

Manufactured and Affordable Housing Strategy Committee

Wednesday April 9, 2008

4:00 – 6:00 p.m.

Public Works Building, Conference Room C

Draft MEETING SUMMARY

Participants:

Members (or alternate) present:

Karen Cañez (for Max Cañez)
Susie Goode
Rene Gastulum

Ken Anderson
Eddie Peabody
Noemi Navarro

Rita Hall
Tom Spendiarian

County Staff:

Jennifer Dederich
Jim Forbus

Gregory Hitt
Danny Tylutki

Facilitation Team:

Tahnee Robertson

Todd Gaston (recorder)

Agenda:

- Welcome, Agenda Review, Updates
- Draft Committee Policy Recommendations on Affordable Housing
 - Review and discuss current draft document
 - Identify next steps
- Form Affordable Housing Subcommittee
- Discuss Manufactured Housing Field Trip

Current Draft Document:

- Not every section of chapter was included to keep at a reasonable length. The link for each section is included for reference
- On page 2, 120% AMI was agreed on, and 80-120 as the acceptable range
 - Some projects, such as affordable rental, could be below 80
 - This can be specified by program
 - For home ownership, 80-120 was agreed upon
 - Paragraph needs work, as it includes rental for 80-120
 - Below 80 needs to be looked at; There was never total agreement that less than 80 should not be looked at
 - Needs classification
 - 80-120 = ownership, <80 = rental
- “Model programs” sections are for benefit of reader for reference

POLICY A - DRAFT

Policy A: Increase the availability of land for affordable housing:

This policy will attempt to maximize the use of underutilized property within the developed metropolitan area including the strategic acquisition and eventual development of properties that are underdeveloped, vacant, deteriorating or delinquent in taxes; in addition to, prioritizing the availability of property currently owned by Pima County for affordable housing development.

Strategy 1: Facilitate and prioritize the reuse of abandoned, vacant, and tax delinquent properties for affordable housing activities.

Action Steps:

- 1) Conduct a preliminary study to assess the legal ramifications of this strategy and the County's ability to acquire these properties.
- 2) Create a GIS database of vacant, abandoned, and tax delinquent properties.
- 3) Establish criteria for evaluating development potential of inventoried land.
- 4) Establish funding source to acquire available developable land.
- 5) Other:

Strategy 2: Prioritize the use of surplus County owned land for affordable housing development. *(County holdings including, but not limited to, the preservation of natural open space, conservation land systems, regional flood control or other acquisition pertaining to health, safety, and general welfare will not be applicable.)*

Action Steps:

- 1) Create a GIS database of County owned properties.
- 2) Establish criteria for evaluating development potential of inventoried land.
- 3) Pursue administrative policy to direct pertinent Pima County departments to assist in land assemblage, parcel reconfiguration, surveying, lot splits, and possible rezoning or comprehensive plan amendment activities at little or no cost.
- 4) Assign appropriate departments and qualified staff to coordinate above activities and act as interdepartmental ombudsmen.
- 5) Establish an affordable housing land bank database
- 6) Establish a RFQ or RFP process for development of affordable or mixed- income projects by qualified non-profit and/or for-profit builders.
- 7) Establish appropriate methods to secure long term affordability.
- 8) Explore Community Land Trust Model for County owned land.
- 9) Other:

Model Programs:

- 1) See an article on CLT's <http://www.plannersweb.com/articles/pet112.html>
- 2) See profiles of CLT's throughout the nation <http://www.iceclt.org/clt/cltprofiles.html#burli>
- 3) Portland Oregon CLT <http://www.pclt.org/>

Committee Input on Policy A:

- Strategy 2
 - Clause for excluding conservation lands etc. should be modified for clarity
 - There is a lot of land that is part of Right Of Way but must be configured
 - Open space/conservation land will not be used
 - Acronyms (e.g. RFQ, RFP and GIS) may need defining for some readers
 - Action Step 8, should include mixed income and emphasize it

POLICY B - DRAFT

Policy B: Reduce potential regulatory barriers to affordable housing.

This policy recommends modification to current County administered development policies, codes, and various fees schedules to promote affordable housing production, in addition to, preserving existing owner-occupied and rental affordable housing options.

