Yuma County Housing Needs Assessment

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INTRODUCTION

Yuma County chose to develop a Housing Needs Assessment utilizing CDBG funds by vote of the Yuma County Board of Supervisors in 2009. The primary driver of this Housing Needs Assessment is a proportionately larger volume of dilapidated residential structures in the unincorporated County than are typically found in incorporated areas. Several nonprofit agencies operate minor housing repair programs, yet many structures are in need of major rehabilitation. The County began using CDBG funds for housing rehabilitation in 2000 and has made progress towards addressing housing quality conditions of properties owned by low- and moderate-income households. By undertaking a Housing Needs Assessment and developing a Comprehensive Plan Housing Element, Yuma County will be better prepared to address housing variety and affordability conditions along with housing quality conditions.

The Housing Needs Assessment serves as the basis for the Housing Element of the Yuma County 2020 Comprehensive Plan, which states goals, objectives, policies and incentives to address conditions identified in this assessment. The Housing Element is incorporated into the Yuma County 2020 Comprehensive Plan. The Housing Needs Assessment consists of seven sections:

1. A socio-economic inventory that describes households, families and income.
2. A housing market overview that describes occupancy and tenure, housing variety, housing quality and housing affordability.
3. Projected population, household and housing unit needs in 2020.
4. A description of regulatory barriers in Yuma County.
5. A description of current resources and the delivery system.
6. A summary and description of possible strategies to address identified housing conditions.

Demographic trends have been utilized to establish a growth rate and anticipate socio-economic changes and conditions in 2020. Data and conclusions are drawn for several geographies, based on available data. Geographies include Yuma County as a whole (including both incorporated and unincorporated areas), unincorporated Yuma County, and the local jurisdictions of Somerton, San Luis, Wellton, and Yuma.

The Housing Needs Assessment was conducted over a six month period from December 2011 through May 2012, during an economic recession. At the beginning of the recession in 2008, economic experts predicted an economic downturn lasting from three to six years, and have now extended those predictions for another two to three years, with continued changes in the housing market.

For some, the economic recession is a time to wait; however, it is also the ideal time to take stock of what has occurred, address immediately identifiable conditions, and define housing policy suitable during both times of economic prosperity and economic uncertainty. Accordingly, the possible policies, programs and incentives are intended to address housing conditions throughout the economic cycle.

SOCIO-ECONOMIC INVENTORY

The inter-relationship between the housing market and socio-economic conditions is readily recognized – an increase in population generally results in an increase in housing units, while a decrease in population results in decreased demand for housing units. Changes in household composition or income further impact housing unit demand, home prices and rents. Given the inter-relationship, a clear understanding of socio-economic trends and conditions is the starting point to identifying strategies that promote a balanced housing market in which a variety of quality and affordable housing opportunities are available for existing and future residents at all income levels.

Population and Households

According to the Yuma County 2020 Comprehensive Plan and the US Census Bureau, from 2000 to 2010, the Yuma County population grew by 23%. The annual population growth rate peaked in 2005 at nearly 4%. The second half of the decade saw the real estate bubble burst, housing prices decline and a major recession. By 2009 the annual growth rate for unincorporated Yuma County had declined to 0.31% per year.

- The US Census Bureau reports that between 2000 and 2010, Yuma County households increased 31% from 53,904 to 70,289. The number of households in the unincorporated County grew from 21,549 in 2000 to 25,911 in 2010.
- The highest rates of household growth were in the Cities of San Luis (104%) and Somerton (92%), and the lowest rates of household growth were in the City Yuma (26%) and the unincorporated County (20%).

While population is important to the distribution of federal and state funding, households occupy housing units and are the primary measure of housing need and demand.

From 2000 to 2010 the number of households grew at a faster rate than population, indicating smaller household size.

POPULATION AND NUMBER OF HOUSEHOLDS TRENDS BY JURISDICTION 2000 – 2010

	Population				Households			
	2000	2010	2000 – 2010 Change		2000	2010	2000 – 2010 Change	
			No.	%			No.	%
Yuma County	160,026	196,972	36,946	23%	53,848	70,289	16,441	31%
Unincorporated	57,948	66,004	8,056	14%	21,540	25,911	4,371	20%
San Luis	15,342	23,829	8,487	55%	3,023	6157	3,134	104%
Somerton	7,255	13,230	5,975	82%	1,821	3,489	1,668	92%
Wellton	1,936	2,730	794	41%	767	1,162	395	51%
Yuma, City	77,545	91,179	13,634	18%	26,697	33,570	6,873	26%

(1) Census 2000
(2) US Census American Community Survey 2010 5-yr estimates

Age of the Population

Housing preferences are often different among age groups. Understanding the age of the population can help plan for the types of housing units, community amenities, and social, economic and physical infrastructure that will be needed.

Older householders are less likely to participate in the workforce, more likely to own than rent, typically prefer suburban lifestyles, are more likely to pay cash or make a significant down payment when purchasing a home, and are more likely to purchase second or seasonal housing units. At the same time, older householders depend upon younger working householders to support the economy and provide needed services.

Younger households are more likely to rent than own, require a range of employment opportunities including the ability to move up within an industry, high-quality educational opportunities, appropriate recreation, and access to mortgage financing for home purchase. The trend among younger households is to have fewer children, a contributing factor to smaller household size.

In 2010, nearly one-third (32%) of Yuma County's population was school-age (19 or under) and 45% was working-age (between 20 and 59).

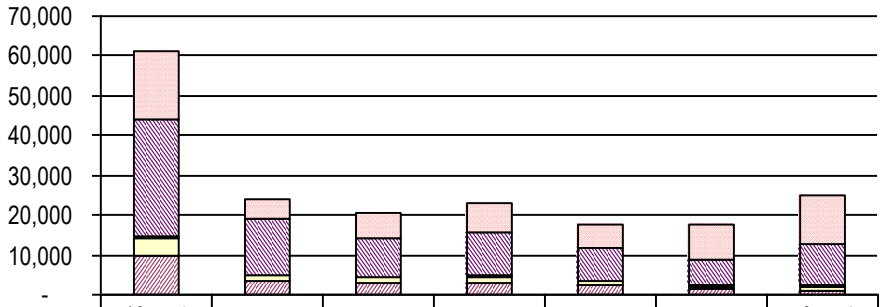
Communities with a high percentage of population age 19 and under include San Luis and Somerton, where 40% of the population is in this age category.

By 2020, approximately 9% of the County's population will reach working age and 5% of the population will reach retirement age.

By 2020 the need for employment and appropriate housing opportunities will surpass the need for retirement housing opportunities.

The aging population, empty nesters, and younger households with fewer children generally want smaller lots, affordable homes, and easy access to community amenities and employment.

Population by Age Yuma County 2010



	19 and younger	20 to 29	30 to 39	40 to 49	50 to 59	60 to 69	70 and over
Unincorporated Yuma Co	16,877	5,059	5,996	7,457	5,767	8,993	12,517
Yuma, City	29,362	14,062	9,905	10,967	8,048	5,925	10,171
Wellton	700	133	246	343	207	651	552
Somerton	4,462	1,423	1,175	1,626	960	779	881
San Luis	9,641	3,324	3,088	2,852	2,404	1,226	1,014

Households, Families and Household Size

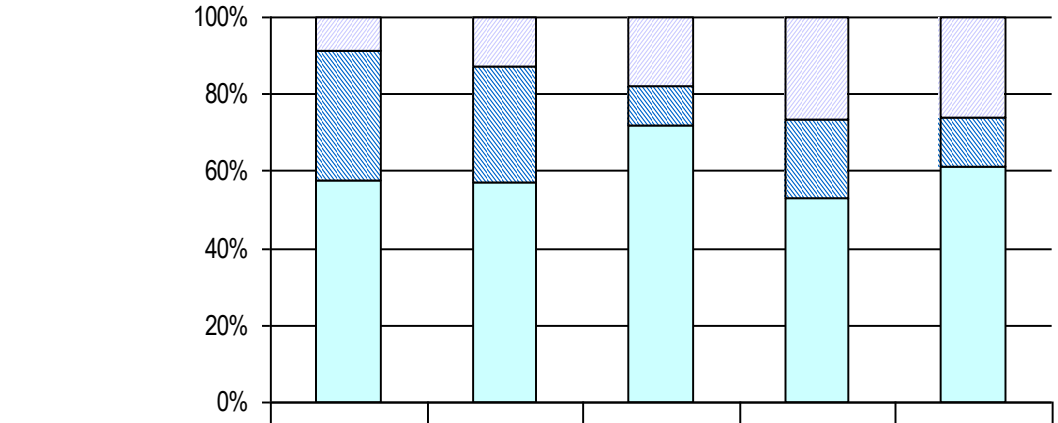
- Single-person households. Twenty percent (13,864) of households were single-person households including 5,176 in the unincorporated County. Yuma has a higher percentage (23%) of single-person households, and San Luis (8%), Somerton (12%) and Wellton (15%) have lower percentages.
- Two person households. Thirty-five percent (25,122) of households consisted of 2 people, with higher percentages in Wellton (55%) and the unincorporated County (45% or 11,596).
- Three and four person households. Twenty eight percent (19,623) of households consisted of 3 or 4 people, with higher percentages in San Luis (38%) and Somerton (35%).
- Five or more person households. Seventeen percent (11,680) of households consisted of 5 or more people, with a higher percentage in San Luis (37%) and Somerton (32%).

Six of ten (57%) households consist of married couple families, with higher percentages in Somerton (72%) and Yuma (61%).

One of five (19%) households is a single parent family, with higher percentages in San Luis (34%) and Somerton (30%).

One of four (24%) households is a nonfamily household, defined as a single person household or unrelated people living together. Four of five nonfamily households are single-person households. Nonfamily households are least common in San Luis (9%) and Somerton (13%).

Two person households are the largest segment of households (35%), followed by three-person households (28%) and single-person households (20%).



	San Luis	Somerton	Wellton	Yuma, City	Unincorporated
Nonfamily Households	544	448	207	8,864	6,789
Single Parent Family	2,076	1,047	117	6,946	3,244
Married-couple Family	3,537	1,994	838	17,760	15,878

Household Income

Household income is the primary determinant of housing affordability and therefore housing opportunity and choice. Income, household wealth and access to credit determine housing choice and affordability. Households with higher incomes generally have greater access to capital and credit than lower-income and households have and therefore have more housing choice.

There are three measures of household income – US Census Family Income, US Census Nonfamily Income and HUD Household median income. US Census income estimates are available by jurisdiction while HUD median household incomes are countywide. HUD median household income estimates are used to determine eligibility for housing assistance programs.

According to the US Census, 22% of Yuma County households have incomes below $20,000; 23% have incomes between $20,000 and $34,999; 17% have incomes between $35,000 and $49,999; and 38% have incomes greater than $50,000.

In 2010, 22% (15,798) of Yuma County households had incomes below $20,000, 23% (16,166) had incomes between $20,000 and $34,999, 17% (11,843) had incomes between $35,000 and $49,999, and 38% (26,482) had incomes greater than $50,000.

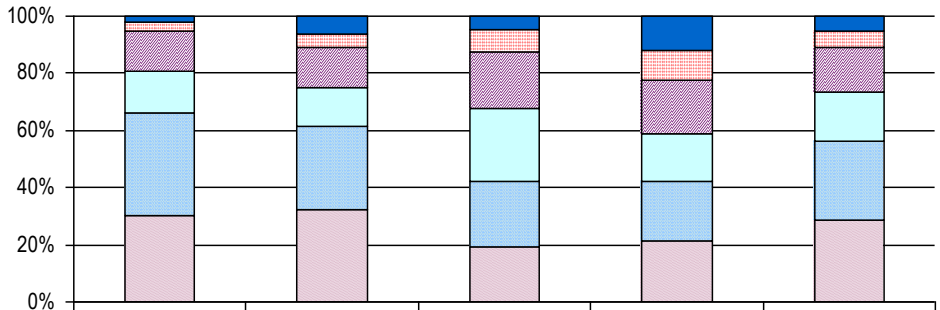
The HUD median household income in 2010 was $44,600. Four-person households with incomes below $38,650 are eligible for housing assistance programs.

Median family income is about 90% of HUD median household income.

Median non-family income is about 61% of HUD median household income.

Incomes are lowest in San Luis and Somerton and highest in the City of Yuma.

Households by Income Category by Jurisdiction 2010



	San Luis	Somerton	Wellton	Yuma	Unincorporated
$100,000 or more	115	211	57	4,053	1,109
$75,000 to $99,999	205	171	91	3,440	1,207
$50,000 to $74,999	860	497	228	6,329	3,357
$35,000 to $49,999	904	472	297	5,665	3,761
$20,000 to $34,999	2,226	1,020	263	6,840	5,906
Less than $20,000	1,847	1,118	226	7,243	6,209

Household and Family Income Trend

As the economy expands and the cost of goods and services increases, it is expected that incomes will also increase. The trend in household income is one measure of housing affordability over time. According to the US Census, between 2000 and 2010 median family income increased 21% ($6,672) from $32,182 to $38,854, while median non-family income increased 17% ($3,692) from $21,736 to $25,428. Families in San Luis (down 6%) and Somerton (down 25%) experienced income decreases.

MEDIAN FAMILY AND NONFAMILY INCOME TREND BY JURISDICTION 2000 - 2010

	Median Family Income			Median Nonfamily Income		
	2000	2010	% Change	2000	2010	% Change
Yuma County	$32,182	$38,854	21%	$21,736	$25,248	16%
San Luis	$22,966	$25,098	9%	$9,531	$8,963	-6%
Somerton	$26,544	$28,335	7%	$15,000	$11,291	-25%
Wellton	$27,045	$40,102	48%	$15,667	$23,438	50%
Yuma, City	$35,374	$41,750	18%	$22,567	$27,232	21%

Sources: Census 2000; US Census American Community Survey 2010 5-yr estimates

TREND IN HOUSEHOLDS BY INCOME CATEGORY 2000 TO 2010 YUMA COUNTY AND UNINCORPORATED YUMA COUNTY

	Yuma County			Unincorporated Yuma Co		
	2000	2010	2000 to 2010 Change	2000	2010	2000 to 2010 Change
Less than $20,000	15,105	15,798	5%	6,209	5,364	-14%
$20,000 to $34,999	14,180	16,166	14%	5,906	5,817	-2%
$35,000 to $49,999	9,367	11,843	26%	3,761	4,505	20%
$50,000 to $74,999	8,535	12,923	51%	3,357	5,009	49%
$75,000 to $99,999	3,507	6,558	87%	1,207	2,651	120%
$100,000 or more	3,210	7,001	118%	1,109	2,565	131%
Total	53,904	70,289	30%	21,549	25,911	20%

Source: US Census American Community Survey 2010 5-yr estimates

Between 2000 and 2010, 27% of household growth was in the $50,000 to $74,999 income category and another 23% in the greater than $100,000 income category.

In San Luis and Somerton households with incomes below $20,000 represented 39% and 32% of household growth respectively. The median income in these communities also increased the least – 9% in San Luis and 7% in Somerton. Both communities also experienced decreases in non-family median income.

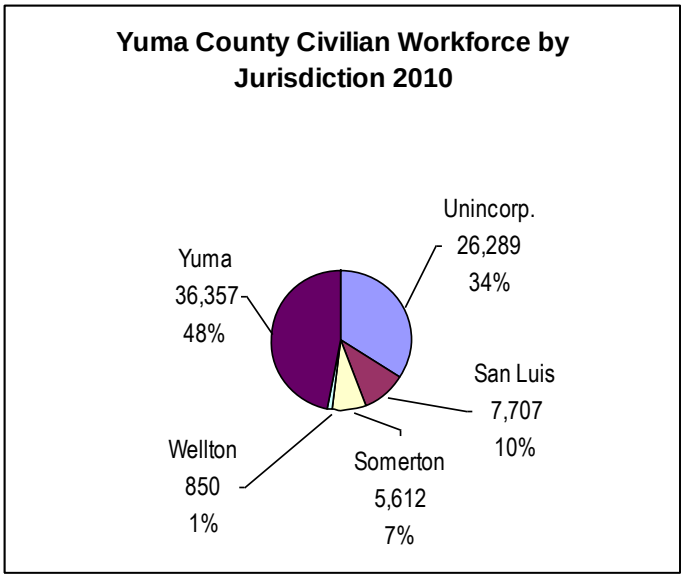
In the unincorporated County, households with incomes below $20,000 decreased.

Households with incomes greater than $100,000 became more prevalent in the unincorporated county and Yuma.

HUD median household income increased 25% or $8,900 between 2000 and 2010 from $35,700 to $44,600.

The Workforce and Employment

The full-time workforce is generally comprised of people aged 25 to 54. Forty-five percent (45%) of the Yuma County population is of working age. San Luis (49%) and Yuma (58%) have higher percentages and the unincorporated County (33%) and Wellton (39%) have lower percentages. Nearly one-half (48%) of the workforce resides in the City of Yuma and one-third (34%) in the unincorporated County.



Place of Work and Travel Time to Work

In its November 2005 Western Arizona Council of Governments (WACOG) Housing Needs Assessment and Strategy, Crystal and Company stated that the City of Yuma is a net importer of lower income workers, while the Cities of Somerton and San Luis are net exporters of lower income workers. In other words, there is an imbalance between employment and housing availability. The report concluded that communities that export lower-income workers have major housing affordability challenges. 2010 Census data confirm this trend continues.

PLACE OF WORK AND RESIDENCE 2010				
	Working in Jurisdiction		Working outside Jurisdiction	
	No.	%	No.	%
Yuma County	30,087	56%	23,464	44%
San Luis	1,541	25%	4,597	75%
Somerton	975	26%	2,843	74%
Wellton	314	49%	332	51%
Yuma, City	25,883	73%	9,476	27%
Source: US Census American Community Survey 2010 5-yr estimates				

The ability of working households to find appropriate employment close to quality affordable housing is a key issue in attracting and retaining a qualified and diverse employment base.

Regionally, there is an imbalance between employment availability and housing availability. Three quarters of the employed population in San Luis and Somerton work outside of their jurisdiction, while only one quarter of City of Yuma employees work outside of the City.

