

Manufactured and Affordable Housing Strategy Committee
Notes from Meeting 5 – February 13, 2008
4:30-6:00 p.m.
Public Works Building, Conference Room C

MEETING SUMMARY

Participants:

Members present:

Ken Anderson	Rita Hall	Eddie Peabody, Jr.
Carole DeAngeli	Teri Hutts	Chuck Stury
Sheila Casserly	Danny Knee	Betty Villegas
Rene Gastelum	Omar Mireles	
Susie Goode	Noemi Navarro	

Not attending:

Tom Spondiarian	Max Cañez
Kelly Kirkham	

Pima County staff:

Jennifer Dederich	Daniel Tylutki	Jim Forbus
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Facilitation Team:

Tahnee Robertson	Todd Gaston (recorder)
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Agenda:

- Welcome, Agenda Review, Updates
- Affordable Housing Field Trip: *The Seen and the Unseen* (slide show and debrief)
- Determine Area Median Income (AMI) targeting
- A Call to Housing Practitioners: *Review draft of the ‘Pima County Affordable Housing Strategy Survey’*

Affordable Housing Field Trip:

Danny Tylutki presents a slide show displaying pictures and a brief explanation of the sites visited on the Affordable Housing Field Trip.

Discussion

Balboa/Laguna

Q: Is the city customarily reducing fees on affordable housing?

A: Yes

C: Even though it is waived for Habitat for Humanity, it comes out of federal funds. There must be home dollars in the project for the money to be given

C: For the waiver, the house must be for below 80% AMI

Q: What is 60-80% AMI?

A: For a family of four it would be less than \$40,000/year.

Q: What are the fees to the family?

A: Sweat equity in ~200 hours of work, \$500/mo is the mortgage and a \$1000 down payment. 0% interest. Closing costs are covered by Habitat for Humanity.

Q: How big are they?

A: 3bd/2ba, ~1280 sq ft.

Talavera

Q: Are there any sales or strictly rentals?

A: Strictly rentals

Chantalli Estates:

Corazon Del Pueblo Estates:

C: Target 60-80% AMI

C: The land donation was ~3M

Primavera Builders:

Q: This person already owned the home and the land?

A: Yes, in these situations, it is more cost effective to knock the house down and start from scratch.

Post-Slideshow Discussion:

C: I think we should applaud the non-profits for their work. I was very impressed

C: I liked seeing the wide range of answers to the low-income housing dilemma. The non-profits do an excellent job.

Q: How could the committee create some type of mandate to ensure such things continue to be carried out or to expand it (though I'm not sure that it is possible)?

A: There is a lot that goes into these projects. Impact fee waivers, donations, etc. The County can push to increase these measures.

C: We should focus on the mixed income community as well. More mixed would be great as the upper income portion can help the lower income portion.

C: The mixed income brings the caliber of affordable housing way up because there is landscaping, amenities, etc. that can be increased and improved with the higher income mixed in.

C: Habitat for Humanity is a great model, but we could never build at a large scale. This is important to realize. This should be kept in mind in involving the private sector, which is capable of addressing the large scale.

C: I was amazed at the complexity that it takes to pull something like these affordable projects off. It is a bit overwhelming.

C: We have been addressing the 80% and above and not as much the very low income, which should be addressed. To me, what Habitat for Humanity is doing is great, but for the very low, it has to be rental. A second issue is a public/private partnership. We are talking about the need to address it from a policy standpoint that requires a mix of housing in any developments. It is being used effectively in other states to address the problem.

C: I staff the Housing Commission and when it was first created, as the Nov 13th 2004 memo states, the County would forego inclusionary zoning and adopt a voluntary rooftop fee in its place. I can tell you from conversations with the commission, that there are 3 or 4 people that would bring us back to that policy. So it would take a lot of creativity in renaming it or it would take a lot of effort to get that addressed. The industry is highly opposed.

C: Builders are going through a rough time right now and the political environment is not ideal for such a proposal to pass.

C: Something real must be done to make real change, rather than a whitewash over the problem.

C: There are other incentives, such as density bonuses, etc. to achieve the same means. From a practical standpoint, though this would not be the optimal time for it.

C: In places where inclusionary zoning does work, it seems very effective. We need to be creative. There is not a lot of government money.

C: There are a lot of contractors that want to work with non-profits for the grant resources because of the slump in the private housing sector.

C: I think the political environment is not appropriate at this time. When there is a rezoning, they open up a new 750 unit subdivision; a portion of the closing money goes toward an affordable housing fund. This money will be seen in the next couple of years.

Area Median Income (AMI) Overview: Discussion of AMI slides

Discussion:

Q: How does the AMI increase from 4 people to 6 people?

