



Minutes of the PUBLIC HOUSING AUTHORITY Meeting

Approved by Mayor and Council
on December 10, 2024.

Date of Meeting: August 27, 2024

The Board of Commissioners of the Public Housing Authority met in City Hall, 255 West Alameda Street, Tucson, Arizona at 5:35 p.m., on Tuesday, August 27, 2024, all members having been notified of the time and place thereof.

1. ROLL CALL

The meeting was called to order by Chair Romero and upon roll call, those present and absent were:

Present:

Regina Romero	Chair
Lane Santa Cruz	Commissioner
Paul Cunningham	Commissioner
Kevin Dahl	Commissioner
Nikki Lee	Commissioner (electronic attendance)
Richard G. Fimbres	Commissioner (electronic attendance)
Karin Uhlich	Commissioner (electronic attendance)
Krystal Martin	Commissioner

Absent/Excused:

None

Staff Members Present:

Timothy M. Thomure	City Manager (electronic attendance)
Mike Rankin	City Attorney
Yolanda Lozano	Chief Deputy City Clerk

Chair Romero announced that Commissioners Lee, Fimbres, and Uhlich, and City Manager Thomure would be participating electronically through Microsoft TEAMS.

Mayor Romero, for the record, welcomed Commissioner Martin to the table. She thanked her for deciding to serve as a Commissioner for our Public Housing Authority.

2. HOUSING AND COMMUNITY DEVELOPMENT: PUBLIC HOUSING AUTHORITY BUDGET APPROVAL (CITY WIDE) PHA/AUG27-24-5

Chair Romero announced City Manager's PHA communication number 5, dated August 27, 2024, was received into and made a part of the record. She asked the City Clerk to read Resolution PHA2024-31 by number and title only.

Resolution No. PHA2024-31 relating to the Housing and Community Development Department (HCD); reviewing and approving the Public Housing Asset Management Project budgets developed for the City of Tucson, as required by the U.S. Department of Housing and Urban Development (HUD), for HUD Fiscal Year 2025; authorizing execution and delivery of HUD Form 52574; and declaring an emergency.

It was moved by Commissioner Cunningham, duly seconded, and passed by a roll call vote of 8 to 0, to pass and adopt Resolution PHA2024-31.

Clerk: Housing and Community development, Public Housing Authority budget approval.

Chair Romero: City managers PHA communication #5 dated August 27th, is received into and made part of the record. Ms. Clerk you are requested to read Resolution PHA 2024-31 by number and title only.

Clerk: Resolution No. PHA2024-31 relating to the Housing and Community Development Department (HCD); reviewing and approving the Public Housing Asset Management Project budgets developed for the City of Tucson, as required by the U.S. Department of Housing and Urban Development (HUD), for HUD Fiscal Year 2025; authorizing execution and delivery of HUD Form 52574; and declaring an emergency.

Chair Romero: What is the board's pleasure?

Commissioner Cunningham: Your Honor I move that we pass PHA 2024-31.

Commissioner Dahl: Second.

Chair Romero: There is a motion and a second. Any further discussion? Hearing none, let's go to roll call.

Clerk: Commissioner Cunningham – aye; Commissioner Santa Cruz – aye; Commissioner Dahl – aye; Commissioner Lee – aye; Commissioner Fimbres – aye; Commissioner Uhlich – aye; Commissioner Martin – aye; Chair Romero – aye.

Chair Romero: Resolution PHA 2024-31 passes by a vote of how many of us 8,8 to 0. Item 3.

3. PUBLIC HOUSING AUTHORITY: PUBLIC HOUSING FINANCIAL STABILITY PLAN UPDATE (CITY WIDE) PHA/AUG27-24-6

Chair Romero announced City Manager's PHA communication number 6, dated August 27, 2024, was received into and made a part of the record. She said Ann Chanecka, Director of Housing and Community Development had a brief presentation to make.

Discussion was held.

It was moved by Commissioner Dahl, duly seconded, and passed by a roll call vote of 8 to 0, to move forward with the Public Housing Financial Stability Plan.

Clerk: Public Housing Authority: Public Housing Financial Stability Plan Update.

Chair Romero: City managers PHA communication #6 dated August 27th is received into and made part of the record. Ann Chanecka Director of housing community development has a brief presentation for all of us.