Communities that lack diverse and stable employment opportunities are challenged to sustain or grow.

Primary Industries

According to the Greater Yuma Economic Development Corporation, the Yuma County economy thrives on two major defense facilities, a highly progressive inter-state regional medical facility, a retail and hospitality sector that attracts 70,000 winter visitors annually, and a growing industrial development sector.

The Agricultural Sector. In terms of both employment and overall economic impact, the agricultural sector is the largest sector of Yuma County's economy. Bureau of Labor Statistics estimates from the third quarter of 2009 to the second quarter of 2010 indicate that the agricultural sector employed 8,200 workers on a permanent basis and 20,200 workers at the seasonal peak. Maintaining agricultural uses on prime valley farmland is one of the central goals of the Yuma County 2020 Comprehensive Plan.

Both the agricultural sector and defense facilities have significant impacts on land use in Yuma County, and preserving land uses for these important economic sectors is essential to long-term sustainability.

Ensuring that employees in primary industries and occupations have access to a variety of quality and affordable housing options is central to the County's housing strategy.

Defense Facilities. There are three significant defense facilities in Yuma County – Yuma Proving Ground, the Marine Corps Air Station and the Barry M. Goldwater Range. Yuma Proving Ground (YPG) is the largest single employer in Yuma County employing approximately 3,000 civilian and military employees. Approximately 450 employees reside in housing located within YPG. General Motors also employs about 75 people at this site. In 2010, 4,249 military personnel were stationed at the Marine Corps Air Station in the City of Yuma. Approximately 6,877 family members of military personnel based at MCAS were present in Yuma County and 1,877 civilians were employed at MCAS.

The Barry M. Goldwater Range (BMGR) is the nation's second largest military reservation with 928,263 acres located in unincorporated Yuma County. The BMGR's primary function is to provide a training location for aerial gunnery, rocketry, electronic warfare, tactical maneuvering and air support and an armament and high hazard testing area for other defense related purposes.

In terms of employment, the top five industries in Yuma County in 2011 employed 79.7% of the workforce and include:

1. Education and health services;
2. Trade, transportation and utilities;
3. Public administration;
4. Agriculture; and
5. Retail trade.

PRIMARY INDUSTRIES – YUMA COUNTY 2011	
	% of Employment
Education and Health Services	20.0%
Trade, Transportation and Utilities	17.9%
Public Administration	14.8%
Agriculture	14.1%
Retail Trade	12.9%
Source: Arizona Workforce Informer Bureau of Labor Statistics Data	

Primary Occupations and Median Wages

While industries are an indicator of economic diversity, occupations tell us about the types of jobs held by the workforce. In 2010, two primary occupations – office and administrative support and farming - accounted for 28% of Yuma County employment. The top five occupations accounted for 65% of employment. Three of the top five occupations have annual median wages below $20,000 – farming, sales and related, and food preparation and serving.

PRIMARY OCCUPATIONS & WAGES BY PRIMARY OCCUPATION YUMA COUNTY 2010		
	% of 2010 Yuma County Employment	**2010 Median Wage**
Office and Administrative Support	14.6%	$26,519
Farming, Fishing, Forestry	13.2%	$18,077
Sales and Related	9.6%	$19,817
Food Preparation and Serving	7.9%	$17,719
Education, Training, Library	6.3%	$36,748
Source: Arizona Workforce Informer; Bureau of Labor Statistics Data		

Employment Trend

The Bureau of Labor Statistics produces monthly employment data. Data includes information on employment, hours, and wages in all industries, including those tied to housing such as residential construction, real estate, and finance. In 2006, the economy and real estate market were both robust. At that time, the Bureau of Labor Statistics indicated that the top growing jobs in Yuma County were in government, support activities for crop production, and residential building construction. Industries with declining jobs were department stores, business support services, and motor vehicle dealers.

According to the BLS from 2006 to 2011, net employment in Yuma County declined by 3,600 jobs. The greatest employment losses were in:

- Mining, logging and construction –59.6% decline;
- Manufacturing –35.7% decline; and
- Financial services –18.8% decline.

During the same period, several sectors experienced employment growth including professional and business services, education and health services, and public administration.

HOUSING MARKET OVERVIEW

Occupancy and Vacancy

The proportion of occupied units and the vacancy status of vacant units define overall housing demand and the primary use(s) of housing units.

- Occupancy rates throughout Yuma County range from a low of 74% in the unincorporated County to a high of 95% in San Luis.

Non-seasonal vacancy is a key indicator of housing supply and demand. A large volume of vacant units for sale or rent indicates an oversupply. A low volume indicates undersupply or housing held for other reasons, such as for seasonal employees. "Other" vacancy includes units that are uninhabitable, have been abandoned, and may include units in the foreclosure process. According to the 2010 US Census:

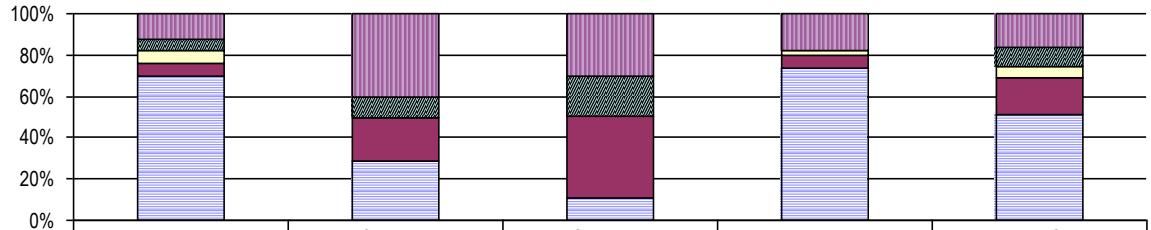
- Countywide, 28% of non-seasonal vacant units were for rent, 14% were for sale, 18% were rented or sold but not yet occupied, and 38% were held for "other" uses.
- Rental vacancy is higher in San Luis and Yuma and lower in the unincorporated County and Wellton, where seasonal vacancy is more prevalent.
- For sale units were proportionately more prevalent in the unincorporated County and City of Yuma.
- Data from federal sources indicate that there are 156 units held for migrant farm workers – 92 in the unincorporated County and 64 in the City of Yuma; these units account for 2% of the County's non-seasonal vacancies.

From 2000 to 2010, the occupancy rate in Yuma County increased five percent (5%) to 81%. An increasing volume of year-round residents during the decade may be one element of this change.

The majority (61%) of vacant housing units in Yuma County are seasonal units and nearly two-thirds (64%) of seasonal units are located in the unincorporated County.

Vacant and unattended residential properties can attract crime, cause blight, and pose a threat to public safety.

Vacancy by Jurisdiction 2010



	Unincorporated	San Luis	Somerton	Wellton	Yuma, City
Other	1,158	125	143	64	997
Rented/Sold	478	31	92	-	586
For Sale	571	-	-	9	332
For Rent	542	64	186	22	1,073
Seasonal	6,422	90	53	263	3,132

Tenure

The homeownership and rental markets are intricately related and the inter-relationship plays out over time. During a time of economic expansion, renters often seek to purchase a home before prices rise; the increased demand results in increased purchase prices. As more renters choose to buy and prices increase, rental vacancy rates increase and rents go down. As property owners have difficulty renting units, some sell; selling prices go down as the supply of for-sale units increases.

The reverse is true in a time of economic contraction. As demand for rental housing increases, vacancy rates decrease and rents go up. As rents go up, purchasing a home becomes more attractive again and the cycle restarts.

It is a widely-held belief that homeowners are more stable and contribute significantly to community stability through their financial investment. Consequently, areas with high homeownership rates have been considered less vulnerable to displacement from gentrification and rising housing prices. Yet the recent economic crisis, fueled in part by the housing crisis gives pause to this ideal.

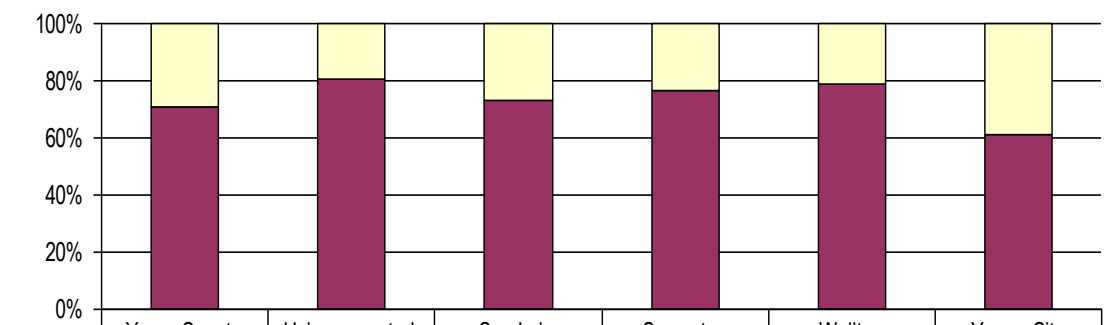
Both quality affordable homeownership and rental opportunities are essential to community and economic stability.

Between 2000 and 2010, the countywide homeownership rate declined 2%. The homeownership rate declined in all jurisdictions except Somerton, where the rate increased 6%.

Countywide in 2010, 71% (49,606) of households were owners and 29% (20,683) were renters.

Homeownership is most prevalent in the unincorporated County (81%), and least prevalent in Yuma (61%).

Quality affordable rental opportunities are just as essential to community stability as are quality affordable homeownership opportunities. Renting provides for mobility among the workforce and an opportunity for potential purchasers to learn more about a neighborhood or community before making an investment. Renting also provides stable housing opportunities for households who do not desire to or cannot afford to purchase a home.



Tenure by Jurisdiction 2010

	Yuma County	Unincorporated	San Luis	Somerton	Wellton	Yuma, City
Renter	20,683	4,969	1,653	813	245	13,003
Owner	49,606	20,942	4,504	2,676	917	20,567

Household Income and Tenure

As income increases, the rate of homeownership increases. Countywide, the homeownership rate is 52% for households with incomes below $20,000 and 86% for households with incomes above $75,000.

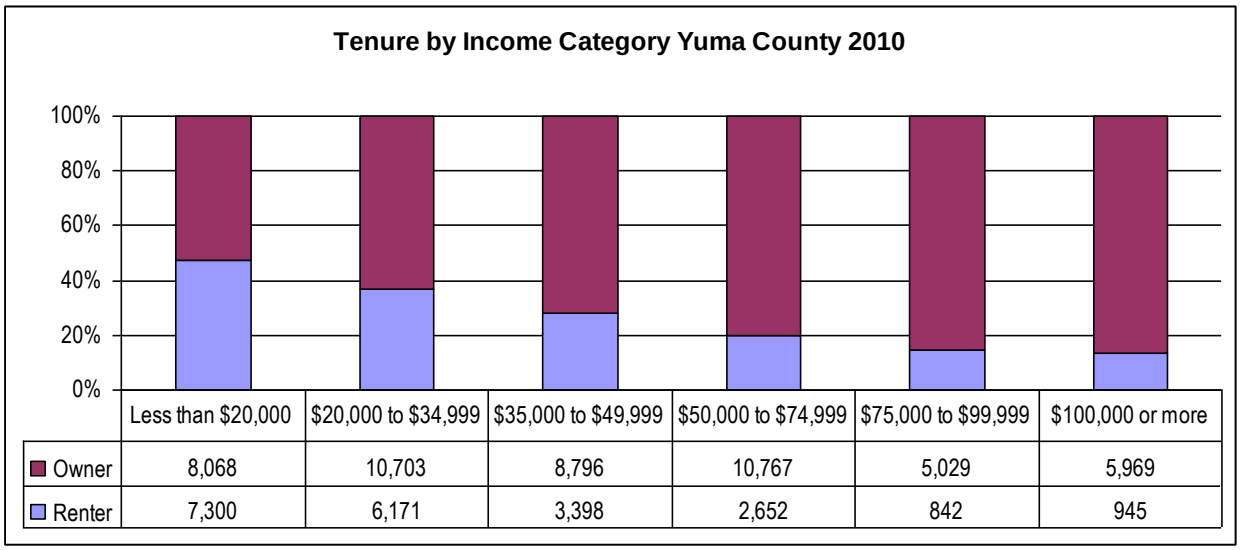
Because rent is a monthly payment that does not have wealth-generation potential, the relationship between rent and income is more direct than the relationship between value and income.

TENURE BY INCOME CATEGORY UNINCORPORATED YUMA COUNTY 2010				
	Renter		Owner	
	No.	%	No.	%
Less than $20,000	1,587	30%	8,068	70%
$20,000 to $34,999	1,899	33%	10,703	67%
$35,000 to $49,999	882	20%	8,796	80%
$50,000 to $74,999	948	19%	10,767	81%
$75,000 to $99,999	13	<1%	5,029	>99%
$100,000 or more	289	11%	5,969	89%
Total	5,618	22%	49,332	78%
Source: US Census American Community Survey 2010 5-yr estimates				

Not all homeowners will receive the benefits of homeownership. Lower-income households generally do not benefit from the property tax and mortgage interest deductions that are the largest housing subsidy program in the United States.

Homeownership rates among lower income households are higher in the unincorporated County – 70% of the lowest income households own their homes.

Higher income households have a higher homeownership rate. Those that rent most likely do so out of choice or necessity.



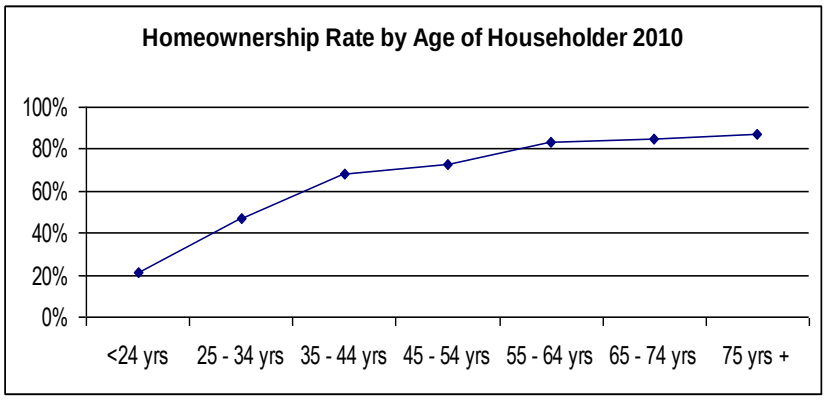
Median Income, Tenure and Age of Householder

Median income includes income from both employment and other sources such as investments, retirement, and public assistance.

- Households headed by persons age 25 to 44 have incomes 107% of the county median, while households age 45 to 64 have median incomes114% of the county median.

  Lower incomes among the youngest and oldest householders are generally due to household composition (single people, unrelated people living together), work status (part-time v. full-time), and sources of income (wages v. fixed v. investment).

- Countywide, with the exception Wellton the homeownership rate increases steadily by age category from 21% of households headed by a person age 24 or younger to 87% of households headed by a person age 75 or older.



The rate of homeownership increases with age. Older householders also have higher incomes than younger householders.

Households with the greatest likelihood of two full-time wage earners are usually headed by a person between the ages of 25 and 64. Households in their prime earning years have higher incomes and more housing choice.

Households headed by a person under the age of 25 have incomes 70% of the county median, while households headed by a person age 65 or older have incomes 86% of the County median.

As the population of younger people ages and new households are formed, the need for rental units will increase.

MEDIAN INCOME AND PERCENTAGE OF LOCAL MEDIAN INCOME BY AGE OF HOUSEHOLDER AND JURISDICTION 2010

	All HH	< 25 yrs		25 - 44 yrs		45 - 64 yrs		65 yrs +	
	Amount	Amount	% (1)	Amount	% (1)	Amount	% (1)	Amount	% (1)
Yuma County	$40,340	$28,103	70%	$43,259	107%	$46,078	114%	$34,496	86%
San Luis	$25,622	$21,186	83%	$32,331	126%	$27,086	106%	$13,980	55%
Somerton	$28,996	$16,888	58%	$35,164	121%	$35,617	123%	$17,863	62%
Wellton	$42,564	n/a	0%	$42,589	100%	$ 4,167	104%	$39,135	92%
Yuma, City	$43,343	$30,472	70%	$48,686	112%	$51,157	118%	$34,709	80%

Source: US Census American Community Survey 2010 5-yr estimates

(1) % of local median family income

Households, Families and Tenure

Household type and tenure vary by jurisdiction, with married couple families having higher homeownership rates (80%). The Countywide homeownership rate among single-parent households is 53% and among nonfamily households is 62%. Considering household size:

- 62 percent of single-person households own and 38% rent, with higher homeownership rates in Somerton (86%), Wellton (76%) and the unincorporated County (75%) and lower rates in Yuma (51%) and San Luis (56%).
- 80 percent of 2-person households own and 20% rent, with higher homeownership rates in the unincorporated County (90%) and lower rates in Yuma (71%) and Somerton (72%).
- 64 percent of 3 and 4 person households own and 36% rent, with homeownership higher rates in Wellton (73%) and the unincorporated County (70%).
- 72 percent of 5+ person households own and 28% rent, with higher homeownership rates in San Luis (79%), Somerton (86%) and the unincorporated County (76%).

Tenure by household size and composition varies significantly by jurisdiction. Single-parent families and larger households are more likely to own in jurisdictions with lower housing prices.

Married couple families have the highest homeownership rate - 80%, with higher rates in the unincorporated County (88%) and Wellton 84%).

Single-parent households have the lowest homeownership rate – 53%, with lower rates in Yuma (43%) and Wellton (50%).

Countywide, homeownership is most common (80%) among 2-person households and least common among 1-person (62%) and 3-person (61%) households.

