



Housing and Community Development Advisory Board

Draft Minutes

Stephen Sparks – Chair
Christian Karas – Vice Chair

Kristina Ambri
Stan Hosac

Siri Amrit Kaur Khalsa
Linda Starr
Vacant
Vacant

Monday, April 29th, 2013

6:00 p.m.

Mesa City Plaza Building, Room 170 (East/West)

20 E. Main Street

Mesa, Arizona, 85201

- I. Welcome and Introductions** - The chair convened the meeting at 6:00 pm, and the following members of the Board were in attendance: Christian Karas, Stan Hosac, Kristina Ambri, Siri Amrit Kaur Khalsa, Linda Starr, and Stephen Sparks.

Board members Diane Yazzie Devine, Heather Kay, and Steve Schild were absent.

Staff attending the meeting were: Constance Bachman, Tammy Albright, Ray Thimesch and Scott Clapp.

Others present: Jessica Breen from Atlantic Development and Matt Segerdal from AMCAL), Julie Reese from Triadvocates

- II. Approval of Minutes** – Motion to approve the HCDAB minutes from the March 7, 2013. Motion to approve the HCDAB minutes from April 4, 2013. – For approval of the 3-7-13 minutes, a motion was made by Stan Hosac and Seconded by Linda Starr. Motion passed 6-0. For approval of the 4-4-13 minutes, a motion as made by Kristina Ambri and Seconded by Stan Hosac. Motion passed 6-0.
- III. Items from Citizens Present** – No Items presented

Members of the audience may address the Board on any item. State statute prohibits the Housing and Community Development Advisory Board from discussing an item that is not on the agenda; however, the Board does listen to your concerns and has staff follow up on any questions you raise.

IV. Discussion Items – None at this time.

V. Action Items: Staff will brief the Board on their evaluation of each application and provide a brief overview of tonight's procedure. Each applicant may make a brief presentation followed by discussion and/or motions to recommend funding.

A. Hear a presentation, discuss and make final funding recommendations on the following HOME applications to the City of Mesa. There is approximately \$300,000 in available funds:

1. Algarve Partners LP – The Algarve Apartments

- Located at 950 W. Main St., Mesa, AZ 85201
- Applying for \$300,000
- 78 multi-family units

(RAY) Members of the Board, we have 4 proposals before us. You can look at the agenda and what's presented there. There's been some changes in these proposals, so I want to go over these changes. The first proposal that we have is the Algarve Apartments. It's located at 950 W Main. They are proposing the rehab of the existing apartment complex that's there. There are a total of 78 units in that rehab. 13 units are at 40% AMI; 36 units are at 50% AMI and 29 units are at 60% AMI. There are not any unrestricted units. The estimated total financing of this project is around \$13.5 million. They had originally asked for financing from the HOME funds of \$300,000 but we've talked it down by asking for the bare necessity. They've reduced that down to \$125,000. That is the minimum that they need. The community here, they will be providing housing for up to 78 households. There is some relocation that they have to do for some of the existing tenants that are already there but they have an extensive relocation plan in place to accommodate those residents. They are also offering onsite supportive services for the residents in that area. Project Readiness: I believe the developer has an agreement already in place to purchase the property as long as they receive the Tax Credit Project. I believe they already have their building permits ready; they just have to get them. They have been approved, they just haven't picked up the permits yet, they're going to wait for the Tax Credit Project. The construction is set to start in November of this year end the following year in November. **(BOARD MEMBER)** Where is this located at? **(RAY)** This is located at 950 W Main. **(SCOTT)** Ray, what did you say the minimum request was for? **(RAY)** \$125,000 **(BOARD MEMBER)** what's the cross-street there? **(RAY)** Main and Extension **(STAN)** Is there any way you can give us a little bit more of a detailed relocation plan? **(RAY)** There's currently 2 phases in there right now and apparently they have some existing vacant units there and they're going to relocate some of those people there. I think they've worked out, if I remember right, they an agreement with some other apartment complexes **(JESSICA)** We've got several properties in the area and we would do the rehab on a rolling basis and start with one or two buildings,

