

DISTRICT IV REGIONAL HOUSING ASSESSMENT AND STRATEGY

Study Background and Purpose

WACOG commissioned the firm of ©Crystal & Company to prepare a Regional Housing Assessment and Strategy in the fall of 2005. The document drew upon a wide variety of informational sources that included but were not limited to:

- ✓ An affordable housing survey prepared and executed by WACOG incorporating 1,250 respondents (mostly lower income) equitably distributed throughout the region.
- ✓ Citizen and stakeholder input collected from a series of six public hearings conducted in Bullhead City, the City of Kingman, Lake Havasu City, the Town of Parker, the City of Yuma and the City of San Luis from August 23 through 25, 2005.
- ✓ Comprehensive research and planning information that included the Census, special HUD needs data, permitting, sales and rental data, regional commuting patterns, consultation with state, federal and local program planning and operations personnel, and other research conducted by Crystal & Company.

Study Findings

The ability of consumers to purchase affordably priced dwellings is becoming quite strained in the region, as home pricing is rising up to 3 times that of income in some markets. First-time homebuyers are being stretched to the limit or priced out of some markets. This may have an increasingly adverse affect upon business retention and recruitment in the region.

From 2000 to 2005, median income has risen 26% in La Paz and 23% in Yuma counties according to the US Department of Housing and Urban Development, with Mohave in this range. During the same period, home prices have risen from 27% in Parker up to 110% in Lake Havasu. Hikes in home prices appear to be extremely brisk this year, as they range from a low of 7% in Parker to a high of 84% in Wellton to date. Remember, 2005 figures are just mid-year estimates.

Jurisdiction	2005 Average Sales Pricing 1/	2004 Average Sales Pricing	2000 Census Median Home Values	Percent Change 2005 vs. 2004 1/	Percent Change 2005 vs. 2000 2/
Town of Parker	\$109,000	\$101,800	\$86,100	7.1%	26.6%
Bullhead City	\$130,050	\$113,150	\$68,400	14.9%	90.1%
Fort Mohave	\$128,100	\$118,100	n/a	8.5%	n/a
City of Kingman	\$115,500	\$93,300	\$84,800	23.8%	36.2%
Lake Havasu City	\$202,150	\$176,400	\$96,300	14.6%	109.9%
Golden Valley	\$76,600	\$60,000	\$61,200	27.7%	25.2%
Town of Somerton	\$133,770	\$116,343	\$64,500	15.0%	107.4%
Town of Wellton	\$74,900	\$40,695	\$49,100	84.1%	52.5%
City of Yuma	\$137,800	\$121,252	\$78,100	13.6%	76.4%

1/ Sales values are only through June of '05.

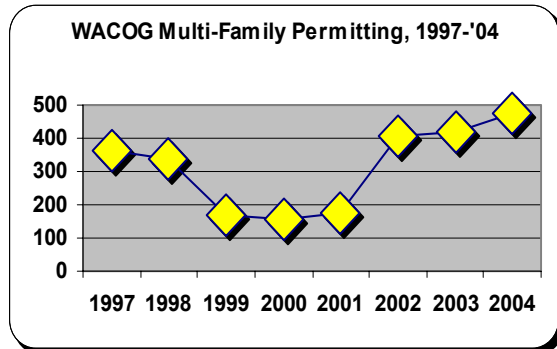
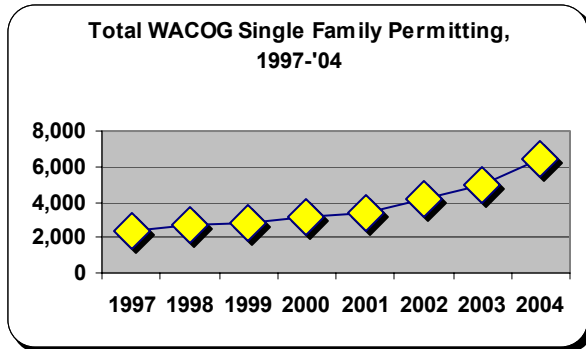
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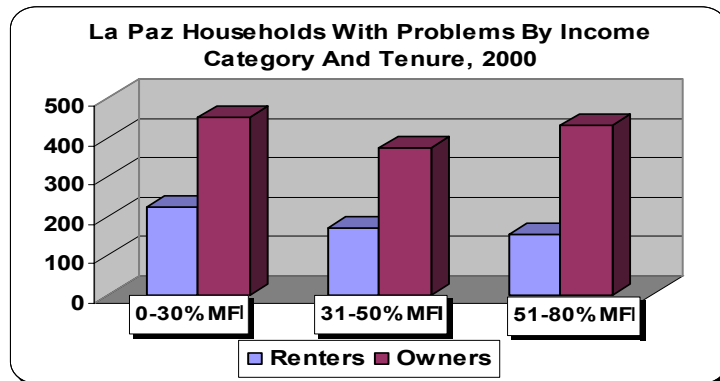
The following information prepared by the Arizona Department of Housing indicates the toll rapidly rising housing costs are having on varying types of workers in the WACOG region.