Strategy 1: Adopt building codes to facilitate rehabilitation of existing homes and affordable rentals. *(This strategy consists of introducing special building codes to allow for moderate rehabilitation to existing structures while maintaining safety, and using a facilitative approach where building inspectors work with clients to implement safe and feasible solutions)*

Action Steps:

- 1) Initiate and direct an evaluation of the current building codes to identify and address possible barriers to rehabilitation of older affordable homes and rentals.
- 2) Research current model building codes, International Existing Building Code (IEBC) as adopted in New Jersey, Maryland and North Carolina. Please review following information:
- 3) Create a stakeholder group which reviews the new building codes
- 4) Implement pilot project with local non-profit(s).
- 5) Other:

Model Programs:

- 1) PowerPoint discussion of the Maryland Rehabilitation Code (MBRC) and the IEBC can be found at [http://mdcodes.umbc.edu/dhcd2/2006%20%20IEBC%20Fundamentals%20-%20Maryland%20Rehab.ppt#449.13.IEBC Table of Contents](http://mdcodes.umbc.edu/dhcd2/2006%20%20IEBC%20Fundamentals%20-%20Maryland%20Rehab.ppt#449.13.IEBC%20Table%20of%20Contents)
- 2) White paper discussing the reformation of building codes to encourage rehab of existing structures <http://www.goodjobsfirst.org/pdf/breaking%20the%20codes.pdf>)
- 3) Other:

Strategy 2: Adopt expedited or “fast-tracking” permitting and review processes for residential and mixed-use developments that directly produce affordable infill homes. (*Streamline permitting and review processes for affordable homes with comprehensive review, which will reduce the cost of producing homes, and provide incentive for developers.*)

Action Steps:

- 1) Establish a qualification criteria—e.g. 120% AMI and below—to secure expedited permitting and review activities.
- 2) Develop housing/neighborhood compatibility standards to ensure harmonious infill development.
- 3) Support streamlining approval process for identified affordable infill units
- 4) Establish appropriate methods to secure long term affordability.
- 5) Investigate possible administrative review process for variances to individual identified infill affordable units (similar to current Modification of Setback Requirements)
- 6) Other:

Model Programs:

- 1) See Austin Housing Finance Corporation S.M.A.R.T Housing (Safe, Mixed-income, Accessible, Reasonably-priced, Transit-orientated) policy initiative <http://www.ci.austin.tx.us/ahfc/smart.htm> .
- 2) Massachusetts State Statute which enables the Zoning Board to approve affordable housing under flexible rules http://www.chapa.org/40b_fact.html

Strategy 3: Revise impact fee and hook-up fee schedules for affordable infill housing developments projects. (*Impact fees and hook-up fees used to cover the estimated costs of expanding infrastructure and public services for additional residents are modified to lower the burden on affordable units i.e. fees sets per sq. ft., income bracket, lower fee for infill etc.*)

Action Steps:

- 1) Research a proportional impact fee structure which would tax on per square foot.
- 2) Investigate a formal waiver program amongst applicable County departments for affordable housing.
- 3) Establish appropriate methods to secure long term affordability.
- 4) Other:

Model Programs:

- 1) See City of Phoenix graduated impact fee program <http://www.huduser.org/rbc/search/rbcdetails.asp?DocId=609>
- 2) See City of Albuquerque Resolution adopting lower impact fees for affordable housing <http://daystar2.cabq.gov:81/Attachments/3202.doc>
- 3) White Paper on Housing Affordability http://www.impactfees.com/publications%20pdf/housing_affordability.pdf

Committee Input on Policy B:

- Strategy 1
 - The building official for Pima Co says building green is maintenance-wise more affordable, so modifying building codes to promote green can promote affordable
 - It is suggested that this is closer to “fast-tracking”, Strategy 2 as it is an incentive rather than a regulatory barrier
 - Chicanos por la Causa is already working with this as a pilot program
 - The structure gets a certified “green” stamp which allows for more initial debt incurment as the utility costs will be lower for the long term
 - In NJ, different types of buildings adhere to different building codes
 - Pima Co has green building codes for commercial but not for residential
 - The County cannot decrease the fees as they over-hired for the building boom and now they are facing budget and job cuts
 - They are limited to charging only the fees by the code
 - They cannot lower the affordable or green fees unless other fees are raised to offset the revenue loss
 - Green building is incentive based, so perhaps we could model an affordable strategy after this
 - If we cannot reduce permit fees, there is not much incentive to builders
 - Big builders will only do things in response to money