emptying out the vacant units and start the rehab on those units, relocate tenants temporarily to the our other properties or even within the complex and building that aren't being re-habed yet and then as those buildings come on line, they can be filled out and then the process will continue. We have a relocation company that we've worked with and this is our 5th rehab in the last 2 years, so we've kind of got the process down. **(RAY)** They're working on one at 324 S Horne. If you go down Broadway to Horne, there's a rehab project going on. Jessica, do you want to introduce yourself? **(JESSICA)** I'm Jessica Breen and I'm the Vice-President of Acquisitions and Development for Atlantic Development and if you want I can present on the project or I'll let Ray continue and I'll just fill in missing details, whatever you prefer. **(BOARD MEMBER)** I'd like to be able to hear the presentation and then be able to ask questions after that. **(RAY)** The project has a number of amenities on site: pool, playground area, picnic area, clubhouse, extra storage, the 2 bath units have 2 or more bedrooms so that's a very nice accommodation there, common laundry facilities, and 1 covered parking space per unit. The project is located right along the light rail and there's bus routes as well nearby. The project is within a mile of Fry's grocery store, a police and fire station, convenience store, a bank, Emerson Elementary and Carson Junior High, all within a mile of the project. Compliance History: The developer and his team has numerous projects over the years, many of them market rate units as well as affordable rate units. The site complies with all the zoning requirements and meets the Consolidated Plans as goals as far as providing affordable housing, it's creating affordable housing along the Transit Oriented Development project. It's revitalizing the neighborhood in that area as well as providing supportive services to improve family self-sufficiency. Our Consolidated Plan does indicate that there is a strong need for 3 and 4 bedroom units and under the Project Description, you can see that the units are 2-4 bedrooms and it shows a breakdown of the units. They have a number of energy efficiencies on site including Solar. That is something that is unique to this project. The partnership here that we have, the project is working with, of course, the City as well as other non-profits to provide the supportive services for the site. The project has received building plan approval. The project utilizes a nonprofit for their supportive services. They had originally proposed 2 HOME units. They have raised that up to 10 HOME units and the funding that we would provide would support those 10 units. And Jessica, if you would like to make a quick presentation. **(JESSICA)** Just to tell you a little bit about our company, Atlantic Development was started in Hartford, CT., in 1978, by my father Mark Breen. We currently have an office in Scottsdale and we have been working in Arizona since the early 90s. Our company has developed over 6,000 units of affordable housing across the country and we are a long term owner. So most everything that we develop in our portfolio, we hold on to for the long term. There have been a few exceptions: we sold one property, 2 years ago to the Greater Phoenix Urban Link so that they could develop it in the non-profit development set aside for the State. The Algarve Apartments is going to feature 78 units for households with children. As Ray mentioned, there are no 1 bedroom units, it's all 2, 3 and 4 bedroom units. The 3 bedroom units are over 1,000 sq. feet and the 4 bedrooms range from 1,400 to 1,500 sq. feet. All of the units will be affordable with 13 units at 40% AMI, 36 at 50% AMI and 29 at 60% AMI (Area Median Income). 4 Units will be ADA accessible which represents 5% of the total development. Some of the rehab features include a new roof, exterior stucco and masonry will be refurbished and brought back to an "as-new" condition. We will have energy efficiencies including a cool roof, solar on the roof to off-set the common area usage for the property, insulation in walls, low-E windows, Energy Star

