to forgo June and July HTFAB meetings. The next HTFAB meeting was scheduled for August 9, 2010. The meeting place and time to be confirmed prior to meeting date.

**Agenda Item 8 Adjournment**

- Board Chair adjourned the meeting at 7:35 PM.

Prepared by: Craig Hittie

Reviewed by Todd Marshall

## Attachment A

### Affordable Housing Upcoming Events and Available Resources

#### ON THE CALENDAR:

- May 6<sup>th</sup>: 2<sup>nd</sup> Public Hearing and Adoption of the FY 2010-2011 Annual Action Plan, FY2010-2014 Consolidated Plan and Analysis of Impediments to Fair Housing
- May 15<sup>th</sup>: Deadline to submit Plans to HUD
- May 18<sup>th</sup>: Next Housing Committee Meeting (3PM City Hall)
- Sept. 15-17: 2010 Arizona Housing Forum (Tucson)

*The Arizona Housing Forum is the only annual statewide housing conference in Arizona. Each year in September, over 300 attendees meet at locations around the state to network and to hear from top housing professionals in over 25 educational sessions. (\$250 Registration)*

<http://www.azhousing.gov/ShowPage.aspx?ID=331&CID=7>

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#### HELPFUL LINKS:

- Arizona Collaborative Clearinghouse: [www.azcollaborative.net](http://www.azcollaborative.net)
- To Join Tempe's Affordable Housing Listserv: [www.tempe.gov/lists](http://www.tempe.gov/lists)
- Tempe's Housing Services Main Page: [www.tempe.gov/housing](http://www.tempe.gov/housing)
- Arizona Housing Alliance: [www.azhousingalliance.org](http://www.azhousingalliance.org)
- Arizona Foreclosure Prevention Taskforce: [www.azforeclosureprevention.org](http://www.azforeclosureprevention.org)
- Urban Land Institute: [www.uli.org](http://www.uli.org)
- Arizona Department of Housing: [www.housingaz.com](http://www.housingaz.com)