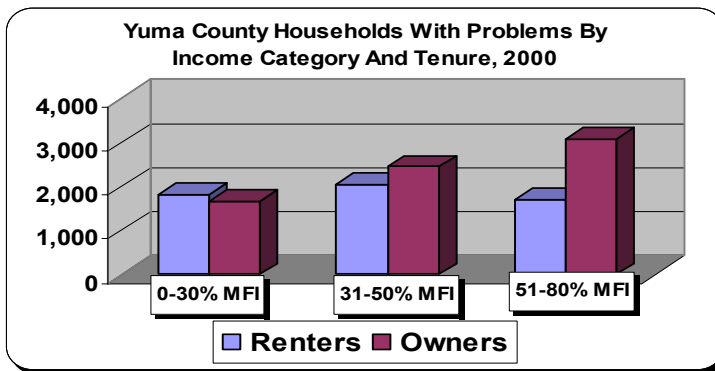
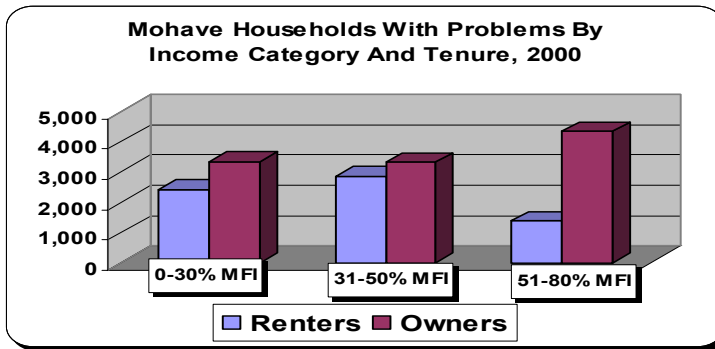
	Hourly Wage Needed To Buy The Median Priced Home	Hourly Wage Needed To Rent The Median 2Bed Apt	Police Officer	Teacher	Retail Worker	Nurse	Firefighter	Waitperson	All Occupations
Bullhead City	\$17.12	\$12.94	\$17.52	\$15.87	\$10.15	\$15.10	\$15.61	\$6.21	\$11.15
Kingman	\$17.68	\$12.94	\$17.52	\$15.87	\$10.15	\$15.10	\$15.61	\$6.21	\$11.15
Lake Havasu	\$36.74	\$12.94	\$17.52	\$15.87	\$10.15	\$15.10	\$15.61	\$6.21	\$11.15
Parker	\$11.27	\$11.71	\$15.87	\$15.38	\$10.15	\$15.38	\$11.54	\$6.82	\$9.87
San Luis	\$16.01	\$12.50	\$18.82	\$16.14	\$8.34	\$15.49	\$13.17	\$6.22	\$9.81
Yuma	\$17.38	\$12.50	\$18.82	\$16.14	\$8.34	\$15.49	\$13.17	\$6.22	\$9.81

The strength of the housing market in the WACOG region is evident everywhere, and demonstrated by the overall rise in single- and multi- family permitting activity. The lack of private land for residential development is a major problem in WACOG.



The method used to estimate affordable housing need by county in the region involved an analysis of households 'with problems' in 2000 drawn from special census runs generated by the U.S. Department of Housing and Urban Development (HUD). 'With problems' is defined as a household that is either cost burdened, overcrowded or living in substandard conditions. Affordable housing need by county is depicted below. Current estimates (2005) should run about 12% over CY 2000.



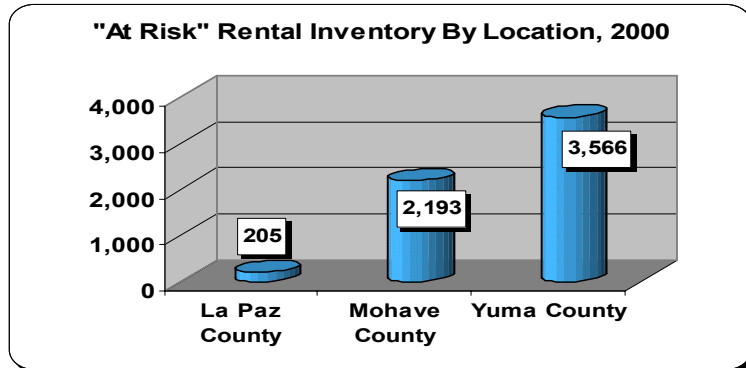
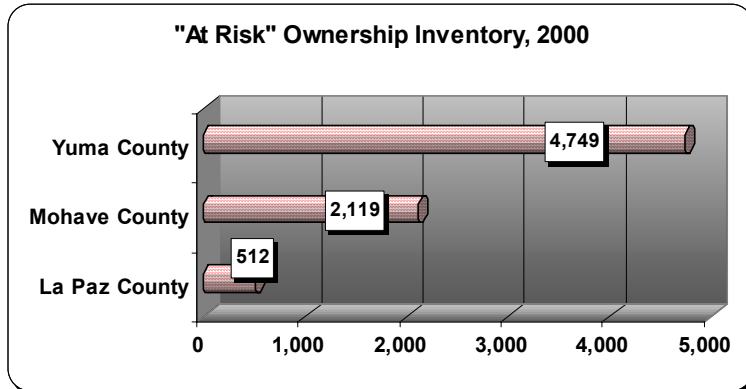


