

TOWN OF PAYSON
HOUSING ADVISORY COMMISSION
MINUTES OF THE PUBLIC MEETING
FEBRUARY 28, 2008

- A Chairman Hopkins called the duly posted public meeting of the Housing Advisory Commission to order at 3:03 p.m. in the Community Development Conference Room. Meeting Time & Place
- B MEMBERS PRESENT: Nancy Mullikin; David Coombes; Rick Croy; Bruce Hopkins; Michael Hughes; and Cliff Potts. ABSENT: Mike Foil. Roll Call
- C STAFF PRESENT: Jerry Owen, Community Development Director; and Chris Floyd, Secretary. Staff Present
- D OTHERS PRESENT: Mike Horton and Pete Aleshire. Others Present
- E Michael Hughes moved, seconded by David Coombes, to approve the minutes of the January 31, 2008, meeting, pages 20-22; motion carried 6-0. Approval of Minutes
- F Mike Horton stated that he had submitted a memo to the Town outlining what Work Force Housing LLC would contribute to the process for affordable housing in their project, which is Flowing Wells subdivision. It defines the kind of institutional programs that the group would be dealing with. It also defines what they would be doing in the private sector. Mr. Horton stated that the main emphasis would be working with the private sector. He further explained that they were working with a private investment group and defining some of the programs they could possibly be using. Public Comments

Jerry Owen, Community Development Director, noted that this was on the agenda and could be discussed further at that time.

- G Chairman Hopkins commented that shared equity mortgages were brought up at the last meeting as a possible alternative for providing affordable/workforce housing. He also noted that Bethany Beck had sent the Commission a lot of information on this topic.

Rick Croy commented that this could be a generic community wide approach to do something for affordable housing and possibly having a group of investors come forward to make a presentation. It was noted that it could be structured many different ways.

Chairman Hopkins asked if it was the consensus of the Commission that shared equity might be an alternative way to offer workforce housing. It was noted that it

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would depend on who is participating in it and how it would be structured. Chairman Hopkins felt that in reviewing the material received from Ms. Beck there were multiple ways of doing this type of financing. Chairman Hopkins asked staff to research this area and see if someone could come speak to the Commission that has done something like this.

- A Chairman Hopkins recapped the newspaper article that was written regarding the proposed rezoning of Mogollon Ridge now Flowing Wells subdivision. It was noted that affordable housing was not a recommended condition of the Planning & Zoning Commission. The Council wants a recommendation from this Commission regarding Mr. Horton's contribution to affordable housing. Flowing Wells Subdivision

Mike Horton commented at the Council meeting that he supports affordable/workforce housing and was working on financing so someone who was in the 130% of AMI could afford to buy a home.

Mr. Horton has submitted a memo to the Community Development Director to be included as part of the ordinance for the rezoning.

Rick Croy explained why he raised the issue of affordable/workforce housing on this project during the Council meeting.

A possible recommendation to Council could be that this project commit to a specific number of units for shared equity in the Flowing Wells subdivision so that houses would be affordable for families of less than 130% of AMI and that affordable be defined as no more than 30-35% of household income being allocated for mortgage, taxes, and utilities. This commitment should be made part of the conditions for approval of the zoning change.

There was a lengthy discussion regarding the target number of families served, shared equity mortgages and finding investment groups to buy the mortgages, suggested progress reports on the financing potential, and the private shared equity documents developed be given to this Commission.

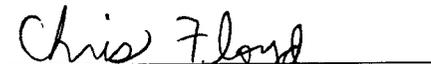
- B Chairman Hopkins moved, seconded by Michael Hughes, that Work Force Housing Coalition, LLC agrees to make four (4) units in the Flowing Wells subdivision affordable to families at 130% or less of area median income (currently \$59,410 for a family of four) and that the private shared equity documents they develop be provided to the Housing Advisory Commission in a timely manner with periodic updates. Further, that the Housing Advisory Commission and the Town of Payson have permission to make use of these documents to further their purpose of encouraging affordable and workforce housing. Motion For Affordable/ Workforce Housing in the Flowing Wells Sub-division

After a brief discussion of the motion, the question was called and the vote taken; motion carried 5-0-1 with Rick Croy abstaining.

- A Jerry Owen, Community Development Director, stated that the Request for Update On Qualifications (RFQ) are due tomorrow (2-29-08). Dave Coombes will be on the RFQ review team in place of Nancy Mullikin. The review will take place on March 7 and the recommendation to Council is scheduled for March 27.
- B Chairman Hopkins noted that the new AMI for a family of four at a 130% is New AMI \$59,410.
- C There was a memo from Bethany Beck summarizing the recent changes to the Homebuyer Homes for Arizonans application. It was noted that the Homes for Arizonans Education program does not work in Payson. Cliff Potts stated that first mortgage lenders really don't like shared equity programs. He also asked if the Department of Housing had eliminated the homebuyer education. Mr. Potts noted that it had been discussed at the realtor board to work on homebuyer education training but it would have to be acceptable to the lender making the loans that require homebuyer education. Generally that would require the Town or State to certify the program. It was suggested that we create our own program curriculum and then provide the classes on an as needed basis. There is a possibility that the program would have to be certified to qualify for some of the financial assistance programs.
- D Several items were suggested for the next agenda. The next meeting is scheduled Next Meeting for March 27, 2008.
- E With no further items on the agenda, Chairman Hopkins adjourned the Housing Adjournment Advisory Commission meeting at approximately 4:40 p.m.


Bruce Hopkins, Chairman

3-27-08
Approved


Chris Floyd, Secretary