
AD HOC JOINT LEGISLATIVE COMMITTEE
on
AFFORDABLE HOUSING FOR CORRECTIONAL
SERVICE OFFICERS

Final Report
1995

**Ad Hoc Joint Legislative Committee on Affordable Housing For
Correctional Service Officers**

FINAL REPORT

Committee Members:

Representative Smith, Co-chairman
Representative Hart
Representative Brown

Senator Noland, Co-chairman
Senator Chesley
Senator Arzberger

December 31, 1995

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SECTION I:

Executive Summary

EXECUTIVE SUMMARY

The Ad Hoc Joint Legislative Committee on Affordable Housing for Correctional Service Officers was established by the Speaker of the House of Representatives and the President of the Senate as an appointed committee to receive testimony and make recommendations to the Legislature regarding affordable housing construction for correctional service officers (CSOs). Membership consisted of three Senators and three members of the House of Representatives. The committee met on October 19, November 30, December 21, 1995 and January 3, 1996 to consider several issues, including:

- ◆ availability of affordable housing for prison employees;
- ◆ prison communities need for affordable housing;
- ◆ cost of development; and
- ◆ best method(s) to take to begin development.

Aside from assessing the need for affordable housing in prison communities, the Committee also met to determine how many correctional service officers (CSOs) would consider relocating to rural prison complexes if affordable housing was available. A survey conducted by the Department of Corrections (DOC) indicated that many would be willing to relocate if housing was made available. The Committee tried to determine what housing resources already exist in communities with prisons (Buckeye, Douglas, Florence, Safford, Winslow and Yuma). The six cities varied in the need for development, with Winslow having the greatest need and Yuma expressing very little need.

The Committee recommended draft legislation be developed to provide for city participation in at least two affordable housing projects that would include single-family and multi-family housing, provide preference for CSOs, phase repayment of subsidies into a revolving fund and appropriate \$1,000,000 to the Department of Commerce to establish the fund.

SECTION II:

Overview of Committee Action

Overview of Committee Action

October 19, 1995

The Joint Legislative Committee on Affordable Housing for Correctional Service Officers (CSOs) met for the first time on October 19 (see appendix A). At this meeting, the Committee asked the Department of Corrections to survey selected cities in order to determine CSO housing preferences and needs. The committee also emphasized the importance of determining how many CSOs would buy affordable housing if it was developed and determining what housing resources already exist in communities where state prisons are located.

John Lopach, Housing Programs Manager, AZ Department of Commerce explained that barriers to housing development in prison communities include lack of consistent local government and follow-through, inability to obtain private financing, and high land and infrastructure costs. Mr. Lopach also discussed tools to attract private developers into the rural areas such as tax abatement for affordable housing development and state equity funds to attract private financing. Using carefully chosen inmate labor was also suggested as a way to cut cost of development.

November 30, 1995

The committee met for the second time on November 30 (see appendix A) to hear from six cities with prisons near their communities regarding housing in their areas. John C.F. Geib, Interim Town Manager of Florence and Delbert Self, Town Manager of Buckeye provided information and charts regarding the availability and affordability of housing.

The primary results of the Department of Corrections Housing Needs Survey (see Appendix B) were presented:

- the Department's officers demonstrated a clear need for means of reducing their monthly housing cost;
- over half indicated that the availability of affordable housing would serve as an incentive for them to relocate to an area near a rural prison complex;
- should affordable housing be made available, the majority of those surveyed would prefer purchasing a home versus renting.

The committee concluded at this meeting that there is both a need and an interest among CSOs and staff to relocate if affordable housing is made available in areas near rural prisons.

December 21, 1995

The committee met for the third time on December 21 (see appendix A) to discuss options to resolve the affordable housing problem and to review the cities responses to the legislative option they preferred (see appendix C). The option most often selected was to increase the State Housing Trust Fund. The committee also discussed what methods could be used as an incentive to developers. Appropriating money, a state income tax credit and providing up-front money to be paid back over time or at a good interest rate were all considered as options.

January 3, 1996

The final meeting of the committee took place on January 3, 1996, to review all recommendations to resolve the affordable housing problem and choose one option. An income tax credit for single-family development was ruled out because it would not be worthwhile given the current low market interest rates. The Department of Commerce recommended an appropriation to provide assistance to buyers and builders. With regard to the buyer, assistance could be given in the form of down payments and closing costs, reducing the cost of mortgage interest rates or reducing the mortgage amount. With regard to the builder, assistance could be given by competitively soliciting private sector development interest and proposals from within the affected market through the Request for Proposal process.

The committee recommended that draft legislation be developed to provide for city participation in at least two affordable housing projects for single-family and multi-family projects, provide preference for CSOs, require repayment of subsidies into a revolving fund and appropriate \$1,000,000 to the Department of Commerce, Housing and Infrastructure Development to establish the fund.

10-24-95

ARIZONA STATE LEGISLATURE

AD HOC JOINT LEGISLATIVE COMMITTEE ON
AFFORDABLE HOUSING FOR CORRECTIONAL SERVICE OFFICERS

Minutes of the Meeting
Thursday, October 19, 1995
3:30 p.m., Senate Hearing Room 2

MEMBERS PRESENT

Senator Noland, Co-chairman
Representative Smith, Co-chairman
Senator Chesley
Senator Arzberger

MEMBERS ABSENT

Representative Hart
Representative Brown

STAFF

Joni Hoffman, Senate Research Analyst
Teri Grier, House Research Analyst
Jason Bezozo, Senate Assistant Research Analyst

Co-chairman Smith convened the meeting at 3:30 p.m. and the attendance was noted. (See attached sheet for other attendees.) He emphasized the importance of determining how many Correctional Service Officers (CSOs) would buy affordable housing if it is developed, determining what housing resources already exist in prison communities and what jobs are available for spouses of CSOs in prison communities. Committee members introduced themselves and expressed their concerns regarding the issue before them. Senators Arzberger and Chesley indicated they had met with Mr. Frank Martinez and considered his ideas very worthwhile. They suggested the Committee hear Mr. Martinez's ideas at a future meeting.

In so far as **Hal Carden, Department of Corrections (DOC)**, is brand new to his position and had outdated information from a 1989 DOC report to relate to the Committee, the Co-chairmen suggested DOC prepare more specific identification of types of housing needs by site and update information on the current availability of housing in prison communities.

Senator Noland asked that Mr. Frank Martinez be directed to meet with Representative Smith and her to discuss his ideas and emphasized it is important to know what the housing needs are of all prison employees, not just CSOs. Senator Noland commented that one of the top priorities in the 1989 report was appointing a Housing Coordinator, however, it was acknowledged this has yet to be done.

Scott Smith, Legislative Liaison, DOC, explained he has requested that reports from prisons on CSO turnover be downloaded in order to compute accurate figures.

Senator Chesley emphasized the Committee is not interested in turnover unless it is a result of inadequate availability of affordable housing.

Senator Noland suggested that the housing problem is more connected to hiring than to turnover, as that is the reason some people do not accept employment in prison communities. She requested that DOC provide information on this aspect of the issue.

Representative Smith emphasized the leadership at institutions is a major impact on turnover rates. He requested that DOC identify whether or not CSOs would live in affordable housing if it was built, and asked that DOC supply information on price ranges of housing, types of housing--be it apartments or single-family houses, number of bedrooms, etc. that would fill the need.

Senator Arzberger commented that it has been observed that once CSOs receive their training they move to jobs which provide higher pay.

John Lopach, Housing Programs Manager, AZ Department of Commerce, reviewed a memo from Steve Capobres, who was unable to attend the meeting, and submitted it for the record (filed with original minutes). Mr. Lopach explained a number of barriers to housing development listed in the memo. He identified lack of consistent local government and follow-through; inability to obtain private financing, construction financing in particular; uncertain market due to one-industry economy (prisons); area income too low to support fair market rents; subsidized rent levels too low to support affordable projects; lack of private builder interest; lack of spousal employment and recreational opportunities and high land and infrastructure costs. He emphasized that despite the barriers, the Department of Commerce has pursued, and continues to pursue, opportunities for new development in rural prison communities.

Mr. Lopach explained it takes a lot of effort on the part of local leaders to get consensus in the community to see that the housing will be built and especially to offer incentives to the housing developer, for instance, by agreeing to build sewers and water works. He further explained that when low incomes are coupled with low allowable rents and high building costs because of the distance from urban centers, then additional subsidy is required. Besides the low-income housing tax credit, he identified such sources as Housing Trust Fund money, or perhaps another federal source.

Mr. Lopach summarized recommendations listed in the memo, which notes access to public funding will be more difficult to obtain with federal budget cuts, and lists tools to attract private developers: tax abatement for affordable housing development; state equity funds to attract private financing; depositing state general funds in banks willing to lend for affordable housing development (linked deposits); local fee waivers and assistance with

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infrastructure costs; allow and appropriate funding for DOC to build housing and use state land for affordable housing development.

In response to Senator Chesley's comment that builders should be able to make money developing these communities, Mr. Lopach indicated builders report that land is difficult to find in these areas.

Senator Arzberger asked if financing for builders which the Department of Commerce steers to these areas is not available.

Mr. Lopach acknowledged this has been a problem, but expressed hope things are changing. He noted that in the last round of the low-income housing tax credit competition held in May, 1995, most of the winners were rural builders and all had commitments for construction and permanent financing. He explained these winners were in Flagstaff, Page, Sierra Vista and Bullhead City.

Senator Arzberger asked Mr. Lopach to suggest tools or incentives the Legislature could provide to encourage financing these developments in rural areas.

Mr. Lopach indicated the incentive should be as flexible as possible so it can be fit into whatever the needs of the project are. He noted the Housing Trust Fund has worked very well and is an ideal incentive. He explained it is a flexible grant which is subordinate to bank lending and also looks like equity, lowering the amount of the permanent mortgage on the property, therefore lowering the debt service and payable with lower rents. Mr. Lopach indicated \$600,000 of Housing Trust Fund and federal home loans were used for a 48-unit apartment project in Winslow. Additionally, he noted assistance in down payment and closing costs is typically offered through the Housing Trust Fund and provides a good incentive.

Senator Arzberger asked whether the state issuing Arizona tax-free bonds could enhance financing for projects.

Mr. Lopach noted tax-free bonds are rationed by the federal government, but acknowledged the more Arizona could issue, the lower the cost would be for the first-time homebuyer or the ultimate mortgage that is held by the developer.

Senator Arzberger suggested Mr. Frank Martinez could discuss his ideas with the Department of Commerce as well and Mr. Lopach indicated he would be happy to work with him.

Senator Noland asked if the creation of a subfund in the Housing Trust Fund, set up for those builders developing apartments and manufactured housing in areas where prisons are located, would enhance development.

Mr. Lopach agreed the Department of Commerce could administer such a fund and match it with federal HOME money and it make investments more attractive for private developers.

Senator Noland suggested that inmate labor, paid at \$.50 per hour as opposed to \$10.00 per hour for skilled labor, could give a builder a \$9.50 an hour savings in labor costs.

Mr. Lopach responded that this avenue would initially frighten developers, but suggested building a demonstration house as an example. Mr. Lopach suggested the inmates could be chosen very carefully and incentivized to make it very attractive to do a very good job. He raised the concern that the trades would bring opposition.

Senator Noland noted that the trades very much want apprentice programs and qualified workers, both in short supply. She commented that inmates are currently working for cities and businesses in places like Yuma and Safford and they are a great asset for the community.

Representative Smith commented that a prison he viewed built by inmate labor was better quality than one built privately, acknowledging there are some very well-qualified inmate laborers.

Delbert Self, Buckeye Town Manager, presented information on housing availability within the Buckeye town limits and the Buckeye "strip" area. He explained Northwood Park is a development of single-family houses on 3/4 to 1 acre lots, ranging from the low \$90,000's to an excess of \$100,000, being built in two phases, which will total 168 lots, 43 of which are currently built. He commented this may not be considered "affordable," but noted this has not been defined.

Mr. Self further explained in the Brookridge subdivision, 6,714 units are planned for single-family, multifamily, low density, schools and open areas. He explained a builder has not yet taken over the program, but noted approximately 1,123 multi-family units will be available in the \$70,000 to \$80,000 range.

Mr. Self additionally noted in the town of Buckeye the Camelot rents apartments in the \$350 to \$450 range, the Villa, which is Section 8 housing, rents 8 3-bedroom and 8 4-bedroom apartments for 30 percent of income. He noted the Sierra Verde is also Section 8 housing and farm-home housing combined, with 12 1-bedroom and 28 2-bedroom apartments renting for 60 percent of income.

In response to Senator Arzberger's question, Mr. Self reported there is almost no apartment vacancy at the present time.

Mr. Self indicated he would prepare a booklet detailing the information he presented today for distribution to the Committee members. He related information about a plan to develop 64 residential lots, with 1,200 to 1,800 square-foot houses in the town proper, for \$70,000 to \$85,000. Additionally he noted there is a plan to develop a second phase of the Shepard Estates and another 160 acres to be developed west of Melrose and north of Baseline, within the Buckeye town limits. Mr. Self indicated the *Valley View* newspaper reported a new development, Sun Valley Ranch, consisting of 120 lots for manufactured homes, under way on Johnson Road just north of Interstate 10 at approximately 250th Avenue. He noted the advertisement lists prices beginning at \$69,900 or \$419.00 per month.

Senator Noland asked that Mr. Self report back to the Committee on some of the tools that the Buckeye City Council feels the Legislature could provide to help meet housing needs. She commented that a manufactured subdivision in the \$40,000 to \$50,000 range and additional rental housing is closer to "affordable" than one-acre lots with houses. She also asked for an inventory of available housing as an aid to planning, reiterating the requirement that cities participate actively.

As regards spousal employment, Mr. Self related that the Palo Verde Nuclear Plant employs approximately 2,800 people, 14 percent of whom are female; Wal Mart distribution center employs 250 people, 25 percent of whom are female; a manufacturer of mobile homes employs 215 people, 15 percent of whom are female; the Beam Corporation, a cut-and-sew-operation, employs 500 people, almost all of whom are female, and the school system could potentially hire spouses.