TENURE BY HOUSEHOLD TYPE BY JURISDICTION 2010

		Family Households								Nonfamily Households			
		Married Couples				Single Parents							
		Owner		Renter		Owner		Renter		Owner		Renter	
	Total	No.	%(1)	No.	%(1)	No.	%(1)	No.	%(1)	No.	%(1)	No.	%(1)
Yuma County	70,289	32,093	80%	7,914	20%	7,142	53%	6,288	47%	10,371	62%	6,481	38%
Unincorporated	25,911	13,912	88%	1,966	12%	1,922	59%	1,322	41%	5,108	75%	1,681	25%
San Luis	6,157	2,805	79%	732	21%	1,368	66%	708	34%	331	61%	213	39%
Somerton	3,489	1,475	74%	519	26%	814	78%	233	22%	387	86%	61	14%
Wellton	1,162	704	84%	134	16%	58	50%	59	50%	155	75%	52	25%
Yuma, City	33,570	13,197	74%	4,563	26%	2,980	43%	3,966	57%	4,390	50%	4,474	50%

Source: ACS 2010 3-year estimates

(1) % of Jurisdiction

Note: may not add to total households

Housing Variety - Type of Housing Units

Housing variety is driven primarily by market factors - builders and developers respond to consumer preferences and expectations related to housing size, quality, and amenities. Other factors that influence housing variety include:

- Cost of land and construction
- Community character and setting (rural, suburban, urban)
- Public policy such as zoning and building requirements, and Infrastructure capacity, availability, and cost.

Countywide:

- Higher volumes of single-family units are found in San Luis (73%) and Somerton (78%),
- Higher volumes of manufactured housing units are found in the unincorporated County (46%) and Wellton (56%).
- Multi-family housing is more prevalent in local jurisdictions, primarily in Yuma, where 22% of the housing units are multi-family.
- One third of the single-family stock is located in the unincorporated County and another half in Yuma.

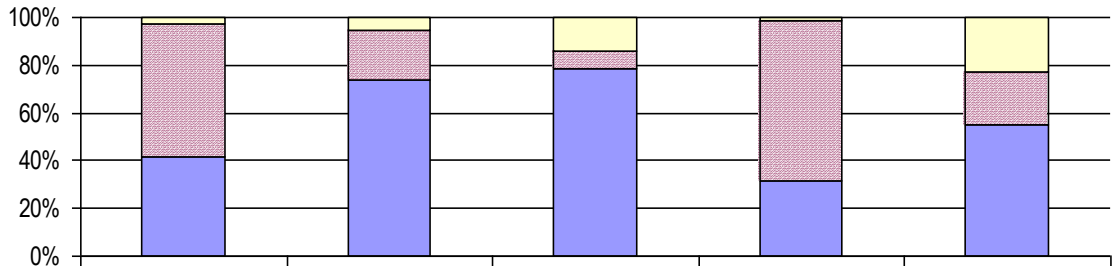
Housing variety is defined as the types of units that comprise the housing market and includes site-built single-family and multi-family units and manufactured housing and mobile homes. A variety of housing types provides choices for both owners and renters.

Single-family housing is the most prevalent housing type. Countywide, 45,050 (49%) of the housing stock consists of single-family units, 31,144 (34%) are manufactured housing units or mobile homes, 11% are multi-family units, and 3% are Boats, RVs and similar units.

Nearly two-thirds of the County's manufactured housing is located in the unincorporated County.

Almost all (96%) multi-family units are located in the City of Yuma.

Type of Structure by Jurisdiction 2010



	Unincorporated	San Luis	Somerton	Wellton	Yuma, City
2+ units	1,023	346	510	15	9,278
Manufactured	19,937	1,281	254	884	8,788
Single Family	14,909	4,588	2,822	418	22,313

Housing units added 2000 to 2010

Manufactured housing is more prevalent in rural areas due to housing values and a lower expectation of appreciation; site-built units typically cost more to produce than the appraised value in rural areas

With the exception of Wellton, where manufactured housing represented 60% of the new stock, local jurisdiction residential development was similar to that found Countywide:

- In San Luis, 84% of the new stock was single-family, 12% was manufactured and 4% was multi-family.
- In Somerton, 81% of the new stock was single-family, 2% was manufactured and 17% was multi-family.
- In Yuma, 93% of the new stock was single-family, 0% was manufactured and 7% was multi-family.

More than three quarters (77%) of the new housing stock added in Yuma County from 2000 to 2010 was single-family housing, one of five units (18%) were manufactured housing units and 4% were multi-family.

In unincorporated Yuma County 63% of the housing stock added since 2000 was single-family and 37% was manufactured; no new multi-family housing units were developed outside of incorporated areas.

Higher densities or more units on each building lot mean that the cost to produce multi-family housing is usually lower than the cost to produce single-family housing. Manufactured housing is also less costly to produce.

Multi-family and manufactured housing units are often sold or rented at lower prices than single-family site-built units.

Multi-family units are the primary source of affordable rental units. From 2000 to 2010, there were 802 new multi-family units permitted in the Cities of San Luis, Somerton and Yuma.

TREND IN HOUSING VARIETY BY JURISDICTION 2000 – 2010

	Single Family Attached & Detached				2 or more units				Manufactured Housing & Mobile Homes			
	2000 (1)	2010 (2)	2000 – 2010 Change		2000 (1)	2010 (2)	2000 – 2010 change		2000 (1)	2010 (2)	2000 – 2010 change	
			No.	% (3)			No.	% (3)			No.	% (3)
Yuma Co	31,101	45,050	13,949	77%	8,893	9,695	802	4%	27,837	31,144	3,307	18%
Unincorporated	10,145	14,909	4,764	63%	1,023	1,023	0	0%	17,089	19,937	2,848	37%
San Luis	2,126	4,588	2,462	84%	228	346	118	4%	929	1,281	352	12%
Somerton	1,527	2,822	1,295	81%	234	510	276	17%	228	254	26	2%
Wellton	364	418	54	40%	15	15	0	0%	803	884	81	60%
Yuma, City	16,939	22,313	5,374	93%	8,870	9,278	408	7%	8,788	8,788	0	0%

(1) Includes "other" units (boats, buses, RVs)

(2) Based on Census 2000 plus State of the Cities Data System permit information for 2000 through 2010

(3) % of total units added

Single-Family Housing Production

While the 1990s were a time of growth in the raw number of housing units, the 2000s were a time of growth in single-family production and housing prices. Single-family and suburban housing production was spurred primarily by demand among the baby-boomer generation, many of whom were seeking second and seasonal homes. According to data from the US Department of Housing and Urban Development State of the Cities Data System:

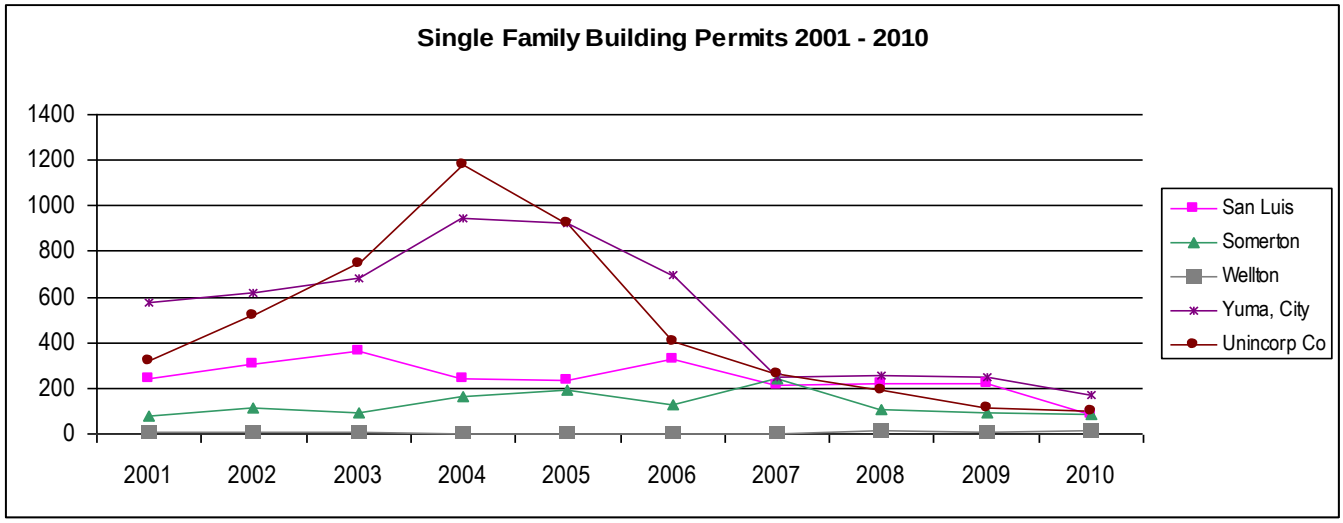
- There were 4,764 single-family building permits issued by Yuma County from 2001 through 2010.
- During the decade, Yuma County issued nearly as many single-family permits as did the City of Yuma, indicating strong demand for new housing, much of it located adjacent to municipal boundaries.

Demand led to overvaluation during the peak of the housing market and lack of demand led to undervaluation when the bubble burst. Some factors that played a role in both overvaluation and undervaluation are construction costs, fluctuations in the housing stock due to foreclosures, and housing permits and starts. Overvaluation and undervaluation are most likely due to temporary economic cycle forces.

Building permits peaked in 2004, when 1,181 permits were issued, and fell 92% to 97 permits in 2010.

It is difficult to predict how long it will take the market to absorb the current excess stock and achieve a balance of supply and demand. Until this balance occurs, housing prices are likely to stagnate or possibly to decline further and new housing production will be minimal.

Most housing economists agree that 2012 marks the half-way point through a 10-year adjustment and that by 2017, a more traditional rate of housing starts will resume.



Residential Development Pattern

As the County began to develop, the proportion of County development in the City of Yuma declined, while the proportion in the unincorporated County continued to increase. Many of the units in the unincorporated County are adjacent to municipal boundaries.

Proportionately, the housing stock in the unincorporated County and San Luis is newer, with slightly more than half (51%) of units in the unincorporated County built between 1990 and 2010 and 53% of the San Luis housing stock built between 1990 and 2010.

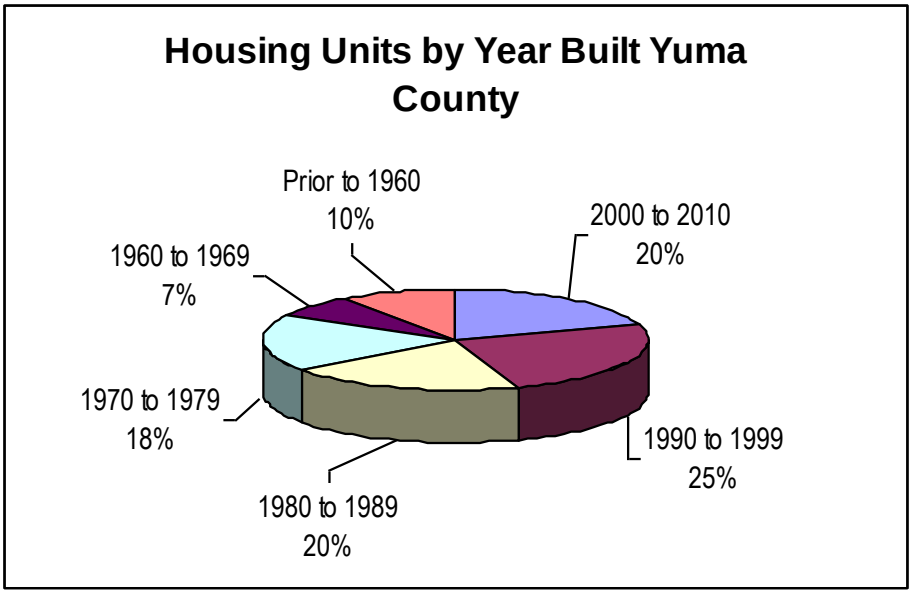
Of the housing stock in the unincorporated County:

- 29% of housing units were built prior to 1980;
- 21% were built in the 1980s;
- 27% were built in the 1990s; and
- 24% were built between 2000 and 2010

While many view the 2000s as a time of significant growth in the housing market, there were more units built in Yuma County during the 1990s.

Prior to 1960, the majority (68%) of the County's housing stock was in the City of Yuma; 21% of units were located in the unincorporated County.

By 2010, the City of Yuma housing stock represented 46% of the County's housing stock and the unincorporated County 40% of the total stock.



Type of Structure and Tenure

Countywide in 2010:

- 63 percent of owners (31,345) and 40% of renters (8,074) occupied single-family units.
- 30 percent of owners (15,046) and 19% of renters (3,920) occupied manufactured housing.
- One percent of owners (474) and 40% of renters (8,272) occupied multi-family units.
- Six percent of owners and 2% of renters occupied other structures, such as boats, RVs and vans.

The majority (80%) of single-family and manufactured housing units are owner occupied.

The majority (95%) of multi-family units are renter occupied.

In the unincorporated County, 84% of single-family units are owner-occupied, as are 83% of manufactured housing units.

42 percent of Yuma County's owner units and 24% of renter units are located in the unincorporated County.

Where single-family units are more prevalent and the homeownership rate is higher, it follows that owner occupancy of single-family units is also higher.

- 87 percent of single-family units in Somerton, 84% in the unincorporated County and 85% in San Luis are owner occupied.
- Multi-family units are most prevalent in Yuma, where the rental rate is also higher - 75% of Yuma single-family units are owner-occupied.

OCCUPIED UNITS BY TYPE AND TENURE 2010

	Single-Family Attached and Detached				2 or more units				Manufactured or Mobile Home			
	Owner		Renter		Owner		Renter		Owner		Renter	
	No.	% 1	No.	% 1	No.	% 1	No.	% 1	No.	% 1	No.	% 1
Yuma County	31,345	80%	8,074	20%	474	5%	8,272	95%	15,046	79%	3,920	21%
Unincorporated	10,170	84%	1,995	16%	89	9%	895	91%	8,991	83%	1,796	17%
San Luis	3,545	85%	650	15%	0	0%	334	100%	929	58%	669	42%
Somerton	2,357	87%	354	13%	113	24%	354	76%	206	66%	105	34%
Wellton	345	78%	97	22%	17	29%	42	71%	411	81%	99	19%
Yuma, City	14,928	75%	4,978	25%	255	4%	6,647	96%	4,509	78%	1,251	22%

Source: US Census American Community Survey 2010 5-yr estimates
Does not include "other" units such as RVs, Boats and Vans

Type of Structure, Tenure and Household Income

Household income impacts both tenure and the type of structure owned or rented. Higher income households have greater housing choice and are more likely to choose single-family housing over manufactured housing or multi-family housing.

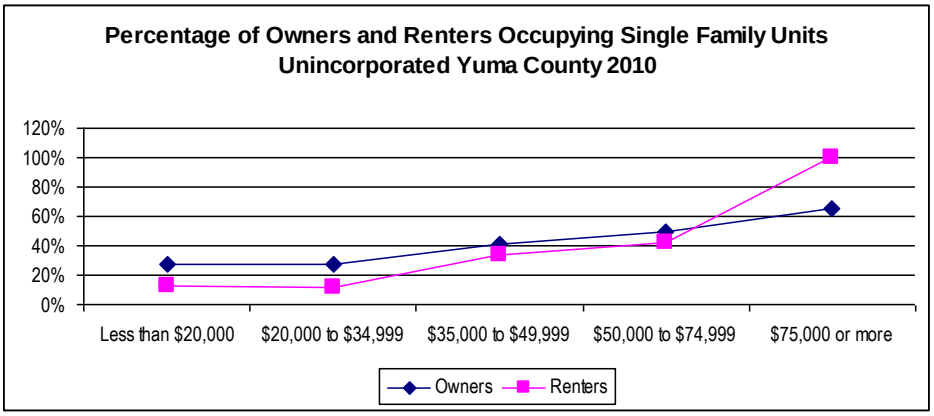
In the unincorporated County, both owners and renters are less likely to occupy single-family units due to the higher volume of manufactured housing. In 2010:

- Twenty-seven percent (27%) of owners with incomes below $20,000 occupied single-family units compared with 65% of owners with incomes $75,000 or more.
- Thirteen percent (13%) of renters with incomes below $20,000 occupied single-family units compared with 100% of owners with incomes $75,000 or more.

As household income increases both owners and renters are more likely to occupy single-family units.

Countywide 42% of owners with incomes below $20,000 occupy single-family units compared with 75% of owners with incomes $75,000 or more.

Countywide among renters, 27% with incomes below $20,000 occupy single-family units compared with 65% with incomes $75,000 or more.



HOUSEHOLD INCOME BY TENURE AND TYPE OF STRUCTURE – YUMA COUNTY 2010										
	Owners					Renters				
	Total	Single-Family		Multi-Family or Manufactured		Total	Single-Family		Multi-Family or Manufactured	
		No.	%	No.	%		No.	%	No.	%
Less than $20,000	8,498	3,576	42%	4,922	58%	3,777	1,020	27%	2,757	73%
$20,000 to $34,999	9,995	4,592	46%	5,403	54%	3,918	1,076	27%	2,842	73%
$35,000 to $49,999	8,445	5,084	60%	3,361	40%	3,623	1,499	41%	2,124	59%
$50,000 to $74,999	10,271	7,024	68%	3,247	32%	4,061	2,028	50%	2,033	50%
$75,000 or more	11,772	8,860	75%	2,912	25%	4,914	3,210	65%	1,704	35%
Sources: Census 2000; 2010 American Community Survey 3-year estimates; Author										

Units and Tenure by Bedroom Size

Among occupied Yuma County units, the greatest proportion (40%) are 3 bedroom units, followed by 2 bedroom units (26%). Zero- and two-bedroom units have higher rates of renter occupancy, while 3 bedroom and larger units, which are also more likely to be single-family units, have higher rates of owner occupancy. Of the countywide housing stock in 2010:

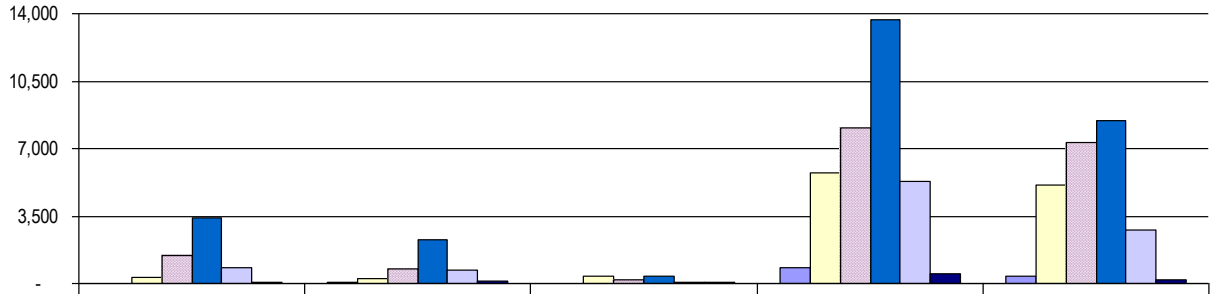
Units with more bedrooms have a higher homeownership rate.