Ann Chanecka, Housing and Community Development Director: Yes, yes. Good evening, Chair Romero, commissioners and welcome Commissioner Martin. So, I do have a brief presentation, this is an update to a presentation I gave to the Board of Commissioners last September. I can't believe it's been almost a year, but it is an update to our public housing, financial stability plan or what HUD calls asset repositioning and so to ground. The conversation based on direction from you all in the past. HCD is committed to owning an...an expanding affordable housing options in Tucson. Currently we own over 1900 units of housing.

Over 1500 of those are public housing and a challenge we're having with our public housing is the money that HUD gives us doesn't cover enough to cover operating costs, let alone the deferred maintenance needs and the capital cost that we know are needed. And so that is why, when Mayor and council directed HCD to create the housing affordability strategy, the very first policy item we talked about really needing to invest in our public housing and really use HUD tools to make it easier. And so, there are a lot of reasons why we're interested in this asset repositioning.

The first and foremost is really making sure we have enough finance, financial stability for the future. So, with COVID outside contracts outside contracting costs continue to escalate and the money we're getting from HUD has not kept pace with the costs. So, for fiscal years 2122 and 23, we were at a loss per year of on average a little over \$4 million. And so, we've been taking that from our reserves and so something needs to be done or else in a few years we will no longer have any reserves. And so, there's other reasons for asset repositioning as well. It will allow us to

leverage outside sources to rehabilitate some of our multifamily units. Also, we can create affordable home ownership opportunities. We'll talk about that more in a minute. We can create more affordable housing units and then as we're rehabilitating, we can really look to add improvements that will help...help in terms of the climate action plan. And so last year I talked about the overall plan, which was done from an outside consulting firm, Praxis, who does this all over the country. And I mentioned I mentioned, that's OK.

Chair Romero: It's not you.

Ms. Chanecka: It's they're telling me to wrap up. So, I mentioned we'd be focused on four key activities this year and so providing a quick update on those four. The first one is Tucson House in Ward 3, we all know where that one is. That is a project we are on track. We are deep in design and implementation to be able to start a massive rehabilitation project on the Tucson House so that one we're moving forward on track to start construction first...first half of next year. We also completed an evaluation of MLK Apartments downtown, and that one is one of our newest public housing sites and is actually in good condition and somewhat surprisingly, the consultants, when they did the analysis, recommended we actually hold off on making any changes with that one. They felt like the revenue it isn't worth enough to move forward with that one right now. The third project we've been working on is Craycroft towers. This is a multi-family, umm, multifamily site on Craycroft Road in Ward 6 near Ward 2 and that one we have done a capital needs assessment. The draft assessment says we need about 11 to \$12 million of investment into that site.

We're still digging through that. That needs assessment to make sure all of the needs are identified in there. So, I anticipate at the next Board of Commissioners meeting, I'll be able to move forward with the recommendation on that one. But the one that I want to talk more about today that we've been working on is our single-family homes. So, since last year's HCD convened, a scattered site working group to really advise the city on what to do with the single-family homes that work in Group had representatives from nonprofits and community groups who are experts at affordable homeownership and other types of housing projects. So, they got together and talked about what criteria might make sense for what to keep and what to sell.

The capacity of nonprofits to help us with that work. What the phasing can and should look like and so based on their recommendations as well as some staff input, this is the criteria that we used to analyze the 469 single family public housing homes. And so the bullets, I'm here, I will read them in case you can't see them built before 1980 in a homeowners association outside of the city of Tucson. A low opportunity score meaning low, not many assets in the area services community, different community amenities that help families over 4 miles from a maintenance office over 1/4 mile from a transit stop. So, all of these factors are things that would make us more likely to be recommend selling. So based on the criteria, our current recommendation is that we plan on keeping 215 of those single-family homes to continue to rent them to low-income families.

And then based on the analysis, we look to sell the 254 of them. And so really that was going through the analysis of how many of those homes have...have what factors. One thing you will notice a lot of those homes are in wards too. In Wards 4 and so really trying to be intentional

about creating affordability across the city, I wanted to mention a few things. One is this only shows single family homes. There are multifamily affordable complexes in those wards. So, for instance, in Ward four is Catalunya apartments, this isn't the thrill of 29th St area. It's 140 units of subsidized housing for low-income families, and so this doesn't show the picture of what exists today in terms of affordability.

The second thing is we will want to be mindful of creating new multifamily affordable housing projects along transit and really trying to make sure there is affordability across the city. And then three, as we look to sell and create affordable homeownership opportunities, really being mindful of geographic dispersion and creating opportunities across the city. One thing we did do is look to see how many are within one mile of the central business district. That's really because of the new state missing middle law and just wanting to meet mindful of what the city owns within that one mile.