Michael Ortega, City Manager, City of Douglas, explained Douglas was a "company town" when Phelps Dodge mined there and since its departure the prison has taken up some of the void. He noted there is a current housing shortage and prices are escalating. Mr. Ortega indicated the \$50,000 to \$60,000 range of housing exists, but it is very rare, commenting there are plenty in the \$17,000 to \$20,000 and \$180,000 to \$250,000 ranges. Consequently, he explained prison employees choose to live in Benson and Wilcox, commuting long distances.

Mr. Ortega indicated he is working with developers in an effort to encourage them to come to Douglas, also to make improvements, such as expanding the golf course. He explained a master plan is being developed and he is seeking support in developing the necessary infrastructure for growth. Mr. Ortega acknowledged the City's partnership with the prison, noting inmate labor recently built a recycling center in Douglas.

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Senator Noland requested that Mr. Ortega report to the Committee on specific housing needs and what types of incentives or tools the Legislature could provide that would be helpful. She also asked for a list of projects being undertaken with inmate labor and how they are coordinated.

Mr. Ortega responded that one of the major deterrents to purchasing housing is the down-payment, even when there is a regular stream of income. He suggested an incentive program centered on this would be helpful.

Senator Noland suggested providing a "fast-track" for zoning, platting etc., to keep costs down for developers.

In response to Representative Smith's inquiry as to when DOC could report current information, Scott Smith indicated DOC plans to send a survey to prison employees and could report when responses are compiled, suggesting it would take one month.

Representative Smith suggested it needs to take less time and announced the next meeting would be scheduled when it is learned how quickly that information could be compiled.

Without objection, the meeting was adjourned at 5:00 p.m.

Respectfully submitted,



Alice Kloppel,
Committee Secretary

(Tapes on file in the Office of the Senate Secretary)

FD-402 JOINT LEGISLATIVE COMMITTEE ON
AFFORDABLE HOUSING FOR
CORRECTIONAL SERVICE OFFICERS

DATE October 11, 1968

TIME 3:30 pm

Senate Hearing Room 2

NAME

REPRESENTING

TEST

DELBERT SELF

Town of Buckeye

JOHN LOPACH

DEPT OF COMMERCE

ARIZONA STATE LEGISLATURE

Minutes of
Ad Hoc Joint Legislative
Committee on
Affordable Housing for
Correctional Service Officers

Date: Thursday, November 30, 1995
Time: 10:00 p.m.
Place: House Hearing Room 1

Representative Smith called the meeting to order at 10:10 a.m. and the following attendance was noted.

Members Present:

Senator Gus Arzberger	Representative Jack Brown
Senator Larry Chesley	Representative Joe Hart
Senator Patricia A. Noland, Cochair	Representative Tom Smith, Cochair

Members Absent:

None

Staff:

Jason Bezozo - Senate
Teri Grier - House
Martin Harrison - House
Joni Hoffman - Senate
Kathi Knox - House

Scott Smith, Legislative Liaison, Arizona Department of Corrections (DOC), reviewed the results of the Department of Corrections Housing Needs Survey (filed with original minutes). The summarized results of the survey are as follows:

1. The Department's Officers demonstrated a clear need for means of reducing their monthly housing and transportation expenses.
2. 50.6% of Officers reported owning or purchasing their own home, and 47.0% reported living in a rental property.

3. 61.9% of Officers indicated that the availability of affordable housing would serve as an incentive for them to relocate to a rural prison complex.
4. Among those surveyed, the majority (62.0%) indicated that, should affordable housing be made available, and were they to take advantage of it, they would be more interested in purchasing a home than in renting.
5. As for perceptions/opinions regarding rural prison communities, Officers responded as follows:

Not enough accommodations, conveniences or cultural/ recreational activities in a rural prison community	47.1%
Prefer simplified lifestyle in rural communities	46.1%
Good place to raise a family	43.1%
My spouse or another family member would be unable to find a job or would have difficulty finding work	35.8%
Schools are better in rural communities	28.3%
Schools are better in larger cities	13.7%
6. Concerning possible incentives to relocate to a rural prison community, Officers responded as follows:

Extra pay for living in a rural area	55.8%
A promotion	48.4%
Affordable and adequate housing	41.5%
Better stores/shopping in or near the rural community	31.3%
Inexpensive and convenient transportation	28.9%
Would not move from where I live now	24.5%
7. Regarding which rural prisons they might be willing to relocate to, the largest numbers of Officers indicated an interest in relocating to the Florence and Eyman complexes.
8. Although a higher percentage indicated an interest in relocating to ASPC-Florence than to ASPC-Safford, nonetheless, Safford was the most frequent city/town/rural area selected for possible relocation.

Mr. Smith concluded there is both the need and interest among Correctional Service Officers (CSO) and staff for relocating to affordable housing made available in areas near rural prisons in the Department of Corrections.

Senator Noland expressed concern regarding housing affordability and housing availability in the areas the report outlined. Mr. Smith responded that information pertaining to housing affordability and housing availability was not included in the report, but the information will be provided at a later date.

Senator Arzberger asked if the reason why a large percentage of Officers want to move to Florence or Eyman is for better wages. Mr. Smith said no specific conclusion was drawn by the questions and answers provided in the survey as to why the Officers want to move to Florence or Eyman. Mr. Smith said the reason could be that because Florence and Eyman are the main complexes within the prison system, the Officers may desire to work in the central area where special programs are offered.

Mr. Smith concluded there is both the need and the interest among Correctional Service Officers and staff for relocating to affordable housing made available in areas near rural prisons in the DOC.

Salvador F. Canchola, Housing Operations Director, PPEP Microbusiness and Housing Development Corporation, reviewed the Arizona Rural Housing Delivery Systems (filed with original minutes).

Steve Capobres, Director of Housing, Department of Commerce, reviewed Alternatives for Legislative Action (filed with original minutes). Although many alternatives were discussed, the following are the top four alternatives recommended by Mr. Capobres.

1) **State Income Tax Credits**

State income tax credits could be granted to new affordable housing projects that are built in the prison cities. These credits could be taken by the owners of the projects or sold for cash to other Arizona businesses who could benefit from the tax credit. This concept is similar to the federal Low-Income Housing Tax Credit program which provides the same incentive toward federal income taxes.

- * Federal income tax credits are available annually to developers willing to build or rehabilitate residential multi-family apartment projects and make them affordable. To date, almost \$29 million in tax credits has been allocated, assisting in the creation of approximately 7,800 units of housing. These projects have leveraged nearly \$366 million into Arizona's construction industry. Over 50 percent of the projects are in rural areas.
- * This program provides a dollar-for-dollar credit against federal income tax liability for owner/developers of qualifying residential rental projects. The credit is intended to produce a cash subsidy to aid in the construction of affordable housing. In return, the developer agrees to restrict rents for a minimum of 30 years. Over \$5 million is available every year. Since this credit can be taken for 10 years, the program generates \$50 million in total availability per year. Since most developers sell this credit for 50 cents on the dollar, \$25 million in subsidy can be generated per year from the program for apartment construction. The program currently receives requests for over four times the amount available.

2) **State Equity Fund**

One of the biggest barriers to the development of affordable housing is the inability to raise private investment or financing. This proposal involves the creation of an independent non-profit entity (Housing Arizona) devoted to raising equity investment. This non-profit organization would be highly skilled in multi-family development and would only do deals in conjunction with other non-profit organizations.

It would not supplant existing non-profit organizations, only enhance their ability by lending expertise they lack. Instead of working to make all non-profits developers (costly), focus the expertise in one place that could partner with others. Additionally, since this organization would have credible staff, it would be able to attract private investment and financing. By raising investment funds (equity), a pool could be created large enough to facilitate the financing of smaller rural deals.

Start-up funds would be necessary to begin to raise the private capital to begin. Once the pool is created, the organization would be self-sufficient.

3) Increase State Housing Trust Fund

The Trust Fund is currently funded by 35% of all unclaimed property. This is about \$3 million a year. These resources are used for existing affordable housing programs, largely leveraging other federal and private sources of funding (up to 10 times). There is a current strain on the Trust Fund since many organizations rely on its resources.

An increase in the percentage could be proposed and targeted toward projects in the prison cities, similar to the Economic Demonstration District Program a few years ago in Florence.

4) General Fund Appropriations

Probably the easiest way to help the prison housing problem is to appropriate enough general funds to be used toward the construction of housing in the prison cities. It could take two forms:

1. Direct appropriations to the Department of Corrections to allow them to build and operate housing themselves.
2. Use the appropriations as a guarantee to leverage other private financing toward privately constructed and operated housing in the prison cities. The resources could be offered to both private and non-profit developers who could put together the best and most cost effective developments.

Senator Noland commented that by providing low income and moderate income housing with incentives to Correctional Service Officers, property will become available for people to rent or buy. The effect of the whole housing market in an area should be taken into consideration. Senator Noland agreed with Number 2 under General Fund Appropriations.

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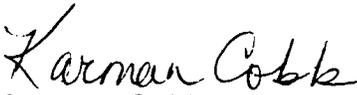
John C. F. Geib, Interim Town Manager, Town of Florence, provided information and charts regarding the availability of existing housing in Florence, Arizona (filed with original minutes).

Delbert Self, Town Manager, Town of Buckeye, provided information and charts regarding the availability and affordability of housing in Buckeye Valley (filed with original minutes).

Senator Noland suggested providing the city council members of other small Arizona cities with a copy of the suggested incentive program for Correctional Service Officers prepared by Mr. Capobres, asking the city council members for a response. Representative Smith agreed.

The meeting adjourned at 11:30 a.m.

Respectfully submitted,


Karman Cobb
Committee Secretary

(Attachments and tapes on file in the Office of the Secretary of the Senate.)

JAN 05 1996

ARIZONA STATE LEGISLATURE

AD HOC JOINT LEGISLATIVE COMMITTEE ON
AFFORDABLE HOUSING FOR CORRECTIONAL SERVICE OFFICERS

Minutes of the Meeting

Thursday, December 21, 1995
11:00 a.m., Senate Hearing Room 3

Members Present

Senator Noland, Co-chairman
Representative Smith, Co-chairman
Senator Chesley

Members Absent

Senator Arzberger
Representative Hart
Representative Brown

Staff

Joni Hoffman, Senate
Teri Grier, House
Kathi Knox, House

Co-chairman Noland convened the meeting at 11:10 a.m. She explained the Committee would discuss informational items until a quorum was present to adopt recommendations.

Joni Hoffman, Senate Research Analyst, referred to a previously-distributed packet of responses from cities to legislative options put forth at the previous meeting (filed with original minutes). She additionally distributed an "Overview of Preferred Alternatives," (filed with original minutes) ranking the cities' choices of legislative options and explained each city's preference.

Ms. Hoffman indicated Buckeye chose targeting current state resources and general fund appropriations, commenting that it is now actively utilizing resources under State programs. She also noted Buckeye approved of general fund appropriations to allow quicker development of affordable housing and to cut through red tape. Ms. Hoffman indicated it also supports the continuation of tax-exempt status of housing bonds, especially a personal income tax credit for first-time homebuyers.

Ms. Hoffman explained Yuma chose targeting current state resources, a state equity fund and increasing the State Housing Trust Fund, but indicated Yuma asserts it does not have an affordable housing problem. She suggested that a close look reveals it may have a problem, noting it currently participates in housing programs offered under state programs.

Senator Chesley commented that when he was last in Yuma, housing which he guessed was priced at \$65,000 to \$95,000 was being built everywhere. He suggested Yuma was the least needful of the cities under discussion.

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Senator Noland agreed and additionally acknowledged the large quantity of mobile home parks in Yuma provides a range of housing availability. She also noted the military base there tends to create more housing options.

Ms. Hoffman indicated Douglas acknowledges it does have a housing shortage. She explained a group of homes priced at \$70,000 will soon be available, but the \$10,000 down payment may pose a problem for employees with a \$24,000 annual income.

Ms. Hoffman explained housing availability is the biggest problem in Winslow, relating that even if more expensive homes were built, this would free-up more affordable housing.

Ms. Hoffman explained Safford feels there is ample supply of state land that is currently not being utilized and affordable housing could provide the "highest and best use of the land," to comply with constitutional provisions. She related Safford approves of state linked deposit program, because it keeps financing in the private sector and increasing the State Housing Trust Fund because it is already functioning. Ms. Hoffman indicated Safford liked general fund appropriations least, because it feared the funding would be subject to legislative whims, but generally approves of legislative involvement in the area of affordable housing.

Ms. Hoffman explained that Florence recently annexed 200 acres to target for housing development and indicated there is also privately-owned undeveloped land there. Ms. Hoffman indicated the price of this land is high and infrastructure would be expensive to develop as well, emphasizing Florence definitely has a housing problem.

In response to Senator Chesley's question, Senator Noland explained utilizing state-linked deposits involves ranking lenders who are competing for the investment of state general funds, in part based on their track record in making resources available for affordable housing.

Senator Noland noted that the option most often selected was to increase the State Housing Trust Fund.

In response to Senator Noland's inquiry regarding which options the Department of Corrections (DOC) would most like to coordinate efforts on, **Scott Smith, Legislative Liaison, DOC**, did not offer specific suggestions, but indicated DOC would support whatever option was chosen.

Senator Chesley commented that to increase the State Housing Trust Fund means general fund monies must be taken from other budgets, creating conflicts with other intended recipients. He suggested this may not be the most practical choice.

Senator Noland noted it may be possible to include a \$1 million or \$2 million appropriation for affordable housing in coordination with prison expansion efforts, sharing costs with the city where expansion takes place. She asked **Steve Capobres, Department of Commerce**, where such an incentive may work best.

Mr. Capobres suggested cities are better-equipped to deal with infrastructure development, recommending the State provide funding for actual on-site construction. He explained the cities under discussion are already being targeted for existing housing programs.