appliances. All of this will effectively reduce our tenants' energy bills helping them to pay their rent and taking the burden off of them. Our company has won several national awards over the last 2 years, including the Judge's Award for Sustainability by the National Association of Housing and Redevelopment Officials. So we're quite proud of our green tract record. I did not mention the low-flow plumbing fixtures. One thing that we're very keenly aware of, having owned and managed so many of these properties, is the importance of conserving water. All of the plumbing fixtures on the properties will be retro-fitted with low-flow fixtures and the landscaping will all be zeroscaped, meaning it will be low-water usage. (BOARD MEMBER) Is the Solar part of a partnership with one of the utilities here? (JESSICA) Hopefully we'll get some sort of rebate from the City, but we're hoping to sell the Federal Solar tax-credits to Alion Capital. They've offered us tax credits for the solar credits. This rehab and these tax credits will allow us to provide a number of onsite supportive services that are not currently offered at the property. This would include an onsite after school program for elementary school students while school is in session. Onsite computer classes twice a month. Onsite job search, training and placement twice a month and quarterly financial and credit counseling. These services would be provided by PUL Coral Gardens which is the housing subsidiary of The Greater Urban Phoenix Link. We're currently offering similar programs at a property in Tucson, and I know that Greater Urban Phoenix Link is going to be providing these sort of support services at the property that they're developing here in Mesa. As I mentioned, we've won a number of awards over the last couple of years. Many of them were for Ghost Ranch Lodge, which we finished in 2011. That was an historic rehab of the Old Ghost Ranch Lodge, so we basically took a derelict property that had a value and a lot of importance to people locally and transformed it into a place where seniors could live. We're very proud of this property and if any of you are ever in Tucson and you would like to take a tour of it, I would be happy to arrange that for you. We are not the developer on the property at 324 S Horne, but we are the contractor and the management agent. As you can see here, the property is currently finishing construction on the first half of it and we'd be looking to finish construction on that in July. So the kind of finishing of that project and the starting of Algarve, we've got some really good construction momentum here in Mesa. Our site superintendent is from the area, and his guys want to know when they can start the next job. Like I said we're also the management agent. Our management company is Celtic Property Management. It's a company that we started in 2008 and we currently manage 32 properties in Arizona and Connecticut. Celtic does a great job. They provide a lot of services like game nights, movie nights, potlucks, and health screenings. At the family properties, one thing that we've started doing is we try to bring the local Police Department in so that the kids can develop a good relationship with the police because a lot of times for kids growing up in these areas, they're afraid of the police so we do fingerprint IDs and we teach them that the police are somebody that they can trust. We like to bring the Fire Department in to teach them fire safety, which is important for health reasons but it's also important for the physical management of the asset. And that's it. If you have any questions, I'd be happy to answer them. (BOARD MEMBER) We're talking about neighborhood improvement. What's currently in that building? (JESSICA) Currently it is a low-income apartment building, but the rents are only restricted at 60% AMI so our proposed project would deeper target those rents. It's a property that has reached and passed its initial compliance period so it's now ready to be re-syndicated and get new Tax Credits on it (RAY) it was originally another Tax-Credit Project and it's ended its period (JESSICA) So really, my proposal today is to ask you to help us to

preserve this affordable housing, help it become more energy efficient, help it become even more affordable and to help it provide a number of services that it currently isn't able to afford to offer **(BOARD MEMBER)** So you'll be refurbishing the units that are there already. **(JESSICA)** Yes, and we'll be retro-grading them as well. We'll take some of the 3 bedrooms and make them into 4 bedrooms, add square footage to units so they'll be bigger, and there will be more 3s and 4s. Currently there's more 2s on that property, but the market is demanding larger units so that's what we're hoping to provide. **(STEPHEN)** How many total families are going displaced during the current transition? **(JESSICA)** I don't anticipate any displacement. There will be a temporary relocation of all 78 units, so 78 households. **(STEPHEN)** And will they have an option to come back into the property? **(JESSICA)** Absolutely, yes. **(BOARD MEMBER)** So you're basically going to move them out, fix it all up and they can move back in? **(JESSICA)** They'll be given the option to move back in. Hopefully they'll want to move back in. I think they will. Our goal is to keep the residents in place as much as possible. Like Ray said we have a property that is directly adjacent to that one, so we would be able to fill those vacant units. Our goal really is to disrupt their lives as little as possible, make sure kids don't have to change schools, make sure that peoples jobs are jeopardized, and I think that our relocation company does a really good job of that. **(BOARD MEMBERS)** Very good. Thank you. **(JESSICA)** Thank you.

2. **AMCAL Multi-Housing, Inc. – Sycamore Station Apartments**

- Located at 1830 W. Main St., Mesa, AZ 85201
- Applying for \$300,000
- 82 multi-family units

