

Manufactured and Affordable Housing Strategy Committee
Meeting 2 – November 7, 2007
4:30-6:30 p.m.
Public Works Building, Conference Room C

MEETING SUMMARY

Participants:

Members (or Alternate) present:

Ken Anderson	Rita Hall
Tom Unger for Max Cañez	Danny Knee
John Casserly for Sheila Casserly	Noemi Navarro
Carole DeAngeli	Tom Spendiarian
Rene Gastelum	Chuck Stury
John Glaze	Gary Bachman for Betty Villegas
Susie Goode	Eddie Peabody

Not attending:

Ellie Towne (District 2) had to withdraw, replacement TBA
Diane Hall (Catalina HOA)
SAHBA representative

Pima County staff:

Greg Hitt Jim Forbus

Facilitation Team:

Tahnee Robertson Todd Gaston (Notetaker)

Agenda:

- Welcome and agenda review
- Process overview (approve Meeting 1 Summary, Protocols)
- Understanding the Issues – Part II
 - Legal affixture: information from Jim Forbus
 - Participant Presentations:
 - Oracle Foothills Neighborhood Assoc. case study (C. DeAngeli)
 - Manufactured Housing Industry perspective (K. Anderson)
 - Synthesis of key manufactured housing issues
 - Positive aspects
 - Negative aspects
 - Questions/other information needs
- Observer Comment
- Next Steps
 - Information gathering (to answer Qs)
 - December meeting date/location
 - Field visit?
- Evaluation and closing comments
- Adjourn

Process overview: Review and approve Draft Meeting 1 Summary and Draft Protocols

Meeting 1 Summary

Only one change was requested regarding a comment about property tax valuation at the top of page 2. There is disagreement over whether or not the statement is a factual error, if the meeting report is a “summary,” “notes,” or “minutes,” and whether or not past meeting reports should be changed due to disagreement about content. The member was concerned that regardless of whether the information is factually correct or not, the report serves as a log and true representation of what is actually discussed, and any factual corrections should come in a later meeting’s minutes in reference to the earlier factual error.

Tahnee explained that the meeting report is currently called a summary rather than minutes, but that the committee can decide what kind of meeting documentation it wants. She cautioned that inaccuracies in posted meeting summaries on the website could be misused. She suggests noting the disagreement over factual accuracy as a footnote or bracketed comment rather than waiting until the next meeting summary to record that disagreement. She also explained that County budget limitations constrain how much staff time can be spent on meeting note preparation.

The committee generally agreed that footnotes would be used to denote potential factual inaccuracies, while corrections to what a member actually said would be made. [the Coordination Team approved this approach during their November 28 meeting]

With this footnote to the property tax devaluation comment, the Meeting 1 Summary was approved.

Protocols

In the October 17 Coordination Team meeting, the CT reviewed and resolved committee feedback on the draft protocols. The revisions were presented to the full committee. The only remaining concern was that the protocols clearly specify that not only the full consensus items end up in the final report. With this change the committee approved the protocols with the modifications that were presented.

Understanding the Issues – Part II

To address a concern raised by a member about the neutrality of the County and whether or not there is a preconceived outcome, Greg Hitt emphasizes that Pima County Development Services is neutral and despite potential appearances of collusion, there is no preconceived outcome on their part. Anything written in the final report is the committee’s recommendation and will be considered by the Planning and Zoning Commission, Housing Commission and/or Board of Supervisors.

Legal affixture: information from Jim Forbus

Greg Hitt reviews the codes, and matrix included in the paperwork he provided to attendees. He mentions that despite a request, the inclusion of HUD standards in the matrix was not practical as 50 pages were too long to be incorporated.

Jim Forbus states that his job as an appraiser is to appraise and look at a prop objectively, with no biased interest.

Jim hands out three documents for attendees to review. 1) Pima Co. Assessor Website tax info 2) Affidavit of Affixture 3) Assessor's Record Map Pima Co Book Area map w/parcels and he explains the background and usefulness of all of the distributed documents. [these documents will be posted on the website] He explains that if a property falls on tax borders, the owner must pay the respective percent to both municipalities.

Participant Presentation I: Oracle Foothills Neighborhood Association Case Study (Carole DeAngeli)

Carole DeAngeli's presentation tells the story of a modular home built in her neighborhood that became a source of significant criticism by neighbors. She explained that the presentation shows some of the downsides of manufactured housing, and that she has revised the presentation since showing it at the Coordinating Team meeting.