Mr. Capobres recommended appropriating money which can be offered to developers, encouraging the cities to leverage some of that money for infrastructure and awarding a project to the developer with the best proposal.

Representative Smith asked if the State currently offers a tax credit as an incentive to developers.

Ms. Capobres indicated currently a federal income tax program is used to build new apartments and rehabilitate older ones. He explained this program will sunset in 1997, so cities under discussion will be targeted during 1996. Mr. Capobres indicated the idea behind the state income tax credit was to replace the federal program when it dissolved. He explained tax credits are sold for cash to build projects.

Representative Smith asked if the tax credit program amounts to \$7 million. Mr. Capobres indicated it amounts to approximately \$5 million a year, but can be multiplied over a ten-year period, amounting to \$50 million available annually. He further explained this is sold for 50 cents on the dollar, raising \$25 million in construction resources.

Representative Smith asked if a significant improvement in affordable housing availability for Correctional Service Officers (CSO) could be realized with a \$5 million tax credit.

Mr. Capobres confirmed a state income tax credit would be a useful incentive to developers. He commented that one advantage is, it is forgone tax revenue and not necessarily an appropriation. Mr. Capobres projected the \$5 million could produce 1,500 units of housing.

In response to Representative Smith's question, Mr. Capobres suggested that depending upon each separate market, he feels there would be developers interested in building affordable housing in the cities under discussion, if a \$5 million state income tax credit was allocated. He explained that the federal income standard is set pretty low, making it difficult to entice developers to such markets. Mr. Capobres suggested negotiating levels of income for a state income tax credit to give developers enough incentive.

Senator Noland expressed her concern that different levels of housing should be built to provide for different levels of employees, not only multi-housing. She asked if the federal program develops mainly multi-housing.

Mr. Capobres acknowledged most federal developments are multi-housing, emphasizing this is the reason all options to promote home ownership need to be explored.

Senator Noland offered suggestions such as: providing up-front money which could be paid back over time or at a good interest rate after sale and looking at prison legislation for an opportunity to attach a state tax credit that could be legislatively imposed and coordinated through Department of Commerce.

Senator Noland asked that Mr. Capobres work with Scott Smith and the Director of DOC to look at what could be done at a new prison site and prison expansion sites. Senator Noland directed them to develop some recommendations on how a program should be funded to provide necessary levels of housing, suggesting it could be part of a DOC budget request as it builds a new prison or expands an existing one.

There being no quorum present, Senator Noland indicated recommendations would wait until more Committee members were present and announced another meeting will be held January 3, 1996 at 3:00 p.m. to hear recommendations.

In response to Senator Chesley's questions about tax credits, it was clarified that the federal tax credit is for rental properties only. In response to Senator Chesley's inquiry about a state tax credit program, Mr. Capobres acknowledged the Legislature can write the law differently for Arizona.

Representative Smith commented that Florence should be highly considered, noting it has the highest turnover rate of CSOs.

Senator Chesley agreed all the cities under discussion need to be considered, emphasizing Winslow is the one in dire straits. He noted that at least Florence CSOs can reside in Mesa, Phoenix or even Tucson, but Winslow has no similar surroundings. Senator Noland and he agreed Douglas is similar to Winslow in this regard. Senator Noland acknowledged Winslow has always been in dire straits since the prison was built.

Mr. Capobres indicated he would develop an example choosing Douglas first and possibly Florence, as directed by the Committee, and was encouraged by members to be creative in considering other reasonable options not already mentioned.

December 21, 1995
Page 5

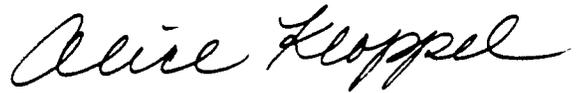
**AFFORDABLE HOUSING FOR
CORRECTIONAL SERVICES OFFICERS**

Senator Noland observed this could serve as a beginning for coordination between DOC and the Department of Commerce to better address the issue of affordable housing in prison communities.

Representative Smith suggested contacting the City Manager of Buckeye, who has developed well-organized housing efforts. Mr. Capobres indicated he would be seeing him after today's meeting.

Without objection, the meeting was adjourned at 11:50 a.m.

Respectfully submitted,



Alice Kloppel,
Committee Secretary

(Tape and attachments filed with original minutes in the Office of the Senate Secretary)

**AD HOC JOINT LEGISLATIVE COMMITTEE ON
AFFORDABLE HOUSING FOR CORRECTIONAL SERVICE OFFICERS**

JAN 05 1996

Minutes of the Meeting

Wednesday, January 3, 1995
3:00 p.m., House Hearing Room 4

Members Present

Senator Arzberger
Representative Brown
Senator Chesley
Representative Hart
Senator Noland, Co-chairman
Representative Smith, Co-chairman

Staff

Joni Hoffman, Senate Analyst
Kathi Knox, House Analyst
Teri Grier, House Analyst

Co-chairman Smith convened the meeting at 3:50 p.m. and the attendance was noted.

Steve Capobres, Department of Commerce, Housing and Infrastructure Development, distributed copies of an "Analysis on the use of State Funds with State Income Tax Credits," (filed with original minutes) and reviewed considerations and recommendations presented in it. He suggested income tax credits for single-family development would not be worthwhile, given the current low market interest rates, the 8 percent maximum Arizona income tax rate which could be given and the question of whether it is legal to target income tax credits for a specific group of buyers.

Mr. Capobres recommended an appropriation could be mandated to provide assistance to buyers and builders. With regard to the buyer, assistance could be given in the form of down payments and closing costs, reducing the cost of mortgage interest rate or reducing the mortgage amount (i.e. from \$70,000 to \$60,000).

Senator Chesley commented that even if a buy-down is provided, most buyers still do not have the down payment or closing costs. Mr. Capobres acknowledged this is the main problem.

Representative Smith asked whether a down payment would be a gift or would be repaid at some time.

Mr. Capobres indicated that usually a deed restriction is placed on the property, requiring the repayment of the grant upon sale of the house. He noted this provides encouragement for the tenants to stay in the home and not profit from selling it.

With regard to assisting the builder, Mr. Capobres recommended competitively soliciting private sector development interest and proposals from within the affected market through the Request for Proposal process. He further suggested providing assistance in interest

write-downs or loan guarantees; site assembly and acquisition support; infrastructure development and selected pre-development expenditures, such as legal, engineering and permitting fees.

Senator Noland asked if an up-front allotment for development expenditures or a cost-sharing by the cities involved would be possible in this type of program. She suggested these incentives could be paid back at the point of sale of the project.

Mr. Capobres acknowledged the idea is possible, reiterating that income tax credits are not being recommended for single-family development, rather an appropriation which can be used for pre-development expenses. He explained the major problem in financing development is the interim, or pre-development, costs and recommended putting an appropriation toward these.

Mr. Capobres next addressed multi-family development, reviewing specific financing examples on pages three, four and five of the handout. Mr. Capobres explained the financing schemes in the handout are based upon a development cost of \$55,000 for a 40-unit multi-family dwelling, with a maximum rent of \$425 for a 1-bedroom unit and \$650 for a 2-bedroom unit.

Representative Brown and Representative Smith discussed the current starting salary for Correctional Service Officers (CSO), agreeing it is \$20,500. Mr. Capobres explained his figures address salary levels beginning at \$18,000 and ranging to \$30,000. Representative Smith emphasized it is important to establish what percentage of CSOs were receiving what salary, suggesting the majority were making the starting salary of \$20,500. Representative Brown suggested there was a spread within the range.

Mr. Capobres further discussed income, expenses, acquisition and costs of the projected multi-family dwelling, noting it would cost \$2.3 million to develop such a project. He explained there is an \$800,000 gap between the cost of development and the \$1.5 million maximum mortgage that a bank would allow based on the salary range being discussed. Mr. Capobres suggested filling this gap with a combination of tax credits and appropriations to make the project feasible. He also recommended competitively soliciting private sector development interest and proposals from within the affected market area and mirroring the federal tax credit program.

Mr. Capobres suggested a tax credit could be used for everything associated with construction costs and the appropriations could be used for everything the tax credit does not cover including: land, marketing, permanent loan fees, title recording fees, development fees above cap and some legal fees.

Senator Noland suggested devising a revolving fund as a mechanism to recoup appropriations upon the sale of projects to finance ongoing projects. Mr. Capobres agreed this is important and can be structured in.

Senator Noland asked if there are such stipulations currently in place and Mr. Capobres explained existing programs have some form of deed restriction stipulating requirements e.g., to pay back over time, maintain affordability, etc.

Senator Chesley emphasized that builders have not developed properties where there is no incentive.

Representative Smith suggested that targeted cities participate in providing incentives as any development would enhance revenues there.

Senator Noland suggested the best opportunity for a pilot project of this type in both single-family and multi-family developments would be in Buckeye. Additionally she suggested another project in Safford or Douglas where there is an existing problem. Senator Noland also suggested part of the new prison appropriation be used for housing projects in conjunction with city incentives.

Representative Brown indicated Winslow has participated with such incentives and a multi-family dwelling was constructed. However, he noted Winslow still had not been able to attract any developers without some up-front financial assistance. He related that housing is available in Springerville and St. Johns and that turnover among CSOs is very low. He agreed that incentives should be developed in cities with existing problems to attract developers.

Mr. Capobres explained the Department of Commerce was involved in the Winslow project, providing \$600,000 to a nonprofit developer of the multi-family dwelling. He indicated a memo was dispatched nationwide to attract developers to build in Winslow, but it received no response from for-profit builders. Mr. Capobres additionally commented that Winslow did not contribute a great deal; that the land was sold at face value with no discount.

Mr. Capobres suggested creating incentives for local government, identifying cities needing an appropriation and making the money available to whichever city will work with a developer to formulate the best project. He indicated once built, this project could be repeated.

Representative Smith acknowledged this is an excellent idea. He suggested writing a communication to the cities under consideration relating the idea and asking them to

respond with their input for a development plan, then choosing the most reasonable plan submitted.

Senator Arzberger questioned whether the suggestion would be a fair solution, as all the cities have a need, but some have a greater tax base and more resources to offer than others. Senator Arzberger asserted the State will need to provide up-front assistance but agreed the cities should provide whatever aid they can, suggesting multi-family housing would be the best option. He suggested affordable single-family housing is already available.

Senator Chesley suggested there needs to be some conviction demonstrated by the cities and that those most willing to provide incentives should be considered first.

Senator Noland suggested putting together legislation to appropriate \$1 million to the Department of Commerce to be used for at least two participating grants for single-family and multi-family developments, which would be put out for any city to apply for and awarded to whichever city can provide the best match of its own resources. She further suggested this be set up as a revolving fund, that conditions for repayment be stipulated, based upon what input the city provides and how much money it is asking for. Senator Noland explained this may or may not include Buckeye; that housing may be included in ground-up prison costs there.

In response to Representative Smith's inquiry, Mr. Capobres confirmed that his office could proceed with such a plan if the appropriation was made. There was general agreement that the money, based on very different areas of expertise, should be appropriated to the Department of Commerce and not the Department of Corrections.

Representative Smith suggested that housing not be restricted only to CSOs, that vacancies could also be offered to similarly qualified families in the general public.

Senator Noland suggested providing a CSO preference like veterans are provided, setting aside a certain percentage of the project for them and opening further vacancies to the whole community. She requested that Mr. Capobres provide guidance on wording for draft legislation and incorporate the program into others already existing.

Senator Arzberger opined preference could be given to CSOs and asked that repayment of incentive and maintaining affordability be stipulated. He specifically mentioned stipulating a restriction against raising the rent to price the targeted population out of the market.

Mr. Capobres indicated these mechanisms are currently included in legal documentation as a matter of course, phasing repayment depending upon how much subsidy is provided,

how long the project must remain affordable and regulating rents. He did not recommend stipulations be placed perpetually, but building in a cutoff into the future.

Senator Noland moved that draft legislation be developed which encompasses city participation in at least two affordable housing projects to include single-family and multi-family projects, provides preference for CSOs, phases repayment of subsidies into a revolving fund and appropriates \$1 million to the Department of Commerce, Housing and Infrastructure Development to establish the fund.

The motion CARRIED by a voice vote.

Senator Noland asked that the draft be developed by Mr. Capobres working with Legislative Council and that it be delivered to her and Representative Smith for review and dissemination to other Committee members. Mr. Capobres agreed to work with Legislative Council on the draft language.

Without objection, the meeting was adjourned at 4:35 p.m.

Respectfully submitted,



Alice Kloppel,
Committee Secretary

(Tape and attachment on file in the Office of the Senate Secretary)

Department of Corrections

Housing Needs Survey

ARIZONA DEPARTMENT OF CORRECTIONS



Division of Human Resources/Development



CSO HOUSING NEEDS SURVEY

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November, 1995

CSO HOUSING NEEDS SURVEY

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EXECUTIVE SUMMARY

The Department of Corrections conducted a survey of staff members in the Correctional Service Officer (CSO) series to determine their housing needs, and specifically how many would be interested in relocating to rural prisons should affordable housing be made available in those areas. CSO-series staff include Cadets, CSO I's, CSO II's, Sergeants, Lieutenants, Captains and Majors, who will be referred to hereafter as "Officers " A total of 3,249 or 65.9% of 4,927 Officers responded to the survey, and from this population a systematic random sample of 915 surveys was selected for analysis purposes.