(RAY) The next one is Sycamore Station Apartments. Located at 1830 W Main, across the street would be Sycamore and Main. This is a proposed construction of a new 82 unit multi-family apartment complex. There will be 29 at 40% AMI; 37 at 50% AMI; 15 at 60% AMI and 1 unrestricted unit that will be for the onsite manager. The project will be designed to meet the minimum handicap accessibility and Fair Housing requirements. The breakdown is 1-3 bedroom units. The project is proposing that 10 of the units be HOME funded. Estimated total financing required for the project is \$18 million. They originally asked for \$300,000, but they have reduced that down to \$205,000, that's the bare minimum that they would need for HOME funds. Community Impact: The project will provide affordable housing for low-income families and households. The tenants will have access to an onsite social service coordinator that will deliver case management and counseling services, program activities, educational classes, referrals to community resources, and mediation services. Services will be based on an assessment of specific residential needs. The project as far as Readiness goes: Site acquisition of the property has been acquired by means of a 30-year lease. The site is zoned for the project and utilities are available on site. The project has been approved by Council. The plans are in schematic nature right now and are set forth to be completed once the project receives their Fair Tax Credit award. They are proposing beginning the project in December and expecting to be completed by February 2015. Access to Amenities: Has an onsite pool, playground area, picnic area, clubhouse, and 1 covered parking space per unit. The project is located along the light rail with access to bus routes as well. The project is located within one mile of a Safeway store, Family Dollar store, fire station, convenience store, an Urgent Care, a bank and East

Valley Institute of Technology. Compliance History: The developer, AMCAL, has many years of experience in the residential development. These include low income as well as market rate housing. They are listed in Affordable Housing Finance list as one of the Top 50 Affordable Housing Developers. The project has received Council approval. It complies with the zoning requirements and has gone through the City's predevelopment process for compliance. The project is in compliance with the City's Consolidated plan goals by providing affordable housing, revitalizing neighborhoods and funding economic development through the development of a retail component. They're also meeting the needs for a 3 & 4 bedroom needs of the Housing Market conducted in 2010. The project is going for LEED certification and I believe its Gold LEED.

Matt, want to introduce yourself? **(MATT)** My name is Matt Segerdal and I'm with AMCAL, a multi-housing affordable developer out of the Los Angeles area. We've been around for over 30 years. We've done all kinds of development from urban to more suburban and rural type of projects, high density where its 78 units per acre to something where it's 15 units per acre. The company also has had a lot of success in doing Transit Oriented Development, which is what we're proposing on Sycamore Station. In the package you'll see an example of some of the work we've done. We've done one project in Los Angeles and another one in San Diego that's directly on the Light Rail system that those cities have. It's similar to what we're doing on Sycamore Station in that both those parcels were kind of under-utilized, they were parking lots, they're weren't really residential, they weren't high residential capacity around the new light rail. So we transformed these under-utilized parcels and high density residential mixed-use condo project in LA and an affordable family project in San Diego along the Light Rail line and that's what we were saying we're doing similar here. If you look at the Sycamore Station stop, it's under-utilized, it's a parking lot, a lot of vacancy in the area, not a lot of Economic Development. So we're talking about taking that parking lot and building in an 82 unit mixed use development that's affordable. It's going to be retail in the front and will be directly across from the Sycamore Station Light Rail. It will be 4 stories above that. So it's going to be a different feel, a different look and feel from what's out there now. It will be very tall, very dense, more of an urban feel and then we scale it down, back towards the back as we're touching on the neighborhood of single family homes. And just a history with our involvement: We've been under contract with the Lease holder. Last year, we had a couple of community meetings with the folks out in the area, went to the Recreation Center, met with the community residents and then presented our initial design, incorporated some changes that folks in that community meeting had, and then working closely with Planning and City Council at the end of February to get all approvals. It's a mixture of 1s and 2s and 3s. We have larger units and it's got a nice amenity package. We'll have a swimming pool, community room, shaded structures onsite, a clubhouse and game room and will offer after school educational programs for the kids that live in the building. It's critical that people can live there without needing a car, they can utilize the Light Rail. It's a great area for schools, kids can walk to schools in the area, and there's a recreation center that provides daycare. It's an ideal location for affordable housing. I think it's a really great project to transform and kick-start that section of town as a gateway to Mesa. Do you have any questions on the deal? I'd be happy to answer.

(BOARD MEMBER) So this is new construction? **(MATT)** This is absolutely new construction. Right now it's just a parking lot. It's right in front of the Park N Ride. **(BOARD MEMBER)** How long do you expect construction to last? **(MATT)** It's a 14 month construction schedule. **(RAY)** This project meets all the predevelopment requirements and has been approved by Council. It

utilizes a nonprofit to provide supportive services as well, outside of a retail area which is being utilized by the nonprofit. The City is willing to provide HOME funds once they receive their Tax Credit award. **(BOARD MEMBER)** How long is the Light Rail right now? Did it get past Tri-City Mall yet? **(MATT)** It terminates there **(MATT)** Okay? Thank you. **(Board Members)** Thank you.

