

Minutes of the PUBLIC HOUSING AUTHORITY Meeting

Approved by Mayor and Council on February 4, 2025.

Date of Meeting: December 10, 2024

The Board of Commissioners of the Public Housing Authority met in City Hall, 255 West Alameda Street, Tucson, Arizona at 5:32 p.m., on Tuesday, December 10, 2024, all members having been notified of the time and place thereof.

1. ROLL CALL

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

Present:

Lane Santa Cruz

Commissioner

Paul Cunningham

Commissioner

Kevin Dahl Nikki Lee

Commissioner

Richard G. Fimbres

Commissioner

Kichard G. Filliofe

Commissioner (electronic attendance)

Karin Uhlich Commissioner

Absent/Excused:

Regina Romero

Chair

Krystal Martin

Commissioner

Staff Members Present:

Timothy M. Thomure

City Manager

Mike Rankin

City Attorney

Yolanda Lozano

Chief Deputy City Clerk

Vice Chair Dahl announced that Commissioner Fimbres would be participating electronically through Microsoft TEAMS and Chair Romero and Commissioner Martin were absent/excused.

2. SMALL AREA FAIR MARKET RENTS (SAFMRS) BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) FOR THE HOUSING CHOICE VOUCHER (HCV) PROGRAM (CITY WIDE) PHA/DEC10-24-11

Vice Chair Dahl announced City Manager's PHA communication number 11, dated December 10, 2024, was received into and made a part of the record. He said this was scheduled for discussion to help the Board of Commissioners understand how the SAFMR implementation will impact the PHA operations and the larger Tucson community. This is also an opportunity for the Commissioners to provide feedback on strategies for tenant and landlord outreach, budget adjustments, and administrative updates related to SAFMR. He staff wished to make a presentation on the item.

Introductory comments were provided by Ann Chanecka, Housing and Community Development Director.

Information and presentation were provided by Isiah Norris, Housing Choice Voucher Administration

Discussion was held; no formal action was taken.

Clerk: Small Area Fair Market Rents (SAFMRs) by the U.S. Department of Housing and Urban Development (HUD) for the Housing Choice Voucher (HCV) Program.

Vice Chair Dahl: City managers PHA communication 11 dated December 10th, is received into and a part of the record. This was scheduled for discussion to help the Board of Commissioners understand how the SAFMR implementation will impact the PHA operations and the larger Tucson community. This is also an opportunity for the Commissioners to provide feedback on strategies for tenant and landlord outreach, budget adjustments and administrative updates related to SAFMR. I believe Ann Chanecka has a presentation or is going to introduce a presentation.

Ann Chanecka, Housing and Community Development Department Director: Thank you, Chair Dahl and Board of Commissioners. Thanks for giving us a few minutes today to help explain what mandatory small area fair market rents are. So, this is a fairly significant change to the Housing Choice Voucher program that HUD is requiring. And there's some good reasons HUD is requiring this, and my colleague will describe that in more detail. Most importantly, it does really align with the mayor and Council adopted Prosperity initiative. And so, there's some good aspects to this, but with any big change there we anticipate there will be some challenges. So, to go into more detail on that, I've asked our Housing Choice voucher administrator Isaiah Norris to walk through what it is and why it's a change and sort of what we're doing to help mitigate some of those challenges. I think many of you have met Isaiah before, but if you haven't, this is Isaiah Norris.

Isaiah Norris, Housing Choice Voucher Administrator: Good evening, Commissioners. So, we'll go ahead and get started with the presentation so the mandated HUD small area fair market rents. Historically speaking, HUD provides fair market rents on a yearly basis for the Housing Authority and these fair market rents are what the Housing Authority utilized to create payment standards which then our voucher holders go out and find units with and it kind of gives them that CAP on affordability for unit. So as you see here, this is kind of what we looked at for the 2024 this previous year and the current year's fair market rents provided by HUD and then our and then our associated payment standards, we usually list them from zero to six bedrooms. But this new change to the small area fair market rents creates a brand-new model for us to use. And again, this is mandated by HUD. They they've gone throughout the country and determined certain communities that should follow this practice and we were selected for this coming year under this new model, our payment standards are in the fair market, rents are designated by geographical area, more particularly the ZIP code as opposed to a general metropolitan area.