A: That is a good question, I am not completely sure.

C: The City of Oakland created a chart that helped people to determine whether they should rent or buy based on a number of factors. I'll bring this the next meeting.

C: There is a problem in the fact that someone who makes \$42,000 is worse off than someone who makes \$40,000, because they are not eligible for any assistance. This type of arbitrary cut-off number should be addressed.

C: There is always demand for Habitat for Humanity houses. For every 10 houses, we get nearly 200 applications. This shows that more assistance is needed.

C: Each strategy can be used for a different AMI. There should be many strategies available so the builders at different AMI levels can each have something to suit their need.

C: The City of Phoenix has a massive problem as well. They assist up to 150% AMI. This is without a bottom figure.

C: I think that the 80-120 is an appropriate figure. We can't be everything to everyone. If it is bottomless, we will be spread too thin and would not be able to really help as many people. Over 80, the chance of being a successful homeowner is significantly increased.

C: I don't think that this needs to be limited to ownership. Recently Habitat for Humanity had to raise their limit as those in the lower limit were incapable of meeting costs.

C: There are other costs that need to be considered as well for homeowners. Repairs and maintenance costs can add up. These are often overlooked but can be significant costs to the owners. This should be considered when addressing what AMI to target.

Q: What AMI range does the rental address?

A: 130-140 and all the way down. I also think that the committee should not overlook rentals. The committee is charged with considering all low income housing options.

C: I would guess that the rental market is changing because many illegal aliens have fled the state and there has been a great vacancy in the south of the state. I would guess that the increase in foreclosures would increase rentals.

C: 85706 is the second most foreclosure affected zip code in the state. There was recently a study concerning this. The people, who were in default, will now be stuck in rentals, or on the street. We are also seeing a lot of landlords who are letting properties foreclose and not telling the tenants. This is a bad situation.

C: The town of Sahaurita is all single family housing. Those being foreclosed upon have no rental options down there and have no place to go but back into town

Q: Will there be a cost increase in the rental market now that more are being forced into rentals?

A: This is not necessarily true. But these types of trends have been noted. It is going to take some policy to commit a developer to allocate a certain number of units as low-income.

C: We need to try to agree on an AMI range. This survey may help the process along.

Q: Show of thumbs for 120% and below?

- All agreed, except one member who really wanted 80-120 and one who really wanted below 80

-BREAK-

Survey:

Scope: all those in the City and County with interest/expertise in affordable housing issues

Feedback on survey questions

Where do you reside

Q: Is there a way to get better differentiation for unincorporated Pima County?

Q: a prompt for a zip code if unincorporated?

A: Not perfect, but seems like the best option.

Please tell us who you represent

C: I suggest differentiating between manufactured, factory-built, multi-rental, etc.

C: There is a list here in the county displaying neighborhood associations and leaders.

C: I represent an association that represents 68 homeowner associations.

C: "What type of housing do you specialize in?" should be included as another question. This would allow the "represent" question to stay the same.

Percent of income that should be spent on housing?

Q: HUD has standards of what % for housing?

A: 30% for all household expenses.

What % do you estimate that you spend on housing?

C: I think utilities should be treated separately from the cost of housing.

C: I think it should include all expenses.

C: HUD's definition is 30%, this could be a statement to be graded as a question.

C: Housing includes bills and rent.

Greatest barriers?

C: We should have a multiple choice to increase responses.

C (group): Regulatory barriers, access to down payment, NIMBY, lack of affordable land, impact fee, financing, lack of assistance at over 80%, water, lack of regional planning, lack of funding,

Q: Is there a tool to put in numbers to find the percent that they pay on housing?

A: Many bank sites have them and we could include a link.

Strategy Questions

Q: Isn't the 4% low income tax credit too specific?

A: This should be struck all together as it is not applicable to the County

C: It should be modified to use the principle.

C: A strategy could be lobbying the state to secure more funding; increased share of states trust fund for housing uses.

C: A strategy could be to create a clearing house that would make accessible all of these resources.

C: Create a community land trust

C: Develop zoning policies that would include infill

C: #12 will be designed to be more general, a State Lobby type strategy will be added.

C: The survey will be sent to the full committee and they can forward it on to those they know are involved in housing.

C: We are looking for the professionals that are working in this field on a daily basis - neighborhood associations, City, County, UA, etc.

Turnaround time:

C: This is a public process and must be posted on the website etc, so more than a week is needed.

C: The turn around is 2 weeks, which should be adequate.

C: We can give a link to tracking the results as well, so people can see the stats.

C: Send a time estimate with the link.