The results of the survey may be summarized as follows:

- The Department's Officers demonstrate a clear need for means of reducing their monthly housing and transportation expenses. Overall, 30.3% of Officers live at least 40 miles from work, and as many as 1 in 16 live at least 70 miles from work. Almost one-half (49.7%) have at least three people living with them, and more than 2 in 5 (40.8%) have total annual household incomes of under \$25,000.
- 50.6% of Officers reported owning or purchasing their own home, and 47.0% reported living in a rental property. The most typical home value was in the range \$50,000-\$74,999, and the most typical monthly rent in the range \$300.00-\$449.99. However, 31.5% of the home owners reported a home value of under \$50,000, while 23.0% of the renters reported a monthly rent of under \$300.
- 61.9% of Officers indicated that the availability of affordable housing would serve as an incentive for them to relocate to a rural prison complex. This equates to 3,050 officers Department-wide. The percentage stating that affordable housing would serve as an incentive was highest for Officers currently employed at rural prison complexes, including prison sites at Ft. Grant (85.1%), Yuma (81.2%), Safford (70.2%), Winslow (69.0%), and Douglas (67.8%). The least interest was expressed by Officers currently employed at complexes in Tucson (47.1%) and Phoenix (47.0%). Officers employed at the Eyman (58.5%), Florence (57.8%), and Perryville (56.7%) complexes indicated a moderate interest. However, the lowest percentage indicating an interest in relocating was still significant at 47.0% (Phoenix complex). Furthermore, CSO I's indicated somewhat more interest in relocating (66.4%) than did the higher-salaried CSO II's (57.2%).
- Among those surveyed, the majority (62.0%) indicated that, should affordable housing be made available, and were they to take advantage of it, they would be more interested in purchasing a home than in renting. Most (76.2%) indicated that they would require at least three bedrooms to relocate. More than two-thirds (68.2%) indicated that they would not be willing to pay more than \$450 a month in rent or mortgage payment. The survey results indicate

that, on average, Officers would desire to relocate only if they could achieve an actual reduction in their monthly mortgage/rental payment.

- As for perceptions/opinions regarding rural prison communities, Officers responded as follows:

Not enough accommodations, conveniences or cultural/ recreational activities in a rural prison community	47.1%
Prefer simplified lifestyle in rural communities	46.1%
Good place to raise a family	43.1%
My spouse or another family member would be unable to find a job or would have difficulty finding work	35.8%
Schools are better in rural communities	28.3%
Schools are better in larger cities	13.7%

- Concerning possible incentives to relocate to a rural prison community, Officers responded as follows:

Extra pay for living in a rural area	55.8%
A promotion	48.4%
Affordable and adequate housing	41.5%
Better stores/shopping in or near the rural community	31.3%
Inexpensive and convenient transportation	28.9%
Would not move from where I live now	24.5%

- Regarding which rural prisons they might be willing to relocate to, the largest numbers of Officers indicated an interest in relocating to the Florence and Eyman complexes. The percentages for specific institutions are as follows:

ASPC-Florence	43.5%
ASPC-Eyman	37.8%
ASPC-Winslow-Apache (Springerville)	31.1%
ASPC-Safford	27.9%
ASPC-Buckeye (Proposed)	27.7%
ASPC-Winslow	26.7%
ASPC-Douglas	25.0%
ASP-Ft. Grant	23.2%
ASPC-Phoenix-Globe	21.6%
ASPC-Perryville-Yuma	21.3%

- Curiously, although a higher percentage indicated an interest in relocating to ASPC-Florence than to ASPC-Safford, nonetheless Safford was the most frequent city/town/rural area selected for possible relocation:

Safford	23.3%
Florence	21.1%
Springerville/Eagar	21.0%
Yuma	18.8%

Apache Junction	16.4%
Buckeye	15.8%
Casa Grande	15.7%
Globe	15.7%
Ft. Grant	15.3%
Winslow	14.8%
Show Low	13.1%
Coolidge	12.5%
Avondale/Tolleson	12.3%
Douglas	11.0%
Rural Area (25 Miles from ASPC-Florence)	11.0%
Rural Area (25 Miles from ASPC-Buckeye-Proposed)	10.9%
Rural Area (25 Miles from ASPC-Winslow-Apache)	10.6%
Snowflake	10.3%
Sierra Vista	9.9%
St. Johns	9.6%
Willcox	9.2%
Rural Area (25 Miles from ASPC-Eyman)	8.7%

The overriding conclusion of the survey is that there is both the need and the interest among CSO series staff for relocating to affordable housing made available in areas near rural prisons in the Department of Corrections.

INTRODUCTION

In late October 1995, the Department of Corrections received a request from the *Ad Hoc Joint Legislative Committee on Affordable Housing for Correctional Service Officers* to conduct a survey of CSOs to ascertain their housing needs. Specifically, the Committee expressed an interest in determining how many CSOs would consider relocating to rural prison complexes should affordable housing be made available in those areas. Given significant interest among CSO's, there may be the possibility that the state could offer incentives to encourage developers to build affordable housing for CSOs in rural areas.

In response to the request, a task force was formed in the Department of Corrections to coordinate the survey. The task force was given the responsibility of drawing up the survey, selecting a target sample, administering the survey, and providing a report on the results by mid-November 1995. Subsequently, a survey form was developed which addressed a range of CSO housing issues.

As a result of a meeting of the task force, it was decided that all CSO series positions would be surveyed (not just CSOs) and that all institutions would be represented. Subsequently, a meeting was held with institutional staff to acquaint them with the survey. Staff were briefed concerning 1) the reasons for the survey, 2) the importance of the survey, 3) the rationale for including staff from urban prisons, 4) the requirements of individual items from the survey, and 5) any questions or concerns on the part of staff.

The institutional staff in attendance were then requested to provide survey forms to all CSO series staff in their respective institutions, to monitor completion, and to ensure that responses were as complete as possible. Finally, they were asked to forward the surveys by express mail by 5:00 p.m. November 3, 1995, or to hand deliver them to Central Office by the close of business November 6, 1995. All institutions were able to comply within the established timeframes.

Approximately 3,250 surveys were returned, with a few incomplete or completed by employees other than CSO series staff. These latter surveys were deleted from the study. Some questionnaires are still coming in as of the date of this writing, and these surveys have not been included in the database for this report. Tentatively, it appears that approximately two-thirds of available CSO series staff responded to the survey.

Because of time constraints and limited staff resources, it was necessary to draw a sample from the completed questionnaires. A sample totalling 915 was selected, which represents 19% of the 4,927 CSO series staff on regular duty, permanently filling an authorized and budgeted position and including staff on temporary leave (annual, sick, jury duty, etc.) as of November 7, 1995. The sampling was done randomly within complexes, with approximately one in five surveys selected for the sample. However, surveys were not selected randomly across complexes, as a minimum of 50 surveys per complex was established in order to ensure reliable results for individual complexes.

The 3-page survey is reproduced on the pages following.

AFFORDABLE HOUSING QUESTIONNAIRE

November 1995

The Ad Hoc Joint Legislative Committee on Affordable Housing for Correctional Service Officers has requested ADC to complete a survey of CSOs to determine housing needs. In particular, they want to know if low-cost, or reduced-cost housing would draw CSO-series staff to prisons in rural communities. This survey requires a commitment from institutional staff to provide as complete a sampling of staff as possible in the short time frames allowed. The items require you to either write your answer in the space provided or to place a check mark by your answer. Director Lewis and the members of the Committee appreciate your cooperation with this project.

1. Specify the complex and unit where you presently work: ASPC: _____; _____ Unit.

2. Where do you currently reside (town, city, rural county): _____

3. If you have worked at other ADC prisons in the past, please indicate where:

ASPC: _____ Unit
ASPC: _____ Unit

4. What is your current position?

Cadet CSO I CSO II Sergeant Lieutenant Captain Major

5. How many people reside with you now?

None (live alone)
 1 - 2
 3 - 5
 Over 5 (specify how many ____.)

6. What is your current household income from all sources?

\$19,000 to \$24,999
 \$25,000 to \$49,999
 \$50,000 to \$69,999
 \$70,000 to \$99,999
 \$100,000 or over (Specify amount: \$_____.)

7. How far do you currently reside from your work site?

Up to 4.9 miles
 5 to 9.9 miles
 10 to 19.9 miles
 20 to 29.9 miles
 30 miles or more (specify how many miles _____.)

8. Do you own or are you purchasing your home? Yes No.

9. If yes, is your home:

A house? A townhouse? A mobile home?

10. What is the current value of your home?

\$10,000 to \$24,999
 \$25,000 to \$49,000
 \$50,000 to \$74,999
 \$75,000 to \$99,999
 \$100,000 or over (specify value: \$_____.)

11. Do you rent? Yes No

12. If yes, do you rent a:

- House Townhouse Apartment Mobile home

13. How much rent do you pay per month? (Also complete this question if you do not pay for housing.)

- | | |
|---|---|
| <input type="checkbox"/> 0 to \$149.99 | <input type="checkbox"/> \$600.00 to \$749.99 |
| <input type="checkbox"/> \$150.00 to \$299.99 | <input type="checkbox"/> \$750.00 to \$899.99 |
| <input type="checkbox"/> \$300.00 to \$449.99 | <input type="checkbox"/> \$900.00 to \$1,499.99 |
| <input type="checkbox"/> \$450.00 to \$599.99 | <input type="checkbox"/> \$1,500 or over |

14. Would the availability of affordable housing in or near rural prison communities serve as an incentive for you to move there to work? Yes. No.

15. If affordable housing were available in or near rural prison communities, would you prefer to:

- Purchase a home?
 Rent?

16. How many bedrooms do you require for your household?

- 1 2 3 4 5 or more

17. What is the monthly mortgage or rent you would be willing to pay in order to relocate to a prison in a rural area?

- | | |
|---|---|
| <input type="checkbox"/> 0 to \$149.99 | <input type="checkbox"/> \$600.00 to \$749.99 |
| <input type="checkbox"/> \$150.00 to \$299.99 | <input type="checkbox"/> \$750.00 to \$899.99 |
| <input type="checkbox"/> \$300.00 to \$449.99 | <input type="checkbox"/> \$900.00 to \$1,499.99 |
| <input type="checkbox"/> \$450.00 to \$599.99 | <input type="checkbox"/> \$1,500 or over |

18. What are your perceptions/opinions of rural prisons, and the communities where they are housed? (Check as many as apply to you.)

- Good place to raise a family
 My spouse or another household member would be unable to find a job or would have difficulty finding work.
 Schools are better in larger cities.
 Schools are better in rural communities
 Prefer simplified lifestyle in rural communities
 Not enough accommodations, conveniences or cultural/recreational activities in small communities

19. Which of the following incentives would encourage you to move to an area near a rural prison community?

- A promotion
 Affordable and adequate housing
 Inexpensive and convenient transportation
 Extra pay for living in a rural area
 Better stores/shopping in or near the rural community
 Would not move from where I live now

20. If you would like to explain an answer or to elaborate on any of the issues addressed in this survey, please enter your comments here: _____

PLEASE ALSO COMPLETE THE ATTACHED "QUESTIONS ABOUT LOCATION OF HOUSING."

QUESTIONS ABOUT LOCATION OF HOUSING

To complete this portion of the survey, **assume that affordable housing will be available** at each of the listed prisons, which meets the criteria you specified on your "Affordable Housing Questionnaire." Please place a check mark for each of the rural-area prisons where you would consider working. For each prison you select, also specify the cities, towns or rural areas where you would not mind living. *Maps are provided on the reverse page for your reference.*

1. ASPC - Florence.

- Florence
- Coolidge
- Casa Grande
- Eloy
- Apache Junction
- nearby in rural county (25 mi.)

2. ASPC - Eyman

- Florence
- Coolidge
- Casa Grande
- Eloy
- Apache Junction
- nearby in rural county (25 mi.)

3. ASPC - Winslow

- Winslow
- Joseph City
- Holbrook
- Snowflake
- St. Johns
- nearby in rural county (25 mi.)

4. ASPC - Douglas

- Douglas
- Bisbee
- Sierra Vista
- Willcox
- Tombstone
- Huachaca City
- nearby in rural county (25 mi.)

5. ASPC - Safford

- Safford
- Willcox
- Ft. Grant
- Thatcher
- Clifton
- Morenci
- nearby in rural county (25 mi.)

6. ASPC - Ft. Grant

- Ft. Grant
- Willcox
- Safford
- Thatcher
- Clifton
- Morenci
- nearby in rural county (25 mi.)

7. ASPC - Yuma

- Yuma
- Quartsite
- Somerton
- nearby in rural county (25 mi.)

8. ASP - Globe

- Globe
- Miami
- Superior
- Claypool
- Kearny, Hayden, Winkelman
- nearby in rural county (25 mi.)

9. ASPC - Apache (Springerville)

- Springerville/Eager
- McNary
- Show Low
- St. Johns
- Snowflake
- nearby in rural county (25 mi.)

10. ASPC - Buckeye (proposed)

- Buckeye
- Gila Bend
- Avondale/Tolleson
- nearby in rural county (25 mi.)

SURVEY RESULTS

As noted in the Introduction, all departmental institutions were represented in the survey. The following tabulation summarizes for each prison complex: 1) the number of CSO series positions filled, 2) the number of completed surveys returned to Central Office, and 3) the number of surveys represented in the sample selected for analysis:

Table 1: Complex Where Presently Employed

COMPLEX	POSITIONS	RETURNED	SAMPLED
ASPC-Douglas	435	213	61
ASPC-Eyman	979	733	144
ASPC-Florence	881	669	164
ASPC-Perryville	559	375**	110**
ASPC-Phoenix	236	191	70
ASPC-Tucson	861	366	106
ASPC-Winslow	417	280	61
ASPC-Safford	151	121	49
ASP-Fort Grant	115	85	50
COTA *	266	166	50
TOTAL	4,900	3,249	915

* Correctional Officer Training Academy.

** Includes 50 surveys returned and sampled from ASPC-Perryville-Yuma.

As indicated, the survey was directed to all CSO series positions, not just CSOs. The following indicates the number of surveys sampled for each position in the CSO series, as well as the number for cadets at the Correctional Officer Training Academy (COTA) and other locations:

Table 2: Current CSO Series Position Filled

POSITION (CSO Series)	SURVEYS	% OF TOTAL
Cadet	49	5.4%
Correctional Service Officer I	326	35.6%
Correctional Service Officer II	430	47.0%
Sergeant	72	7.9%
Lieutenant	29	3.2%
Captain	6	0.7%
Major	3	0.3%
TOTAL	915	100.0%

While most of the cadets in the survey were physically at the COTA site, a few were at other locations. In addition, the COTA figures reflect higher-level staff as well as cadets.