- A density bonus would allow builders to build/sell more for the same impact fees
- What would the industry say to increasing overall fees and dropping those for green and affordable?
 - They would oppose it
 - A subsidy/incentive would be better; this will fall under Strategy 3
- How can Strategy 1 provide more housing opportunities for those under 120% AMI?
- People need houses; The bubble deflation will not last forever, so we should also be looking years up the road when considering policies and strategies, for when there may be a bigger budget and better market
 - This should not be depended on or recommendations may not be implemented for 5 years
- Strategy 2
 - Infill is a matter of perspective
 - Strategy 2 should not be only specify infill, but include whatever creates affordable homes
 - There is agreement for emphasis on infill
 - Under Arizona state statute, Pima Co has certain fill-in districts regulated by criteria such as AMI, etc.
 - Under this the County can waive impact fees, etc.
 - It will be tried near Flowing Wells
 - It will be changed to high intensity urban
 - An expansion of this should be a considered by the committee
 - Pima Co is already paying staff to go through the comp plans, so to have this implemented then, it would cost very little
 - This should be an action step and is already included on pg 6
- Strategy 3
 - This is an example based on doing fees by square feet rather than the straight fee structure
 - Another idea would be to lower the fees for infill
 - Fees should be lowered based on closeness to infrastructure, etc.
 - Phoenix has a graduated fee structure
 - The intent is not geared toward affordable homes, but it is assumed that those with less money will have smaller home
 - Action Step 3 needs some clarifying points
 - Caps can be set
 - One way is “Equity Share” based on the appraised value, when a house is sold, 10% must be put right back in
 - You don’t want to hold them back, but the Co and City need money to keep the programs alive

POLICY C - DRAFT

Policy C: Expand the supply of affordable homes through zoning policies and land use planning that support a diversity of housing types, increased density and infill development.

Broad scale rezoning that increases supply of housing, driving down land prices or policy change that requires a portion of newly developed homes be affordable.

Strategy 1: Define and identify potential infill districts.

Action Steps:

- 1) Conduct a major corridor study to identify potential infill districts

- 2) Investigate and pursue Comprehensive Plan Amendment(s) and compliance.
- 3) Pursue possible mixed use overlay zone which incorporates affordable housing.
- 4) Support zoning code text amendment(s) to allow guest homes to be used as rental units.
- 5) Support zoning code text amendment to allow non-site built housing with adequate design standards on infill parcels/districts.

Model Programs:

- 1) Cambridge, Massachusetts, example of mixed-use development District Code:
http://www.cambridgema.gov/~CDD/cp/zng/zord/zo_article14_1307.pdf
 Mixed Use Overlay Map:
http://www.ci.cambridge.ma.us/cdd/cp/zng/zmap/zoning_map_mxr.pdf
- 2) Mixed Use White Paper – Municipal Research and Services Center of Washington.
<http://www.mrsc.org/Subjects/Transpo/MixedUse.aspx>
- 3) Model program Affordable Housing Program, Community Preservation Corporation, New York, NY
http://www.communitycp.com/new_needs_nyc.php

Strategy 2: Develop incentives that promote affordable infill development.

Action Steps:

- 1) Introduce incentive for developers to include a modest percentage of affordable units within new developments.
- 2) Establish appropriate methods to secure long term affordability.