Five bedroom units are 1% of the housing stock and 85% are owner-occupied, indicating possible demand for larger units among home purchasers.

Zero bedroom (efficiency) units are 2% of the housing stock are 64% renter occupied, indicating possible demand for efficiency units among renters.

- Two percent (1,290) are zero bedroom (efficiency) units. 64 percent (828) are renter occupied and 36% (462) are owner occupied. The majority (818) are located in Yuma.
- Seventeen percent (11,762) are one bedroom units. 27 percent (4,338) are renter occupied and 63% (7,424) are owner occupied. Wellton (36%) and the unincorporated County (21%) have higher percentages of one-bedroom units.
- Twenty-six percent (17,834) are two bedroom units, with a higher percentage (30%) in the unincorporated County. 42 percent (7,566) are renter occupied and 58% (10,268) are owner occupied.
- Forty percent (28,167) are three bedroom units. 24 percent (6,710) are renter occupied and 76% (21,457) are owner occupied. Higher percentages of three bedroom units are found in San Luis (56%) and Somerton (54%).
- Fourteen percent (9,613) are four bedroom units. 16 percent (1,594) are renter occupied and 84% (8,069) are owner occupied. More than half (54%) of four bedroom units are located in Yuma.
- One percent (897) are five bedroom units. Fifteen percent (138) are renter occupied and 85% (759) are owner occupied. More than half (52%) are located in Yuma.

Occupied Units by Bedroom Size by Jurisdiction 2010

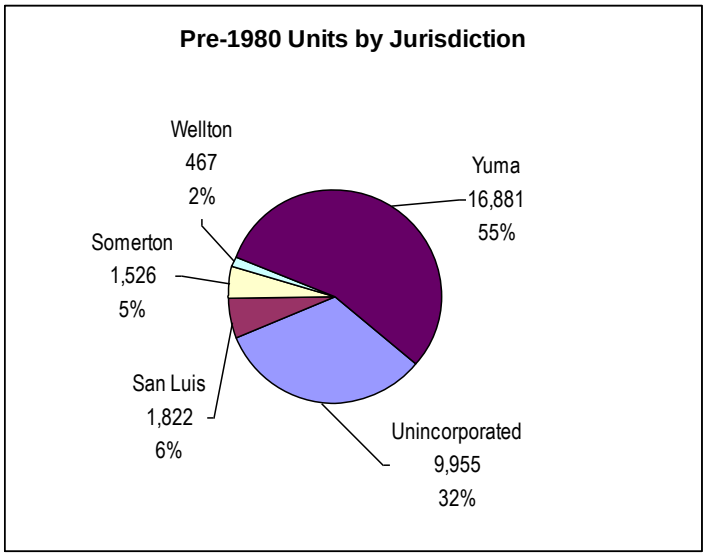


	San Luis	Somerton	Wellton	Yuma, City	Unincorporated
0 br	29	63	22	818	358
1 br	296	242	390	5,745	5,089
2 br	1,433	761	213	8,103	7,324
3 br	3,391	2,240	385	13,671	8,480
4 br	830	700	34	5,282	2,767
5 br	90	117	39	474	177

Housing Quality

There is a common misconception that slums are found only in inner-city blighted neighborhoods with high rates of poverty. But poor quality housing also develops in rapid growth housing markets.

The quality of the existing housing stock reflects economic prosperity and pride of community. High quality housing encourages private investment from both individual households and from employment attraction and retention.



Housing quality encompasses a range of issues that are central to quality of life, including housing safety, design and appearance, maintenance and energy efficiency, individual health, and community safety and livability.

The age of the housing stock is one indicator of housing quality.

Countywide 35% of housing units (30,651) were built prior to 1980. Fifty-five percent (55%) of the pre-1980 housing stock is located in the City of Yuma and 32% in the unincorporated County.

Many older housing units may have been built to outdated building codes using materials and construction techniques that are no longer considered safe or sustainable.

AGE OF THE HOUSING STOCK BY JURISDICTION 2010

	Total	2000 to 2010		1990 to 1999		1980 to 1989		1960 to 1979		1959 or earlier	
		No.	% (1)	No.	% (1)	No.	% (1)	No.	% (1)	No.	% (1)
Yuma County	86,878	17,445	20%	21,499	25%	17,283	20%	22,303	26%	8,348	10%
Unincorporated	35,174	8,275	24%	9,412	27%	7,532	21%	8,191	23%	1,764	5%
San Luis	6,467	861	13%	2,592	40%	1,192	18%	1,528	24%	294	5%
Somerton	3,963	517	13%	1,422	36%	498	13%	1,022	26%	504	13%
Wellton	1,520	343	23%	235	15%	475	31%	398	26%	69	5%
Yuma, City	39,754	7,449	19%	7,838	20%	7,586	19%	11,164	28%	5,717	14%

Sources: US Census American Community Survey 2010 3-yr estimates; US Department of Housing and Urban Development State of the Cities Data System

(1) percent of jurisdiction

Vacancy, Tenure and the Pre-1980 Housing Stock

- Countywide, 16% of pre-1980 units (4,870) are vacant. Among occupied pre-1980 units, 64% (16,591) are owner-occupied and 36% (9,190) are renter occupied.
- In the unincorporated County, 2,463 of pre-1980 units are vacant. Among occupied pre-1980 units, 5,450 or 73% are owner occupied and 2,042 or 27% are renter occupied.

PRE-1980 HOUSING UNITS OCCUPANCY AND TENURE 2010						
	Owner			Renter		
	No.	% of Owners	% of Units	No.	% of Renters	% of Units
Yuma County	16,591	33%	64%	9,190	44%	36%
Unincorporated	5,450	26%	73%	2,042	41%	27%
San Luis	1,228	27%	69%	563	34%	31%
Somerton	940	35%	68%	444	55%	32%
Wellton	306	33%	80%	75	31%	20%
Yuma, City	8,667	42%	59%	6,066	47%	41%
Source: US Census American Community Survey 2010 5-yr estimates						

The rental rate among pre-1980 units is 36%, compared to 30% for the stock as a whole. Forty-four percent of renters (9,190) occupy pre-1980 housing units, including 2,042 in the unincorporated County. One-third of owners (16,591) occupy pre-1980 housing units, including 5,450 in the unincorporated County.

Older housing units may be less energy efficient, resulting in higher utility costs for occupants and some materials, such as lead (in units built prior to 1978) and asbestos may represent health hazards to unit occupants.

Housing quality concerns can multiply when the older housing stock is renter-occupied.

One of the challenges is ensuring the older housing stock is maintained by owners and landlords.

Rental property owners are generally seeking financial benefit through current income generation, increased property value (appreciation), and depreciation (a tax benefit). All or some of these factors play a role in rental housing maintenance and older rental housing may offer few of these benefits to owners. Consequently, owners of older rental housing may be challenged to maintain properties as repairs mount and the cost of repairs does not contribute to increased rent or property value.

- The percentage of renters occupying older housing units is highest in Somerton (55% or 444 renters), and lowest in Wellton (31% or 75 renters).

Homeowners are generally seeking stability, including increased property value (appreciation) and the emotional and social benefits of homeownership. But many homeowners occupy housing that is older or beyond their affordability, negatively impacting their ability to properly maintain the homes.

- One-third of Yuma County homeowners occupy housing units built prior to 1980.
- Due to the higher volume of older housing stock in the City of Yuma, 42% of City of Yuma owners occupy pre-1980 housing units.

Investors and Investment Property

Investors and investment property played significantly into the real estate boom of the mid 2000s and are playing significantly into the recovery of the housing market. Ownership of investment property is dependent upon the financial gains owners expect from rental income, value appreciation, and depreciation and other tax incentives. For investment property, mortgage rates and the strength of the local economy are also key factors.

- Home Mortgage Disclosure Act data for the period from 2001 to 2010 for homes built prior to 2000 and covering 31,420 loans from major lending institutions revealed that 20% of purchase home loans (6,414 units) were for non-owner occupied units.
- There are 1,581 owners of record for the 2,066 registered residential rental properties in the unincorporated County; many individuals, corporations and trust own more than one rental property.

Arizona law (§33-1901 through §33-1905) requires that owners of residential rental property maintain contact information with the County Assessor. Residential rental property owners that do not register their properties may not legally rent the property. Cities and towns have authority to fine rental property owners that fail to register their properties.

Comparison of County Assessor's data with Census data indicates that although required by Arizona statute many rental properties may not be registered with the County Assessor.

The Census estimates there are 11,994 renters occupying single-family and manufactured housing units; there are 5,072 units registered with the Assessor.

Rental property registration impacts the County's ability to ensure that rental properties are maintained in decent, safe and sanitary condition.

REGISTERED RESIDENTIAL RENTAL PROPERTIES AS PERCENTAGE OF JURISDICTION SINGLE-FAMILY AND MANUFACTURED HOUSING STOCK

	Total Properties Registered (1)	Total Single-Family and Manufactured Housing Units (2)	% of Units Registered as Rentals	Total Renters in Single-family and Manufactured Housing Units (2)
Yuma County	5,072	75,745	6.7%	11,994
Unincorporated	2,066	34,846	5.9%	3,791
San Luis	171	5,517	3.1%	1,319
Somerton	183	3,050	6.0%	459
Wellton	75	1,221	6.1%	196
Yuma, City	2,577	31,101	8.3%	6,229

Sources: (1) Yuma County Assessor; (2) US Census and State of the Cities Data System

Housing Affordability

Housing affordability is defined by the relationship of household income to housing costs. Generally, when incomes increase, housing affordability increases, housing choice increases, and the quality and size of housing that may be purchased or rented increases. When incomes stagnate or decrease, housing affordability declines as monthly payments, utilities and maintenance consume a greater share of gross income and fewer households are able to purchase or maintain housing or find affordable rental units.

When housing is not affordable, individuals, businesses and communities feel the impact:

- Households with excessive housing costs, especially those working in one community and living in another, have less disposable income for basic goods and services.
- Employees that live in one community and work in another may purchase fewer basic goods and services in the community where they live, negatively impacting local businesses and sales tax revenue.
- Employers have difficulty attracting and retaining quality employees. For major employers, housing affordability is often a factor in location decisions.

The industry standard for housing affordability is paying not more than 30% of gross household income for housing costs.

The standard housing affordability measure does not measure choice or necessity; it simply measures the proportion of households paying more than 30% of their income for housing costs.

Households may make choices such as living in overcrowded conditions, distressed neighborhoods, or poor quality housing, and sometimes far from employment.

Households that make these choices may have affordability issues that are not measured by the industry standard.

Housing affordability is a key measure of the economic health and viability of a community. A variety of economic and market factors contribute to housing affordability – income and employment, family size and type, age of householder, housing variety and housing quality all play integral roles in the assessment.

Housing affordability is based on both supply and demand factors. The supply side of the equation includes rents, values and sales prices, existing and new home sales, and vacancy rates. The demand side of the equation includes growth in employment and household wealth, population and household growth, and rental assistance or financing opportunities such as the types of financing available and the interest rate and other terms applied to the financing. Housing quality and variety influence both sides of the demand-supply equation.

Cost Burden and Overcrowding by Family Type and Size

Cost burden is defined as paying more than 30% of gross household income for housing costs. Cost burden is more common among small family (4 or fewer people) than among large families and non-families. Two thirds (6,990) of small family renters and 62% or 6,570 small family owners are cost burdened.

COST BURDEN BY FAMILY TYPE 2010				
	Renter		Owner	
Non-family	1,660	29%	985	27%
Small family	6,990	66%	6,570	62%
Large family	870	38%	1,785	23%

Source: US Department of Housing and Urban Development Comprehensive Affordability Strategy Data

The rate of cost burden among small families (up to 4 people) is double the rate of cost burden among large families and non-family households.

Overcrowding is defined as more than one person per habitable space, which includes bedrooms and living areas.

Just as renters experience cost burden at higher rates than owners, they also experience higher rates of overcrowding.

More than half of all renters live in overcrowded conditions, with single-parent renters experiencing the highest rates of overcrowding.

The impacts of overcrowding on health are both direct and indirect. Overcrowding increases risks for respiratory infections and has also been associated with increased mortality rates. Overcrowded housing conditions also contribute to poor child development and school performance, in part because overcrowding limits the space and quiet necessary for children to do homework. Finally, overcrowding affects health indirectly by creating conditions conducive to poor sanitation, high environmental noise, and residential fires.

Considering family size, it follows that families consisting of 5 or more people are more likely to live in overcrowded conditions than are families with 4 or fewer people. Overcrowding is more common among single-parent families.

OVERCROWDING BY FAMILY TYPE				
	Renter		Owner	
1-parent (<5 people)	2,370	59%	1,805	38%
1-parent (5+ people)	620	72%	780	56%
2-parent (<5 people)	2,400	50%	5,120	21%
2-parent (5+ people)	1,085	68%	3,685	54%

Source: US Department of Housing and Urban Development Comprehensive Affordability Strategy Data

Unit Type and Housing Cost Burden

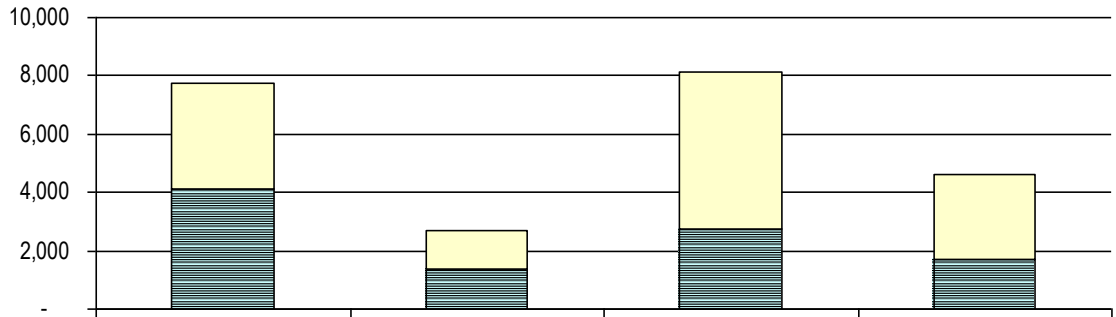
Countywide, cost burden is more common among households occupying single-family units and 2 to 4 unit structures than 5+ unit structures and manufactured housing.

- Cost burden is highest (55%) among households occupying single-family units, followed by households occupying 2 to 4 unit structures (48%).
- Cost burden among households occupying single-family units is most prevalent in Somerton (82%) where the housing stock is newer and incomes lower and least prevalent in Wellton (24%).
- Rates of cost burden are lower among households occupying manufactured housing (37%) and multi-family housing (35%).
- Cost burden among households occupying manufactured housing units is more prevalent in Somerton (50%) and less prevalent in Wellton (31%).
- Cost burden among households occupying 5+ unit structures is more prevalent in Somerton (41%) and less prevalent in San Luis (23%).

More than half of households occupying single-family structures are cost burdened, compared to about one-third of households occupying manufactured housing or multi-family structures with five or more units

Of all cost-burdened households, 41% occupy single-family structures.

Cost Burdened Households by Type of Structure Unincorporated Yuma County 2010



	Single Family	2 to 4 units	5+ units	Manufactured
Not Cost Burden	3,646	1,307	5,389	2,903
Cost Burden	4,116	1,391	2,736	1,698

Energy Efficiency Resources

The US Department of Housing and Urban Development Summer 2011 document entitled *Quantifying Energy Efficiency in Multifamily Rental Housing. Evidence Matters* found that while average rents in multi-family housing increased 7.5% from 2001 to 2009, energy costs for these renters increased by nearly 23%. Residents of affordable housing are extremely vulnerable to energy cost increases and stand to benefit the most from energy retrofits and energy policy.

Few resources exist for energy-efficient and green building in Yuma County. APS lists seven contractors in Yuma County and trade associations focused on energy efficiency list only two contractors. While this does not mean that trained contractors and professionals are unavailable it demonstrates the limited pool of labor certified to install energy efficiency devices and improvements. Materials are readily available to meet green building and energy efficient design, such as dual pane windows, programmable thermostats, HVAC units, roofing materials, and insulation. A trained labor pool is however essential to ensuring that materials are appropriately installed.

On a statewide level, there has been an effort to develop consistent baseline standards and guidelines based on the International Energy Conservation Code for residential construction. The Arizona Governor's Office of Energy Policy is establishing a building energy code educational resource infrastructure and is sponsoring training and distributing educational materials throughout Arizona.

Just as affordable housing policies need to be embedded throughout the housing delivery system, so do energy efficiency and green building policies. These efforts require dedicated staff resources and are best done in collaboration with the local development community and in coordination with green building practitioners.

At the same time that the County faces a shortage of decent, affordable housing, the existing housing stock carries hidden costs for residents, rental property owners and the environment.

Homes are not always designed to use energy and water efficiently, resulting in higher than necessary utility bills. In addition, the location of housing development away from employment contributes to more vehicle miles traveled.

Vulnerable populations, such as seniors and the disabled, have acute needs for energy and water efficiency upgrades, healthier living environments, and access to affordable public transportation.

Jurisdictions across the country have taken a variety of approaches to implementing green policies and programs. Integrating green building into affordable housing policy is one possible method of encouraging energy efficiency and building a pool of qualified labor. Jurisdictions have a host of options in setting green goals such as establishing green building requirements for publicly assisted housing developments, mandating green building practices in community facilities and public buildings, and issuing policy directives that reach the majority of residential and commercial real estate. Some jurisdictions utilize their authority to overhaul the local building code in order to harmonize green building standards.