The following tables identify the counties, cities, towns, and rural counties where the Officers reflected in the sample reside. As expected, a disproportionate share of Officers live in metropolitan areas, in many cases considerably distant from the prisons where they work.

Table 3: County of Residence

COUNTY OF RESIDENCE	SURVEYS	% OF TOTAL
Apache	7	0.8%
Cochise	78	8.5%
Coconino	7	0.8%
Gila	7	0.8%
Graham	73	8.0%
Greenlee	2	0.2%
Maricopa	351	38.4%
Mohave	1	0.1%
Navaho	47	5.1%
Pima	163	17.8%
Pinal	128	14.0%
Yuma	51	5.6%
TOTAL	915	100.0%

Table 4: City/Town/Rural Area of Residence

CITY/TOWN/RURAL AREA	SURVEYS	% OF TOTAL
Tucson	138	15.1%
Phoenix	98	10.7%
Mesa	86	9.4%
Florence	55	6.0%
Safford	43	4.7%
Yuma	40	4.4%
Winslow	36	3.9%
Glendale	27	3.0%
Apache Junction	22	2.4%
Douglas	21	2.3%
Casa Grande	19	2.1%
Chandler	18	2.0%

Table 4 (Continued): City/Town/Rural Area of Residence

CITY/TOWN/RURAL AREA (Continued)	SURVEYS	% OF TOTAL
Coolidge	17	1.9%
Sierra Vista	16	1.7%
Peoria	13	1.4%
Willcox	13	1.4%
Fort Grant	12	1.3%
Tempe	12	1.3%
Bisbee	9	1.0%
Avondale	8	0.9%
Goodyear	8	0.9%
Thatcher	8	0.9%
Gilbert	6	0.7%
Globe	6	0.7%
Superior	6	0.7%
Egar	5	0.5%
Eloy	5	0.5%
Flagstaff	5	0.5%
Marana	5	0.5%
Pima	5	0.5%
Joseph City	5	0.5%
Buckeye	4	0.4%
Scottsdale	4	0.4%
Other Communities	47	5.1%
Rural Areas	94	10.3%
TOTAL	915	100.0%

Of interest is the fact that Maricopa more than doubled Pima as a county of residence for responding Officers (351 to 163), and yet the city of Tucson easily exceeded the city of Phoenix as a city of residence (138 to 98). Mesa was the other major contributor of Officers in the valley area besides Phoenix, with 86. The other major cities in the valley were much further down the list: Glendale (27), Chandler (18), Peoria (13), Tempe (12), Gilbert (6), and Scottsdale (4). Cities providing disproportionately large numbers of Officers tended to coincide with cities housing state prisons, as expected: Florence (55), Safford (43), Yuma (40), Winslow (36), and Douglas (21).

Obviously, the factor of driving distance is a major factor in Officers' level of satisfaction with their present places of employment. In particular, the sample respondents reported

the following driving distances to work:

Table 5: Driving Distances to Work

DRIVING DISTANCES	SURVEYS	% OF TOTAL
0-4.9 Miles	90	9.8%
5-9.9 Miles	113	12.3%
10-19.9 Miles	232	25.4%
20-29.9 Miles	126	13.8%
30-39.9 Miles	77	8.4%
40-49.9 Miles	82	9.0%
50-59.9 Miles	79	8.6%
60-69.9 Miles	57	6.2%
70 Miles or More	59	6.4%
TOTAL	915	100.0%

While almost half of the respondents (47.5%) live within 20 miles of work, a significant proportion (30.3%) must drive at least 40 miles to work. Alarmingly, as many as 1 in 16 correctional officers must drive at least 70 miles to get to work. In and of itself, this result is indicative of the need for more and better housing within proximity of state prisons!

Because Officers typically receive, at most, moderate salaries, and in many cases have several dependents to support, anything which can reduce expenses, such as reduced traveling distances to work and lower-cost housing, would likely provide much needed assistance.

As indicated by the following table, the survey shows that just 119 or 13.0% of respondents live alone. In fact, almost half (49.7%) have three or more individuals residing with them, typically a spouse and two or more children.

Table 6: Number of People Residing with You

PEOPLE RESIDING WITH YOU	SURVEYS	% OF TOTAL
None - Live Alone	119	13.0%
1-2	341	37.3%
3-5	413	45.1%
6 or More	42	4.6%
TOTAL	915	100.0%

To assist in assessing housing needs, respondents were asked to indicate the range of their current total household income. The results are as follows:

Table 7: Total Household Income

TOTAL HOUSEHOLD INCOME	SURVEYS	% OF TOTAL
\$19,000 - \$24,999	373	40.8%
\$25,000 - \$49,999	432	47.2%
\$50,000 - \$69,999	84	9.2%
\$70,000 - \$99,999	26	2.8%
TOTAL	915	100.0%

While it is clear that many Officer households have a second source of income, we still find that over 40% have total incomes of less than \$25,000, which is another indicator of the need for affordable housing.

One of the important factors in assessing housing needs concerns the current or desired type of housing -- home, rental property, or other arrangement. According to the following, there is almost an even split (50.6% to 47.0%) between Officers who own or are purchasing a home and those who rent.

Table 8: Current Housing Arrangement

HOUSING ARRANGEMENT	SURVEYS	% OF TOTAL
House	344	37.6%
Townhouse	16	1.7%
Mobile Home	103	11.3%
TOTAL OWN/PURCHASING HOME	463	50.6%
House	147	16.1%
Townhouse	31	3.4%
Apartment	194	21.3%
Mobile Home	58	6.3%
TOTAL RENTING	430	47.0%
OTHER ARRANGEMENT	22	2.4%
TOTAL	915	100.0%

Respondents were also asked to indicate the current value of their home:

Table 9: Range of Current Home Value

CURRENT HOME VALUE	SURVEYS	% OF TOTAL
\$10,000 - \$24,999	41	8.9%
\$25,000 - \$49,999	105	22.7%
\$50,000 - \$74,999	161	34.8%

Table 9 (Continued): Range of Current Home Value

CURRENT HOME VALUE (Continued)	SURVEYS	% OF TOTAL
\$75,000 - \$99,999	99	21.4%
\$100,000 - \$149,999	49	10.6%
\$150,000 or Over	8	1.7%
TOTAL	463	100.0%

One hundred forty-six or 31.5% of the 463 respondents owning or purchasing a home indicated a home value of under \$50,000, while just 57 or 12.3% indicated a home value of \$100,000 or over. The most typical range was \$50,000-\$74,999.

For those paying rent, the survey asked for the amount of the monthly payment.

Table 10: Range of Current Monthly Rent

MONTHLY RENT	SURVEYS	% OF TOTAL
\$0.00 - \$299.99	99	23.0%
\$300.00 - \$449.99	150	34.9%
\$450.00 - \$599.99	122	28.4%
\$600.00 or Over	59	13.7%
TOTAL	430	100.0%

Ninety-nine or 23.0% of the 430 who rent are paying under \$300.00 a month, while 59, or 13.7%, pay \$600.0 or more a month.

One of the indicators judged to be relevant to the willingness of Officers to relocate is the proportion who have worked at complexes other than those at which they are presently employed. The survey results show that almost one-third (303 or 33.1%) of the respondents had indeed worked at another complex at some time in the past. In fact, 99 or 10.8% had worked at two or more other complexes in the past.

An additional telling question on the survey is the following: *Would the availability of affordable housing in or near rural prison communities serve as an incentive for you to move there to work?* The responses are as follows:

Table 11: Affordable Housing an Incentive to Relocate

AFFORDABLE HOUSING WOULD BE INCENTIVE	SURVEYS	% OF TOTAL
Yes	566	61.9%
No	349	38.1%
TOTAL	915	100.0%

Approximately three in five Officers responding to the survey indicated that the availability of affordable housing would encourage them to relocate to a rural prison to work.

Because the above was considered the most important question on the survey, the results were broken out according to current work location (prison) and according to the Officer's current position with the Department. The following two tables indicate the percentage of Officers responding that affordable housing would provide an incentive to relocate to a rural prison.

Table 12: Affordable Housing an Incentive by Current Prison Complex

PRISON COMPLEX/LOCATION	AFFORDABLE HOUSING IS AN INCENTIVE
ASP - Ft. Grant	85.1%
COTA	82.0%
ASPC - Perryville - Yuma	81.2%
ASPC - Safford	70.2%
ASPC - Winslow	69.0%
ASPC - Douglas	67.8%
ASPC - Eyman	58.5%
ASPC - Florence	57.8%
ASPC - Perryville	56.7%
ASPC - Tucson	47.1%
ASPC - Phoenix	47.0%

As might be expected, Officers at the Phoenix and Tucson prisons were the least likely to indicate that affordable housing would serve as an incentive to relocate to a rural prison. Officers working at the smaller rural prisons indicated the most willingness to relocate.

Table 13: Affordable Housing an Incentive by Current CSO Series Position

CSO SERIES POSITION	AFFORDABLE HOUSING IS AN INCENTIVE
Cadet	81.6%
Major	66.7%
Correctional Service Officer I	66.4%
Captain	60.0%
Sergeant	57.4%
Correctional Service Officer II	57.2%
Lieutenant	56.0%

As expected, CSO I's were more likely to view affordable housing as an incentive than were officers in most higher-level positions.

An accompanying question concerned the respondent's preference for either renting or purchasing a home. *If affordable housing were available in or near rural communities, would you prefer to: Purchase a home? Rent?*

Table 14: Affordable Housing Preference

HOUSING PREFERENCE	SURVEYS	% OF TOTAL
Purchase a Home	567	62.0%
Rent	348	38.0%
TOTAL	915	100.0%

The clear majority of respondents indicated that, should affordable housing be made available near a rural prison, they would wish to purchase a home there.

To accurately assess housing needs, information on the number of bedrooms required was requested from the respondents. *How many bedrooms do you require for your household?*

Table 15: Affordable Housing Bedrooms Required

BEDROOMS REQUIRED	SURVEYS	% OF TOTAL
One	42	4.6%
Two	176	19.2%
Three	472	51.6%
Four	201	22.0%
Five or More	24	2.6%
TOTAL	915	100.0%

As shown in the table, the vast majority of respondents (76.2%) indicated the need for at least three bedrooms. Less than 1 in 20 respondents indicated the need for just one bedroom.

The survey went on to question the respondents concerning the monthly payments they would be willing to make should they relocate to a rural area. *What is the monthly mortgage or rent you would be willing to pay in order to relocate to a prison in a rural area?*

Table 16: Affordable Housing Mortgage/Rent Willing to Pay

MORTGAGE/RENT WILLING TO PAY	SURVEYS	% OF TOTAL
\$0.00 - \$149.99	86	9.4%
\$150.00 - \$299.99	184	20.1%
\$300.00 - \$449.99	354	38.7%
\$450.00 - \$599.99	203	22.2%

Table 16 (Continued): Affordable Housing Mortgage/Rent Willing to Pay

MORTGAGE/RENT WILLING TO PAY (Continued)	SURVEYS	% OF TOTAL
\$600.00 - \$749.99	71	7.8%
\$750.00 - \$899.99	13	1.4%
\$900.00 or More	4	0.4%
TOTAL	915	100.0%

In comparing the above results with previous findings concerning home values and rental amounts, it becomes apparent that the respondents would require on average a lower monthly payment for housing than they are making at the present time in order to relocate. This is to be expected.

To gain a better understanding of how Officers feel about relocating to a rural prison, the survey posed the following question. *What are your perceptions/opinions of rural prisons, and the communities where they are housed?* The following table indicates the number of respondents checking each individual item. It should be noted that just because an Officer did not check an item, it does not mean that he/she disagreed with it.

Table 17: Perceptions/Opinions of Rural Prison Communities

PERCEPTION/OPINION	SURVEYS	% OF TOTAL
Not enough accommodations, conveniences or cultural/recreational activities in a rural prison community.	431	47.1%
Prefer simplified lifestyle in rural communities.	422	46.1%
Good place to raise a family.	394	43.1%
My spouse or another household member would be unable to find a job or would have difficulty finding work.	328	35.8%
Schools are better in rural communities.	259	28.3%
Schools are better in larger cities.	125	13.7%
TOTAL	915	100.0%

The most frequent perception was the last listed, namely that rural communities do not provide enough accommodations, conveniences or cultural/recreational activities. Higher number of respondents also indicated that they preferred the simplified lifestyle in rural communities and that such places provided a good place to raise a family. A larger number of respondents indicated that they thought schools were better in rural communities than in larger cities (28.3% to 13.7%), although this did not appear to be a major issue to most respondents.

Concerning the issue of motivation, the survey posed the following question. Which of the following incentives would encourage you to move to a rural prison community?

Table 18: Incentives to Relocate to Rural Prison Community

INCENTIVES TO RELOCATE	SURVEYS	% OF TOTAL
Extra pay for living in a rural area.	511	55.8%
A promotion.	443	48.4%
Affordable and adequate housing.	380	41.5%
Better stores/shopping in or near the rural community.	286	31.3%
Inexpensive and convenient transportation.	264	28.9%
Would not move from where I live now.	224	24.5%
TOTAL	915	100.0%

As indicated, more than half (55.8%) of the respondent s indicated that extra pay would serve as an incentive to relocate. Lesser numbers indicated that a promotion (48.4%) or the availability of affordable and adequate housing (41.5%) would serve as an incentive to relocate.

To provide more specific information concerning where Officers would be willing to relocate, the following questions were posed concerning location of housing. *To complete this portion of the survey, assume that affordable housing will be available at each of the listed prisons, which meets the criteria you specified on your "Affordable Housing Questionnaire." Please place a check mark for each of the rural-area prisons where you would consider working. For each prison you select, also specify the cities, towns or rural areas where you would not mind living. Maps are provided on the reverse page for your reference.*

The following table itemizes the number and percentage of respondents who indicated an interest in relocating to any of 10 listed prison sites. ASPC-Phoenix, ASPC-Tucson, and ASPC-Perryville (except Yuma) were excluded from this portion of the survey.

