Attendees:
Please see attached sign-in sheet.

On March 19, 2012, the 3rd meeting of the FAFB Encroachment-Housing Alternatives Project started at 9:30 am. Mayor Rushing started off the meeting with introductions.

Tobby Hatley notified the group that the $20,000 needed for the Housing Assessment has been acquired, with the City of Airway Heights, Catholic Charities, Greater Spokane Incorporated (GSI), agreeing to fund the study. Mayor Rushing mentioned that Senator Cantwell indicated there may be some federal funding available as well.

There was then some discussion held regarding the Spokesman Review article about the project. It was generally viewed as a good article.

The next item for discussion was the status of the Housing Study. Chris Venne stated that the process is moving along, with the MOUs and other related documentation being almost ready. Mr. Venne stated that the idea is for there to be a contract for services, with the City doing the study with Community Frameworks, and then MOUs with the City, GSI, and Catholic Charities to provide the funding. It was recommended that an advisory committee be established for the study, and that it consist of 8-members, three being from the agencies providing funds, two should be residents, and the final three representatives of the funders who have been working on the study. This was recommended so there will be feedback provided as things progress to ensure everyone stays on the same page.

The general consensus of the group was that this was a good idea.

It was then asked whether the study will cover all the elements necessary to establish the thresholds for tax-credits, housing funds, etc. Mr. Venne responded that a lot of that information will likely come out of the initial study, but it is not the focus at this stage. It is more focused on determining the preferences of the residents, their needs, etc, as opposed to a classic market study.
Mayor Rushing commented that it may be a good idea to notify the residents in advance about the survey, and to provide information to them about what types of housing may be eventually provided. He suggested that they may even want to show examples of projects that have been completed by Habitat for Humanity, Community Frameworks, and Catholic Charities, to help solidify the possible concepts in the residents’ minds. Mr. Hatley commented that since the City was the lead, it can set the scope of the work to include these items. Mr. Venne commented that one of things added to the scope is a strong communication element, with open houses and updates. Mr. Venne hopes to have the MOUs ready for review within a day or two.

Mayor Rushing transitioned into the next agenda item, discussing APZ Corrective Strategies and Goals. City Manager Tripp provided a brief historical summary of the JLUS process. He explained that it would be important to include as part of the final JLUS recommendations a stated strategy that the stakeholders in JLUS would work cooperatively to address encroachment concerns within the APZs. Mr. Tripp reported that the recommendation was accepted and would be included in the recommended JLUS strategies. Mr. Hatley asked whether anyone had an idea of Medical Lake’s position regarding JLUS, or what they intend to do regarding it. There was nothing definite reported.

Mr. Hatley then asked if based on this recommendation and Spokane International Airport’s (SIA) involvement in the JLUS process, whether they should be brought in to the process. Mayor Rushing stated his belief that this project would not seem to be impacted by, nor would it impact SIA. City Planner Derrick Braaten concurred, stating that the area in question is within the FAFB influence, but not SIA’s. Mr. Tripp responded that though SIA’s participation is not necessarily needed, they would be a good source for information regarding some of the land acquisition issues that may arise.

Mayor Rushing then moved to the next agenda item, namely the for-profit Whitewater Creek, which focuses on building affordable and subsidized housing, represented by Todd Prescott. Mr. Tripp explained that Whitewater Creek has a long history of working with the City in developing affordable housing complexes. Mr. Hatley provided a summary of the meetings that have been held with Whitewater Creek, exploring how they may be able to assist in the process. From those meetings, it was determined that Whitewater Creek is extremely effective at working through the process and fast-tracking projects. He stated that though the initial thought is that this will be a longer process, considering Mr. Prescott’s unique experience in this sector, the group would like to determine if there may be ways to accelerate the process.