3. **El Rancho Affordable Housing LP – El Rancho Apartments**

- Located at 719 E. Main St., Mesa, AZ 85203
- Applying for \$100,000
- 52 multi-family units

(RAY) The next proposal that we have is the El Rancho Apartments located at 719 E Main Street. It's right around Horne and Main. This is the acquisition and demolition of an existing motel that's on the site. This will be the reconstruction or new construction of now it's not 52, but it's a 66 unit multi-family apartment complex. So the breakdown of the units is not accurate here, but it will be providing units for 40%, 50% and 60% AMI and it will consist of 2 bedroom and 3 bedroom units. They raised the number of units based on recommendations. They're using the City's performance code, so they don't have to go through the Council process. They only have to go through the Planning and Zoning process. So part of that negotiations with them was to raise it to 66 units. 6% of the units are being designed for accessibility, and they originally proposed 1 unit but now they are proposing 5 units that will be HOME assisted if HOME funds are used. The estimated financing, I think that this has probably changed as well. Originally it was \$10,700,000. Do you know what the current amount is now? **(JULIE)** With the additional units it's roughly \$13 million. **(CHRIS)** Do you want to tell us a little about this? **(JULIE)** Thank you Mr. Chairman and Members of the Board. My name is Julie Reese and I'm with Triadvocates and we represent Community Development Partners, which is the proposed developer of this project. They have extensive experience in both affordable housing development as well market rate housing development. Over 40 years and over 2,000 affordable units in addition to the market rate experience. We're very excited about this opportunity to work with the City of Mesa on addressing what really has become a kind of a community eye-sore. This project is currently operating as the El Rancho Motel but it has outlived its economic life. Most of the units are habitually vacant and of those that are inhabited they tend to be for longer-term uses, several months at a time. The structure of these units is not such that it can comfortably support families for extended periods. Really what this project does is address the City of Mesa's need for 3 bedroom apartments. These are 2 and 3 bedroom apartments that will be provided, a new construction which is something the neighborhood can be proud of. As Staff mentioned, that we're not subject to Council approval. We did go through the Design and Review Board on April 3rd and received great feedback and positive comments there. We've had the opportunity to meet with Councilmen Glover and Richins and have received very favorable feedback from them. We appreciate your consideration of these HOME funds. **(BOARD MEMBER)** Thank you very much. **(RAY)** So as you can see the cost of the project has gone up a little bit. They are requesting \$100,000 in HOME funds **(BOARD MEMBER)** That hasn't changed? **(RAY)** That hasn't changed, it is still \$100,000. The project will provide 65 low-income housing with 1 unit is unrestricted for an on-site

