

**Manufactured and Affordable Housing Strategy Committee  
Meeting 4 – January 9, 2008  
4:30-6:30 p.m.  
Public Works Building, Conference Room C**

**MEETING SUMMARY**

**Participants:**

Members (or Alternate) present:

Ken Anderson	Danny Knee
Tom Unger for Max Cañez	Noemi Navarro
Sheila Casserly	Tom Spondiarian
Carole DeAngeli	Teri Hutts
Rene Gastelum	Kelly Kirkham
John Glaze	
Susie Goode	

Not attending:

Rita Hall	Betty Villegas
Omar Mireless	Catalina HOA representative
Eddie Peabody Jr.	SAHBA representative
Chuck Stury	

Pima County staff:

Greg Hitt	Jim Forbus	Danny Tylutki
-----------	------------	---------------

Facilitation Team:

Tahnee Robertson	Todd Gaston (Notetaker)
------------------	-------------------------

**Agenda:**

- Welcome and agenda review
- Affordable Housing Overview – Part II
  - Presentation and Discussion, including:
    - December meeting information
    - Affordable housing profiles and available resources
    - Review/agreement of affordable housing goals
    - Field trip overview/preparation
- Observer Comment
- Next Steps
- Adjourn

**Affordable Housing Overview – Part II: Danny Tylutki**

Presentation provided as a handout and will also be posted on the website.

Discussion:

Q: AMI is what?

A: Area Median Income

Q: about future trends and home price indicators

Q: about a reduction in the development costs relative to recent home price reductions.

A: There hasn't been a reduction in land, labor, or capital relative to recent home price reductions.

C: Current trends might self correct.

C: There are 6000 homes for sale on the market right now, most are in the \$200-300,000 range with an average time of 90 days on the market. It was also mentioned that there has not been a big drop in investors buying properties in the Tucson area.

C: The yearly increase in income needs to catch up with the yearly increase in the price of a home.

C: The renter occupied figure of 34% seems high.

Q: What percentage of the population is below 80% AMI, and what percentage is below 100% AMI?

Q: How relevant are the 2006 real estate figures, considering all that has happened to the real estate market in 2007.

Q: Could we could get 2007 info from the local realtors? We need the "CMA" data from them.

C: Preference that the committee to work on policies for people at or below 100% AMI.

C: Funding for low income continues to be cut by the federal government.

C: Preference that the committee to work on policies for people at or below 120% AMI.

C: At today's prices it would take a person at roughly 140% of AMI to be able to afford the median house.

C: Most of the policies that will be developed will just subsidize the profit for the developer.

C: The market sets the value of a home, [and then went into a discussion of] how the Assessor's Office determines the market value of a home.

Q: What does it cost Habitat for Humanity to build one of their homes?

A: It costs them \$60-65 a square foot to construct one of their homes.

C: Building costs have gone up 35% between 2001 and 2007.

C: It cost Chicanos Por La Causa \$94/square foot (including land) to construct their units in 2007. In 2001, it was \$58 a square foot. That's a 61% increase in cost between 2001 and 2007.

C: It is not to the CO advantage to subsidize those who are profiting off of low income families.

C: With the increase in property values, the CO is also making much more in property taxes.

C: This year we are looking at what might happen for 2009. We don't want the DOR to arbitrarily raise numbers across the board. We deal purely in value. The values that are generated in the market are those that are dealt with.

Q: Can we pick a number and then come back after research? We have modeled the Florida market very well in the recent past so maybe we can again look to Florida for projections.

A: I think it is a good suggestion. I should see how I can best facilitate the max number of people getting into affordable housing. But we should not waste time working on something that we know is not going to work.

C: We need to specify what will be included in affordable housing. I have heard a lot of neighborhood associations that have not wanted affordable housing going into lots that have been vacant for 20 years.

C: We work with 80% AMI and below. We build 20 houses a year and that is only a drop in the bucket as we have seen. The need is certainly greater than the 80% level. There is a lot of need at the 120% level and not many options there. The bottom number should be no more 54% for home ownership. To include rental housing the number would need to go below 50%.

Q: Is this committee also going to include rental?

A: I was under the assumption that it would be home purchases.

C: I don't think we can ignore rentals as it is the logical stepping stone toward ownership.

C: All examples and models that have been presented thus far have pertained to ownership, none concerning rentals.

C: Two different sets of AMI numbers would be needed if rentals are to be included. Perhaps 30-80% for rentals and 50-120% for ownership.

C: If the ownership issue is addressed first, it will lend much to dealing with rentals as a different arm.

Q: Is this committee interested in including rentals as part of the MAHSC?

A: I don't think that we should get into the issue of whether rentals should be included or not, but rather we should first address ownership and see where rentals fit in.

C: If we could still digest the information but just analyze it differently it may be more efficient.

C: We are looking for a breakdown of AMI in Pima Co. I could use the 2006 census data.

Q: So what number should we focus on?

A: We should look at the numbers before we agree on a number to research.

C: There are incentive based ways of going about increasing the availability of affordable housing.

C: Most incentives are for those between 120 and 80%.

### **Field Trip #1: Affordable Housing**

- Thurs. Jan 24, 9-4
- Meet in the parking lot/courtyard at the Public Works Building
- Vans are provided
- Zoning types will be pointed out as the tour goes.
- Materials will be sent out via email

Field trip #1 will focus on affordable housing

Field trip #2 will focus on manufactured housing (late April or early May). Request to hold second trip on a weekend since the first was on a weekday.

### **Observer Comment:**

None