

**DRAFT
MINUTES
Dixie Area Workforce Housing Affordability Committee
Tuesday, February 10, 2009 - 10:00 a.m.
Washington County Administration Building, Commission Chambers
St. George, Utah**

Members In Attendance

Commissioner Alan Gardner, Washington County
Mayor Rick Rosenberg, Santa Clara City
Gloria Shakespeare, St. George City
Rick Wixom, Springdale Town
Jean Arbuckle, Washington City
Chris Hart for George Elwell, Ivins City

Others In Attendance:

Ken Sizemore, Five County AOG
Darren Janes, Five County AOG
Rebecca Stucki, Color Country Community Housing, Inc.
Carol Sapp, Southern Utah Home Builders Association
Scott Hirschi, Washington County Economic Development
Keith Knowles, Walmart Distribution Center
Lorin Nielsen, Tobert Nielsen Realty
Elissa Black, Form Tomorrow

Members Not In Attendance:

Dean McNeill, Hurricane City
Kyle Gubler, LaVerkin City

AGENDA:

The agenda for today's meeting was as follows:

Welcome.....Alan D. Gardner, Chair
Approval of November 25, 2008 Minutes.....Alan D. Gardner
DAWHAC News & Updates.....Darren Janes
 Report on December 16, 2008 presentation to Springdale Town
 Report on December 17, 2008 presentation to Virgin Town
 Report on January 21, 2009 presentation to LaVerkin City
 Proposal to disband DAWHAC subcommittees
Discussion on DAWHAC program funding.....Ken Sizemore
DAWHAC Strategic Plan - Goal Review.....Darren Janes
Set Next Meeting Date.....Committee
Adjourn.....Alan D. Gardner

Washington County Commissioner Alan Gardner, Chair, opened the meeting and welcomed those in attendance.

APPROVAL OF MINUTES - NOVEMBER 25, 2008

Chairman Gardner presented minutes of the November 25, 2008 meeting for committee consideration and approval.

MOTION WAS MADE BY MAYOR RICK WIXOM, SECONDED BY COUNCILWOMAN JEAN ARBUCKLE, TO APPROVE MINUTES OF THE NOVEMBER 25, 2008 MEETING AS PRESENTED. MOTION CARRIED.

DAWHAC NEWS AND UPDATES

Report on December 16 2008, December 17, 2008 and January 21, 2009 Workforce Housing

Presentations: Darren reported that workforce housing presentations were made to Springdale Town, Virgin Town and LaVerkin City. All of the abovementioned presentations went very well. The town of Springdale is somewhat ahead of the curve in terms of affordable/workforce housing developments which are online currently. The Color Country Community Housing, Inc. Red Hawk housing project is a good example of workforce housing development. Members of the City Council, Planning Commission and some public participants were in attendance at the Springdale presentation. Planning Commission members, some of the Town Council members, as well as public participants attended the Virgin Town meeting. Virgin Town was particularly interested in opportunities for assistance and draft documents provided by DAWHAC. The presentation was very well received by the LaVerkin City Council and members of the public. LaVerkin is teetering on the crossroads of having increased development and growth occurring in the community. The group expressed interest in ordinances and assistance to get them in place. A discussion with staff immediately following the meeting focused on additional information in regard to affordable housing language which could be included in their ordinances.

Darren provided a brief report on attendance at the St. George City/IHC Open House, for what is termed an “attainable housing project”. This project is located at approximately 450 East 500 South in the general vicinity of the old hospital and west of the Children’s Justice Center. The project provides ten units, one half of which will be owned by IHC with the remainder for the city of St. George. The open house provided an opportunity to deliver renderings of the project and receive feedback from the neighborhood. It is very nice to see projects such as this come on line in the area. It outlines the commitment of St. George City to partner with large area employers in providing workforce housing opportunities. IHC is targeting these units for job recruitment for difficult to fill positions. The planned development will consist of eight detached town home units, one twin home, internal common space and is located in an R-18 zone. Discussion at the open house indicated that pricing of these for sale units would be market driven. IHC is donating the property for this project and anticipates that this will bring down costs considerably. Square footage ranges from 1,600 to 1,800 for these units. Carol Sapp mentioned that this project evolved at the time when affordable housing was a huge issue. Since that time, housing costs have decreased and range from \$149,000 to \$159,000. However, the project should be very marketable to IHC employees. Interestingly the market does cycle and it will be interesting to see where the actual target range for this project ends up.