manager. They're working with a local non-profit to provide on-site after school programs, computer and job training, credit and financial counseling or education and a service coordinator will be available to coordinate the services for the residences. The project has a purchase contract for the property that expires at the end of this year; of course it's depending on them getting their Tax Credit award. The site is zoned for the project, as I mentioned they are utilizing the Form-Based Code. Utilities are readily available. The project is going through the Design Review process. It does not need Council approval. The plans aren't complete. The construction is set to begin in December 2013 and is expected to be finished by March 2015. The apartment will have on onsite pool, picnic area, clubhouse, extra storage, 2 baths in units with 2 or more bedrooms and 1 covered parking space. The project will be located along the light rail access, once it gets there. It's within a mile of Community Market grocery, fire station, convenience store, Arizona Regional Medical Center, a bank, Lowell Elementary and Kino Junior High. The developer has many years of experience developing these affordable units as well as market units. Again, it meets with the requirements for zoning. It meets the goals of the Consolidated plan by providing affordable rental units, creating affordable housing along the TOD project, as well as providing supportive services to foster family self-sufficiency. They will meet the requirements for the Market Study which indicates the need for 3 and 4 bedroom units. Energy Efficiencies: They are incorporating a number of energy efficiencies into the project, I've listed those down there, probably one of which stands out is the high SEER rating for HVAC systems, 16 SEER. The project still needs to go through the necessary predevelopment requirements, Design and Review Board, as well as the Form-Base Code and does not need to be approved by Council. The project is utilizing a nonprofit to provide supportive services. Staff is willing to provide HOME funds for the project based on their approval of the Tax Credit award. There is one little hiccup and I think I've already talked to Kyle about this. The project, The Rancho Hotel, is on the list of eligible historic properties so it does have to go through a process of getting SHPO approval in order to go ahead with the construction of that. So that is the only item that could be a hurdle for them, going through that process. **(BOARD MEMBER)** Is that a difficult process? **(RAY)** Um **(BOARD MEMBER)** Depends on who jumps on the historical band-wagon and who says Do Not Tear Down. The Buckhorn Baths was a huge historical significance. **(RAY)** Yes, and that's being worked on. But apparently, the El Rancho has some historical significance and that will be a hurdle anytime Federal funds are involved. **(BOARD MEMBER)** What's the age of the property? **(RAY)** It's from the 1930s, 1940 something. **(BOARD MEMBER)** So what happens if they get awarded money and it turns out they can't do it? **(RAY)** Well, that's the thing. If you give them the Award, the letter will be based on a conditional contingent. Any time Federal funds are involved, Environmental Reviews have to be done for everything. All of these will have to go through the Environmental Review process. **(BOARD MEMBER)** All of these are contingent when you look at it **(RAY)** When you have a site that's eligible for historic significance, it becomes a little more difficult when you're dealing with SHPO. **(TAMMY)** Basically if the Board awarded these properties the funds, they would be contingent upon the receiving tax credit and meeting their environmentals and being able to start construction. If they had any reason for not being able to move forward, the money would go back into the pot and be available for someone else to apply. **(RAY)** They have to go through state tax credit issues, their budgets could change a little bit as things go along. This is an on-going work in progress. **(BOARD MEMBER)** Last one? **(RAY)** Any other questions for them? **(BOARD MEMBER)** Ray, I have a question, regarding the El Rancho affordable housing, to the

representative, because of the Historical, in my experience working with the Federal Government core of engineers in the past, are they going to ask for some help with a comparable design of the original property, do they have that concept of a sign? **(JULIE)** I haven't heard that specifically discussed. It was raised at the Design Review Board, the potential to potentially reuse the sign as a means of connecting the past and the future. But what is proposed is new construction that would improve the area. I don't know if you've seen this particular structure, but it's outlived its useful life. **(BOARD MEMBER)** Is the design of the new structure to fall within suit of the original building? **(JULIE)** It is a new footprint actually and it's a larger footprint. **(RAY)** This is a possible four-story building and the motel is obviously not. **(JULIE)** And the parking would be concealed on the first story. **(BOARD MEMBER)** It's just my experience with the Historical preservation projects and homes and with the Federal Government, they said that there's a contingency that the existing design of the structure be in compliance with Historic Preservation requirements. That's why I was wondering if that was put into consideration. **(JULIE)** At this point that has not been subject to this review **(BOARD MEMBER)** Thank you **(BOARD MEMBER)** Does Mesa have a Historical review/advisory board? **(RAY)** Yes, we have a Historic Preservation Officer, his name is John Wesley. **(JULIE)** That's who we're working with. **(RAY)** We do have to get SHPO approval and that's done through the Historic Preservation Office. If you do not get their approval it's pretty tough. **(JULIE)** We couldn't get our tax credits if we went ahead without their blessing. **(RAY)** The other thing is they do have a few existing residents in there so there will have to be a relocation plan that has to be established. **(JULIE)** That's something that we've done before.

4. **The Marc Center – The McLellan House**

- Located at 833 W. McLellan St., Mesa AZ 85201
- Applying for \$287,840
- Residential group home for five residents

(RAY) The next proposal we have is from the Marc Center. They have a project located on McClelland that's currently used as a group home for five aging men with development disabilities. The location is 833 W McClelland, in Mesa. The cross-streets are Country Club and McClelland. They are proposing a budget of \$287,000 to essentially demolish the existing property that's there and rebuild it. Currently the property is a very old home, I believe the 1960s, becoming some of an issue with plumbing, stoppages, back-up, and things like that. They're completely going to rebuild it. Their plans are in the preliminary stage. I've included some of the documents that they have sent over showing the outline and design of the property. They have incorporated the services of Seamisch DiBella to do the design on this particular project. Everybody is familiar with Marc Center, I believe. Is that correct? **(BOARD MEMBER)** Are these representing the existing pictures? **(RAY)** This is representing the new. I believe you're going to see the existing on the top and then this is the new. Those are interior pictures of the new.