Rental Affordability and Trend in Rental Affordability

Rental affordability at its simplest measures the relationship between income and rent. Rents change for any number of reasons, including supply and demand factors as well as housing quality and variety. Changes in housing quality may be reflected in changing rents. Higher rents may mean that newer stock has been added, and the newer stock commands a higher rent than older stock. Conversely, lower rents may mean that the rental stock is aging and therefore commanding a lower rent. Lower rents may also result as rental vacancy increases when more households double up with family or friends or enter the homeownership market.

- The median rent is affordable to households earning 73% of the median income.
- Renting is more affordable in Wellton, where renters with a household income of $19,680 or 49% of the median income can afford the median rent unit.
- Renting is least affordable in Somerton, where renters with a household income of $23,960 or 85% of the median income can afford the median rent unit.
- Rent increases were highest in Somerton ($239 or 66%) and lowest in Wellton ($79 or 19%). Consequently, a greater increase in renter income was needed to afford the median rent unit in Somerton - $9,560 and a lower increase in renter income was needed in Wellton - $3,160.

Countywide between 2000 and 2010, median rents increased 39% ($200), and rental affordability declined 16%, requiring an additional $8,000 in annual income to afford the median rent unit.

Higher rent increases were experienced in Somerton and Yuma, and lower increases in Wellton.

Renting the median rent unit in Yuma County required annual household income of $28,320 or $13.62/hour.

TREND IN MEDIAN GROSS RENT AND INCOME REQUIRED TO AFFORD THE MEDIAN RENT BY JURISDICTION 2000 - 2010

	2000				2010			
	Median Gross Rent	Annual Gross Income Needed	Full-time Hourly Wage Needed	Affordable to HH at or above % of Median	Median Gross Rent	Annual Gross Income Needed	Full-time Hourly Wage Needed	Affordable to HH at or above % of Median
Yuma County	$508	$20,320	$9.77	63%	$708	$28,320	$13.62	73%
San Luis	$380	$15,200	$7.31	66%	$491	$19,640	$9.44	78%
Somerton	$360	$14,400	$6.92	54%	$599	$23,960	$11.52	85%
Wellton	$413	$16,520	$7.94	29%	$492	$19,680	$9.46	49%
Yuma, City	$549	$21,960	$10.56	62%	$768	$30,720	$14.77	74%

Sources: Census 2000, ACS 2010 5-year estimates

Cost Burdened Renters by Income Level

As income increases, the rate of both cost burden and renting decreases. Countywide in 2010:

- 93 percent or 2,218 with household incomes below $10,000 rented and 93% were cost burdened.
- 82 percent or 3,353 with incomes between $10,000 and $19,999 rented and 82% were cost burdened.
- 57 percent or 2,861 renters with incomes between $20,000 and $34,999 rented and 57% were cost burdened.
- 31 percent or 908 with household incomes between $35,000 and $49,999 and 31% were cost burdened.

Between 2000 and 2010, there was a six-fold increase in the number of cost burdened renters with incomes between $35,000 and $49,999, while the number of cost burdened renters with incomes between $20,000 and $34,999 and $50,000 to $74,999 doubled.

Increases in cost burden among higher-income households is often a choice – with more disposable income, higher income households may choose to rent units that are disproportionately costly. In addition, as much of the newer stock is single-family, rents have increased.

The number of cost burdened renters in Yuma County increased 89% from 4,976 in 2000 to 9,421 in 2010.

Increases in cost burden were seen at all income levels, with the rate of cost burden increasing at a higher rate among middle and higher-income households.

While cost burden increased at a higher rate among middle- and higher-income households, the rate of cost burden remains low in comparison to lower-income households.

Where nine of ten renter households with incomes below $20,000 are cost burdened, one of twenty with incomes above $50,000 are cost burdened.

TREND IN NUMBER AND PERCENTAGE OF RENTERS COST BURDENED BY INCOME LEVEL YUMA COUNTY 2000 - 2010

	2000		2010		2000 – 2010 % Change	
	No.	%	No.	%	No.	%
Less than $10,000	1,712	87%	2,218	93%	506	30%
$10,000 to $19,999	2,195	65%	3,353	82%	1,158	53%
$20,000 to $34,999	920	27%	2,861	57%	1,941	211%
$35,000 to $49,999	123	7%	908	31%	785	638%
$50,000 to $74,999	26	2%	81	4%	55	212%
$75,000 or more	0	0%	0	0%	0	0%
Total	4,976	40%	9,421	51%	4,445	89%

Sources: Census 2000; ACS 5-year estimates

Estimated Rental Unit Need by Income Category 2010

The national goal of increasing homeownership long resulted in resources targeted to assisting first-time homebuyers. While the mid-decade real estate market and foreclosure crisis drove home the risks of homeownership, according to HUD a longer-term housing crisis exists - there is an overall upward trend of renters with very low incomes that are paying more than 50% of their income for housing.

According to the US Department of Housing and Urban Development "Worst Case Housing Needs 2009 Report to Congress" the trend towards cost burden among very low income households cuts across all racial and ethnic groups and types of households. Units affordable for the poorest renters have lower vacancy rates than units affordable for higher income groups because of the high demand and limited supply.

The homeownership crisis, persistent unemployment, lack of new rental assistance resources, changes in household formation, and increasing numbers of renters all play a role in the increasing number of low income renters with worst case needs.

ESTIMATED RENTAL UNIT GAP BY INCOME CATEGORY YUMA COUNTY 2010

	Affordable Monthly Rent	Estimated Renters (1)	Estimated Units	Unit Gap
Less than $10,000	<$250	2,662	768	1,894
$10,000 - $19,999	$250 - $500	4,638	4,137	501
$20,000 – $34,999	$500 - $875	6,171	10,069	(3,898)
$35,000 - $49,999	$875 - $1,250	3,398	4,402	(1,004)
$50,000 or more	$1,250 or more	4,439	2,162	2,277
Total		21,308	21,538	

(1) 2010 ACS 5-year estimates

Note: Renters occupying units may not add to total renters.

Housing unit need results when population grows or there is a mismatch between household income and housing costs.

Based on 2010 US Census data, there is an estimated existing gap of 2,395 affordable rental units, including 1,894 for households with incomes less than $10,000/year and 501 for households with incomes between $10,000 and $19,999.

In the unincorporated County there is an estimated existing gap of 301 affordable rental units, including 160 units for households with incomes less than $10,000/year and 141 units for households with incomes between $10,000 and $19,999.

There are 1,977 multi-family units restricted for occupancy by households earning less than 60% of the County median income, including 433 units for elderly or disabled persons and 1,544 for families.

When developing strategies and policies, jurisdictions must start with current housing need and adjust as market conditions change.

Home Purchase and Homeownership Affordability

The collapse in stock prices and the plunge in short-term interest rates earlier in the 2000s made housing an attractive alternative investment; households saw an option to increase their rates of return at a higher rate than was possible through stocks and cash. Falling house prices have reversed this effect in the last several years.

Housing values, interest rates and loan terms all directly impact the amount of funds that a purchaser can borrow. Values are generally reflected in prices but during a time of high demand, prices can exceed values and during a time of low demand, prices can be less than values. Prices drive values, as comparing sales prices is one method of determining value.

- The median purchase price is affordable to households earning 71% of the County median income.
- Purchasing is more affordable in San Luis, where households with income of $25,600 or 58% of the median income can afford the median priced unit.
- Purchasing is least affordable in Yuma, where households with income of $37,300 or 84% of the median income can afford the median priced unit.
- Between 2000 and 2010, affordability declined in Wellton and Yuma and increased in Somerton.

Between 2000 and 2010, prices increased 38% ($30,600), and home purchase affordability declined 4%, not accounting for mid-decade price increases.

In 2011, purchasing the median priced unit in Yuma County required annual household income of $31,400 or $15.10/hour.

Between 2000 and 2010, homes became more affordable in Somerton. Purchasing was most affordable in San Luis and least affordable in Yuma.

Most housing economists agree that house price increases will resume historic patterns later in the decade.

TREND IN HOME PURCHASE AFFORDABILITY BY JURISDICTION 2000, 2007, 2011

	2000			2007			2011		
	Median Price (1)	Income (2)	% AMI (3)	Median Price (4)	Income (2)	% AMI (3)	Median Price (4)	Income (2)	% AMI (3)
Yuma County	$81,400	$24,300	68%	$204,900	$58,200	143%	$112,000	$31,400	71%
San Luis	$65,000	$20,500	57%	$160,000	$46,700	115%	$87,000	$25,600	58%
Somerton	$105,200	$29,800	83%	$148,000	$43,600	107%	$112,000	$31,400	71%
Wellton	$27,500	$11,900	33%	$235,950	$66,000	162%	$103,500	$29,400	66%
Yuma, City	$71,800	$22,100	62%	$220,000	$62,200	153%	$138,000	$37,300	84%

(1) Census 2000
(2) Income Required to Afford 6% 30 yr fixed; total household debt = 10% of gross income; 28%/41% debt ratios
(3) 2000 AMI = $35,700 ; 2007 AMI = $40,700; 2011 AMI = $44,500
(4) Yuma County Assessor

There are currently sufficient affordable units available for purchase, yet the supply side is only one factor in the affordability equation.

The median income of renters ranges from a low of $13,074 in Somerton to a high of $30,103 in Yuma. For renters who wish to purchase in their current jurisdiction, nearly half (46%) of Wellton renters could afford to purchase the median priced home, compared with 21% of Somerton renters.

HOMEOWNERSHIP AFFORDABILITY FOR RENTERS BY PROPERTY ADDRESS – 2011

	Median Price (1)	Income Required (2)	Median Renter Income (3)	Renters That Can Afford	
				%	No.
Yuma County	$112,000	$31,400	$27,042	43%	9,175
Unincorporated	$112,000	$31,400	$27,042	43%	1,142
San Luis	$87,000	$25,600	$20,919	41%	2,516
Somerton	$112,000	$31,400	$13,074	21%	169
Wellton	$103,500	$29,400	$26,953	46%	101
Yuma, City	$138,000	$37,300	$30,103	40%	5,247

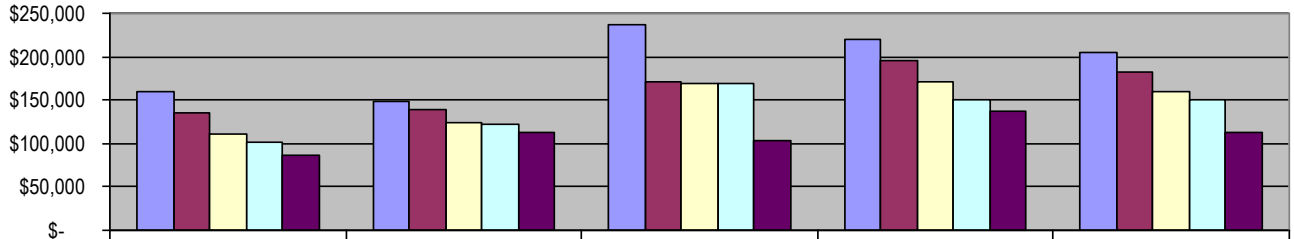
(1) Yuma County Assessor
(2) 6% 30 yr fixed; total household debt = 10% of gross income
(3) ACS 2010 5-year estimates

One segment of the home purchase market is the pool of current renters and it is important to consider whether renters could afford to purchase a median-priced home.

Countywide, approximately one of four (43% or 9,175) renters could afford to purchase the median priced home, assuming sufficient credit and down payment.

Households who are still renting are likely doing so either by choice or because other factors limit their ability to purchase such as unemployment or poor credit.

Trend in Median Sales Prices - Site Built Units 2007 - 2009



	San Luis	Somerton	Wellton	Yuma	All Sales
2007	$160,000	$148,000	$235,950	$220,000	$204,900
2008	$135,000	$139,497	$170,500	$195,000	$182,750
2009	$111,000	$123,800	$170,000	$170,725	$160,000
2010	$102,000	$123,000	$170,000	$150,000	$150,000
2011	$87,000	$112,000	$103,500	$138,000	$112,000

Along with values and prices, interest rates and loan terms and conditions impact the ability of households to purchase a home. All loans carry a mix of risks associated with the buyer and the market. Household income must be sufficient to make payments over the life of the loan, and households must demonstrate a history of sound financial management. From the market perspective, homes must have and maintain sufficient value to support the amount of funds secured by the housing unit.

During the mid-2000s housing boom, when housing prices increased rapidly, buyer risk was treated very liberally - buyers were given loans despite poor credit, little or no down payment, and no documentation of income. Many buyers used exotic and hybrid financing to qualify for housing that would have otherwise been beyond their financial reach. At the same time, existing homeowners used similar financing products to cash out the home equity that resulted from increased housing values.

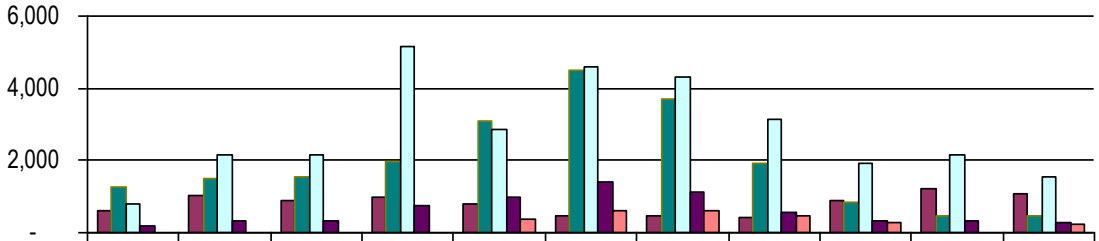
During the past several years, interest rates have remained at historically low levels in order to spur home purchase, yet access to credit has constricted.

Many homeowners and potential purchasers are not able to take advantage of low interest rates because of poor credit, a weak job market and tight mortgage credit.

Between 2005 and 2011, loan volume decreased 70% and the number of exotic, hybrid and high-cost loans decreased 93%.

In 2007, the lending landscape shifted abruptly and access to credit and mortgages became more difficult, contributing to reduced demand for housing. The creative and liberal financing of the 2000's has been replaced with 30-year fixed-rate financing, much of it FHA guaranteed. Current FHA standards require buyers have a credit score of at least 580 to qualify for maximum financing. Buyers with lower credit scores may qualify for financing but may not finance more than 90% of the home's value, requiring a larger down payment.

Trend in Number of Loans 2000 - 2010 Yuma County



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
FHA/VA/RHS	619	1,028	900	981	787	463	455	443	898	1,219	1,090
Conventional	1,287	1,514	1,548	1,951	3,089	4,494	3,698	1,939	834	478	462
Refinance Loans	796	2,164	2,164	5,155	2,842	4,613	4,332	3,155	1,908	2,164	1,553
Non-occupant	209	325	325	736	964	1,406	1,131	579	323	323	279

2012 Home Purchase Market

Housing units available for sale represent the actual supply (availability) at any point in time.

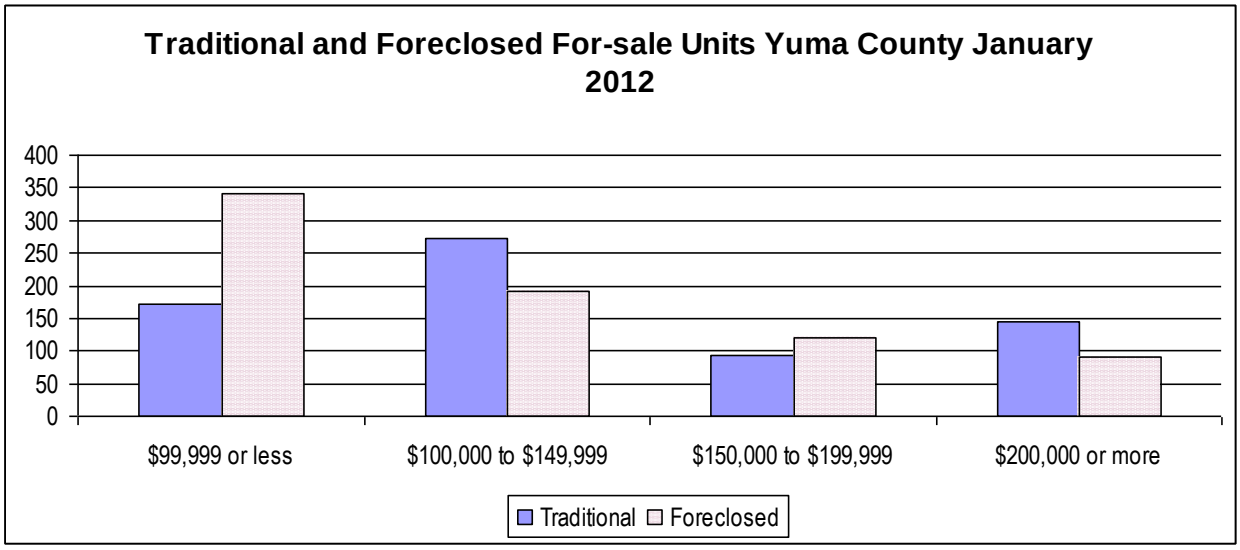
- In January 2012, there were 1,424 Yuma County units listed on trulia.com; these units represent a sampling of units available in Yuma County.
- The majority of units were located in Yuma and the adjacent unincorporated area.
- Of for-sale units, 36% were priced for $99,000 or less, with higher proportions of lower-priced units in the unincorporated County, and San Luis.
- According to RealtyTrac, the average pre-foreclosure sale, which is often a short sale, is discounted by 19%, while an REO sale is discounted by 41%.

There is a clear negative correlation in recent years between the change in the distress sales' share of the total market and house price depreciation. This relationship, however, has only been evident in the last several years. Prior to this housing cycle, foreclosures had little impact on house prices since foreclosure rates were so low. With a relatively high share of distressed home sales, weaker house prices can be expected to continue for some time.

Of particular interest and impact at this point in the housing cycle is the impact that distress sales have on house prices.