In 1999, 3 section houses moved into her neighborhood. Objections by neighbors included:

- Didn't fit into the neighborhood
- Lack of inspection and follow through by Pima Co on grading, etc.
- Lower quality of construction, and no conformity of style
- Lack of notification or input by neighborhood
- No landscaping, no, garage etc
- Non-permitted outbuilding used as living quarters

In 2005, the home went into foreclosure. A neighbor bought and had it towed away. It is now replaced with a site-built home which is currently for sale as of Nov 07.

[Q=question, A=answer, C=comment]

Q It was not a modular so what permitted it to be legal?

A I am not sure. There was in fact a foundation under it. But the industry felt bad as well because it was not kept up. There were issues with the homeowners association. I met with the daughter of the owner. The industry offered to pay for half of a fence but the owner refused. It was fenced eventually.

C A house is an economic and emotional investment. People want to be proud of where they live. All things must be considered before knowing whether one thing affects the property values.

Q What is the life expectancy of manufactured homes?

A Comparable to site built. Estimates are generally 50 years. It is the investments that need to be put into old homes that make it appreciate or depreciate, while manufactured homes do not usually receive investments.

Q What does the industry use as criteria for valuating manufactured homes?

A It is not what a book or program says but what the homes really sell for.

Q Home values are about locations, so we need to value the buildings. If the value of a site-built house can be determined, then why not the manufactured homes?

A It is the foundation and other amenities that have to do with the values. A manufactured home should be able to be put side by side with a manufactured home to compare disregarding all other factors.

- Q Is there a subset of you that could work together to answer this question? We could talk about this for a while.
- A I am not suggesting a committee, but the ability to get the right information and materials together to make these decisions.
- Q What criteria are used to ascertain appreciation vs. depreciation? What facts can be used rather than having to rely on emotion? How do you determine future value?
- A Compare the costs disregarding location and land value and compare the cost after 10 years. Assessors do not take into account whether it is masonry or wood
- Q Isn't it a planning issue? Should one home be allowed in an area with no others and all site-built homes?
- A That is what this meeting is all about
- Q Carole, was the manufactured home allowed?
- A Yes, but the fact that it became a slum was also detrimental, so it was a combination of those factors. People might still not have been happy if it was properly maintained and manicured, because we would not want to set a precedent.
- Q The doublewides are populating the valley. These folks don't have the money for a garage and landscaping etc. What is the criterion that stops this type of housing from coming in?
- A [not answered]
- C There is a reason to know the difference between the various categories.
- Q Habitat for Humanity does 3 bedroom 2 bathroom with carport. What prevents site-built homes from not having the same quality as manufactured in those areas? Is there a fear of quality?
- A [not answered]
- Q Why don't manufactured homes get built according to specifications site-built homes do? The aspect ratios should be made to be like a site-built home. How do you get around the aspect ratio in the industry? Is it to maintain the ability to get down the street?
- A [not answered]
- C Lets have a presentation by Development Services to explain the difference between the different types of homes.
- C The industry will make a presentation addressing compatible manufactured homes in different neighborhoods across the country to show how nice they can be. It is the aesthetics that determine the perceived quality of a home
- Q What determines whether the homes will be built to be nice?
- A There is code that can be put in place.
- Q Can we prescribe specific code items? How specific can we be?
- A We can be very specific - length, height, reflectivity, etc. If you have design review controls it can help. Such legislation/standards can be written. Currently the County offers design review for homes. It is very limited and specific.
- Q Do residential guidelines involve modular homes?
- A It involves specific plans (e.g., Cholla River)

Q Is it the county or state that has say in what is allowed?

A It is reviewed by either the state or by HUD. All extras must be accounted for; garages etc. There is an IGA that must be established to transfer control from the state to the county to let us control codes. We need to further research that. There is good info on web about HUD requirements.

Other concerns before moving on?

Q Durability. How long is the value held? What are the possibilities on the manufactured homes for upgrading, fixing, etc?

A The materials, framing, construction, etc. on manufactured homes is comparable to that of site built home.

Q What is the load rating for the roofs?

A 30 lbs currently

C That is higher than code which is 20 lbs

Q How would you get a permit to get plumbing, etc. changed?

A That needs to be looked into with the County

Q I had a friend whose piano fell through the floor of her manufactured home. Doesn't that mean they're lacking durability?

A The decking of a manufactured home is now very strong and the older ones are not nearly as durable as the newer models

The fact that they have a 30 lbs roof load means it must be pretty durable.