(RAY) So as far as availability funds, we had currently set aside last year \$200,000 for rental. We have also identified another \$100,000 of unallocated funds from rental from previous years. That puts us at \$300,000. We're estimating about \$150,000 to \$170,000 in this year's allocation that would go to rental. So currently we have available roughly about \$450,000 **(BOARD MEMBER)** So \$450,000 is the total? **(RAY)** Yes. **(BOARD MEMBER)** Are we sure HUD is not going to ask for some of that money back from last year's funds? **(RAY)** We shouldn't have any issues there. **(BOARD MEMBER)** Is this money that's available for all of these or for Marc Center? **(RAY)** It's for all of them. It's kind of going to be left up to you how you want to divide or disperse those funds. As you can see the proposals I've written before you, aren't sufficient to cover all these projects. So you have \$450,000. **(BOARD MEMBER)** If I've done the math right, we can do the first 3 at \$430,000 with the revisions down for \$320,000 to \$125,000; \$205,000 instead of \$300,000; and \$100,000. That's \$430,000 and you're impacting over 200 family units gained through that. **(LINDA)** It's sort of like rehomeing the first 78 and then actually creating new homes for the other 2 projects. The first project there's already people living there and they're going to renovate and move them out and put them back in. The 2nd and 3rd projects sound like they're going to create new housing out of parking lots. **(STEPHEN)** The first one is not going to be affordable housing anymore if we don't give them the funds. **(RAY)** It's outlived its Tax Credit use so it could easily convert to market rents. **(BOARD MEMBER)** So we would lose that affordable housing status. **(RAY)** Exactly, you would lose it. **(STAN)** Now the Marc Center is asking for \$287,000, is that right? **(STEPHEN)** That's over half of our available funds to provide to residents. I'm looking at the bang for the buck and that was one of our biggest concerns; what's the Leverage or Impact and I gave those very low scores. My heart goes out to 5 individuals who are disabled and need this, but I don't think the HOME funds are responsible for giving almost \$288,000 to rehab a private non-profits property. They own the property and we're basically giving them a capital campaign on their own. **(BOARD MEMBER)** They're developing a new project too, that I think is underway **(STEPHEN)** Just from the bare bones of looking at it from an impact standpoint, on how much dollars, and also if they were here to plead their case a little bit that would have made an impact too. But I can't even hear them discuss this. I'm going off just the clear information in front of me and you're impacting 5 residents for almost two-thirds of the available funds. **(BOARD MEMBER)** And there's zero community impact. **(STEPHEN)** I'm willing to end this discussion, take them off the table and we can go home **(BOARD MEMBER)** I have one question though. I know very little about this stuff and you guys have worked with it a lot. For example, Algarve apartments, total amount of financing required is \$13.5 million and they're asking us for \$125,000. The next project, the total amount of financing needed is over \$18 million and they're asking for \$205,000. The third project, \$10.7 million and they're asking for \$100,000. Which makes me wonder that if they didn't get that amount from us, would their projects still continue to happen? **(RAY)** Here's the key item, and this is what they're all looking at: this Tax Credit is based on points, so they're going after points in this situation. And there's a very key element for this amount of money. They get an additional 10 points for getting 10% of their permanent financing from the City as a cash contribution. So if they don't get it, they lose out on 10 points and they might not get their Tax Credit Project award **(STAN)** I would be in favor of all 3 of these **(BOARD MEMBER)** Me too. **(STEPHEN)** More discussion or do we want to approve the top 3 projects?

Stan Hosic made a motion to approve the first 3 projects. The motion was seconded by Linda Starr, and the motion was carried 6-0.

- B. Hear a presentation, discuss and approve a motion to amend the HCDAB bylaws to allow Board members to participate and vote telephonically. As it currently stands, the bylaws only allow for votes to occur “in-person”.