Table 19: Prison Complexes Might Consider Relocating To

MIGHT CONSIDER RELOCATING TO	SURVEYS	% OF TOTAL
ASPC - Florence	398	43.5%
ASPC - Eyman	346	37.8%
ASPC - Winslow - Apache (Springerville)	285	31.1%
ASPC - Safford	255	27.9%
ASPC - Buckeye (Proposed)	253	27.7%
ASPC - Winslow	244	26.7%
ASPC - Douglas	229	25.0%

Table 19 (Continued): Prison Complexes Might Consider Relocating To

MIGHT CONSIDER RELOCATING TO (Continued)	SURVEYS	% OF TOTAL
ASPC - Ft. Grant	212	23.2%
ASPC - Phoenix - Globe	198	21.6%
ASPC - Perryville - Yuma	195	21.3%
TOTAL	915	100.0%

The largest numbers of respondents indicated an interest in relocating to either the Florence (43.5%) or the Eyman (37.8%) complexes. The least numbers of respondents indicated an interest in relocating to either the Yuma or Globe prisons. Just 120 or 13.1% of the respondents indicated no interest whatsoever in relocating to any of the above prison sites.

The following table lists the individual cities, towns, and rural areas to which the largest numbers of respondents indicated an interest in relocating.

Table 20: Cities/Towns/Rural Areas Might Consider Relocating To

CITY/TOWN/RURAL AREA MIGHT RELOCATE TO	SURVEYS	% OF TOTAL
Safford	213	23.3%
Florence	193	21.1%
Springerville/Eagar	192	21.0%
Yuma	172	18.8%
Apache Junction	150	16.4%
Buckeye	145	15.8%
Casa Grande	144	15.7%
Globe	144	15.7%
Ft. Grant	140	15.3%
Winslow	135	14.8%
Show Low	120	13.1%
Coolidge	114	12.5%
Avondale/Tolleson	113	12.3%
Douglas	101	11.0%
Rural Area (25 Miles from ASPC-Florence)	101	11.0%
Rural Area (25 Miles from ASPC-Buckeye-Proposed)	100	10.9%
Rural Area (25 Miles from ASPC-Winslow-Apache)	97	10.6%
Snowflake	94	10.3%
Sierra Vista	91	9.9%
St. Johns	88	9.6%

Table 20 (Continued): Cities/Towns/Rural Areas Might Consider Relocating To

CITY/TOWN/RURAL AREA MIGHT RELOCATE TO (Continued)	SURVEYS	% OF TOTAL
Willcox	84	9.2%
Rural Area (25 Miles from ASPC-Eyman)	80	8.7%
Thatcher	79	8.6%
Miami	78	8.5%
Bisbee	75	8.2%
Rural Area (25 Miles from ASPC-Winslow)	68	7.4%
Rural Area (25 Miles from ASPC-Douglas)	59	6.4%
Rural Area (25 Miles from ASPC-Safford)	59	6.4%
Holbrook	58	6.3%
Superior	55	6.0%
Rural Area (25 Miles from ASP-Ft. Grant)	55	6.0%
Rural Area (25 Miles from ASPC-Phoenix-Globe)	53	5.8%
Rural Area (25 Miles from ASPC-Perryville-Yuma)	50	5.5%
Gila Bend	50	5.5%
McNary	42	4.6%
Joseph City	32	3.5%
Tombstone	30	3.3%
Claypool	29	3.2%
Somerton	27	3.0%
Eloy	24	2.6%
Clifton	22	2.4%
Huachuca City	21	2.3%
Kearny/Hayden/Winkelman	15	1.6%
Quartsite	14	1.5%
Morenci	13	1.4%

Finally, the respondents were provided with the opportunity to record any comments they might have with regard to the issues addressed in the survey. Those comments are as follows:

Number of
Responses

Transportation

- 9 Commuting to rural areas a problem; need to live closer to work or be compensated.
- 2 Need bike paths/bus route to work.
- 1 Travel between towns dangerous in winter.
- 1 Commuting time too long.
- 1 Like long commute to unwind.

Schools

- 4 Schools need to compete with urban schools.
- 1 Like residential area due to schools.

Child Care

- 1 Child care needs to be provided.

Medical

- 2 Adequate, affordable medical care needs to be provided.
- 3 Need to be near military or regular doctor/hospital.
- 3 Need better health care/insurance, including HMO-type medical insurance in rural area.

Pay/Financial Concerns

- 20 Low pay/financial concerns are the issue, not housing/inadequate staff.
- 1 Low pay/inadequate number of staff.

Housing/Locational Issue

- 1 Inequity among prisons in regard to rental costs.
- 7 Prisons in undesirable locations; houses run down; don't like neighbors; lower standard of living.
- 2 Housing problems due to overexpansion, building where work force not available.
- 1 Already live in rural area.
- 2 Rural areas are safer and more secure compared to cities.
- 1 Would purchase home in some locations but rent in others.
- 4 Housing in this area too expensive.

- 1 Inexpensive rent only incentive to live in a rural community.

- 2 Likes current home/location.
- 1 Would require attractive home/neighborhood to move.
- 10 Would not move from urban area to small town.
- 1 Home most important factor to family.
- 1 Survey does not consider cost of upkeep, other home costs.
- 1 Wants help from state in acquiring land near prison (Ft. Grant).
- 1 Need house for family and horses.
- 1 Want to be closer to a prison; would like if quality of housing and neighborhood good.
- 1 Transferring to rural prison, but family having to stay in home in urban area.
- 1 There is no incentive to move near a prison.
- 7 Like rural lifestyle; want to stay in rural area.
- 6 Would not live in housing on or near prison grounds; especially if inmates used as labor; like to get away from work; hard since you can't associate with inmate families who live near prisons; access to staff too easy.
- 1 Like to have staff housing or housing project in rural area.
- 1 Don't like staff housing due to rules.
- 1 Would like larger place for kids to visit.
- 1 Want to transfer to urban area.
- 1 Should use inmate labor to build housing for staff.

Retirement

- 1 20-year retirement better than other incentives.
- 1 Too near retirement to move.

Miscellaneous/Other

- 1 ADC transfer policy restrictive.
- 1 Live with parents and don't pay rent.
- 1 Health hazards in rural areas, such as crop dusting.
- 1 Moving expenses an issue.
- 21 Other

ARIZONA STATE LEGISLATURE RESEARCH STAFF

MEMO

Joni L. Hoffman, Senate Legislative Research Analyst
Kathi Knox, House Majority Research Analyst

**TO: MEMBERS OF THE AD HOC JOINT LEGISLATIVE COMMITTEE ON
AFFORDABLE HOUSING FOR CORRECTIONAL SERVICE OFFICERS**

DATE: December 18, 1995

Re: Responses from Cities

As you know, the Cochairs of this Committee sent a letter to six cities soliciting their input regarding options put forth at the last Committee meeting by Steve Capobres from the Department of Commerce (see attached "Alternatives for Legislative Action"). The cities to which the letters were sent were Winslow, Douglas, Buckeye, Florence, Safford and Yuma. The letter was mailed December 1 and we asked the cities to respond by December 15 so that Committee members could review the material prior to the December 21 meeting. We also enlisted the help of the League of Cities and Towns staff to follow up with those cities contacted to encourage them to respond in a timely manner.

Attached is a copy of the letter we sent to the cities and the responses we have received.

JLH:KK:jcs
Attachments

OVERVIEW OF PREFERRED ALTERNATIVES

BUCKEYE

- (G) TARGET CURRENT STATE RESOURCES
- (H) GENERAL FUND APPROPRIATIONS

YUMA

- (G) TARGET CURRENT STATE RESOURCES
- (C) STATE EQUITY FUND
- (F) INCREASE STATE HOUSING TRUST FUND

DOUGLAS

- (A) STATE LINKED DEPOSIT PROGRAM
- (F) INCREASE STATE HOUSING TRUST FUND
- (B) & (C) STATE INCOME TAX CREDITS
STATE EQUITY FUND
- (H) GENERAL FUND APPROPRIATIONS

WINSLOW

- (A) STATE LINKED DEPOSIT PROGRAM
- (B) STATE INCOME TAX CREDITS
- (C) STATE EQUITY FUND
- (E) STATE LAND

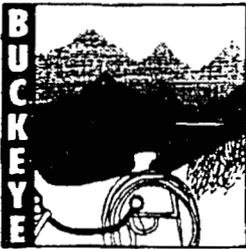
SAFFORD

- (E) STATE LAND
- (A) STATE LINKED DEPOSIT PROGRAM
- (F) INCREASE STATE HOUSING TRUST FUND
- (H) GENERAL FUND APPROPRIATIONS

FLORENCE

- (B) STATE INCOME TAX CREDITS
- (E) STATE LAND
- (F) INCREASE STATE HOUSING TRUST FUND
- (G) TARGET CURRENT STATE RESOURCES

A--3	F--4
B--3	G--3
C--3	H--3
D--0	I--0
E--0	J--0



Town of Buckeye

December 15, 1995

**Ms. Joni L. Hoffman
Legislative Research Analyst
Arizona State Senate
1700 West Washington
Phoenix, AZ 85007**

Dear Ms. Hoffman:

This is in response to the request from the Legislative Committee on Affordable Housing for Correctional Services Officers.

The Town of Buckeye is presently very active in the Home and CDBG programs. We intend to continue with our utilization of these two programs as long as the funds are available.

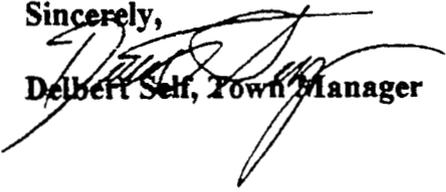
The use of General Fund Appropriations to use as leverage for private financing toward privately constructed and operated housing in the prison cities is something we would also support.

We support the continuation of the tax-exempt status of bonds to be used for housing. It would be especially helpful to see a personal income tax credit for first-time homebuyers.

Of all of the above, the use of General Fund Appropriations would provide the ability to move more quickly toward affordable housing development in whatever area it might be needed. The use of these funds would cut through various levels of red-tape as well.

Thank you for the opportunity to share our thoughts relative to the above alternatives for legislative action toward providing housing for Correctional Services Officers.

Sincerely,


Delbert Self, Town Manager



THE CITY OF DOUGLAS

425 TENTH STREET, DOUGLAS, ARIZONA 85607

TELEPHONE (520)364-7501

FAX (520)364-7507

Michael J. Ortega, P.E.
City Manager

December 14, 1995

Senator Patricia Noland, Co-Chair
Representative Tom Smith, Co-Chair
Affordable Housing Committee
Arizona State Legislature
1700 West Washington
Phoenix, Arizona 85007

Re: Your letter dated November 30, 1995/Affordable Housing for Correctional Service Officers

Dear Senator Noland and
Representative Smith:

Enclosed, please find a brief summary of the four alternatives we believe would assist the developers and the City of Douglas in providing affordable housing for Correctional Service Officers. The City of Douglas is committed to this endeavor and if you have any questions on either the attached information or the previous data forwarded under separate cover, please feel free to contact me immediately.

We appreciate the State Legislature's interest in this problem and look forward to a resolution which will benefit everyone.

Sincerely,

Michael J. Ortega
City Manager

cc: Mayor and Council
Greg Lucero, Deputy City Manager
Jarrie Tent, Housing Director

MJO:cg

"Douglas - the premier southwestern border community"

CITY OF DOUGLAS

AFFORDABLE HOUSING FOR CORRECTIONAL SERVICES OFFICERS

ALTERNATIVES FOR LEGISLATIVE ACTION

Without additional Annexation, there are approximately thirty (30) to fifty (50) lots of varying sizes within the corporate limits of the City of Douglas. Land prices appear to be increasing. Depending on the size of the lot and its location, the price ranges from \$6,000.00 to \$16,000.00.

The shortage of affordable housing in Douglas may stem from the lack of grouped developed lots which have the necessary infrastructure available to construct homes in the \$55,000.00 to \$65,000.00 range. A group of local investors is currently developing land (water, sewer, curb & gutter, and street paving) in Douglas. The houses will be approximately 1,150 Sq. Ft., wood frame with stucco and sell at a price of \$69,900.

Families with an annual income of \$24,000 could handle a \$59,000 mortgage but would not have \$10,900 for a down payment for one of these \$69,900 homes.

The following alternatives could serve to assist CSO's in the acquisition of a home:

A) State Linked Deposit Program

- Preference to lending institutions with a good track record for making resources available to individuals and investors for affordable housing would be of benefit to the entire community.

B) Increase State Housing Trust Fund (HTF)

- Communities receiving HTF monies use it for construction, administration, demolition and other project soft costs, depending on the project. The lack of restriction on use and the minimal red tape connected to the HTF provides flexibility in designing an affordable housing project. An increase in the availability of HTF monies would enhance development of both affordable rental housing and the construction of new or rehabilitation of existing vacant houses.

C) State Income Tax Credits and State Equity Fund

- Once educated private investors and nonprofit organizations in the City of Douglas area would find both the State Income Tax Credit and State Housing Equity Fund ideas attractive incentives for developing affordable rental housing or single family homes for purchase.

D) General Fund Appropriations

- A general fund appropriation with few restrictions on its use would be helpful in the City of Douglas to provide leverage to both nonprofit and private investors.
- A general fund appropriation could also be used for the start up of a program similar to the State Equity Fund.

Town of FLORENCE

December 18, 1995

Senator Patricia Noland, Co-Chair
Representative Tom Smith, Co-Chair
Joint Legislative Committee on Affordable Housing
for Correctional Services Officers
Arizona State Legislature
1700 W. Washington
Phoenix, Arizona 85007

Honorable Senator Noland and Representative Smith:

I would like to take this opportunity to thank you for forwarding the copy of the survey done by the Dept. Of Corrections concerning the housing needs of employees of the Department. It will be of great assistance in our discussions with developers we are attempting to interest in our community.