And so, wrapping up this is I...I look at this as two different stages. One is what to do with the ones we wanna keep and what to do with the ones we wanna sell. I don't feel that we're quite ready to make recommendations in terms of the ones we want to sell for those, I really want to make sure I provide the board with pros and cons of what we could do in terms of how to sell them. This gives a little preview in terms of things that we can be thinking about. We can sell to nonprofits to create homeownership opportunities. We can sell to nonprofits or developers to continue to provide rental opportunities for low-income families. HUD requires 30-year affordability condition.

If we go that route, we can sell the houses for proceeds to support future new affordable housing development opportunities, and we can also sell to a Land Trust for affordable homeownership opportunities. And these aren't mutually exclusive. We can take 50 homes and do 150 homes and do another but really wanna provide you with good information to make that decision. The final side and the thing that we do feel more prepared to make a recommendation and start moving forward are the ones we wanna keep and so for the ones we want to keep, I will be interested in hearing, if you are comfortable with us moving forward and preparing a draft application to HUD based on Board of Commissioners recommendation, the steps there, we would work with our consultant to do that application. We would host at least one resident public meeting. We would gather that information; we would come back for a formal board approval.

So, you'll see me again before this would actually move forward and be submitted to HUD once we submit that to HUD and HUD approves it. We would then look to convey the homes to the El Pueblo housing development, the city is nonprofit subsidiary. And then from there, that makes those homes eligible to receive a project-based voucher and what that would mean is significantly more rent subsidy coming to operate those same homes that we already maintain and operate today. So that's the presentation, happy to answer any questions.

Chair Romero: Any questions from the board members? Board member Cunningham.

Commissioner Cunningham: First of all, it's...it's...it's a good step in this process and it's good that we're being transparent, letting everybody know what's going on. I really like to meet with you in my office and go over some of the properties in Ward 2 and it sounds like we have

multiple strategies and multiple tracks and so I really want to get some specific some specificity on each of those tracks and how we how we move that process forward. I think there's opportunity for different folks with different needs. We have a lot of we have...a...we have a diversified way of that families are in need. We have a different way that people have that there's there are also some folks that aren't really need necessarily, but they are looking for some opportunity and...and empowering them would be very, very excellent. So, I'd like to meet with your team at...at and talk about some of the, the, the things that work too for sure.

Chair Romero: I too believe that we definitely should not umm, we should really think through how we're going to balance the affordable housing availability within the entire city. I know that HUD is looking at ways to diversify and not concentrate, umm, a low-income community into one area. So, I really wanna make sure that families that need affordable housing can go anywhere in the city. So, I'm...I'm gonna I'm gonna push on that and I'm gonna continue pushing on that to make sure that we're making the...we're taking balanced approach to the areas of the city that you know a...a low-income family belongs everywhere in our city. Board members Santa Cruz and if there's any other questions, looks like board member Uhlich as well.

Commissioner Santa Cruz: And so, I see in this strategy phase two is like a a menu of options for the homes to sell. Who would be putting recommendations of, you know, the number of homes that should be sold to a nonprofit or a Land Trust, or for, you know, market rate?

Ms. Chanecka: Yeah, Commissioner, Santa Cruz. So, my goal is to provide the board with pros and cons, and have you all really think through it's...it's up to you all in terms of that strategy and that decision making forward. But we'll provide you with as much information we can to really help inform that recommendation.

Commissioner Santa Cruz: To piggyback half of what the Mayor, Commissioner Romero, Chair Romero said, OK That I think it's been a priority for us to keep housing affordable throughout our Community and I think what gets us there is something more like a...a Land Trust model for these homes that will provide a home ownership throughout the city. So that would be my preference, but that we also know there is capacity you know needs to be able to do that. So, I just want to figure out how we can creatively get there.

Chair Romero: And Commissioner Uhlich.

Commissioner Uhlich: Thank you, mayor, and thank you, Ann, for the presentation and for the meeting. Prior to this I am I...I it's so important and I so appreciate looking at our...our housing stock and also making sure that we're acknowledging limitations in our ability to I really adequately maintain the full breadth of inventory that we have at this point, given the resources from HUD, because I know the Mayor and Council is committed to creating affordable housing in a range of opportunities and also making sure that the public housing within...within our own management is...is some is quality housing safe and affordable and quality housing. And so, consolidating and looking at the inventory and this way I think is...is super important in a...a really good step in the right direction. So, I'll look forward to further analysis as that becomes available.