Darren also reported that St. George City is proposing what is termed an “affordable housing project” to be located in the Dixie Downs area. At this point, there is a lot of uncertainty about the specifics of this proposed project. The project will include for sale units. Zone changes are currently in process for 21 detached units where a trailer park was located. Physical examples such as this make it easier to conduct discussions with other jurisdictions. St. George City also offers down payment assistance up to \$10,000 to income eligible applicants provided through

funding from the Community Development Block Grant program. St. George City is contemplating deed restrictions for these properties to make sure that as units are sold they remain as affordable units for workforce housing.

Proposal to Disband DAWHAC Subcommittees: Commissioner Gardner explained that previous discussion of the committee evolved around the possibility of disbanding some, if not all, of the subcommittees. He solicited input in this regard from members. Mayor Rick Rosenberg commented that these committees have been informally disbanded already, and today the group would take formal action. Councilwoman Gloria Shakespeare remarked that the committees have accomplished all that they could possibly achieve at this point.

MOTION WAS MADE BY COUNCILWOMAN GLORIA SHAKESPEARE, SECONDED BY MAYOR RICK ROSENBERG, TO DISBAND ALL SUBCOMMITTEES PREVIOUSLY ESTABLISHED BY DAWHAC. MOTION CARRIED.

DISCUSSION ON DAWHAC PROGRAM FUNDING

Ken Sizemore referenced a spread sheet contained in handouts providing a current status report on finances as of December 30, 2008. As per previous group discussion, the budget was revised to shift consultant services funds to cover staffing costs for the remainder of this fiscal year. The percentage of funds expended is depicted on the right side of the spreadsheet. In terms of expenditures, the budget is right on target. The issue for today's discussion is what should be done in terms of raising funds to continue operation of this group. Funding was previously raised as the group engaged in this process. A golf tournament was sponsored by the St. George Area Chamber of Commerce and a number of other entities. A significant amount of funds was raised through this tournament. Amounts of funding were also contributed to the golf tournament by Zion's Bank, Wells Fargo Bank, and many of the title companies around town. DAWHAC efforts over the past 18 months have been funded from this endeavor. A balance of approximately \$9,000 is available to cover expenses through the remainder of the fiscal year. At this time it is appropriate for this group to discuss options to raise funds for the upcoming fiscal year to continue this effort. Points of this discussion include: **1) Are we going to continue this effort--** Is DAWHAC as a formal committee still important; and **2) Where will funding come from to support continuation of DAWHAC.** He entertained ideas from the committee in terms of where members think this group should be heading. Commissioner Gardner asked if there was any opportunity to obtain funding from any of the banks that previously supported this effort. Mr. Sizemore indicated that he is reluctant to approach banks in light of the current economic climate. This is something that staff would entertain under direction of this group. Commissioner Gardner commented that banks would not be in the same position as previously but could be approached with this request. This may still be a worthwhile pursuit. Councilwoman Shakespeare explained that she would be somewhat uncomfortable in defending the legitimacy of this group to a bank because of the economic change. Perhaps this group should be in a position of recess because there are now homes which are far more affordable. In addition, the job market has changed drastically. It is difficult to determine a useful purpose for the committee at this time. Everything is cyclical and we are currently in a down time. As time passes, there will likely be another bubble which will necessitate that these issues be revisited.