With regard to the options presented by Steve Capobres, Dept. Of Commerce, which may be of assistance in creating affordable housing or in attracting developers to construct same, it is my belief that the following four alternatives would prove to be of most value in our community:

- * State Income Tax Credits for affordable housing built in "prison cities."
- * Use of State Land - there is a sizeable inventory of State Land in the Florence area in addition to the State land already designated for prison use.
- * Increase in the State Housing Trust Fund targeted for use in the "prison Cities."
- * Targeting Current State Resources by providing bonus points for projects located in "prison cities." In addition to the funding resources listed in Mr. Capobres paper, I would add technical assistance from the Dept. Of Commerce staff. Small communities, such as Florence, need all the assistance and expertise available, in assisting and working with developers to "package" all the possible resources, thereby ending up with a truly affordable project.

As far as vacant land available for the development of affordable housing, the Town itself, does not own land that would be suitable for this purpose. We have, however, just completed annexing approximately 200 acres which is being targeted for housing development and are currently working with developers who are interested in building. The Town has made a commitment and

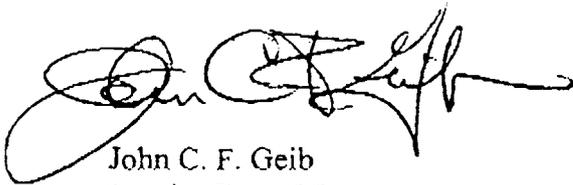
Box 490, Florence, Arizona 85232 ★ (602) 868-5889

is moving ahead, to provide the infrastructure to make this area "ripe" for development and will be working closely with the Dept. Of Commerce staff to steer this development in the right direction.

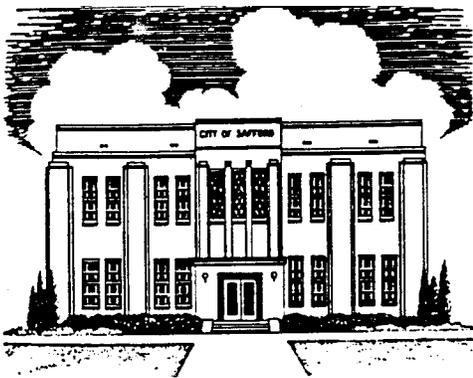
In addition to the annexation area mentioned above, there is undeveloped, privately owned land outside of the Town which could be utilized for housing development. The biggest obstacles to development of these areas are the asking price for the land itself as well as the cost of extending utilities to serve it. These two factors alone would almost preclude the development of "affordable" housing unless other "cost savings" factors could be brought to bear.

I hope this information will be of use to the Committee and should there be any additional information I can provide, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "John C. F. Geib". The signature is fluid and cursive, with a large loop at the beginning and a long tail extending to the right.

John C. F. Geib
Interim Town Manager



THE CITY OF SAFFORD

December 14, 1995

Mr. Jason N. Dezozo, Research Assistant
Arizona State Senate
Capitol Complex, Senate Building
Phoenix, Arizona 85007

Dear Mr. Dezozo:

You asked us to provide you with certain information pertaining to statistics related to the City of Safford. Specifically, you asked for housing information and information concerning inmate labor. Several Charts are inclosed that give you the information requested. Please let me know if you have any questions concerning this information.

Sincerely,

THE CITY OF SAFFORD


Ronald J. Jacobson
City Manager

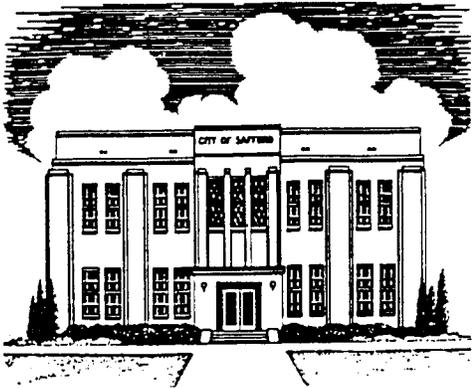
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Enclosures (6)

BASIC COUNTS OF POPULATION AND HOUSING

Persons		Housing			
	Total	Total	Occupied	Vacant	Rate
Graham County	29,772	9,950	8,981	969	9.73
Pima Town	1,850	672	619	53	7.89
Safford City	8,773	3,486	3,179	289	8.33
Thatcher City	3,957	1,328	1,237	91	6.85

Special Census of Graham County, Arizona
 Census Date: March 18, 1995



THE CITY OF SAFFORD

December 14, 1995

Joni L. Hoffman, Legislative Research Analyst
Arizona State Senate
1700 W. Washington
Phoenix, Arizona 85007

Dear Ms. Hoffman:

Affordable Housing for Correctional Services Officers

Senator Noland and Representative Smith asked for comments concerning alternatives that might be considered to address the issue of affordable housing for Correctional Services Officers. Ten alternatives were submitted and our preference for the four best options as far as our community is concerned follow.

Please consider the four best options, in order of preference, to be:

1. Alternative E -- State Land.
2. Alternative A -- State Linked Deposit Program.
3. Alternative F -- Increase State Housing Trust Fund.
4. Alternative H -- General Fund Appropriations.

Making state land available for affordable housing has the potential for providing several benefits. First, in most rural communities, conversion of state land to affordable housing property would be the highest and best use of the land and consequently comply with existing constitutional requirements. Additionally, if this land were sold to developers for this purpose, the land would be converted to private ownership and thus provide revenue to the rural areas through property taxes to assist in infrastructure development.

Alternative A keeps the financing for affordable housing in the private sector. It provides incentives for financial institutions to make resources available for affordable housing. Developers would then have incentive to construct the needed housing.

Increasing the percentage of unclaimed property that is transferred to the State Housing Trust Fund would increase the resources available for additional housing. This fund is already functional and operating so no new organizational structure would be required.

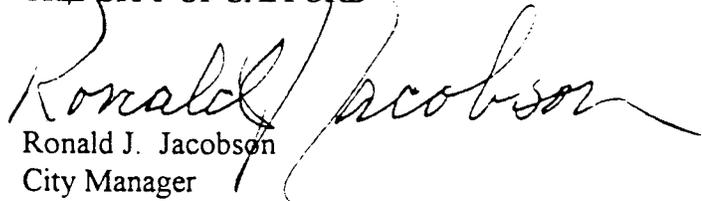
The least preferable alternative of the four options we recommend is general fund appropriations. This alternative has the disadvantage of being subject to the whims of the Legislature each year. It has the advantage of having the Legislature as a player in assisting in the providing of affordable housing to employees of the State. We believe that this alternative should be restricted to using the appropriations as guarantees to leverage other private financing for the purpose of obtaining affordable housing in the prison cities.

There is an ample supply of state land near the City of Safford that is really being used for no obvious purpose at the present time. Private lands are available within the City that would be available under the right circumstances and with negotiation with land owners.

Please let me know if we can be of further assistance.

Sincerely,

~~THE CITY OF SAFFORD~~


Ronald J. Jacobson
City Manager

/gl

Mayor
James L. Boles
21 Williamson Avenue
Winslow, Arizona 86047
(602) 289-2422
Fax: (602) 289-3742
TDD: (602) 289-4982



Council Members
Curtis Hardy Terry Nagle
Dolores Rodriguez
Arnold Scott
Daniel Simmons
T.E. Thompson

December 13, 1995

Jason Bezozo
Arizona State Senate
Capitol Complex, Senate Building
Phoenix, Arizona 85007

Dear Mr. Bezozo:

In response to your request for information, the City of Winslow would support the following options:

- A) State Linked Deposit Program
- B) State Income Tax Credits
- C) State Equity Fund
- D) State Land

2. Housing Availability:

- 3 Single Family Homes for sale
- 1 single Family Home for Rent
- 2 Mobile Homes for Rent
- 5 Apartments for Rent (substandard and depressing)

Housing Costs: (average monthly costs)

Owner Occupied with Outstanding Mortgage	\$ 552.
Owner Occupied without Mortgage	\$ 166.
Renter Occupied	\$ 331.

General Housing Data:

Total Housing Units = 3,109
Average # of persons per household = 3.36
Units built prior to 1939 = 25%

3. Inmate Labor

Projects include weed and trash removal and irrigation ditch repair.
Approximate value to City annually = \$ 32,000.
Approximate cost in broken equipment = \$ 5,000.

4. The City of Winslow owns property that would be suitable for affordable housing, and there is considerable acreage that is undeveloped and zoned for housing held by private

owners.

However, as you can see by the housing costs, affordability is not the concern in Winslow. Our issue is availability. Even high end housing would improve the situation by freeing up more affordable housing currently being occupied by higher income families. The one subsidized development that was built in Winslow is a barren, desolate eyesore and we have no interest in developing anymore of that type housing.

In fact, low housing costs is the reason given by many developers for not wanting to develop in Winslow. Unfortunately, none of these surveys takes the quality of the housing into consideration. If we condemned the number of dwelling units that are substandard and should be condemned, our citizens would be living in the streets. The catch 22 for us is that the low cost of these units skews the market data to the extent that this is not perceived as a profitable market.

If you have any questions regarding this information, please feel free to contact me at (520) 289-3411 ext. 227.

Sincerely,

Jennifer Meyer
Community Development Manager



cc: Don McDaniel, City Administrator

INFORMATION PROVIDED BY CITY OF YUMA

This information was provided on December 14 by telephone call from Ms. Marty McCune from the City of Yuma. Ms McCune is the Neighborhood Specialist.

Ms. McCune indicated that Yuma does not have a problem with available affordable housing. If pressed to choose from the listing of options, Yuma believes that C) **State Equity Fund** and F) **Increase State Housing Trust Fund** are the best options for Yuma.

YUMA CONSOLIDATED PLAN FOR 1995

CITIZEN'S SUMMARY

Action Plan

CDBG funds in the amount of \$1,057,000 are programmed for a variety of housing and community development activities including expansion of the senior center, renovation of a downtown hotel for affordable housing, public services, downtown streetscape improvements, downtown plan, and mixed use corridor study. HOME funds are not received on an entitlement basis, but must be applied for through the state. Funds for Tenant Based Rental Assistance have been received for four years.

Citizen Participation

The City's citizen participation process began with development and adoption of a new Citizen Participation Plan in January. Also in January, public hearings were held in locations other than City Hall for the first time. In February, a meeting was held with social service agencies to discuss service coordination and identify gaps. The group has continued to meet on a regular basis to discuss the service climate in the community. In April, the draft Consolidated Plan was made available for public review, two public hearings were held, City staff met with the Housing Authority Resident Council to discuss plan elements, and another meeting was held with social service agencies. May saw consideration by City Council of proposed CDBG activities, and final adoption of the Plan.

COMMUNITY PROFILE

The City of Yuma, Arizona is located in the far southwest corner of the state on the banks of the Colorado River. The river forms the border between Arizona and California, and Yuma is also close to two states in Mexico - Baja California about 10 miles to the west and Sonora about twenty miles to the south. Yuma has historically been a city to go through on the way to somewhere else -- being half way between Phoenix and San Diego and half way between Los Angeles and Tucson. Yuma was the lower fording point on the Colorado River and thus every major movement which contributed to the development of the American west went through Yuma and left its mark on the history of the area.

The major contributors to the economy of the area are agriculture, tourism and government. Tourism brings more than 50,000 winter residents from northern states and Canada to Yuma each year which impacts both services in the community generally and the housing market. The majority of the winter visitors stay in RV parks outside the City limits, however a number rent apartments each year making the rental market extremely tight during the winter months. Agriculture also contributes

to the tight rental market as lettuce and citrus harvest seasons bring many farmworkers to the area from September to April.

The total population of the City of Yuma grew from 42,433 in 1980 to 54,923 in 1990 -- a 29% increase in population. The number of households grew even more -- by 37% from 14,045 in 1980 to 19,282 in 1990. *The 1995 Special Census showed a population of 60,457, with 24,057 households.*

There was a shift in proportions of ethnic and racial groups between 1980 and 1990. The proportion of whites in the population fell from 67% of total population in 1980 to just over 58% in 1990. Proportions of all minorities rose, with the largest increase being in the proportion of Hispanics going from 27% in 1980 to 35.6% in 1990.

Yuma County includes a relatively large number of migrant and seasonal farmworkers. Approximately 2,400 farmworkers work and reside in Yuma County . Assuming an average family size of 4.5 persons per household, a minimum population of 10,800 persons comprise farmworker families permanently living within Yuma County. (This figure would increase to 12,800 to 13,100 when migrant farmworkers permanently residing elsewhere in the State or Southwest U.S. are factored into the equation.)

HOUSING AND COMMUNITY DEVELOPMENT NEEDS

Conditions

Yuma is experiencing rapid growth, with the metropolitan area being the fourth fastest growing metropolitan area in the country. The seasonal nature of the economy from both agriculture and tourism, and stubborn double-digit unemployment, remain issues in providing affordable housing. There have been a number of major commercial projects in the last several years including Target, Dillard's, Toys R Us, Super K Mart, however most of these businesses provide jobs minimum wages and seasonal employment. Several new industrial projects are being developed to provide higher paying year-round jobs.

Housing Needs

The discussion which follows uses the term "housing problems" extensively. "Housing Problems" are defined as one or more of three items -- a) cost burden - paying more than 30% of income for rent and utility costs; b) overcrowding, and c) substandard housing conditions. Data was provided by HUD for households with housing problems.

While 46% of *renter* households in the City of Yuma have housing problems of some sort, the percentage jumps to nearly 80% for families making less than 51% of MFI. For all minority headed households, the chance is even higher with 87% and 81% of those in the income categories of 0-30% Median Family Income (MFI), and 31-50% MFI respectively having housing problems. For black households the percentage is even higher, with 92% of those in the 0-30% MFI category having housing problems, and 100% of those in the 31%-50% category having problems. Hispanics fare better than blacks, with 86% of those in the 0-30% MFI category having problems, and only 77% of those in the 31-50% category having housing problems.