So, as you see here, we have 4, we are in consortium with the county, Pima County, as well as administering for the City of Tucson. So, we are covering the entire region of Pima County, which consists of up to 70 ZIP codes that we are now responsible for. As Ann Chanecka had mentioned this very much aligns with the Regional Prosperity initiative and increasing overall mobility for our voucher holders and for those in the Community. It will one of the greatest things that will come out of the small area fair market rents is the ability for voucher holders to get into areas that were previously unaffordable to them and with those increased payment standards. Before I get into kind of some of the anticipated challenges, I want to kind of lay it on kind of give an example of what that can look like. So, if we have a family who say is in a 2-bedroom voucher, right now that payment standard is 1,470 dollars and that's for the metropolitan area.

So, no matter where you are in the city of Tucson, across Pima County, that payment standard is 1,470 dollars. However, under the new small area fair market rents, and our new designated payment standards say, if you're going, if you are currently living in in our one of our areas that you may be familiar with driving the 05, 85705 and you said, hey, I'd like to move to Vale, which I think that ZIP code is 85745 that is a higher price point area. Under the new small area fair market rent and those new payment standards that payment center going from 1,470 dollars to 2,060. So, there's there are some significant differences or there are some significant increases in some areas. However, there will also be some decreases in areas that are currently highly concentrated with voucher holders, and that is what HUD anticipates and is trying to move folks out of these highly concentrated areas and into higher opportunity areas.

So going along with that, I, as I mentioned, we'll have some decrease payment standards in certain ZIP codes, but we will also have higher payment standards and various ZIP codes as well. So this map here shows in the green, where we have increased payment standards and then kind of in that purple we have shades where there are decreases in our payment standards in the overall fair market rents. As the guidance from HUD really indicates that in doing this it allows us to not overpay in areas where we were generally overpaying and then allows us to get up to those price points to add mobility to our voucher holders. Additionally, some there will be some impact for our participants again, it's just a major change to the program. This is kind of how fair market rents have been the current what we currently are using has been utilized for years for

decades now and this is we are now getting into a brand-new way of understanding fair market rents and payment standards.

This will be a significant burden on the Housing Authority on from an administrative standpoint. We will evaluate these every single year, every single ZIP code, and complete analysis to ensure that we are putting our voucher holders in the best position possible, but also taking into consideration our landlords in the Community as a whole. One of the greatest things about this entire initiative and this implementation is that this will greatly allow our participants to better integrate into a number of communities that were previously inaccessible to them. So, as we look at our the PHAs operations I'd mentioned we are year after year, we're going to be setting those payment standards that will change, they will differ. We will run our analysis and make sure that we are doing the best thing possible to serve as many households as possible. We will continue to work with our finance team and ensure that we are well within budget and just keeping an eye on that. And then I believe agenda number item number four, when we look at compliance, this kind of goes into our administrative plan change.

So, we have all this information and policies related to it in our updated administrative plan. And I think at the end of the day, we are really working to ensure that we serve as many households as possible under the voucher program. Speaking on policies, one of the policies that is integral to this implementation is what we call the hold harmless policy. So this will kind of happen over the first three years of this program and it allows us so those families that are in those areas where the payment standards have decreased, they are allowed to stay at their current payment standards without a decrease for a two year period. Unless they decide to move in that period. So, it doesn't affect the family until they're ready to make that move. Until that two-year period kind of expires, but in which case they will be well informed of the process and how that will affect them moving forward every step of the way from the Housing Authority. Additionally, our project-based voucher program will not be affected by the small area FMRs. They will continue to run under the traditional Metropolitan fair market rents. That is all that I have for you, Commissioners, any questions?

Vice Chair Dahl: Thank you. That was a great presentation. I don't have any questions you covered at all. Yeah, great job.

Mr. Norris: Thank you.

Vice Chair Dahl: And this is exciting that people will have a greater choice.

Mr. Norris: Thank you.

Vice Chair Dahl: And do you need anything from us or was this an educational? Thank you, Item 3.