(STEPHEN) Next up on the agenda is something that I brought up with Scott from last week’s hiatus of a meeting. I want to be able to phone in and vote but that’s not, I guess, in our by-laws. I asked Scott to see if we could change the bylaws to allow for members of the board to phone and vote teleconference, or you could Skype me in and I can be on the I-Pad. **(SCOTT)** We did consult with the City Attorney to find out if there was any reason in the Arizona Revised Statutes that a Board could not be present, and in person only, if there’s another way that we could do that, and they informed us that it was our by-laws that were the determining factor in not allowing a vote in person. So before you, you will see Staff’s best attempt at coming up with some language, so I’ve got 2 copies of the by-laws. The one that has the red text, which is the additional text that discusses that members must be present to vote, and then it goes on to say that *to be present he must be in attendance of the meeting or appear telephonically. Telephonic appearances should be limited to emergency situations only, and not be used as a means of regular participation. Telephonic appearances may also be limited by the capability of the facility in which the Board meeting is being held.* We’ve attempted to put that in there as an option, but we would prefer that it utilized as a regular means of participation. So this was our attempt to incorporate that and add a little bit of flexibility. **(STEPHEN)** I guess my point is: respect it, it’s a benefit, but it only takes 6 of us to say you’re abusing it and we can take it away **(SCOTT)** That is correct. This approval of the by-laws is required by two-thirds of the Board and as you know, we have 9 members of this Board. So this is up for discussion or comments by the Board. **(STEPHEN)** Can I get a motion to approve the changes to the by-laws as written? Motion passed with a vote of 6-0.

VI. Staff Reports and Announcements

A. Department Update – Status Report.

(STEPHEN) Staff reporting. Anything? **(TAMMY)** Funding: We still have no word from Washington as to what our funding is. We’ve prepared a couple of different budgets that we had taken to Council, both with the 5% and 10% and we still don’t know when we will know, but we will continue to file our Annual Action Plan which will heard by Council on May 6th, assuming level funding, but again, both this Board and the Council approve that methodology that we are dealing with to reduce funding. So I think we’re good to go forward on all of that. As of yesterday, our department and all of our wonderful staff, gave our 1.5 ratio that HUD checks on our account on May 1st, and if we weren’t going to hit it we had the possibility of losing funds. There were a lot of staff members putting in a lot of extra hours and we did it. What else do we have going on? We’re going to start working on our contracts, we hope to have all of our contracts out by July 1st of this year, so that they’re all out on time. **(BOARD)**

MEMBER) Except for those that have issues with their Environmentals that we already kind of knew about. **(RAY)** Environmentals are always going to be a sore point, but the service contracts are usually pretty simple. **(TAMMY)** We also benchmarked United Way and we have changed our methodology for our Human Services, which should streamline both our processes and our sub-recipients processes. We now will give all of the money up front as a grant with their very first contract provided we get it and everything is signed, they'll get their grant and then they will give us quarterly reports and they'll give us a year in financial. Then we will use their ability to make sure we get those reports, and will be graded on the following years application process should they apply for more funds. So if they get the grant right up front, and they stay on top of getting us everything we need, then they'll get a high mark for getting the grant the following year. **(BOARD MEMBER)** And you know how to read their financial reports? **(TAMMY)** Yes we do, we have great financial people. I think that's about all for now. **(BOARD MEMBER)** When's our next meeting? **(SCOTT)** The meeting that's going to be this Thursday is not going to happen. I'll send out an email to that effect as a reminder. **(STAN)** So are we done for a while or are we going to have a meeting every month? **(TAMMY)** I think we can go back to our monthly meeting but we do still have to work on the tool. The Staff will continue to work on the tool and bring back little pieces and maybe what we do is little chunks of it at a time with the Board? **(STEPHEN)** And what about the 20/80 plan that we have to do? The Consolidated Plan **(TAMMY)** We are still waiting to find out from HUD if we are going to get a HUD consultant to help us through all of that. If we do, we'll start coming back with a plan for this group to say here's what we're going to do for the next year and a half; here's the community meetings we will organize; here's the things that we're determining; here's the study. So we need to get that ramped up and we're hoping to get a consultant to help us with that.

VII. Adjourn the meeting

Motion to adjourn passed 6-0