Committee Input on Policy C:

- Strategy 1
 - Action Step 2
 - Specific plan is a large area, like Canoa, Green Valley, PUD (Planned Urban Development)
 - All large scale; we need something for the smaller scale
 - Action Step 3
 - In essence, overlay districts
 - There are many corridors where commercial and transit centers could be provided
 - The whole downtown is an infill incentive district
 - This action step was designed for infill development, but should work well for affordable housing
 - Action Step 4
 - Pima Co does not allow guest houses to have a kitchen
 - 80% of value is owner occupied and 20% non-owner occupied
 - This makes it cheaper to be all owner occupied, as it will give you a 100% tax credit
 - The tax would be off-set by the income from renting
 - Owner occupied is strictly a blood relative
- Strategy 2
 - Action Step 1
 - Specifically “25%” rather than “modest” density bonus would automatically get the builders to do it
 - Specificity is necessary
 - Density is the concept that will get affordable housing included in housing projects
 - Incentives are across the board in every section of this
 - When it comes to land use, the best incentive is density
 - Open space requirements could be incorporated as well
 - This is a good market for joint ventures
 - A Strategy 3 should be added; “Comp plan change to identify infill development for affordable housing”

POLICY D - DRAFT

Policy D: Support existing community efforts in creating and attaining affordable housing

Strategy 1: Preserve Affordable Rental Housing.

Every year affordable rentals are lost because of the inability to maintain and/or update the property. This policy will aid local non profits lending institutions in providing access to capital for rehabilitation, maintenance or modernize of affordable rentals.

Action Steps:

- 1) Pursue and maximize available funding for affordable rental housing.
- 2) Monitor the expiration of federal subsidies.
- 3) Conduct a community wide assessment of affordable rental housing including federally subsidized and unsubsidized housing.
- 4) Investigate, initiate and enhance programs to provide financial support to non profit lending organizations to improve local access to funding.
- 5) Investigate incentives such as property tax abatement for affordable rental housing.
- 6) Create affordable rental housing qualification criteria, compatibility standards (ensure harmonious development) and legal agreements which ensure that participation in affording rental housing is and will remain affordable

Model Programs:

- 1) Model program Affordable Housing Program, Community Preservation Corporation, New York, NY
http://www.communitycp.com/new_needs_nyc.php
- 2) Model revolving loan pool program <http://www.cicchicago.com/htdocs/success/success.html>
- 3) Fact Sheet: <http://www.cicchicago.com/htdocs/about/documents/2008FactSheet.pdf>

Strategy 2: Pursue, support, and leverage employer-assisted housing initiatives.

(Employers in a strong housing market are fearful that the high cost of housing will threaten the ability to retain and attract qualified workers. Encourage employers to include housing in the employee benefit program, and advocate for appropriations to affordable housing.)

Action Steps:

- 1) Lobby local organization to manage an employee benefit programs to enlist multiple employers in creating a em
- 2) Create a program where state and local leaders encourage the business community to assume a leadership role in efforts by holding a forum which recognizes business leaders which are participating or agree to participate in such an effort, therefore encouraging other leaders to participate

Model Programs:

- 1) Regional Employer- Assisted Collaboration for Housing (REACH)
- 2) See the an example at <http://www.reachillinois.org/>
- 3) See an example of a forum from Chicago <http://www.metroplanning.org/articleDetail.asp?objectID=2639>
- 4) An additional example for Housing Assistance for Municipal Employees, National League of Cities
<http://www.nlc.org/ASSETS/5F878CA097DA4091B4EE1C6FE498EC68/MPRhousingassistanceMAG.pdf>
- 5) Lexington-Fayette County, Live Where You Work Program http://www.lfucg.com/community_dev/index.asp

Strategy 3: Expand homeownership education and counseling.

(This policy aids first time homebuyers in making an informed decision about whether and when they are ready to purchase a home while providing information on how to improve credit scores, avoid predatory lending, and qualify for lower priced mortgages and down payment assistance programs.)

Action Steps:

- 1) Require basic homeownership/financial counseling of all programs that provide financial benefits such as down payment and closing cost assistance to homeowners and receive public monies via the County.
 - 2) Initiate the evaluation, coordination and streamlining of the existing educational delivery system throughout the County to maximum availability and utilization of education and counseling programs.
 - 3) Facilitate the development of low cost financial and homeownership classes for the general public.
 - 4) Initiate a coordinated community calendar for all homeownership and financial counseling opportunities in the community.
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Committee Input on Policy D:

- Strategy 1
 - How will it be done?
 - Needs to be addressed as an action step
 - Tucson has relatively stable rental rates
 - Other communities have rent control, in the future this is an option
 - A good housing program should address how affordable rentals will be preserved over the long term
 - The program to be considered is one that will create affordable housing
 - The HUD subsidy paperwork needs to be less onerous
 - There needs to be oversight and protections to the tenants and landlords