Chair Romero: Any others? All righty, hearing none then I believe we need to go to a roll call. Oh, there's a motion. Finally made the motion.

Clerk: Is it just? I don't know. I don't know you would it be to accept the Strategy and Stability plan update and go with the recommendation.

Chair Romero: So, we need a motion to move forward with a public housing financial stability plan.

Commissioner Dahl: Yeah. So, moved.

Chair Romero: So, there's a motion in a second and...and I just wanna ask, there's still decisions that need to be exactly, but this particular plan is to move ahead with the strategic steps that you're talking about.

Ms. Chaneka: Yep. So specifically, we will prepare an application based on those 215 so we can start the process of turning those to vouchers in the future should you want to continue to keep any of those 256, we can do another application to HUD, but this would just focus on that 215. We know we want to keep, and we can try to get revenue in sooner than later to support those sites.

Commissioner Fimbres: That'll work.

Chair Romero: The motion and a second, and we do need to go to a call to vote on this.

Clerk: Commissioner Dahl – aye; Commissioner Cunningham – aye; Commissioner Santa Cruz – aye; Commissioner Lee – aye; Commissioner Fimbres – aye; Commissioner Uhlich – aye; Commissioner Martin – aye; Chair Romero – aye.

Chair Romero: The motion to move forward with the public housing financial stability plan passes by a vote of 8 to 0. Item #4.

4. MONTHLY BOARD REPORT (CITY WIDE) PHA/AUG27-24-7

Chair Romero announced City Manager's PHA communication number 7, dated August 27, 2024, was received into and made a part of the record. She asked for a motion to approve the monthly board report.

It was moved by Commissioner Dahl, duly seconded, and passed by a roll call vote of 8 to 0, to approve the monthly board report.

Clerk: Monthly Board Report.

Chair Romero: City managers PHA communication #7 dated August 27th as received into and made part of the record. Is there a motion to approve the monthly board report?

Commissioner Dahl: So moved.

Commissioner Cunningham: Second, your Honor.

Chair Romero: There's a motion and a second any further discussion. Hearing none, I believe we need a roll call.

Clerk: Commissioner Dahl – aye; Commissioner Cunningham – aye; Commissioner Lee – aye; Commissioner Martin – aye; Commissioner Santa Cruz- aye; Commissioner Fimbres – aye; Commissioner Uhlich – aye; Chair Romero – aye.

Chair Romero: The motion to approve the monthly board report passes by a vote of 8 to 0. Item #5.

5. APPROVAL OF MINUTES (CITY WIDE) PHA/AUG27-24-8

Chair Romero announced City Manager's PHA communication number 8, dated August 27, 2024, was received into and made a part of the record. She asked for a motion to approve the minutes.

It was moved by Commissioner Dahl, duly seconded, and passed by a roll call vote of 8 to 0, to approve the minutes of April 9, 2024, and May 21, 2024.

Clerk: Approval of Minutes.

Chair Romero: City managers PHA communication #8 dated August 27th is received into made part of the record. Is there a motion to approve the Minutes of April 9, 2024, and May 21, 2024?

Commissioner Dahl: So, moved.

Chair Romero: There's a motion.

Commissioner Fimbres: Second.

Chair Romero: There's a motion and a second. Any further discussion? Hearing none, let's go to roll call

Clerk: Commissioner Dahl – aye; Commissioner Fimbres – aye; Commissioner Uhlich -aye; Commissioner Martin – aye; Commissioner Santa Cruz – aye; Commissioner Cunningham – aye; Commissioner Lee – aye; Chair Romero – aye.

Chair Romero: The motion to approve the minutes of the April 27, 2024, and May 21, 2024, meetings passed by a vote of 8 to 0. Item #6.

6. ADJOURNMENT – 5:56 P.M.

Clerk: Adjournment

Chair Romero: The meeting of the Board of Commissioners is adjourned. The mayor and Council will now convene our regular meeting. Commissioner Martin thank you so much for volunteering to do this work.



CHAIR

ATTEST:

PRO-TEMPORE



CITY CLERK

CERTIFICATE OF AUTHENTICITY

I, the undersigned, have read the foregoing transcript of the study session meeting of the Mayor and Council of the City of Tucson, Arizona, held on the 27th day of August 2024, and do hereby certify that it is an accurate transcription.



DEPUTY CITY CLERK

SM:rj:yl