Memorandum

From: Derrick Braaten, City Planner
To: Attendees, City Manager, File
CC: 
Date: 7/2/2012
RE: June 18, 2012, FAFB Encroachment- Housing Alternatives Project Meeting
Minutes

Attendees:
Please see attached sign-in sheet.

On June 18, 2012, the 6th meeting of the FAFB Encroachment-Housing Alternatives Project started at 9:30 am. Tobby Hatley facilitated the meeting.

Mr. Hatley provided a summary of the actions that have been taken since the last meeting. He updated the group on the number of surveys received, 130 families (roughly 70% of those requested to fill out the surveys) returned surveys. There was a follow-up meeting on June 14th, with about 70-people attending, which provided the public with an update to the process and information garnered from the surveys. He then provided some of the salient points, and some of the questions, brought up by attendees at the June 14th meeting. The general consensus was that the meeting went well and stayed on topic.

Mr. Hatley then provided the group with a set of rough timelines; short-term: 1-12-months, medium term: 1-2-years, and long-term: 3-5-years. The short-term plan is to determine what housing is currently available for residents seeking to locate alternative housing now, not necessarily in Airway Heights, and try to get those residents matched with existing housing options. The housing options for the medium term are more likely to be new manufactured home parks (MHPs), Habitat-Housing, etc, needing minimal infrastructure or construction costs in order to implement. The long-term timeline would include Habitat Housing, multi-family or similar types of housing, on a large parcel(s), generally the types projects requiring large amounts of funding.

Mayor Rushing arrived six-minutes into the meeting.

Again the issue was raised that during the short-term, how can we keep new residents from moving into vacated by those taking advantage of the short-term options.

Chris Venne then provided an update regarding the concerns expressed by the owners of the stick-built, single-family homes along Pogue. They have expressed concerns that this action by the City is lowering

City of Airway Heights
Planning Department
their property values or resale potential. Unfortunately, there may be some credence to this concern. They claim they were not notified they were purchasing houses in the APZs. However, in the end, this would have been discovered with a minimal amount of due-diligence on their part. This does not change the likelihood that it will be necessary to buyout those properties, because as this process continues, the likely impact will be a continued lowering of residential property values in the area.

This type of information is exactly what the group has been looking for from the public meetings. It has helped show the group possible issues that will arise that need to be addressed. Mayor Rushing commented that though the use of the properties for residential may lower their value, converting them to commercial may actually increase the property’s value in the end.

It was then asked how many residential units were located in the area. The group responded that there were around 7-stick-built single-family units, Solar World, with 102-units, and approximately 160-manufactured homes (MH). Also, the question was asked as to how many of the MH residents own their lots. The response was approximately 6%, whereas nearly 80% own their MHs, but lease their lot. It is likely there is little, to no, positive equity associated with these units. Added to this, nearly 70% of the units are classified as “Pre-HUD”, or were built prior to 1978. The stick-built homes are roughly values at $100,000-$120,000.

The question was asked as to what the disposition of the property would be after those choosing to move have vacated the units and the City has bought up properties. Would the City keep it? Mayor Rushing responded that if the City did buy-up the property, then it would likely partner with a non-profit to use the property for some commercial purpose. It was also reiterated that those desiring to stay in the area would be permitted to do so. Approximately 15% of respondents have indicated they may desire to stay.

The average cost in utilities and lot rent is $525. Some residents are paying $200 a month in the summer and $400-$600 a month in the winter for utilities, plus lot rent. At that rate, there are many properties available that are in better condition and that offer better energy efficiency.

It was then asked what the vacancy rate was in Airway Heights. Mr. Braaten responded that for multi-family, the occupancy rate ranged between 97%-99%. Single-family occupancy rates tend to be about that range as well, because they tend to be built as they get sold. For duplex units, they tend to be renting for between $800-$1,200 a unit, so are generally out of the price-range for these residents.

Mayor Rushing commented that one of the concerns with many of the living arrangements in the APZ is the fact that when a unit becomes so dilapidated that there is no resale value, or even to such a degree as to be considered unhealthy or unsafe, it is less expensive for the owner of the unit to just give it to the tenant than to try to remove it from the site. This has created situations where a party does own their unit, but it is not movable or in such a state of disrepair as to be worthless. However, they are now responsible for the unit and its disposition, when they do not have the resources to upgrade the unit or even move it.

Mr. Hatley then requested an update regarding the search for funding. He reiterated the initial stakeholders were the City of Airway Heights, City of Spokane, Spokane County, Catholic Charities, and Greater Spokane Incorporated (GSI). Mr. Hatley then provided an update regarding the possibility of DOD funds being available to assist. Senator Cantwell’s office has been working towards this as well,
and it is imperative that they receive any needed information ASAP. Mayor Rushing mentioned that it may be possible to do a countywide bond issue.

The discussion then shifted to determine what, if any, assistance USDA can provide. It appears that Airway Heights is located in the “USDA Exempt” area, so there is little assistance available for housing. However, there will likely be infrastructure funding potentially available from USDA. The infrastructure costs can be provided by USDA to cities, non-profits, and tribes. In this case, the City would likely be the entity requesting the funds. The process would require applications for grants or loans, and the specific needs and impacts associated with this area will make the application more attractive to funders.

It was commented that most of the residents do not have the income to purchase a home, so will likely need to be provide some type of rental housing. Mr. Hatley recommended a subcommittee be set-up to move quickly to look for funding opportunities and consolidate the information, and report back to the group.

The discussion then shifted to a general discussion on process and requirements to get a development going. This included the need for archeological review of the site, possible locations outside the City limits or existing UGAs, possible locations for a new UGA to accommodate this type of development, and how the local CDBG funds (County) are used. The need for the development to be within close proximity of services was also discussed.

Mr. Hatley then put a call-out for those interested in being on a subcommittee to determine where the project should be located, optimally. Chris Venne, Mayor Rushing, and Tobby Hatley all agreed to join. Catholic Charities stated there needs to be an interlocal between them and Airway Heights.

Finally, it was asked whether the landowners have been contacted. Mr. Braaten responded that they had, with one, Todd Quartermont, responding so far. He indicated Mr. Quartermont was amenable to the idea as long as he was compensated.

The next meeting is scheduled for July 16, 2012 at 9:30 am, in the AWRF Conference Room.

End of Recorded Minutes.