- In the city of S Tucson there is a sales tax on renters; could this be removed for affordable housing?
- A code change consideration to put affordable rentals on the fast-track on codes etc., such as the NJ code
- There are some areas where incentives could be available for refurbishing a house
- Project 202 is projects subsidized by HUD for those 62 and older
- Pima Co needs more quality affordable rentals
- The vacancy rate is very high right now
 - Because of the immigration crack-down, many rentals are going vacant
 - Santa Cruz apt. in the city has high vacancy rate
- Section 8 tenants have been evicted and the rent goes up 1.5 times; the section 8 tenants are then brought in again at the new plateau
 - There are some rentals that will refuse all section 8 applications
- Strategy 2
 - The word “government” should be included
 - Many professors cannot find a place to live
 - There used to be married student housing that has been done away with
 - Pima Co and the City of Tucson had a proposal for government worker housing but the plan fell through
 - Action Steps 1 and 2 should be combined
 - There could be Co discounts for living near your work etc.
 - In the 70’s IBM attempted this in CA and it did not work
 - The employees were encouraged to socialize among themselves and they get discouraged at being separated from the rest of the community
 - Raytheon was not thrilled about having any houses near them designed for those making less than the Raytheon employees
 - The model Pima Co attempted was to go to a hospital, say you put up some money and we’ll put up some money, but it does not work
 - Instead of trying to focus this as “if you live here…” it should be wherever the employee wants to live
 - If the employee wants to live somewhere more expensive, the credit can be used for that effort
 - This could be gifted as a contract sign in
 - What incentive would be given to the employer?
 - It might be in the form of a bonus to keep employees around
 - Many Pima Co employees can’t afford to live where they work
 - Being an employer, I don’t think it is a good idea and large scale employers are even cheaper
 - In CA, a number of houses are constructed for grad students, etc.
 - In Pima Co there are very few large entities to be targets for this
- Strategy 3
 - Everybody is required to have basic counseling if they are at 80% and below
 - Above 80 should be considered
 - Everyone who is doing classes should be assessed and any gaps should be addressed
 - This is more about coordinating the community effort
 - Classes concerning predatory lending can be effective as well
 - There is a niche of realtors that pass on info to potential buyers
 - Chicanos por la Causa
 - There is a waiting list sometimes for affordable home buyers

- The services are not underutilized as our money runs out as quickly as we get it
- Cash for down payment and closing costs goes quickly, some people do not want to live in the areas where we are building
- Habitat for Humanity sometimes turns people to us that do not qualify for their homes
- Agencies that in some way subsidize buyers:
 - Urban league,
 - HH does about 20/yr,
- We are looking at the immediate picture right now:
 - Rising fuel cost, etc. will increase the cost of everything; this can make what is now affordable housing completely unaffordable in 10 years
 - Transportation costs and need to be close to a workplace needs to be a consideration
 - SunTran is run by a private investment company, so it is difficult to get them to create incentives

Other discussion:

- Matrix can be used as a reference
- Attention will be called to documents to be read as homework
- This is the last “affordable” meeting
 - Future “manufactured meetings will have short reviews of current subcommittee work
 - Subcommittee will be formed
- The County should be commended for their hard work and the excellent job they did on the document
- The numbers in perspective:
 - \$60,000/yr is ~120% ami
 - This is ~\$160,000 as a purchase price
 - There is a big segment of the market here
 - At 80% ami we are talking about \$40,000/yr and 800/mo as a payment
 - Numbers bring a pleasant sense of reality to the documents

Next Steps

Creation of temporary Affordable Housing subcommittee:

- Purpose: Work with County to finish AH policy document with draft recommendations for review by full committee in a few months
- Members: Noemi, John Glaze, Danny Knee, Betty Villegas, Eddie (by email)
- Meeting: Will have brown bag lunch discussion in a few weeks (1-2 meetings max)

Manufactured Housing Field Trip (May 8)

Upcoming Committee Meetings to focus on Manufactured Housing: May 7 and June 11, 4-6 pm