3. PUBLIC HEARING: CITY OF TUCSON/PIMA COUNTY PUBLIC HOUSING AUTHORITY ANNUAL PLAN – SIGNIFICANT AMENDMENT (CITY WIDE) PHA/DEC10-24-14

Vice Chair Dahl announced City Manager's PHA communication number 14, dated December 10, 2024, was received into and made a part of the record. There were no speakers for the public hearing. He said the City Clerk to read Resolution PHA2024-32 by number and title only.

Resolution No. PHA/2024-32 relating to Public Housing; approving a significant amendment to the City of Tucson Annual Plan for Fiscal Year 2025; authorizing and directing the submission of the same to the United States Department of Housing and Urban Development (HUD); and declaring an emergency

It was moved by Commissioner Cunningham, duly seconded and passed by a roll call vote of 6 to 0 (Chair Romero and Commissioner Martin absent/excused), to PASS and adopt Resolution PHA2024-32.

Clerk: Public Hearing: City of Tucson, Pima County Public Housing Authority Annual Plan - Significant Amendment

Vice Chair Dahl: City manager's PHA communication #14 dated December 10th is received into and a part of the record. Mrs. clerk you requested to read resolution PHA2024-32 by number and title only.

Clerk: Resolution No. PHA/2024-32 relating to Public Housing; approving a significant amendment to the City of Tucson Annual Plan for Fiscal Year 2025; authorizing and directing the submission of the same to the United States Department of Housing and Urban Development (HUD); and declaring an emergency

Vice Chair Dahl: What's the Board's pleasure?

Commissioner Cunningham: Your Honor, I move that we pass adopt resolution PHA2024-32

Commissioner Santa Cruz: Second.

Vice Chair Dahl: Any discussion, all in favor say aye.

All: Aye.

Vice Chair Dahl: Resolution passes. Oh, I'm sorry it has to be a roll call.

Clerk: Commissioner Santa Cruz – aye; Commissioner Cunningham – aye; Commissioner Lee – aye; Commissioner Fimbres – aye; Commissioner Uhlich – aye, Vice Chair Dahl – aye.

Vice Chair Dahl: Motion to approve Resolution, PH 2024-33 passes by a vote of 6 to 0. Item 5.

5. MONTHLY BOARD REPORT (CITY WIDE) PHA/DEC10-24-12

Vice Chair Dahl announced City Manager's PHA communication number 12, dated December 10, 2024, was received into and made a part of the record. He asked for a motion to approve the Monthly Board Report.

It was moved by Commissioner Lee, duly seconded and carried by a roll call vote of 6 to 0 (Chair Romero and Commissioner Martin absent/excused), to approve the Monthly Board Report.

Clerk: Monthly Board Report.

Vice Chair Dahl: City Manager's PHA communication #12 dated December 10th, is received into and made part of the record. Is there a motion to approve the monthly board report?

Commissioner Lee: So, moved.

Commissioner Fimbres: Second.

Vice Chair Dahl: Any further discussion? All in favor say aye.

All: Aye.

Vice Chair Dahl: The motion to approve the Monthly Board Report passes by vote of 6 to 0. Item 6.

6. APPROVAL OF MINUTES (CITY WIDE) PHA/DEC10-24-10

Vice Chair Dahl announced City Manager's PHA communication number 10, dated December 10, 2024, was received into and made a part of the record. He asked for a motion to approve the minutes as presented.

It was moved by Commissioner Cunningham, duly seconded and carried by a voice vote of 6 to 0 (Chair Romero and Commissioner Martin absent/excused), approve the minutes for the meeting of the Board of Commissioners held on August 27, 2024.

Clerk: Approval of minutes

Vice Chair Dahl: City manager's PHA communication #10 dated December 10, is received into a part of the record. Is there a motion to approve the minutes of August 27th 2024?

Commissioner Santa Cruz: Motion.

Commissioner Fimbres: Second.

Vice Chair Dahl: Any discussion? All in favor, say aye.

All: Aye.

Vice Chair Dahl: The motion to approve the minutes of the August 27th, 2024 passes by vote of 6 to 0. Item 7.

7. ADJOURNMENT - 5:45 p.m.

Clerk: Adjournment.

Vice Chair Dahl: The meeting of the Board of Commissioners is adjourned. The Mayor and

Council will now reconvene our regular meeting.

ATTEST:

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 10th day of December 2024, and do hereby certify that it is an accurate transcription.

DEPUTY CITY CLERK

SM:rj:yl