Distress sales alone don't necessarily hurt house prices, but the larger the proportion of distress sales to normal, non-distress sales, the greater the downward pressure on house prices.

The January 2012 market consisted of a mix of traditional for-sale units (47%) and foreclosed units (53%).



Severely Cost Burdened Owners and Mortgage Trend

Severe cost burden is defined as paying more than 50% of gross household income for housing costs, including principal, interest, taxes and insurance. In 2010, one of ten owners (5,051) in Yuma County was severely cost burdened; severe cost burden is more common in communities with lower household income. Cost burden among owners in 2010 included:

- 33 percent or 1,480 owners in San Luis;
- 8 percent or 221 owners in Somerton;
- 7 percent or 63 owners in Wellton;
- 8 percent or 1,679 owners in Yuma; and
- 8 percent or 1,608 owners in the unincorporated County.

One contributor to rising owner cost burden is the number of households that financed or refinanced during the past decade. As housing was more expensive in the mid-2000s, new purchasers were more likely to require financing. In addition, existing homeowners cashed out using 2nd mortgages and Home Equity Lines of Credit. Review of mortgage status indicates that Countywide between 2000 and 2010:

- Homes without mortgages decreased 54%;
- Homes with first mortgages increased 21%; and
- Homes with 2nd mortgages, Home Equity Lines of Credit or both increased 32%.

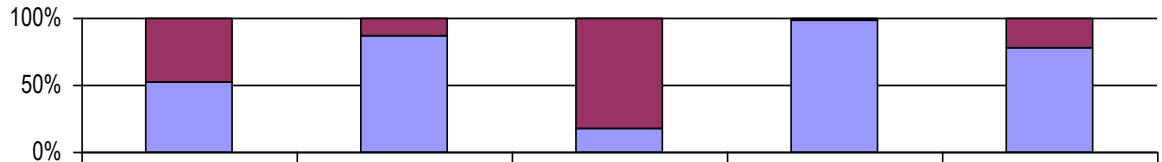
The number of Yuma County owners paying more than 50% of household income for housing increased 63% from 2,828 in 2000 to 4,605 or 9% of owners in 2010.

Severe cost burden is the best measure of cost burden among owners as mortgage qualifying criteria often allow housing costs to exceed 30% of household income.

Severely cost burdened owners are less likely to have sufficient disposable income to purchase the basic goods and services necessary for home maintenance and repairs.

The higher mid-decade cost of housing meant more purchasers required financing and the percentage of homes without mortgages declined 54%.

Severe Owner Cost Burden by Jurisdiction 2010



	San Luis	Somerton	Wellton	Yuma, City	Unincorporated
Without a mortage	711	27	52	15	352
With a mortgage	769	194	11	1,664	1,256

Delinquency and Foreclosure Projections

Many homeowners who purchased or refinanced during the housing boom are faced with declining property values, inadequate income to pay higher housing costs associated with interest rate resets, and fewer borrowing options as lenders tighten underwriting standards. Arizona has been one of the top states for foreclosures for two reasons:

- A higher proportion of subprime and ARM loans during the peak of the market, which equates to foreclosure vulnerability, and
- A significant decline in housing values that is making it difficult to sell properties at prices sufficient to cover outstanding mortgages.

The report entitled *The External Costs of Foreclosure: The Impact of Single-Family Mortgage Foreclosures on Property Values* D. Immergluck and G. Smith (2010) found that for each foreclosed unit, a 0.9% drop in property values occurred for each housing unit within 1/8 mile.

In terms of spending and sales tax, research published by the National Center for Real Estate Research estimates that for every dollar of property value lost, annual spending is reduced by 6 cents. Therefore, a loss of $16.3 Million in property value could produce a reduction in annual spending of $976,395, which would mean about $57,000 in annual sales tax revenue lost at a sales tax rate of 1.0%.

There is significant debate about when the foreclosure market will wane, and by most accounts it will continue through 2014 at the earliest.

The Federal Reserve Bank of San Francisco estimates that foreclosure rates during the next two years on Yuma County high-cost loans issued between 2004 and 2006 will be 10.9%, and other loans will experience a foreclosure rate of 2.8%.

There will be an estimated 1,138 additional foreclosures in Yuma County during the next three years, resulting in a $16.3 million loss in property value, reduction in annual household spending of $976,395, and loss of about $57,000 in annual sales tax collections.

2012 - 2014 ESTIMATED FORECLOSURES BY GEOGRAPHY FOR LOANS ISSUED 2004 – 2006

	(A) High Cost Loans	(B) Est. Foreclosures (high cost loans)	(C) Other loans	(D) Est. foreclosures (other loans)	(B+D) Total Estimated Foreclosures
Yuma County	5,449	594	19,446	544	1,138
Unincorporated (1)	1,000	109	3,970	111	220
San Luis	573	62	1,403	39	102
Somerton	188	20	534	15	35
Wellton	20	2	79	2	4
Yuma city	2,668	291	9,490	266	557

Source: US Department of Housing and Urban Development NSP data
(1) includes Fortuna Foothills

The Workforce and Housing

Yuma County's median rent ($708) and purchase price ($112,000) are generally affordable to workforce households in primary occupations with two full-time wage earners, regardless of household size.

Workforce households in education, training and library occupations are able to afford the median priced rental or home purchase unit, regardless of the number of full-time earners.

In 2010, three of five primary occupations with one or 1.5 earners at the median wage were challenged to afford the median rent and purchase price; many of these workers are also eligible for housing assistance programs based on HUD's definitions of very-low, low and moderate-income. Occupations with one or 1.5 earners eligible for housing assistance programs include:

- Office and administrative support;
- Farming, fishing, and forestry;
- Sales and related; and
- Food preparation and serving.

Additional rental units with varying bedroom sizes and monthly rents averaging $510 would benefit current and future employees in primary occupations, especially those without dual incomes.

Approximately 35% of the rental unit need for low income households, or 660 units is among the employed population.

Purchase assistance and housing counseling and education could provide homeownership opportunities for employees in Yuma County's primary industries and occupations.

PRIMARY OCCUPATIONS AND HOUSING AFFORDABILITY 2010

	Single-Earner			1.5 Earners		
	Rent	Purchase	Subsidy	Rent	Purchase	Subsidy
Office / Administrative Support	$663	$91,200	Both	$978	$145,900	Neither
Farming, Fishing, Forestry	$452	$54,400	Both	$783	$112,000	Purchase
Sales and Related	$495	$61,900	Both	$721	$101,200	Purchase
Food Preparation / Serving	$443	$52,800	Both	$668	$ 91,900	Both
Education, Training, Library	$919	$135,500	Neither	$1,166	$178,600	Neither

Source: Arizona Workforce Informer Bureau of Labor Statistics Data; Author

Note: 1.5 and 2 earners assumes one earner at occupation median and one earner at median for all occupations

The Future and Workforce Housing Affordability

The Bureau of Labor Statistics (BLS) has stated that industries and occupations related to health care, personal care and social assistance, and construction are projected to have the fastest job growth between 2010 and 2020. While construction employment is expected to recover along with the construction industry, employment in construction is not expected to reach pre-recession levels.

Assuming income levels rise consistently with rents and purchase prices, three of the four fastest growing occupations will be challenged to afford the median rent and purchase price:

- Retail sales persons;
- Home health aides; and
- Personal care aides.

Single-earner households employed as retail salespersons, home health aides and personal care aides and earning the median wage are all considered low income and will be eligible for both rental assistance and home purchase assistance programs.

The four occupations expected to add the most employment are registered nurses, retail salespersons, home health aides, and personal care aides.

Education and training for these occupations and the availability of quality affordable housing will be critical to employment attraction and retention.

It is essential that employees choosing to purchase are educated and counseled in choosing adequate, quality and affordable housing, and made aware of both the benefits of drawbacks of their housing choices.

Employers are an untapped resource for increasing housing affordability and choice among the workforce.

FASTEST GROWING OCCUPATIONS AND 2010 HOUSING AFFORDABILITY

	2010 Median Income	Single-Earner		
		Rent	Purchase	Subsidy
Registered Nurses	$54,075	$1,352	$252,800	Neither
Retail Salespersons	$18,860	$472	$66,600	Both
Home Health Aides	$20,928	$523	$80,100	Both
Personal Care Aides	$18,041	$451	$61,700	Both

Source: Arizona Workforce Informer Bureau of Labor Statistics Data; Author

Housing for Farm workers

Agriculture is a significant economic engine for Yuma County, which requires a huge labor pool to get the produce from the fields to the markets. Many crops are quite labor-intensive for both cultivation and harvest with harvest in particular being most demanding because it must be done within a limited time period.

Studies conducted by the Housing Assistance Council suggest that aside from the challenge of providing housing for a transient population, the limited housing available for permanent farm workers in predominately agricultural communities is often overpriced or substandard.

Figuring out how to finance projects targeted to Yuma County's 8,300 permanent farm workers with a median annual household income of $18,324 is a significant challenge. Federal and state government assistance is available through several programs including USDA 502 self help, USDA 514 loan and 516 farm worker housing grants, Low Income Housing Tax Credits, CDBG grants, HUD Rural Housing and Economic Development, and State Housing Funds.

Ensuring sufficient density to support affordability is a challenge in housing farm workers, particularly in rural areas. Unincorporated rural areas frequently lack the infrastructure to support the dense housing development necessary to house large numbers of employees and their families. The additional cost of installing basic water, sewage and energy infrastructure makes the price for even the most modest housing project prohibitive—particularly if the units are wholly or partially targeted at a seasonal population. In areas adjacent to cities or urbanized areas, restrictions on land availability and density determine whether housing is available.

In some communities, farm workers are simply one segment of the low-income population that is seeking decent affordable housing.

In other communities, farming is the primary industry, with its own set of requirements that further complicate the effort to provide housing.

Chronic underemployment and stagnating wages among farm workers puts this population at a disadvantage over other low-wage workers.

The reality of almost every farm worker housing project is the complexity of financing that involves a web of partners and various layers of subsidies.

Infrastructure, zoning and limited space are three common barriers to developing affordable housing in farming communities.

Seasonal and Migrant Farm workers

The 2008 study conducted by Larson and Associates and entitled "Migrant and Seasonal Farm worker Enumeration Profiles Study Arizona" estimates the Yuma County seasonal and migrant farm worker population at 67,622, including family members. The number of migrant farm workers is estimated to be 23,879 plus 13,794 non-farm worker family members. The number of seasonal farm workers is estimated to be 17,434 plus 12,514 non-farm worker family members. Yuma County' seasonal and migrant farm workers represent 61% of the Arizona's seasonal and migrant farm workers.

Many of these farm workers commute from Mexico to work because they live in border cities. While many farm workers are able to live in Mexico where the housing costs are considerably lower, housing for farm workers is still needed in Yuma County as numerous farm workers come long distances to work.

There are an estimated 41,300 seasonal and migrant farm workers in Yuma County during the peak of the harvest, resulting in a short-term housing crisis.

A three-year survey of housing availability and conditions for migrant and seasonal farm workers conducted by the Housing Assistance Council found that 52% of farm worker housing units were overcrowded and 32% were in substandard condition.

In 2009, the US Department of Labor passed new rules for Temporary or Seasonal Agricultural Work. The Program (H-2A) has specific requirements for the provision of wages, workers' compensation insurance, housing, transportation, and tools and supplies. The employer is required to provide free housing to all workers who are not local workers (those that cannot reasonably return to their place of residence each day of employment). The housing must meet federal and state or local health and safety standards. The housing units must include kitchen facilities, or alternatively, the employer can provide workers with three meals a day and be reimbursed by workers for the cost within federal limits. Yuma County allows construction of farm labor housing on agricultural lands as "incidental construction or operation to farming or agriculture" and therefore farm labor housing is exempt from the County's Zoning Ordinance.

The impact of this rule is that farming operations in reasonable proximity to urbanized areas often rent or purchase multi-family and mixed-use structures to meet housing and meal requirements. In rural areas, farming operations more frequently provide trailers, smaller multi-family dwellings, and Single Room Occupancy units to meet the requirements. The challenge for the County is ensuring that properties not exempt from the County's Zoning Ordinance that are occupied by migrant and seasonal farm workers meet health and safety standards, including occupancy standards.

ESTIMATED MIGRANT AND SEASONAL FARM WORKER POPULATION (2008)

Total Migrant and Seasonal Farm workers	Migrant Farm workers	Seasonal Farm workers	Non-farm workers in Migrant Households	Non-farm workers in Seasonal Households	Total Migrant and Seasonal Population
41,314	23,879	17,434	13,794	12,514	67,622

Source: Larson and Associates and entitled "Migrant and Seasonal Farm worker Enumeration Profiles Study Arizona"

Housing for Military Employees and Their Families

The U.S. Army Yuma Proving Ground, the Marine Corps Air Station, the U.S. Customs and Border Protection, Yuma Border Protection Sector, and the Barry M. Goldwater Air Force Range are all located in Yuma County.

The U.S. Army Yuma Proving Ground is located 25 miles north of the city. The Proving Ground is part of the U.S. Army Test and Evaluation Command and houses the Military Free Fall School. It has a population of nearly 3,000 active duty soldiers and civilians. The housing on Yuma Proving Ground is quite limited for the number of people assigned to the installation, which can lead to a long wait for on-post housing. Yuma Proving Ground currently has 77 officer family units, 208 enlisted family units and 15 single service member units.

The Marine Corps Air Station (MCAS) is located on the Yuma International Airport grounds and is home to 4,000 year-round resident service members. Throughout the year, approximately 14,000 service members from various military branches come to MCAS for training. MCAS has 693 on-station houses, which are separated by rank and bedroom entitlement, and 128 off-station apartments for lower ranking marines. MCAS also offers military personnel and their families and relatives (with certain restrictions) a temporary short term housing option if they are without permanent housing.

The often lower income and uncertain length of residency impact the housing needs of military personnel and their families.

According to the City of Yuma 2012 Housing Element, there are an estimated 1,550 military households living off base.

Military families compete with other low-income households for private-sector housing.

Rental units with shorter-term leases (6 months or less) and rent for an average of $510/month will assist in supporting the significant economic contribution of this employment sector.

Depending on rank, military personnel may also earn lower wages. According to the City of Yuma Housing Element, junior enlisted personnel are the segment of the military population that may have difficulty affording housing in Yuma since the minimum wage for an enlisted person is $16,794 per year at the lowest rank (with less than two years experience). Approximately 3,500 military personnel working at MCAS are enlisted and approximately 1,550 enlisted families live off the base.

HOUSING AFFORDABILITY FOR MILITARY PERSONNEL

	Income Range	Affordable Monthly Rent Range	Affordable Purchase Range
Enlisted (E-1 through E-4)	$16,794 - $23,364	$420 - $584	$48,800 - $88,200
Officer (O-1 through O-4)	$33,936 - $51,468	$848 - $1,287	$139,100 - $223,400

(1) Lowest salary ranks E-1 through E-4 and O-1 through O-4; includes allowances for housing, clothing, etc.
Sources: U.S. Military Pay Chart – Marine Corps and City of Yuma Housing Element

Housing and Special Needs Populations

Community input suggests that three populations have unmet housing needs – the elderly, persons with severe mental illness, and persons with developmental and physical disabilities.

Beyond housing, a full spectrum of services must be available to stabilize households and help them maintain a path to self sufficiency. Isolation of those in crisis and among vulnerable populations contributes significantly to personal and social challenges. Basic literacy and education regarding how to navigate complex economic and social programs are essential as are policies that promote a sustainable family income, yet recognize the earning-potential limitations of special populations.

Elderly Households

Many elderly persons need assistance with finance, home maintenance and repairs, accessibility, and routine activities. Elderly householders (age 65 and older) generally experience lower rates of cost burden than non-elderly households, although rates of cost burden are very high among the lowest income elderly households. Elderly households with incomes between 30 and 50% of the median income also experience relatively high cost burden; two-thirds of renters and one-half of owners in this income category are cost burdened.

ELDERLY HOUSEHOLDS AND COST BURDEN BY INCOME LEVEL YUMA COUNTY 2010				
	Renter		Owner	
Elderly < 30% AMI	485	89%	945	72%
Elderly 30-50% AMI	465	67%	990	49%
Elderly 50-80% AMI	325	59%	735	19%
Elderly >80% AMI	300	57%	1,415	10%

Source: US Department of Housing and Urban Development Comprehensive Housing Affordability Strategy Data

Elderly renter households experience cost burden at much higher rates than do elderly owners.

Nine of ten elderly renters and seven of ten elderly owners with incomes below 30% of the median income are cost burdened.

Of the estimated 2010 affordable rental unit gap for extremely low income households, approximately 25% (475 units) may be attributed to need among elderly renter households.

Persons with Developmental and Physical Disabilities

The US Census Bureau defines disability as: "A long-lasting physical, mental, or emotional condition. This condition can make it difficult for a person to do activities such as walking, climbing stairs, dressing, bathing, learning, or remembering. This condition can also impede a person from being able to go outside the home alone or to work at a job or business."

Persons with developmental and physical disabilities have layered, complex needs that demand broad strategies and resources to be effectively addressed. The unemployment rate for persons with disabilities is nearly double that for persons without disabilities and many have unrealized potential that results from inadequate economic and social supports.

Among owner householders with a disability, an estimated 1,450 or 27% have some housing problem (cost burden, substandard housing, overcrowding). Housing problems are more prevalent among lower income owners – 59% with incomes below 50% of the median income and 26% with incomes between 50% and 80% of the median have housing problems.

As is the case with all lower-income renters, housing problems among disabled renters are more prevalent – 69% of renters with incomes below 80% of the median have housing problems.

HOUSING PROBLEMS AND DISABILITY YUMA COUNTY 2010						
	Renter			Owner		
	Total	Housing Problem		Total	Housing Problem	
		No.	%		No.	%
< 50% AMI	1,145	795	69%	1,135	670	59%
50 - 80% AMI	450	310	69%	755	200	26%
>80% AMI	570	220	39%	3,560	580	16%
Total	2,165	1,325	61%	5,450	1,450	27%
Source: US Department of Housing and Urban Development Comprehensive Affordability Strategy Data						

There are an estimated 7,615 householders with disabilities in Yuma County. Thirty percent (2,280) have incomes below 50% of the median income and an additional 16% (1,205) have incomes between 50% and 80% of the median income.