Family type is another way to analyze the extent to which income level affects housing problems, with 78% of renter households below 51% of MFI having housing problems. Elderly families are the least likely to suffer housing problems, and large families (5 or more persons) are the most likely to have problems. All minority households suffer more than the general population from housing problems when their incomes are less than 51% of MFI.

Only 24% of *homeowners* have housing problems when their incomes are less than 51% of MFI. The percentage jumps to 72% for those with incomes under 30% MFI and 60% for those from 31-50%. For minority owners, 78% of those with less than 30% MFI and 64% of those from 31-50% MFI have housing problems. Family size is another indicator, with 100% of large families in all categories having housing problems.

Housing Market Conditions

In 1990 U.S. Census, Yuma had approximately 10,784 detached housing units, 1,290 one-unit attached structures, 6,004 multi-family units, and 4,611 mobile home, trailers, or other units. Mobile homes represent a significant portion of the City's housing stock, as approximately 2,000 units are situated on subdivided urban land, 68 on unsubdivided land, and 2,318 units situated in 134 mobile home parks located throughout the City. There are approximately 518 mixed residential dwellings with the City.

Vacancy rates for housing fluctuate significantly over time and are contingent on dynamic market conditions. Because of the seasonal nature of Yuma's economy, vacancies are plentiful in the summer and virtually nonexistent during the winter months.

Housing Affordability

- ◆ For Yuma County, median family income rose by 71% between 1980 and 1990. Monthly contract rent rose by 79% during the same period, resulting in a 4.8% erosion of rental affordability. In December, 1994, MFI rose to \$30,100, a 29% increase from 1990.
- ◆ Homeownership affordability rose 7.6% during the same 10-year period, making it easier to own a home.

- ◆ Only 15% of owner occupied dwellings surveyed were valued under \$50,000. leading to the conclusion that gains in affordability have likely benefitted moderate income households the most.
- ◆ In January, 1995, according to the Norton Report, the median closed price for a home was \$62,275, with a 4 bedroom house costing \$115,000 which is well out of the range of low-moderate income people.

Housing Condition

About 17% of occupied owner units were substandard according to the 1990 Census, with 13% of rental units also substandard. Based on information from the City of Yuma Housing Assistance Plan in 1991, approximately 69% of occupied substandard owner and renter units were estimated to be suitable for rehabilitation, with the balance not economically feasible to repair.

Overcrowding

According to the 1990 Census, 6% of owner-occupied dwellings and 16% of renter-occupied dwellings were in an overcrowded condition (more than 1.01 persons/room) in 1990.

Concentrations of Minority and Low-Income Households

Generally speaking, the farther north a census tract is located, the greater the minority and low-income concentrations. The greatest concentration of minority households - 64% - is located in Census Tract 1, and the least concentration - 17% in Census Tract 10. The City's North End Redevelopment Project Area is within Census Tract 1. The City considers any area which exceeds 50% low-income or minority to be an area of concentration and a location for special outreach efforts.

Affordable Housing Needs

Rental Assistance is needed because renters make up 61.5% of very low-income households and 55.3% of other low-income households, and more than 75% pay in excess of 30% of their income for rent and utilities in the very low income category; Housing Authority waiting lists for rental assistance and conventional public housing exceed 1,400 on EACH list; renter households with "worst case" needs number more than 1,100; vacancy rates in existing rental housing are low, especially in the winter.

New Construction can be justified because there is adequate vacant land available for the development of new rental or owner occupied housing; There are approximately 722 households which have five or more persons which are very low income or other low income; rental units having three or more bedrooms are scarce and are generally not affordable to very low or low income renters; there is not a supply of vacant and habitable public housing in excess of turnover units.

Housing Rehabilitation is needed because substandard units make up 17% of the housing stock which is owner occupied, with 86% of those units considered suitable for rehabilitation; high unemployment affects an owner's ability to maintain his property and can lead to deterioration or loss of buildings. Rehabilitation of rental units is also needed.

Homebuyer Assistance is needed because mortgage funds are plentiful and rates are low, however low income homebuyers have difficulty coming up with downpayment and closing costs.

Homeless Needs

According to a State-sponsored Yuma County Homeless Survey it is estimated that some 600 homeless persons are in Yuma during the winter months. There are emergency shelter facilities for the homeless in Yuma with Crossroads Mission being the largest with the ability to provide 70 emergency shelter beds for males; 40 emergency beds for women and children. Unduplicated numbers showing shelter service use in 1994 were 2,300 individuals and 600 families. Approximately 200 people are turned away annually due to unavailable beds.

Other agencies which provide limited beds for specific user populations include Catholic Community Services for victims of domestic violence, and Behavioral Health Services for seriously mentally ill persons. The Council of Governments operates a motel voucher program to provide limited emergency assistance, as well as a rent and mortgage program to keep people from becoming homeless.

The City of Yuma surveyed the social services agencies regarding the needs of the homeless, and first priority was given to homeless families. The primary identified need is support facilities and services, with rehabilitation of existing housing units coming in next in priority order. There is reasonable coordination among the providers of service to attempt to avoid duplication. The City has participated with CDBG funding for transitional housing for mentally ill homeless with Behavioral Health Services and with Safe House for victims of domestic violence. Rental assistance is a secondary need as the need for housing assistance is great for those who are homeless. The Housing Authority has six Section 8 certificates designated for homeless households.

Public and Assisted Housing Needs

The City's Housing Authority manages 185 public housing units with another 50 under construction on four sites. All units are in excellent condition. The Authority regularly applies for CIAP and CDBG funds to repair these units and sites.

Housing Authority units are well managed, and no improvements are needed in management. There are a number of programs ongoing for public housing tenants including drug elimination, Family Self Sufficiency Program, working to publicize the low-rent program and develop a network of responsible Section 8 Landlords, and assessment of tenant's needs. Other activities include resident

councils, tenant patrols, participation in the Boys and Girls club, gang awareness meetings, teenager programs and teen dances.

Other units currently assisted by state or federal funds:

- (a) Section 8 Units - 806
 - New Construction - 110 - Private
 - Mod Rehab - 9 - Private
 - Certificates and Vouchers - 687 (Elderly - 76, Family 611) - HACY

- (b) All privately-owned rental housing
 - Section 202 Elderly - 60 units
 - Low Income Housing Tax Credit - 144 Units
 - Farmers Home 516 - Farmworker Housing - 32 units
 - Section 236 - Family - Section 8 - 80 units

No units are expected to be lost from the assisted housing inventory.

Barriers

Review of local development regulations and fees reveals that there are no locally caused barriers to the development of affordable housing. In fact, the City has recently amended the zoning ordinance to allow construction of homes on small lots (4,500 square feet) under certain circumstances. This action was initiated by a local developer who provides both infill and subdivision homes which are affordable to first-time homebuyers.

Fair Housing

The City will complete the required Analysis of Impediments to Fair Housing and develop a program of activities by February, 1996. The Housing Authority of the City of Yuma currently processes complaints and the City put on a Fair Housing Workshop in April, 1995.

Lead-Based Paint

The City has a potential of up to 5,000 households -- both renters and homeowners -- living in units with lead-based paint. This figure was arrived at by completing HUD-mandated calculations based on age of housing. Thirteen cases of lead poisoning in children were reported to the Yuma County Health Department during 1994, however none were within the City of Yuma. The City will work with subrecipients doing housing rehabilitation to identify and abate these conditions, as well as providing information to community residents who might be at risk.

Community Development Needs

Priority Community Development Needs as shown in the Consolidated Plan are Senior Centers, Youth Centers, Parks and Recreation Facilities, other public facilities, and continuing needs for water, sewer, streets and sidewalks.

Coordination

The City coordinated with all local housing and social service agencies in development of the Consolidated Plan. This coordination will continue throughout plan implementation. The City is willing to support any applications for additional affordable housing, support services, and community development projects which are in compliance with the goals and objectives of this Plan.

Other coordination efforts include the reorganization of the Department of Development Services to include Neighborhood Services and to actively foster the development of neighborhood organizations and neighborhood-based leadership, as well as the coordination of City Capital Improvement Program funds in target neighborhoods.

HOUSING AND COMMUNITY DEVELOPMENT STRATEGIC PLAN

Vision for Change - Overall Goals

During the same time period that the Consolidated Plan was being developed, the City developed a Strategic Management Plan which provides direction for the City organization over the next several years. Action items which relate to the Comprehensive Plan include:

- ◆ Citizen Participation

- Institutionalize the process of sharing information and communicating with the community

- Institutionalize a process for joint problem solving

- ◆ Quality of Life

- Identify the current quality of housing throughout the City of Yuma and develop an action plan for improvement.

- Develop an urban homesteading program, and other creative housing approaches, to promote investment in order or declining neighborhoods.

- Create a community coordination council to provide a united effort to address all the facets

of crime and street violence.

Housing and Community Development Objectives

The City retained its six existing Housing and Community Development Objectives:

- ◆ Economic restructuring and revitalization of commercial districts
- ◆ Accessibility modifications to existing public and private facilities
- ◆ Upgrading of residential neighborhoods
- ◆ Provision of affordable housing
- ◆ Improving the capacity of social service agencies in the City
- ◆ Creation of new jobs.

Housing Priorities

Rental Assistance, rental rehabilitation and new construction are all proposed to meet the needs of low-income renters, depending upon the client group to be served. Housing stock is not adequate for large families, therefore new construction is needed for this group.

Rehabilitation of owner-occupied housing and homebuyer assistance are proposed to meet the needs of homeowners. Minority owners suffer housing problems more than other owners, and many of them live in the City's target areas and would therefore be served by a rehabilitation program.

Support services and facilities and rehabilitation are seen as needs to address the needs of homeless persons. Existing facilities are very limited and more are needed, especially in transitional and permanent housing. Rental assistance is also seen as a need to move the homeless into permanent housing. Homeless prevention and case management are also seen as needs.

Non-housing community development priorities

Public facilities and neighborhood improvements have been the non-housing community development priorities identified by the City. Examples of projects completed or underway are: Yuma Community Food Bank - acquisition and rehabilitation of facility and refrigerated trucks (completed); Addition to the Yuma Adult Center (underway); Downtown Streetscape Improvements (being designed); St. Vincent de Paul Thrift Shop (underway); Neighborhood Security Lighting (underway); Small Business Loans (being developed); Accessibility improvements in City parks (completed).

Anti-Poverty Strategy

The City of Yuma supports a number of programs and agencies whose work is directed to reducing the number of households below the poverty line. Examples of such activities are:

- ◆ Family Self Sufficiency program operated by the City's Housing Authority

- ◆ City funds to United Way for allocation to social service agencies
- ◆ Support of applications for additional public and assisted housing
- ◆ City ownership of senior center - contracts for nutrition and other programs
- ◆ Support of JTPA training programs - employing summer and other participants
- ◆ Developing small business loan program
- ◆ Participation in Western Arizona Council of Governments - agency provides a variety of services for the poor including rent and mortgage assistance, area agency on aging, energy assistance for payment of utility bills, weatherization and emergency repair for homeowners, headstart program.
- ◆ Support for Yuma Economic Development Corporation to create new jobs.

Housing and Community Development Resources

The funding sources planned for use by the City of Yuma over the next several years include:

CDBG Entitlement Funds - \$1 million + per year.

HOME Funds - Amount unknown - competitive process

Energy and FEMA funds - used for emergency repair and for rent and mortgage assistance

Historic Preservation Funds and Tax Credits

Low Income Housing Tax Credits

HUD Homeless Program funds - Amounts uncertain - highly competitive

HUD Low Rent Housing Operating Subsidy and Construction funds

Drug Elimination Grants

Arizona Housing Trust Funds - state trust fund - highly competitive - much is used for match for the HOME program and in conjunction with HOME projects.

Arizona Heritage Fund - state fund - highly for use on designated historic properties.

State Homeless funds - Emergency Shelter Grant funds passed through as are limited state funds - very limited amounts.

Private loan funds from banks, developers, etc.

Match by private property owners

Coordination of Strategic Plan

The City of Yuma Division of Planning and Neighborhood Services will coordinate the plan along with a number of housing providers including Housing America, Western Arizona Council of Governments (emergency repair, Area Agency on Aging, Energy Assistance, Rent and Mortgage Assistance); Housing Authority of the City of Yuma (HACY) - low rent public housing and family self-sufficiency., Crossroads Mission - emergency shelter and services for the homeless, Behavioral Health Services - seriously mentally ill clientele; Catholic Community Services - domestic violence and senior nutrition program. The group of social service agency representatives which began meeting during the Comprehensive Plan process will also continue coordinate housing and community

development programs and activities.

ONE YEAR ACTION PLAN

The City of Yuma receives only CDBG funds on an entitlement basis. The activities for FY 1995 are divided into several categories and the budget includes some \$140,000 in reprogrammed CDBG funds from previous years.

- ◆ **Administration and Planning** Includes two plans - one for the downtown area, and the other to prepare a corridor study for a major arterial.
- ◆ **Public Services**
 - Outreach Coordinator for the emergency repair program
 - Medical services at the Crossroads Mission
 - Hotline for latch key kids and parenting classes
 - Fair housing activities.
- ◆ **Public Facilities**
 - A major addition to the City's Adult Center (senior center)
 - Repair of the roof of a historic downtown movie theater
 - Downtown streetscape improvements.
- ◆ **Neighborhood Conservation**
 - Design of a comprehensive neighborhood conservation program
 - Code enforcement
 - Clean-up, fix-up, paint-up funds to be used with volunteers
 - Security lighting in low-income neighborhoods.
- ◆ **Housing**
 - Planned but not implemented because of HUD eligibility problems - homebuyer assistance through a subrecipient
 - Renovation of a downtown hotel to provide 59 studio and one-bedroom units - project uses multiple funding sources which include the low-income housing tax credit and CDBG and HOME funds.
- ◆ **Economic Development**
 - Payment of Section 108 loan payment for economic development project just underway
 - Small business loans in conjunction with Yuma Main Street, Inc. and Arizona Multibank.