Affordable housing demand results from the lack of a balanced housing stock in a given geographic area and regional commuting patterns are a byproduct of such imbalances. Measured by the difference between lower income workers living in- versus working in- a given geographic area, the following commuting patterns were evident in CY 2000 for workers earning under \$45,000 per year:

- ❑ The communities of Yuma, Parker, Lake Havasu and Kingman are net importers of lower income workers evidencing the inherent demand for affordable housing; and,
- ❑ Bullhead City, Mohave Valley, the Parker Strip, Somerton, Quartzsite and San Luis were all were net exporters of lower income workers suggesting the need to sustain current and future inventories of affordably priced dwellings.
- ❑ Under present market conditions, housing affordability is a major problem for communities that export lower income workers.

Neighborhood preservation and revitalization are directly linked to the quality and condition of the housing stock. Increasing the quality of the housing stock for those households living in substandard conditions strengthens the community and the business vitality of the area. Those households 'at risk' of living in substandard dwellings in CY 2000 are estimated in the following tables.





Those households with a disability, be it physical, development or mental, often need housing assistance in addition to targeted supportive services. Providing support to such persons can often prevent homelessness and foster self-sufficiency so necessary for the emotional and financial health of the individual. In WACOG, approximately 6,360 households earning under 50% of the median 'with problems' (cost burdened, overcrowded or living in substandard housing) also held a mobility or self-care limitation, suggesting the need for supportive housing. Of those 6,360 households, 39% or 2,496 were renters and 61% or 3,866 were owners. Mohave County holds a disproportionate percentage of the need.

WACOG Regional Action Agenda

Strategies to address needs have been established to achieve the following goals borne out from input received at the public hearings and research conducted. An overview of the WACOG action agenda directed to each goal, that are not in priority order, is presented below.

- **Goal 1 (Existing Homeowner Support)** - Foster the targeted production of affordable housing for existing homeowners within WACOG in order to jointly revitalize distressed and 'at risk' neighborhoods and enhance the living conditions of overcrowded, cost burdened and/or households living in substandard dwellings. Action agenda items include expanding current WACOG housing rehabilitation and emergency housing programs, and continuing to deliver LIHEAP, Weatherization and other initiatives for lower income households



as well as exploration of the development of a mobile home replacement program.

- **Goal 2 (New Homeowner Support)** - Encourage homeownership opportunities throughout WACOG to stimulate a balanced supply of housing in order to strengthen the region's economic health and vitality and foster effective business recruitment, retention and expansion efforts. Action agenda items include monitoring current area downpayment/closing cost support endeavors, exploring a 501C(3) subsidiary nonprofit entity, strengthening mortgage revenue bond/mortgage credit certificate origination in the region, pursuing community land trust initiatives, exploring land resources available from the State Land Department and BLM, and pursuing new construction initiatives.
- **Goal 3. (Rental Housing Support)** - Encourage opportunities for rental housing for all family types within the WACOG to provide a balanced housing stock throughout the region critical to its economic health and vitality and necessary for viable and sustained business recruitment, retention and expansion efforts. Action agenda items include exploring a 501C(3) subsidiary nonprofit entity, rendering technical assistance on LIHTC transactions, investigating small scale (4-6 units) rental development, pursuing community land trust initiatives and fostering the provision of new, existing Section 8 resources in La Paz county..
- **Goal 4. (Homeless Prevention and Supportive Housing Support)** - Assist low income families to avoid becoming homeless within WACOG, and foster the provision of needed support services, supportive housing and facility assistance for priority special populations. Action agenda items include exploring an eviction intervention program, fostering state and federal funding for homeless persons and those 'at risk' of becoming homeless and working with the State Department of Housing concerning the investment and targeting of annual 'Continuum of Care' McKinney resources.
- **Goal 5. (Barrier Removal)** – Stimulate the production of affordable housing through the removal and/or monitoring of regulatory barriers. While this tends to be the purview of member local governments, the WACOG action agenda includes rendering technical assistance concerning the implementation of the 'slumlord' statute and pursuing research that establishes the fiscal consequences to local governments of imbalances in the jobs/affordable housing ratio.
- **Goal 6. (New and Equitable Funding Policies)** – Stimulate the production of affordable housing through the exploration of new funding sources and 'fair share' receipt of existing sources to the region. WACOG action agenda items include the exploration of a regional housing trust fund, the pursuit of land resources from BLM and the State Land Department, and monitoring and lobbying efforts to ensure that the region secures its appropriate share of federal and state affordable housing resources that may be used in the most flexible manner possible.