Housing problems among disabled households indicate a need for housing rehabilitation and additional housing options including congregate living and permanent supportive rental housing.

Among renter householders with a disability, an estimated 61% or 1,325 have some housing problem.

As much as 40% of the estimated 2010 rental unit need (760 units) for extremely low-income households may be attributed to households with disabilities.

Persons with Severe Mental Illness

Seriously mentally ill persons are adults whose emotional or behavioral functioning is so impaired as to interfere with their capacity to remain in the community without supportive treatment. The mental impairment is severe and persistent and may result in a limitation of their functional capacities for primary activities of daily living, interpersonal relationships, homemaking, self-care, employment or recreation. The mental impairment may limit their ability to seek or receive local, state or federal assistance such as housing, medical and dental care, rehabilitation services, income assistance, or protective services. Seriously mentally ill householders are included in HUD's housing problem and disability data.

According to the Arizona Department of Behavioral Health Services (ADBHS), the need for mental health treatment for both adults and children is established through the application of prevalence rates provided by the National Association of State Mental Health Directors Research Institute (NRI). NRI annually updates estimates of adults with SMI using federal estimation methodologies developed by the Center for Mental Health Services.

Without adequate support, people with serious mental illnesses often stop taking the medication needed to remain stable. For those who do not remain stable, homelessness can become a serious issue. Mental health issues often co-occur with substance and alcohol abuse issues.

ADBHS has two primary goals in serving persons with severe mental illness – employment support and supportive housing. Both goals focus on independence and self-sufficiency. Employment support is intended to provide a continuum of work support and vocational rehabilitation activities. Supportive housing is intended to support skills and strengths to allow individuals to be successful in community living environments.

The serious mental illness rate among adults was defined as 5.4% of the civilian population in 2009. Using this estimate, there were 6,899 individuals with serious mental illness in Yuma County in 2009.

During the year ending June 30, 2011, the Arizona Rural Continuum of Care estimated that of individuals receiving homeless services in Yuma, Mohave and LaPaz Counties, 8.6% had severe mental illness.

Supportive housing is a successful, cost-effective combination of affordable housing with services that helps people live more stable, productive lives. Supportive housing works well for people who face the most complex challenges—individuals and families who have very low incomes, those with disabilities, and those who may be homeless or at risk of homelessness.

In general, supportive housing provides an opportunity for households to pay not more than 30% to 50% of their income towards rent and also provides a flexible array of comprehensive services. Comprehensive services often include medical and wellness, mental health, substance use management and recovery, vocational and employment, money management, coordinated support (case management), life skills, household establishment, and tenant advocacy. Supportive housing works best when there is a working partnership that includes ongoing communication between supportive services providers, property owners or managers, and/or housing subsidy programs.

FUTURE HOUSING NEEDS

Population and Household Projections

In order to better plan for future housing needs, it is important to estimate future population and households. Several growth scenarios were prepared for the Yuma County 2020 Comprehensive Plan. These scenarios are based on assumptions about when historical growth patterns will resume. As growth has remained relatively low during the past several years, Yuma County assumed that historic growth patterns would resume sometime between 2013 and 2015, resulting in population growth of about 13,000 people and housing unit growth of 8,000 units by 2020. Yuma County also considered the possibility that historic growth patterns may not resume until later in the decade, resulting in population growth of about 8,000 people.

POPULATION AND HOUSEHOLD PROJECTIONS 2020 – SLOW AND MODERATE GROWTH SCENARIOS

	Slow Growth (2)		Moderate Growth (3)	
Jurisdiction	**Pop**	**HH (4)**	**Pop**	**HH (4)**
Yuma County	206,477	73,552	213,691	76,122
Unincorporated	66,733	27,165	68,354	28,039
San Luis	28,945	6,391	32,470	6,747
Somerton	14,785	3,625	14,656	3,798
Wellton	3,062	1,212	2,113	1,268
Yuma, City	92,951	35,158	96,099	36,270

(1) US Census American Community Survey 2010 5-yr estimates
(2) Natural growth rate – 4.8% total growth 2010 - 2010
(3) Historic growth rate resumes mid-decade – 8.5% total growth 2010 – 2020
(4) Household distribution same as 2010.

For the purposes of this Housing Needs Assessment, two growth scenarios were developed.

The Slow Growth Scenario assumes 4.8% growth in population, based on pre-2000 growth patterns. In this scenario, the population will grow by 9,505 to 206,477, while households will grow by 3,263 to 73,552.

The Moderate Growth Scenario assumes 8.5% growth in population, based on slow growth until 2015 and growth at the 2000 – 2010 rate from 2015 through 2020. In this scenario, the population will grow by 16,719 to 213,691, while households will grow 5,883 to 76,122.

In the unincorporated County the slow growth scenario results in an additional 1,254 households and the moderate growth scenario in 2,874 additional households.

Projected Income and Households by Income Category

Estimates of household, family and nonfamily income are necessary to estimate the need for housing affordable to various income levels. Income estimates are based on income trends from 1990 to 2010 and assume that the trend will continue through 2020. Estimated households by income category are based on the slow growth scenario.

As income generally increases over time, the number of Yuma County households at higher income levels will increase and at lower income levels will decrease. Households with incomes above $100,000 will increase 60% to 15% of households.

MEDIAN FAMILY, NONFAMILY AND HUD HOUSEHOLD INCOME PROJECTION 2020			
	HUD Household Income	Family Income	Nonfamily Income
Yuma County	$51,000	$45,202	$29,961
San Luis	$51,000	$30,754	$11,932
Somerton	$51,000	$35,161	$17,170
Wellton	$51,000	$42,246	$24,591
Yuma, City	$51,000	$49,138	$31,689

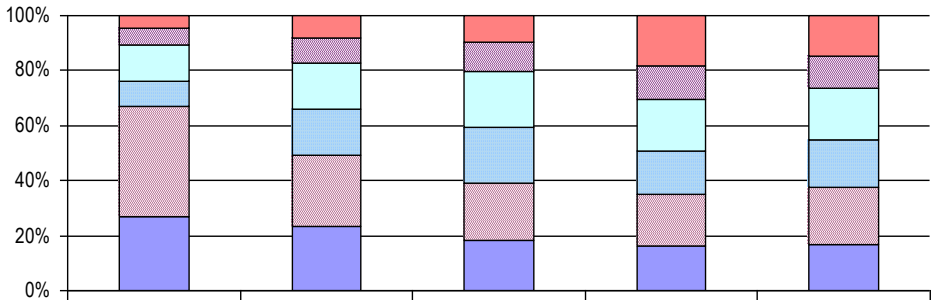
The projected HUD median County household income in 2020 is $51,000.

In 2020, 38% or 25,289 households will qualify for housing programs assistance, including 4,506 in the unincorporated County, 4,073 in San Luis, 2,138 in Somerton, 489 in Wellton, and 14,083 in Yuma

Households living on fixed incomes and employed in low-wage jobs will continue to be a part of the socio-economic make-up of the County.

In 2020, 12,191 households will be very low income by HUD standards, including 1,757 households in the unincorporated County.

Projected Households by Income Category 2020



	San Luis	Somerton	Wellton	Yuma	Unincorporated
$100,000 or more	279	290	116	6,389	3,950
$75,000 to $99,999	398	327	128	4,369	3,241
$50,000 to $74,999	848	611	248	6,558	5,061
$35,000 to $49,999	597	615	248	5,604	4,712
$20,000 to $34,999	2,543	937	250	6,439	5,696
Less than $20,000	1,726	845	222	5,800	4,506

Projected Tenure by Household Income Category 2020

Estimating the tenure of households in various income categories is essential to creating policies and programs that ensure an adequate supply of housing units at rents and prices affordable to Yuma County households. This is especially important when estimating the number of affordable and workforce housing units that will be needed over time.

Since the actual income and housing choice impacts of the current economy cannot be pre-determined, tenure estimates assume the proportion of renters and owners relative to the percentage of median income will continue the 2000 to 2010 trend.

As the income and income category of households change over time, the distribution of renters and owners relative to income is also expected to change, with fewer households at lower incomes and more households at higher incomes.

Countywide and based on the slow growth scenario, by 2020 the number of renter households is expected to increase 1,023 to 22,331 renters and the number of owner households is expected to increase 1,889 to 51,221 owners.

In the unincorporated County, the number of renter households is expected to increase 749 to 6,367, and the number of owner households is expected to increase 1,254 to 20,798 households.

- Countywide, the number of renter households with incomes less than $10,000 will decrease by 222 to 2,440 while the number of renter households with incomes above $50,000 will increase by 1,294 to 5,733.
- In the unincorporated County, the number of renter households with incomes less than $10,000 will decrease by 18 to 407 while the number of renter households with incomes above $50,000 will increase by 348 to 1,598.

ESTIMATED TENURE BY INCOME CATEGORY BY JURISDICTION 2020

	Unincorporated		San Luis		Somerton		Wellton		Yuma	
	Owner	Renter	Owner	Renter	Owner	Renter	Owner	Renter	Owner	Renter
Less than $10,000	1,350	407	571	133	135	192	62	43	824	1,488
$10,000 - $19,999	1,782	967	559	463	212	306	89	29	1,614	1,873
$20,000 to $34,999	3,429	2,267	1,424	1,119	809	128	217	33	3,447	2,992
$35,000 to $49,999	3,584	1,128	516	81	566	50	206	42	3,555	2,048
$50,000 or more	10,653	1,598	1,367	159	1,104	123	468	25	13,927	3,389
Total	20,798	6,367	4,436	1,956	2,826	799	1,041	171	23,369	11,789

Sources: US Census American Community Survey 2010 5-yr estimates; Author

Projected Housing Units Needed 2020

Housing unit need assumes household distribution by jurisdiction, vacancy rates, seasonal units, and persons per household will remain stable through 2020.

Based on either the slow growth or moderate growth scenario:

- 1,534 to 2,561 additional units will be needed in the unincorporated County;
- 287 to 710 additional units will be needed in San Luis;
- 167 to 372 additional units will be needed in Somerton;
- 61 to 128 additional units will be needed in Wellton; and
- 1,942 to 3,249 additional units will be needed in Yuma.

Under the slow growth scenario, by 2020 an additional 3,991 housing units will be needed in Yuma County, including 1,534 in the unincorporated County.

Under the moderate growth scenario, by 2020 7,021 housing units will be needed in Yuma County, including 2,561 in the unincorporated County.

HOUSING UNITS NEEDED 2020 – SLOW AND MODERATE GROWTH SCENARIOS

	2010 (1)		Slow Growth (2)			Moderate Growth (3)		
	HH	Housing Units	HH (4)	Housing Units Needed (5)	Total Housing Units	HH (4)	Housing Units Needed (5)	Total Housing Units (6)
Yuma County	70,289	86,984	73,552	3,991	90,975	76,122	7,021	94,005
Unincorporated	25,911	33,955	27,165	1,534	35,135	28,039	2,561	36,030
San Luis	6,157	6,469	6,391	287	6,941	6,747	710	7,300
Somerton	3,489	4,671	3,625	167	5,009	3,798	372	5,266
Wellton	1,162	1,512	1,212	61	1,579	1,268	128	1,631
Yuma, City	33,570	40,377	35,158	1,942	42,310	36,270	3,249	43,778

(1) US Census American Community Survey 2010 5-yr estimates
(2) Natural growth rate
(3) Historic growth rate resumes mid-decade
(4) Household distribution same as 2010.
(5) Housing units based on additional households and household size. Jurisdiction total may not round to 100% of County total.

Projected Housing Units Needed by Tenure and Income Category - 2020

Assuming additional units are added to the stock to accommodate growth, middle-income and higher-income households will continue to have both rental and ownership housing choice.

The gap in affordable rental units for very low income households is already significant; there will be continued need for 1,794 units renting for less than $250/month and serving households with incomes below $10,000.

Rental Unit Need

Assuming a 5% vacancy rate, Countywide the estimated number of rental units needed will increase by 1,910. Affordable rental units at both ends of the income spectrum will be needed. For higher income households, the private market will provide sufficient rental housing choice. Additional units affordable to extremely low income households will continue to be needed.

ESTIMATED TOTAL RENTAL UNIT NEED BY INCOME CATEGORY YUMA COUNTY (2020)

	Affordable Monthly Rent	2020 Estimated Renters	2010 – 2020 Change in Estimated Renters	Units Needed (1)	2010 Units Available	Additional Units Needed
Less than $10,000	< $250	2,440	(222)	2,562	768	1,794
$10,000 - $19,999	$250 - $500	3,785	(853)	3,974	4,137	0
$20,000 – $34,999	$500 - $875	6,397	226	6,717	10,069	0
$35,000 - $49,999	$875 - $1,250	3,976	578	4,175	4,402	0
$50,000 or more	> $1,250	5,733	1,294	3,145	2,162	0
		22,331	1,023			

Sources: US Census American Community Survey 2010 5-yr estimates; Author
(1) 5% vacancy rate

Home Purchase Unit Need

Demand for new home purchase units is expected to be among moderate and higher income households. Based on projected median income, moderate and higher income households will be to afford a home priced for $190,000 or more; however, it is important to remember that price is only one factor in the home purchase decision. Need and demand are not the same.

Countywide, 1,970 additional purchase units will be needed by 2020, including 727 in the unincorporated County.

REGULATORY BARRIERS TO AFFORDABLE HOUSING DEVELOPMENT

Zoning and other land use regulations at the local level may inhibit the provision of a variety of affordable housing options, yet land use regulations do not exclusively increase costs and barriers. Most regulations were created for the public good and to maintain a high standard of development. Reasonable regulations can ensure the health and safety of residents. Regulations are excessive only when they artificially elevate housing prices without an equal increase in health and safety benefits.

Yuma County Development Services completed HUD's Regulatory Barriers Questionnaire (Questionnaire) to identify land use regulations and development policies and processes that may promote or detract from affordable housing development. The County has multiple policies and processes that promote affordable housing development:

- The zoning ordinance, development and subdivision regulations, and other land use controls provide a broad range of land use and density categories. Multifamily housing, duplexes, small lot homes, and other similar elements that promote housing variety are specifically authorized by the zoning ordinance.
- The zoning ordinance bases minimum building size requirements on explicit health standards.
- Impact fees are not charged for new development.
- Time limits are established for County review and approval or disapproval of development permits.
- "Accessory dwelling units" are allowed either as (a) a special exception or conditional use in single-family residential zones, or (b) "by right" in most residential districts otherwise zoned for single-family housing. Accessory dwelling unit language is currently being revised and the disallowance of accessory dwelling units as rentals may impede affordable housing production, especially in rural areas.
- Affordable housing projects are not required to undergo public review or special hearings when the project is otherwise in full compliance with the zoning ordinance and other development regulations.

Among the most important tools for increasing the supply of affordable housing are land use and other regulations.

Focus on regulatory approaches is important because existing housing production programs have not kept up with demand among lower-income owners and renters.

A multitude of factors and forces contribute to housing price and availability, including labor and material costs, availability of financing for buyers and developers, land values, changes in population, demographics, migration, and economic factors such as unemployment rates, and income.

Because there are a number of variables contributing to housing cost, it is important to recognize that the absence of regulation will not necessarily results in housing affordability.

Regulatory policies are often the greatest contribution that governments can make to housing affordability.

A variety of programmatic and financing mechanisms need to be employed along with zoning and land use regulations to truly promote affordable housing development.

- Established a single, consolidated permit application process for housing development that includes building, zoning, engineering, environmental, and related permits; or conducting concurrent reviews for all required permits and approvals.

The County is also working towards additional policies and processes that promote affordable housing development, including using the most recent version of one of the nationally recognized model building codes without significant technical amendment or modification.

While there are many existing County policies and processes that contribute to affordable housing development, based on the HUD Regulatory Barriers Questionnaire the County could implement additional policies and processes to promote affordable housing development:

- Permitting manufactured (HUD-Code) housing "by right" in all residential districts and zoning classifications in which similar site-built housing is permitted, subject to design, density, building size, foundation requirements, and other similar requirements applicable to housing produced by other methods.
- Adopting specific building code language regarding housing rehabilitation that would encourage rehabilitation of historic properties through gradated regulatory requirements based on the different levels of work that are performed in existing buildings.
- Establishing a formal on-going process to review rules, regulations, development standards, and processes and assess their impact on the supply of affordable housing.
- Modifying infrastructure standards or authorizing the use of new infrastructure technologies (for example, water, sewer, street width) to significantly reduce the cost of housing.
- Providing density bonuses sufficient to offset the cost of building below-market units as an incentive for including affordable housing in market-rate residential development.
- Expediting a "fast-track" permitting and approvals for affordable housing projects.
- Adjusting or waiving parking, landscaping and other building requirements for affordable housing development.

RESOURCES AND THE DELIVERY SYSTEM

Historically, most housing programs have focused on low-income households. This focus is the direct result of the limited choices low-income households often have in a housing market. By increasing the supply of housing affordable to low-income households, housing programs have provided an opportunity for more households to make positive social and economic contributions to the community.

When housing prices were escalating, housing programs became increasingly focused on the workforce and middle-income households. Just as the conventional housing market finds it difficult to produce housing affordable to lower-income households, it also finds it difficult to profitably produce housing for middle-income households. While housing is currently affordable to middle-income households, careful observation of the housing market to ensure continued affordability for this income cohort is critical. When housing prices escalate to the point that middle-income households cannot afford housing, employer-based programs and targeted local incentives and programs become important tools in sustaining socially and economically vibrant communities.

In addition to regulatory incentives, an important role for the County is building a cooperative effort. Building on existing resources and supporting the existing delivery system helps to ensure successful implementation of policies and actions. Cooperation across jurisdictions and with the private and nonprofit sectors is essential to addressing housing quality, variety and affordability.

While each jurisdiction must implement policies and actions that use resources and directly impact residents within their respective jurisdictions, a County-wide approach to addressing housing needs will have the greatest long-term impact.