Q Is ¾" ply is standard flooring in the industry?

A We do not use ¾" ply but that is an available option. The newer models do have strong floors.

Break

Participant Presentation II - Manufactured Housing Industry perspective (Ken Anderson)

Ken Anderson explains that it is important that the committee understand that the industry does not have an agenda. The industry only has a plan to make this work. The industry wants to be a good neighbor and to fit in with the community. The committee should focus on the present and future, not the past. The industry has made a lot of progress.

The presentation consists of a series of pictures of examples of higher end multi-sectional homes, many with garages or other site-built elements.

Ken's comments during the presentation:

- Costs are projected to be lower than site-built but median income people could not necessarily afford these homes. This will not be groundbreaking in that respect.
- These homes can appreciate just as fast as and sometimes faster than site-built. Because the initial price is generally lower; when the aesthetics are there they appreciate faster.
- We are not interested at this time in suburban ranch. It is not compatible with our buyer. The primary focus zones we are interested in are not CR1, we are not compatible.

- Reads item 4 from book “Affordable Housing”

Q Will we see a manufactured home without a frame?

A No, only HUD homes

- The next example is a log-sided home with a porch in the White Mountains area
- Some tiling can be done at factory and sometimes at site to match the community
- Neighbors at first are suspect but once complete they usually praise the quality.

C Most production housing is frame, not block built

Q What would a home like that cost?

A Generally 75-85\$ /sq. ft

C The industry feels it is better to have new pre-fab homes than used pre-fab homes

C There was an example of a person bringing in a used home but we worked with the city to remove it.

Q How are the houses attached to the foundations?

A There are several technologies, concrete in place, pre-poured concrete and various others.

C There is a mobile home park where the home is owned but the land is rented. I don't see these homes ever being moved.

C The roof grade is important. The new ones are 3/12 while the older ones were 2/12.

Q What about 2-story manufactured homes?

A I suspect we should see them in Arizona soon, while they already exist in CA

(Many single section homes w/single car garages are shown)

C 85% multi section and 15% single sections represent sales.

Q What are the outside materials?

A Hardy board, which is fireproof, and OSB, among others

C Most construction is 2x6 but some 2x4 and no steel.

Q These are 20% less to build than site built but do they sell for 20% less than site built?

A Generally they do but it depends

Q What is a normal profit level in the industry?

A In the big companies it might be high, but we are not sure of a good estimate for manufactures. Could be near the 5% that the site built industry usually gets

C I think this committee needs to separate affordable from manufactured

Q If the median income can't afford to buy these houses why are they involved in the affordable strategizing?

- A We are not subsidized so we can not address the lower income levels' concerns
- Q The industry is represented by buildings that come in on a frame. Habitat for Humanity has done good work on homes that are not on a frame but can be offloaded by a crane, etc. Is this represented in the industry?
- A We do not deal with these types of houses

Jim Forbus mentions that he also assesses the mobile home rents and values in Pima Co. and that all his surveying shows that a Park Place mobile home does not rent very cheaply [this was unclear, check on actual comment]

Next Steps

Information gathering (to answer questions)

- Questions
 - o Values, Criteria: What criteria are used to ascertain appreciation vs. depreciation? Future Value? (Tom, Ken)
 - o What is the durability of home value?
 - o Where to allow Manufactured Housing?
 - o Can we control the design? Increase inspection and/or enforcement?
 - o More precise definitions of terms?
 - o Controls in general (site-built too) design or other quality factors?
 - o Why don't site-built use same aspect ratio? Is this ratio too narrowly defined?
 - o Manufactured home vs. site-built inspection processes? (County presentation)
 - o Compatible manufactured home in existing neighborhood to show appreciation (Ken), and what causes it (controls)/why
 - o How specific can text amendment be?
 - There can be more prescriptive design review standards
 - Greg- text amend single family homes
 - John Strobus- real estate report
 - State/HUD- inspection process and parameters...
 - o How to renovate to increase longevity? (re-permitting)
 - o Option to not allow less than 1976 Manufactured Housing standard?
 - o Manufactured Home affordability/ Income guideline?
 - o Request for an overlay of CR3, 4 and 5 to be displayed in the next meeting to show where each is in the county.

Next Meeting

- Wednesday, December 12th – 4:30-6:00 p.m., Pima County Public Works Building, Conference Room C

Field visit

- Tahnee requests a show of hands to see who is interested in some type of field trip and most raise their hands. It will be planned for January, and members will be asked for their input on what they would be most interested in seeing.