Mayor Rosenberg solicited the opinions of Scott Hirschi and Carol Sapp in regard to their perspective on this matter. Scott Hirschi expressed concern from an employer standpoint with no effort made to create opportunities for homes during the downturn. DAWHAC partnerships need to continue with cities to examine viable development to attract people to the area. Many of the

jobs which will be created in Washington County will not pay wages in excess of \$100,000 annually to support upper level housing structures and there are way too many vacant lots at the present time. Some conduit needs to remain to keep these issues in front of city councils. If this does not occur, this effort will loose ground. Efforts of this group have focused on the cost of housing and issues have now evolved into qualifying for loans to purchase a home. As opposed to two years ago, the cost of housing in this area is now much more reasonable and attainable for workers. He suggested that for those in the wage earning category identified by this group (60 to 110 percent of the area median income) still have as much difficulty today getting housing as opposed to when DAWHAC was first created. However, challenges have changed. As to DAWHAC itself, he emphasized cautiousness in terms of the implication that efforts of this group are not appreciated and have not been worthwhile. His personal opinion at this point is it would be appropriate to discontinue DAWHAC, at least as it is currently constituted. However, he would look to Five County AOG and the ombudsman program to carry forward with an effort that will be continually changing. That effort would provide support to communities as well as the private sector to be successful. DAWHAC may not be necessary in its current form to oversee this process. He expressed appreciation to Darren and Ken for their hard work and provision of ombudsman services. The Five County AOG, under Ken's direction, is capable of carrying this process forward in a successful manner. Thereby reducing, if not eliminating, the need for DAWHAC.

Carol Sapp re-emphasized Scott's statement that the ombudsman office can take this process forward and provide what is needed to make sure that people have access to information. This is a key element involving the provision of pertinent information to cities and financial institutions. As home prices are coming down, new construction is reverting back to things such as linoleum and formica counter tops to provide housing in the \$149,000 to \$159,000 range. In working with city development and inspection services, builders are finding that additional costs are being added which is slowly raising home prices again. Another serious threat to the cost of housing includes the potential to require installation of fire sprinklers in residential housing. As cities deal with the development downturn, it appears that new regulations are under consideration which could result in additional housing construction costs. It is important to address these issues in order to keep housing at an attainable price range. Education is key for readers, consumers, builders, etc. Financing is tricky, oftentimes changing on a daily basis. It appears that at this point, functions could be undertaken by the Five County AOG to work through some of the workforce housing issues with the cities. One of her concerns is how this effort will be funded.

Mr. Sizemore asked the group if they felt that private contributions were necessary to fund these efforts. If so, that would change the complexion of where funds are solicited. If the program stays at a regional level with Five County AOG, this effort would involve more than just Washington County and Washington County private sector businesses. Certain sources of money are already available including the Community Development Block Grant (CDBG). However, St. George City was designated an entitlement community under the CDBG program several years ago and receives its own amount of funding from this program. If this program is operated on a regional basis, the city of St. George should be requested to reserve a portion of their funding to support this planning effort. Five County AOG staff is currently assisting St. George City in writing their Consolidated Plan under a contractual agreement. This would involve action by the City Council to reserve a portion of their CDBG funds to support this effort. The CDBG program will continue to fund the bulk of staff efforts. Funding solicited from the private sector may or may not focus solely on banks, may include approaching the mortgage industry, manufacturers, etc. in terms of how broad this request should be. This would also involve some work to determine how much funding would be required to support the required staffing. In his opinion, it would be best to focus

on banks because it is easier to work with their departments who allocate these types of funds as well as the fact that there is a track record of previous support. He solicited suggestions and/or recommendations in this regard. Additional analysis should include: 1) What is the effort that needs to be pursued; 2) What will it cost; and 3) How much can be funded utilizing current budget sources. Scott Hirschi agreed that banks would provide an avenue for funding, but it should be expanded to all financial institutions that provide mortgage loans.

Mr. Sizemore reported that 2009 funding from the Neighborhood Stabilization Program (NSP) to the state of Utah is not known at this time. Previous funding from this program was retained at the state level with the intent of utilizing a statewide non-profit organization to distribute funds to five target areas in Utah, of which St. George is one. It is anticipated that the State Department of Community and Culture will retain this model for future NSP fund allocations.

