

**Pima County Housing Commission
September 21, 2009 – 3:00 pm**

Pima County Kino Recreation Center
2805 E. Ajo Way, Room 104
Tucson, AZ

Members Present:

Frank Moreno

Tim Escobedo

Ysmael

Jon Miles

Margaret Kish

Brad Smith

David Greenberg

Frank Thomson

Scott Place

Members Absent:

Kathleen Lowery

Henry Boice

Ken Anderson

Staff & Guests:

Betty Villegas

Marcos

Gary Bachman

Martha Martin

Mark Holden

Samantha Romero

Jim Brooks

Awilda Torres

I. Welcome & Call to Order

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

II. Approval of Minutes from March 16, 2009

Motion made by Ken Anderson to approve the minutes from March 16, 2009.

Motion seconded by Jon Miles. Motion carried unanimously.

III. Staff Report

• **Report on new language in General Obligation contracts**

Pima County staff Betty Villegas informed the Commission that after working with the County Attorney on contract language, a discussion was held on how funds could be used differently with the projects in order to tie the affordable housing bond funds directly to affordable housing rather than tying it to infrastructure. It was decided that there will be a 30-year affordability requirement on every home that gets sold. Should the owner choose to sell the home, they must sell it to a buyer that meets the required income limits for low to moderate income. If not, the seller will be required to return the funds, which would then be placed back into the Housing Trust Fund. This affordability restriction will apply to all new projects as well as those projects which have not yet begun construction.

• **Update on Neighborhood Stabilization Program (NSP) I and II**

Pima County staff Mark Holden presented the Commission with an update on the NSP I. He stated that in March the County entered into a grant agreement with HUD for funding of about \$3 million. That funding has been divided into four project areas for the acquisition and rehab of foreclosed homes. The first area is west Valencia Rd. near south Cardinal in southwest Tucson, and the County has closed on one home in this area with another two in escrow. The second area is in South Tucson, and the County has a contract with the Primavera Foundation to purchase two foreclosed

homes and vacant properties for affordable housing. The third project area is in Ajo and the County is working with the Sonoran Desert Alliance to develop retail space in the historic Ajo Plaza. The final project area is a requirement of the NSP and requires 25% of the grant be spent on low-income populations in the County. This will be used to acquire, rehab, and manage low-income rental units.

Pima County staff Margaret Kish presented the Commission with an update on NSP II. She explained that the total grant amount requested for NSP II is approximately \$22 million and the project area will cover mostly District 2 and District 5, an area which contains 23% of the County's foreclosures. The strategies of this project will be to acquire and rehab properties, stabilize communities, identify vacant and substandard homes, identify the quality of these units, create neighborhood diversity, demolish blighted units, work with vacant properties for redevelopment, provide new housing products that might not be available in the area, and provide financial assistance to homeowners. The application was submitted in July, but it is not known when staff will be notified whether or not funds have been allocated.

- **Update on Bond Funded Projects**

Pima County staff Marcos Ysmael updated the Commission on the status of the Bond projects. He stated that the \$10 million of the 2004 Bond Funds had all been allocated, and four projects are currently in progress. Marcos noted that the total \$15 million from the 1997 and 2004 Bond Funds have leveraged \$130 million in total development costs.

- **Status of Foreclosure Prevention Activities**

Betty Villegas stated that the department has continued working with the Don't Borrow Trouble Program as well as the Pima County Foreclosure Prevention Task Force in order to prevent foreclosures in the County. The current goal is to get people to apply for the Making Home Affordable Plan. Betty stated there were 966 Notice of Trustee's Sale in August, with an average of 1,020 notices per month so far in 2009. Of the total number of notices, an average of 455 households per month are changing ownership many of which end up at auction.

- **Status of 2010 Bond Election**

Betty Villegas informed the Commission that the Pima County Administrator has recommended that the Commission's original request for \$36 million be reduced to \$5 million in housing bond funds. She added that staff would be working on updating the proposal with current numbers and to reflect the current market conditions.

- **Update on Community Land Trust**

Betty Villegas stated that the City of Tucson is moving forward with creating and establishing a community land trust, and that she will sit on the advisory committee.

IV. Discussion and possible action on expanding use of funds allocated for purchase of foreclosed housing

Betty Villegas explained to the Commission that the Department of Transportation was going to buy 10 houses on La Cholla and Ruthraff in order to widen the road. The houses wouldn't be affected, but the neighborhood was worried about the noise barrier. The County decided to offer the homeowners the offer to either stay, or the County would buy their homes. The Department of Transportation asked if the Commission would want to buy the houses, but they would have to be purchased from the \$1.5 million allocated from the Bond Funds for purchasing foreclosed homes. Another project came up and the IDA and Southern Arizona Land Trust wanted to acquire a platted property going through foreclosure by Valencia and Cardinal for future affordable housing. The department couldn't decide whether or not to accept, as the Commission needed to be consulted on the use of the funds.

Betty asked the Commission if another opportunity came up to purchase homes that may not be foreclosed from another Pima County Department would the Commission recommend that they be purchased with the foreclosure allocation.

Commissioner Frank Thomson asked why it has been so difficult to acquire properties when there are so many foreclosures in the County. He also asked why the partnership with SALT hasn't produced any results in acquiring properties. The Commission expressed concern over the lack of progress in acquiring homes with the allocated funds.

Motion made by Frank Thomson that staff make a recommendation to the Commission at the next meeting about what should be done with the \$1.5 million that was previously allocated for the acquisition of foreclosed homes. Also, that staff give a report on the process by which homes are selected for the program (i.e., area and price range). **Motion seconded by Ken Anderson. Motion carried unanimously.**

V. **Discussion on updating plan on proposed General Obligation Bond Issue**

The Commission agreed to keep the request amount at \$36 million in order to update the proposal.

Motion made by Ken Anderson to restate the Commission's request for \$36 million. **Motion seconded by Tim Escobedo. Motion carried unanimously.**

VI. **Discussion and possible action on joint city/county meeting and joint subcommittee to address affordable housing strategies**

Betty Villegas reminded the Commission that at the previous joint meeting with the City of Tucson Metropolitan Housing Commission it was decided that there would be a joint subcommittee to discuss affordable housing strategies.

VII. **Discussion and possible action for meeting change from monthly to quarterly for the remainder of 2009 and 2010**

Motion made by Frank Thomson to change meetings from monthly to quarterly for the remainder of 2009 and 2010. **Motion seconded by Tim Escobedo. Motion carried unanimously.**

VIII. **Announcements**

No announcements.

IX. **Call to the Audience**

Awilda Torres introduced herself and addressed the Commission about her business.

X. **Adjournment**

Motion made by Frank Thomson to adjourn meeting.

Motion seconded by Tim Escobedo. Motion carried unanimously.

Meeting adjourned at 4:50 pm.