Mr. Prescott then provided a brief summary of his interactions with the City in the past, and how that has culminated in his attendance at the meeting today. He indicated the City passed a resolution approximately 5-years ago stated its support for affordable housing. This indicated to the State and County that the City was serious about ensuring affordable housing was available within the City. This action made tax-breaks and bonds available that would not have been otherwise. He also commented on an interest in Solar World, and acquiring it through the foreclosure process, removing the residential elements and transferring them to somewhere o the north side of SR-2. Finally, he stated that the funding is likely out there, and they are interested in assisting the City in this process. He also stated that due to the current financial climate, now is the time to strike, before the housing market turns around. Mayor Rushing then provided Mr. Prescott a brief history of the FAFB Encroachment- Housing Alternatives Project up to this point.
Mr. Prescott mentioned that there is funding available from Washington State Housing & Finance for buying down the difference in an owner’s equity and the actual cost, and within 15-years they own the unit. He was then asked, regarding his past projects in Airway Heights, whether Whitewater Creek had performed market analysis. He replied that yes, they have multiple times, and they consistently indicate there is a large demand in the market. It was then asked if the latest study could be provided to the group to supplement the Housing Study that will be more focused on the people and their needs. Mr. Prescott responded that he would be happy to provide the report.

Mr. Prescott stated that they are in the initial stages of addressing Solar World residents, and are seeking to possibly provide alternative housing for those residents. That would potentially be a big step towards reducing the density in the area. Mayor Rushing commented that that is part of the BRAC review process, and that formal attempts to reduce the density are viewed as positive by BRAC as a part of the process.

The discussion then turned to whether the stick-built single-family units in the area need to be addressed. As stick-built units, it is unlikely they could be moved, nor that the residents would desire to do so. There was some discussion about having anyone desiring to stay in the APZ rather than taking advantage of alternative locations sign and record noise notices and avigation easements, but nothing definite was agreed to.

Mr. Prescott was asked if Whitewater is able to acquire Solar World, would they be allowing it to continue as a residential use. Mr. Prescott responded no. They would be looking to convert it to commercial, and act as collateral for possible land-acquisition or tax-breaks. Both the interests of the tenants and the landowners need to be considered.

Ms. Patton asked how people with poor credit will be able to finance things. Mr. Prescott responded that the specific situations will determine how the financing will be arranged. Chris Venne commented that there are many potential models that could work, including manufactured home park co-ops, where the tenant owns there residence, and the co-op, of which the tenant is a member, owns the land. He also stated that in this type of a scenario, the co-op would determine how credit scores would be used to determine qualifying. Mr. Venne recommended bringing a group in Oregon (CASA) that does these types of developments out early in the process to present their development and ownership concepts. The general consensus of the group was that almost anything would be on the table, and any specifics will come out of the Housing Needs study.

Mr. Hatley asked Mr. Prescott if he had any idea of how long the unwinding of Solar World might take, based on past experience. Mr. Prescott responded that it is early in the process, and “pretty sticky”, so it’s hard to tell.

It was expressed that part of the process would be one-on-one home ownership counseling to assist each participant with determining what would be the best fit, based on the individual finances, situation, and needs of each participant.

Ms. Patton asked if a resident sought to stay in the area, would there be any assistance provided to update their units? The response was that generally speaking, the area is not really appropriate for residential use. The participating groups would not be able to, in good conscious, fund repairs to
structures determined to be unsafe. They would prefer to invest the funds in developing an alternative site that was done so well that the residents would want to move into them. It would be considered a failure on their part if they could not do so. They view it as their responsibility to ensure that whatever is developed is so good the residents will want to move in.

Another issue regarding the landowners and whether they would be interested in continuing using the properties as a manufactured home park if, say, only five tenants remain. For those residents, even if they desire to stay, they may be forced by the landowner to vacate. It was determined that some of the park owners want to have and keep the parks as manufactured home parks, whereas others are seeking to sell the properties.

Mr. Tripp recommended that Whitewater Creek be included in the process and continue working with the group throughout the process due to their unique expertise.

It was then asked how long before the survey/study will be ready to launch. Mr. Venne indicated that he is trying to get it ready to go within the next couple of weeks. He indicated maybe we should hold a public meeting at first, and then do the survey. Otherwise they may not appreciate the knock on the door.

Mr. Tripp then asked if there were any other items for discussion at this meeting. Hearing none, the next meeting date was discussed. It was desired that the advisory group get started as soon as possible. A date of April 9, 2012, at 9:30 am was agreed to. Mr. Tripp asked if the advisory group would be able to meet in the interim, and provide the group a summary of their results at the next meeting. The advisory group meeting will be held in about two-weeks, on April 2, 2012, and will be held at the Community Frameworks office at 9 am.