Committee members agreed that this area can best be served through the efforts of a Workforce Housing Ombudsman at the Association of Governments. Mr. Sizemore summarized group consensus to include the Ombudsman function as an important effort to invest resources while providing opportunities for communities to be involved, but not through a formal committee setting. One concern is that DAWHAC has provided a forum to filter information through the news media to the public. If this committee is disbanded, there will not be the amount of visibility for workforce housing issues. Mayor Rosenberg explored the opportunity for DAWHAC to meet periodically to review any pertinent information as determined by staff at the Five County AOG. This participation would include comment, input, or funneling information back to city councils and can still occur regardless of a budget amount. Members suggested that perhaps DAWHAC could meet on a quarterly or bi-annual basis. Mr. Sizemore asked if it would be appropriate to invite other counties to participate in a committee which could be titled "Workforce Housing Committee of Southwestern Utah". By-laws of the Association of Governments allow the creation of advisory committees to provide guidance. Establishing a committee for workforce housing/neighborhood stabilization is a viable option. Mayor Rosenberg mentioned that his only concern would be any requirement to travel distances to attend meetings. This would result in the loss of participation as it becomes a budget issue. Another option suggested would be to appoint a member of this group to serve on a larger committee. This appointment could rotate on an annual basis to eliminate the burden to any particular entity. Councilwoman Shakespeare mentioned that it would be good for DAWHAC to meet periodically because it facilitates dialogue between cities. Others agreed that the forum has been valuable to cities and has also provided some good guidance. However, if the committee moves forward it must have some purpose. Mayor Rosenberg envisions this as an oversight/advisory committee to staff at the Association of Governments. DAWHAC provides a forum for dialogue between cities as well as sharing information and/or ideas and this interaction is very important. Mr. Sizemore commented that Washington County is in the process of formally establishing a Council of Governments (COG) for another purpose. Once this COG is in place, it will provide a forum for many types of issues impacting Washington County. Composition of the COG includes each of the Mayors in Washington County and the three county commissioners. He again suggested establishment of a Southwest Region Workforce Housing/Neighborhood Stabilization Advisory Council with subcommittees at the county level. Efforts of this group could tap into the Washington County Council of Governments.

DAWHAC STRATEGIC PLAN - GOAL REVIEW

Commissioner Gardner suggested that the group review the strategic plan goals with the intent of providing input and direction to the Five County AOG. Darren reported that it was previously determined by this group that the strategic plan goals needed to be reviewed as well as the implementation tools which are in place. That direction lead to discussion in regard to the overall

purpose of the committee as established through the strategic plan and whether the goals needed to be revised. The end result of that discussion was to continue looking at the goals, requesting both public and private participation on submitting goals, and presentation of those goals at this meeting. Approximately ten individuals participated in the effort to draft these goals. Some of the goals included on the list may duplicate or have similar threads which could be combined.

