

**Pima County Housing Commission
March 19, 2012 – 3:00 pm**

Pima County Housing Center
801 W. Congress St.
Tucson, AZ

Members Present:

Frank Moreno
Ken Anderson
Tim Escobedo
Jon Miles
Kathleen Buske
Scott Place
David Greenberg
Henry Boice
David Godlewski
Frank Thomson

Members Absent:

Ray Clarke

Staff & Guests:

Betty Villegas
Marcos Ysmael
Martha Martin
Margaret Kish
Tresina Lister
Terry Galligan
T Van Hook
Gigi Rodriguez
Alonzo Morado
Ann Vargas

I. Welcome & Call to Order

Commission chair Frank Moreno called the meeting to order at 3:00 pm.

II. Pledge of Allegiance

III. Approval of Minutes from December 19, 2011

Commissioner Jon Miles noted that on page 3, item 7, second bullet, Frank Moreno should be listed as Commission Chair, not Frank Thomson.

Motion made by Tim Escobedo to approve the minutes with corrections from December 19, 2011.

Motion seconded by Ken Anderson. Motion carried unanimously.

IV. Staff Reports

• **NSP II Update: Gary Bachman**

NSP II staff Alonzo Morado informed the Commission that the NSP II grant is in its third and final year. Staff is currently working on an open house on March 24th for interested homebuyers looking to use NSP II funds for home purchasing. At present the NSP II program is offering an \$8,000 down payment assistance program, and has enough funding for 61 homes.

• **GO Bond Project and NSP I Updates: Marcos Ysmael**

Pima County staff Marcos Ysmael highlighted GO Bond Project progress that had been made since the last meeting. Corazon del Pueblo Phase II completed four new

units, and there are four units left to complete, which should be done by May. Corazon del Pueblo Phase III currently has 16 homes under construction, and the first six should be done in May. Sunnyside Pointe completed five new homes, four additional homes are under construction, and five sales are pending.

Marcos also provided an NSP I update, and stated that the 13 newly renovated homes were transferred to the City of Tucson's El Portal rental program. Those homes are being leased to low-to-moderate income households. Primavera Foundation is doing redevelopment in the City of South Tucson, and they have completed two new rental units. There is also a redevelopment project in Ajo, the Ajo Historic Plaza, which is a commercial project.

- **Gadsden Project Update: Betty Villegas**

Pima County staff Betty Villegas referenced a letter that was sent to the Gadsden Company from Chair Frank Moreno. The letter informs the Gadsden Company that the Commission voted to recommend the project for funding but that it was contingent upon several conditions, which were also detailed in the letter.

Betty did receive an update from the Gadsden Company, and they have submitted the first part of an application to the City of Tucson for HOME funding. She also stated that because they are requesting 4% low income housing tax credits that they have to wait for the first low income housing tax credit competitive process to be completed at the state level. The Gadsden Company was told not to apply until that was completed, which will be in June.

Commissioner Frank Thomson requested quarterly reports for Gadsden's progress in meeting the conditions. Staff will insure that the Housing Commissioners receive a progress report regarding the Gadsden Company. He also commented that the Gadsden Company should be aware that the funds are not guaranteed, and other projects that are ready to begin, could get approved for funding.

Commissioner David Greenberg requested that at the next Commission meeting, business related to the Gadsden Company should be an action item, and the Gadsden Company should be in attendance.

- **Marana Honea Heights: Wastewater Capacity Update**

Pima County staff Betty Villegas reported that the waste water capacity had been transferred from Pima County to the Town of Marana, but Pima County is still responsible for the permit. It is now their responsibility to get approval from the Arizona Department of Environmental Quality to resolve the issue. Once that has been done, they can request the permit from Pima County. Betty also stated that because the project has been stalled for so long, the Town of Marana has lost their funding from the Federal Home Loan Bank of San Francisco and now need to look for additional funding sources.

- **Staff presentation on recent Brookings Institute report on "Rebalancing of Rental and Homeownership Housing"**

Pima County staff Martha Martin presented a PowerPoint on a recent report from the Brookings Institute to the Housing Commission. The report suggests that the focus should shift from single-family homes to rental housing. Statistics involving the aging community, the minority community, and the younger generation suggest that people

may be staying in rental housing for longer periods of time than past generations. The report also suggests that given the current economic situation as it relates to housing, many people have become disillusioned with homeownership. According to John Strobeck, in February 2012 there are 43,000 Tucsonans who have an aversion for homeownership and 18,000 are waiting to put their homes up for sale. Statistics in Tucson also show that vacancy rates are down, which may suggest an increased interest in rental housing. Martha noted that 44.7% of renters are paying more than 35% of their gross monthly income on housing, yet HUD standards say housing should cost no more than 30% of gross monthly income.

Martha suggested that perhaps the Commission would want to consider a policy to solicit applications for affordable rental housing, as well as meet with City of Tucson and Pima County planners to discuss how zoning laws may hamper or encourage development.

Commission Chair Frank Moreno expressed that he believes the goal of the Commission should remain homeownership, as the increased need for rental housing may only be temporary. Commissioner Frank Thomson expressed similar concerns.

V. **Discussion and possible action**

- **Roof Top Fee Contributions**

Pima County staff Betty Villegas reminded the Commission that at the previous meeting the Commission was concerned about the Pima County Community Land Trust's request for funds from the Housing Trust Fund. She stated that the Commission needs to decide how they will handle other requests for funds.

Commissioner Frank Thomson requested that this topic be an action item at the next Housing Commission meeting.

- **Marana Honea Heights Bond Project**

T Van Hook, Community Development Director for the Town of Marana, spoke in regards to the Honea Heights project. She stated that they will submit another application to the Federal Home Loan Bank of San Francisco in the fall for funding.

Commissioner Frank Thomson questioned the timeline in regards to when houses would actually be built. T Van Hook answered that they would probably run parallel processes; while working on infrastructure, they would open an RFP for a building team so that development could move along more quickly.

Commission Chair Frank Moreno asked if a year would be enough time to complete the conditions. T Van Hook noted that she could only speak for the things that were in her control, but that she would be able to move forward with the application to the Federal Home Loan Bank of San Francisco. She commented that the Town of Marana's legal department has not received a response from Pima County's legal department regarding a draft IGA, and that is something she cannot control.

Commissioner Frank Thomson spoke in regards to a possible bond election and stated that if the Commission is going to request \$30 million, it wouldn't be favorable to the Bond Committee if there were still funds left unspent from the 2004 General Obligation Bond Funds.

Commissioner David Godlewski inquired about the status of a draft IGA previously mentioned by T Van Hook. Pima County staff Betty Villegas informed him that attorneys for Pima County have advised that there cannot be an IGA until all of the conditions listed for the project are met. Marcos Ysmael suggested that both jurisdictions' legal departments could meet and discuss possibly drafting an IGA as a starting point.

Commissioner Tim Escobedo stressed the urgency in the two jurisdictions solving their issues in regards to the project.

Motion made by David Greenberg to give the Town of Marana 12 months to meet the conditions of their original approval, and to secure the necessary funding and permits. There must also be quarterly progress reports for the project.

Motion seconded by Ken Anderson. Motion carried unanimously.

VI. Call to the Audience

No comments from the audience.

VII. Announcements

No announcements.

VIII. Adjournment

Motion made by Tim Escobedo to adjourn the meeting.

Motion seconded by Scott Place. Motion carried.

Meeting adjourned at 4:30 p.m.