Goals are listed on the handout in order of frequency, but in no way depict the order of preference. He explained that frequency is the amount of times that goals were referenced by those participating in the process. Original goals developed by DAWHAC are also included and noted if participants did not move away from the original goals. A discussion with the committee and public would assist to determine which goals should be moved forward. Councilwoman Shakespeare suggested that goal #14 be listed as the #1 goal because it is important that communities know what housing stock/price range is available. Another important goal is the financial instruments available through financing institutions. Quality based design standards are very important, especially in the utility aspects. It is also important to stabilize neighborhoods through a balance of affordable housing. The St. George City General Plan calls for integration of affordable housing with other types of housing in neighborhoods. This assists to build a socioeconomic balance into the community. Jean Arbuckle noted that #4 has already been selected by the group as their highest priority through discussions which have taken place at today's meeting. Next in line would be financial contributions for the ombudsman to provide assistance with workforce housing. She also mentioned that the housing tours were very well received and provided a very positive experience for city representatives. One other goal she feels is important is to provide a strong ethnicity for workforce housing development within the county. Rick Wixom outlined his top two goals as follows: 1) Continue to advocate for workforce housing development in the county; and 2) Continue to provide education to the public and private sector in regard to tools and incentives which are in place to make this happen. As the economy begins to cycle around these will be key issues. Commissioner Gardner reviewed his top goals to include financing, continued public education, the ombudsman, and housing tours which could be utilized to provide education to the public. Mayor Rick Rosenberg commented that advocacy is extremely important as projects go through processes with planning commissions and city councils. There is typically a large amount of neighborhood opposition to projects but a lack of advocacy. Another critical goal is the ombudsman as well as #13 and #14 to monitor needs of the housing inventory. An important component is to monitor and measure the status of workforce housing to prevent the same situation that has occurred over the past few years. This will provide valuable tools for the ombudsman to use in accomplishing other goals such as public education. Chris Hart, Ivins City, mentioned that various funding mechanisms which have been in place, such as sub-prime loans, have resulted in the current failed situation. This necessitates some really creative looks at financing workforce housing. In the future, banks will become considerably more restrictive in determining whether an individual qualifies for a loan. He also noted that there is no mention of Habitat for Humanity included in the financial tools. This is a model which has worked very well, but has struggled with neighborhoods and municipalities as they try to put something in place. He focused attention on #6 in regard to providing incentives through zoning and subdivision ordinances in terms of workforce housing. Many municipalities have failed to address this very well at this point in time. He was thrilled to see that St. George City has a traditional zone and other municipalities should consider this as well. Another item of focus should be item #17 whereby cities provide legislative incentives, one of which can be to expedite the permitting process.

Carol Sapp pointed out that a well managed development in perpetuity is very possible. Consideration needs to be given in regard to expectations of individuals living in a community. Affordable and mid-range housing are successful when well managed. This does create additional

costs through utilization of a PUD, restrictions, etc. A good example is some of the products developed by Dave Adams which incorporate subsidized housing. The success of his developments has everything to do with how the projects are managed after construction for the life of that residential community. The main problem with PUD's is realized over time when there are more renters than owners in any particular development. This also tends to erode the quality of units as well as create problems with who is policing the development. Dave's management style uses the approach of keeping units presentable. Jean Arbuckle mentioned that in the Buena Vista Area of Washington there are varying types of developments in terms of income levels and residents seem to get along well. Developments in this area are relatively small in nature but are mixed very successfully. This requires a level of maturity on everyone's part but it can work.

Scott Hirschi mentioned that it is interesting to note that after approximately two years, DAWHAC is still having this theoretical discussion. This provides an opportunity for committee members to consider what they think DAWHAC as an organization can contribute in the future towards addressing these issues. It would take a lot more time on the part of each member to have any real input in trying to impose change in these areas. Vast amounts of time and effort are required to make these changes as opposed to talking about them. This will require a full time effort and this is what the ombudsman program is designed to do through the support of this group. Chris Hart agreed that much of what will lead to success will occur in the various municipalities through ordinance revisions and interaction with the development community. He compared this to the Vision Dixie process in terms of developing principles and goals. However, the implementation process must occur at the local government level. This is a very slow process and the education process with city councils plays a very important role. Commissioner Gardner responded that model ordinances have been developed through the efforts of various committee members which can be utilized by municipalities. Mr. Sizemore indicated that he envisions at least two more meetings of this committee to work out organizational structuring to have something in place at the beginning of the new fiscal year in July. Darren indicated that he would use the high points of each members input in respect to goals and how he will proceed in the future. At this time, the committee will not need to officially adopt those goals. Chairman Gardner instructed Darren to continue meeting with cities to provide the educational presentation to city councils and/or planning commissions. Mayor Rosenberg also suggested that as members see projects in their respective communities which match one of these goals notification is provided to Darren and other parties to facilitate an exchange between jurisdictions.

SET NEXT MEETING DATE

Ken Sizemore recommended that the committee schedule the next meeting for the first part of April. The committee set the next meeting date as Wednesday, April 7, 2009 at 10:00 a.m. Chairman Gardner thanked everyone for participating.

Meeting adjourned at 11:25 a.m.