Most programs require a mix of skills and experience to meet needs and produce or rehabilitate units.

The complexity of many programs lends itself to partnerships among organizations with complementary strengths.

In partnerships, clear roles and responsibilities, well-defined outcomes and performance measures all help ensure those complementary strengths are used effectively.

The success of any housing program, policy or incentive is the direct result of political will and commitment to building capacity.

The housing and related socio-economic needs of Yuma County's residents are broad and deep enough to support many organizations assuming a variety of roles.

Cooperation is essential because markets are regional, not jurisdictional.

The Private Sector

Adequate capacity among both the private and public sectors is necessary to positively impact housing conditions. The private sector is the primary producer of housing. The private sector understandably focuses its attention on profitability and therefore on providing market-rate housing, some of which may also be affordable to lower-income households. A segment of the private sector has built capacity around specific types of housing such as rental housing developed using Low Income Housing Tax Credits or other federal sources.

In addition to developers, other private sector actors play key roles in the development of affordable housing. Banks and other financial institutions, real estate brokers and agents, Title companies, and construction contractors are all important players in the housing market and are often overlooked as partners in affordable housing.

The role of the private sector is to profitably fill demand for housing.

Many times the conventional housing market is not willing to or cannot deliver housing affordable to low-income households.

Appropriate incentives to participate in affordable housing development and finance are needed if that role is to expand.

Discussions with the private sector regarding affordable housing needs is essential to successful planning and coordination of programs, policies and incentives.

The Nonprofit Sector

There are fourteen nonprofit organizations active in the housing market in Yuma County. These organizations provide a variety of programs and services, and many organizations provide services across multiple categories. Nonprofit organizations and their services are described in more detail on the following pages. Typical services include:

1. Financial services, such as loans, grants and counseling are provided by Border Financial Resources and Western Arizona Council of Governments.
2. Development of land and/or buildings is provided by development organizations, most of which also provide additional services such as financial services.
3. Services combined with housing, such as self-help, supportive housing, special needs populations are provided by Campesinos Sin Fronteras, Crossroads Mission, The Excel Group, Saguaro Foundation Community Home Program, Services Maximizing Independent Living and Empowerment, and the Yuma County Housing Department Resident Advisory Council.
4. Multiple Services are provided by many organizations including Catholic Community Services, Comite de Bienestar, Habitat for Humanity, Housing America Corporation, Portable Practical Educational Preparation (PPEP), and the Yuma Neighborhood Development Organization.

Border Financial Resources, Inc. is a certified Community Development Financial Institution established in 2007 to provide business, personal and home improvement loans to low-income Hispanics who live or work in Yuma.

Catholic Community Services of Southern Arizona and Western Arizona provide a variety of services including outpatient behavioral health, domestic violence shelter, and information and referrals for individuals and families in crisis.

Campesinos Sin Fronteras (CSF) is a 501(C)3 non-profit, grassroots organization serving migrant & seasonal farm workers and other members of the low-income Hispanic community. CSF uses education, advocacy, and hands on involvement to bring positive life and community changes to farm workers and their standard of living. The members and staff of CSF come from farm workers backgrounds, enabling them to understand and be sensitive to the disadvantaged situations of the communities served. CSF offers programs including peer to peer health education, assistance in obtaining medical care, and helping clients attain safe and affordable housing.

Comite de Bienestar (Comite) focuses mainly on land development and housing. Working with its member families and individuals, Comité acquires large parcels of land, which it subdivides and develops, installing water and sewer systems, streets and street lights and dedicating land for schools and parks. Comite helps members obtain credit, construction loans, mortgages and down payment and closing cost assistance. In addition, Comite manages a self-help program, wherein members learn to build their own homes. Financial literacy training, homeownership counseling, and money and debt management counseling are also offered.

Crossroads Mission is a faith-based organization located in Yuma and dedicated to helping individuals who find themselves at a "crossroads" in their lives. Programs and services include: emergency shelter and transitional housing for homeless men, women and families; free meals; drug and alcohol stabilization, treatment and recovery; case management services; GED preparation and adult education; and clothing for homeless individuals.

The Excel Group, Inc. operates housing dedicated primarily for individuals with behavioral and related health needs. It owns and manages housing for persons with severe mental illness and offers and array of psychiatric services from evaluations and medications monitoring through treatment for substance abuse issues to group counseling and case management services. The company also provides psychosocial rehabilitation services, which include supervised day programs for adults with severe mental illness to restore, maintain, or improve functional skills and crisis intervention services. Employee assistance programs provide assistance to employees and their families who are struggling with alcoholism or other substance abuse, emotional problems, and/or other human issues that impact health and job performance.

Habitat for Humanity is a nonprofit, nondenominational Christian housing ministry that works locally to select and support homeowners, organize volunteers, and coordinate house building and repair. Homeowners participate in the building of their home under trained supervision and provided housing education and counseling services. Homeownership is further made affordable through no-profit mortgages made possible by individuals, corporations and faith groups that provide financial support.

Housing America Corporation is a 501(c) 3 non-profit that focuses on empowering very-low, low and moderate income individuals and families through affordable rental housing, homeownership education, down payment assistance, a self-help homeownership program, and foreclosure prevention services.

Portable Practical Educational Preparation, Inc provides a variety of services by affording low-income individuals and communities greater opportunities through access to capacity-building resources, affordable financial products, and housing development. PPEP provides a variety of free services to farm workers and their dependents. Services include vocational assessment and training, on-the-job training, job search assistance and work experience programs, upgraded skills in the agricultural industry, educational services, adult basic education, supportive services, and small business loans.

Saguaro Foundation Community Home Program provides personal support systems that are responsive to the changing needs of disabled and elderly individuals throughout their lifetimes. Saguaro Foundation operates group homes for both children and adults. In addition, Saguaro Foundation offers quality home and community based services in private homes, day treatment in a country setting, early intervention in private homes, sensory stimulation and integration in a qualified center, and transportation.

Services Maximizing Independent Living and Empowerment (SMILE). SMILE offers Home Modification to the elderly and disabled community. SMILE's Home Modification program includes: remodeling bathrooms by replacing tub and shower combinations with walk in or roll in showers, replacing standard toilets with high rise toilets, and installing grabs; widening doorways and providing new doors or security doors; and building ramps. When funding is available SMILE also provides Emergency Home Repair which can be anything from replacing an air conditioning unit to weatherizing windows and doors and replacing roofs.

Yuma County Housing Department Central Advisory Resident Council works with the Yuma County Housing Department to develop the Agency's Annual Plan. Members of the Regional Advisory Council are residents served by the Housing Department. Resident Advisory Councils may receive funds to support training, resident organizing and other activities in public housing. By coming together, residents are given the potential to play a role in what happens in their community and are also able to create a social support network. A resident association is also beneficial in the sense that it allows residents to build on their individual skills based on their participation in the group.

Yuma Neighborhood Development Organization (YNDO). The YNDO was created in 1999 to address community development needs in the City of Yuma by working in affiliation with neighborhoods. The YNDO maintains neighborhood representation on its Board of Directors and participates in neighborhood-based activities that address neighborhood needs. Its primary focus has been in the Carver Park and Yuma High neighborhoods, both designated City of Yuma Neighborhood Revitalization Strategy Areas. YNDO operates a first-time homebuyer program including individual development accounts, and revitalizes distressed housing for resale to low- and moderate-income homebuyers.

Western Arizona Council of Governments (WACOG) is a quasi-governmental entity that provides a variety of housing and community service programs. Housing and housing-related programs include utility assistance, foreclosure/eviction prevention, home adaptations for the elderly and disabled, case management services for homeless individuals and families, housing planning, housing counseling and education, and weatherization programs.

Federal and State Government

Federal and State government agencies provide a variety of housing resources are available for specific populations and geographic areas. In general, there is little coordination between Federal and State government.

Federal Government. USDA Rural Development, FHA, and the Veterans Administration offer homebuyer programs that include lower interest rates and down payment requirements and purchase subsidies. Other opportunities, such as "first-look" acquisition of foreclosed units and low cost leases are available to nonprofit organizations. To increase rental affordability, both HUD and USDA Rural Development offer financing guarantees to developers, and monthly rental subsidies; these resources are increasingly limited to projects that house special needs populations. For individuals, the federal government offers monthly rental subsidies and supports public housing through local public housing authorities. There are two housing authorities in Yuma County – the Yuma County Housing Department and the Housing Authority of the City of Yuma.

In addition to traditional federal agencies, quasi-governmental agencies are major actors in the housing market. Primary among these actors is the Federal Home Loan Bank (FHLB). The FHLB banks are 12 US government-sponsored banks that provide stable, on-demand, low-cost funding to financial institutions for home mortgage loans, small business, rural, agricultural and economic development lending. The FHLB banks with their members are the largest collective source of home mortgage and community credit in the United States.

While the provision of housing is predominantly a private sector, market-driven activity, all levels of government – federal, state and local – play a role in facilitating the production and preservation of affordable housing.

The primary role of local government is planning and process, while the primary role of state and federal government is to provide financial resources.

Yuma County is currently designated a Difficult Development Area (DDA) by the US Department of Housing and Urban Development.

DDAs are eligible for increases in Low income Housing Tax Credit basis, which means that more of the development costs may be borne by Tax Credits, thereby making affordable rental development more financially feasible.

The FHLB System was chartered by Congress in 1932 and has a primary mission of providing member financial institutions with financial products and services that assist and enhance the financing of housing and community lending. The 12 FHLB banks are each structured as cooperatives owned and governed by their member financial institutions, which include commercial banks, thrifts, credit unions and insurance companies. Member institutions obtain access to low-cost funding through their purchase of stock in the FHLB system; as members seek to increase their borrowing, they must purchase additional stock to support the activity. The mission of the FHLB system reflects a public purpose (increase access to housing and aid communities by extending credit to member financial institutions); all 12 are privately capitalized and do not receive taxpayer assistance.

The State of Arizona. Several state agencies make available financial resources to address housing needs:

- The Arizona Department of Housing offers financing programs to nonprofit and local government organizations, and private developers. Financing includes bonds, loans, and grants. Most resources are restricted to households earning less than 80% of the County median income. The department also coordinates planning and funding for special needs housing throughout rural Arizona.
- The Arizona Department of Economic Security provides financial resources for the operation of homeless and transitional housing shelters, homeless prevention resources, and provides services directly to special populations.
- The Arizona Department of Behavioral Health Services offers financial resources in support of housing and services to persons with mental illness in cooperation with the Arizona Department of Housing.

In the past, approximately $200 million/year was available through these multiple State agencies, including approximately $30 million/year from the State Housing Trust Fund. However, the economic recession and resulting State legislative changes have reduced the State Housing Trust Fund to $2.5 million annually, the amount necessary to provide required matching funds for Federal programs. The following chart illustrates current resources of the Arizona Department of Housing and eligible activities for each resource.

	State Housing Fund (Housing Trust Fund + Federal HOME funds)	**Arizona Housing Finance Authority (AzHFA)**	**Community Development Block Grant (CDBG)**	**Low Income Housing Tax Credit**
Financial Literacy and Home-Buyer Education	Required and funded only as part of housing development or rehabilitation activities	Required for beneficiaries of assistance. Network of agencies provides.	Eligible public service activity subject to statewide cap	Not eligible
Down Payment and Closing Cost Assistance	Variable amount based on cost of unit and buyer income	Variable amount based on cost of unit and buyer income	Eligible activity	Not eligible
Mortgage Guarantees or Other Special Mortgage Provisions	Not available	Mortgage Revenue Bonds (MRB) and Mortgage Credit Certificates (MCC)	Eligible activity	Not eligible
Housing Rehabilitation for owner occupants	Eligible activity	Not eligible	Eligible activity	Not eligible
Housing Rehabilitation for rental properties	Eligible activity	Not eligible	Eligible activity	Eligible activity
New Housing Construction	Eligible activity	Multi-family mortgage revenue bond	Eligible activity only through specially-formed nonprofits	Eligible activity
Neighborhood Revitalization	Through other eligible activities	Through other eligible activities	Multiple eligible economic, social and housing activities	Through other eligible activities

County Government

Two Yuma County departments have authority and responsibility for tasks and activities that directly impact housing quality, variety and affordability – the Development Services Department and the Housing Department. The concept of directly addressing housing conditions through policies and incentives is relatively new to Yuma County. Building capacity through carefully-selected programs, policies and incentives is essential given the County's limited staff.

Yuma County Development Services Department

The Development Services Grants Section consists of two staff people who manage grants targeted to improving the overall health and safety of the County with primary focus on the unincorporated areas. The Grants Section manages the Community Development Block Grant (CDBG) and Energy Efficiency and Conservation Block Grant (EECBG) programs, and networks with the nonprofit community to collaborate on human services issues.

The Grants Section also facilitates the development of leadership in unincorporated communities to address infrastructure concerns and helps to secure funds to off-set the cost of community infrastructure projects. Specific to housing, the Grants Section manages the County's owner-occupied housing rehabilitation and emergency repair programs and assists nonprofit partners with CDBG funding.

The Yuma County Development Services Department has primary responsibility to ensure that development is done safely and in the best interests of the community.

The Development Services Department has expertise in the development process and housing rehabilitation programs, and experience with federal and state funding programs. The Grants Section also has experience working with nonprofit organizations and building community leadership.

Land Use Planning

The Development Services Department is also responsible for land use and zoning policies and processes. Through land use and zoning policies and processes, the County has multiple objectives related to encouraging affordable housing development. According to the Yuma County 2020 Comprehensive Plan, objectives include:

- A mix of land uses;
- Taking advantage of compact building design;
- Creating a range of housing opportunities and choices;
- Creating walkable neighborhoods;
- Fostering distinctive, attractive communities with a strong sense of place;
- Strengthening and directing development towards existing communities;
- Providing a variety of transportation choices;
- Making development decisions predictable, fair, and cost effective; and
- Encouraging community and stakeholder collaboration in development decisions.

According to the Yuma County 2020 Comprehensive Plan, the nine planning areas that comprise unincorporated Yuma County are extremely diverse. Areas range from an urbanized area that is comparable in size and scope to a mid-sized city, areas of intense and bountiful agricultural production, remote desert outposts, and areas of two to five acre ranchettes, retirement communities and a community that is mostly composed of vacation homes. No single set of criteria could cover all land use needs, issues and desires of such a diverse group of areas. For this reason the unincorporated portions of Yuma County are divided into nine planning areas, each representing common land use patterns and issues.

The more rural areas of Yuma County contain subdivisions platted several decades ago when County regulations did not require infrastructure improvements prior to recording a final plat. As a result, many of these subdivisions have little to no physical infrastructure for improved roads, water and sewer systems, or in some cases clearly established legal access. These deficiencies cause the subdivisions to either not develop or to develop at an extremely slow pace. Finding a way to deal with deficient subdivisions is one of the major challenges facing the rural areas of Yuma County over the next decade.

Another challenge facing Yuma County is land use. While the County has sufficient land zoned for residential development, the majority of land is designated for lower density residential development. Lower density homes provide housing options for many of the County's households, yet higher density housing and manufactured housing are more affordable to lower income households. Monitoring the County's vacant land inventory and Land Use Element to identify appropriate locations for higher density housing, including mobile homes, multi-family, and RV parks is essential. Increasing density on properties where affordable housing is provided as part of a proposed project is an important element of assuring adequate affordable housing supply.

Yuma County Housing Department

The mission of the Yuma County Housing Department is to assist low-income families with safe, decent and affordable housing opportunities as they strive to achieve self-sufficiency and improve the quality of their lives. The Housing Department's focus is on low-income renters. Their mission is achieved through the responsible management of Housing Choice Vouchers and Public Housing Units.

The Yuma County Housing Department currently assists 584 households with Housing Choice Vouchers and owns and operates 169 rental units.

The Housing Department has expertise in affordable rental housing development and property management.

The Housing Department owns and operates apartments for low-income families in the Cities of Yuma, Somerton and San Luis. Units consist of 1, 2, 3 and 4 bedrooms and eligible occupants include the elderly, disabled, handicapped, single persons and families who meet HUD's very low income limits. Occupants pay not more than 30% of their income towards rent and utilities and the US Department of Housing and Urban Development (HUD) pays the remaining share through contracts with the Housing Department.

The Housing Choice Voucher program (Section 8) provides financial assistance to eligible low-income families to obtain decent housing. Under contract with HUD, the Housing Department makes rental assistance payments to landlords of rental housing outside of the Yuma City limits. Similar to public housing, participants pay approximately 30% of their income for rent and utilities. Eligibility is limited to very low income families, singles, elderly (over age 62), disabled or handicapped individuals.

In February 2012 there were 584 households being assisted by the Housing Department and an additional 1,000 are on the waiting list for assistance. The waiting list is not open to new applicants as the wait for assistance is approximately three years.

Cities and Towns

Local jurisdictions facilitate the development of housing through land-use planning and zoning ordinances. Local jurisdictions are also responsible for ensuring the health and safety of local residents and the structural soundness and livability of the local housing stock via building permits and inspections. Many local jurisdictions choose to play an additional role by providing financial incentives and regulatory relief, participating in state and regional housing programs and supporting local or countywide programs and projects. The incorporated communities of San Luis, Somerton and Yuma have included housing elements in their General Plans.

City of San Luis

The City of San Luis Housing Element addresses the provision of adequate housing for all economic segments of the community, including elimination of substandard housing, improvement of housing quality, and provision of adequate sites for the development of housing. The City of San Luis Housing Element includes five goals and related objectives. The housing goals of the City of San Luis are to 1) provide a variety of housing for all socio-economic groups, 2) work closely with home builders to provide housing units demanded by the community, 3) focus on high-quality and sustainable residential construction techniques, 4) provide for a variety of housing types available to residents of all ages and income levels, and 5) remediate deteriorated and blighted conditions.

City of Somerton

The City of Somerton Housing Element states that the recent years have shown a marked increase in new entry level residential subdivisions. While housing opportunities are overwhelmingly single-family detached structures, small areas of multi-family units and a few manufactured housing units are scattered throughout the community. New interest by developers and construction of multi-family homes is an indication of the need for varied housing types and pricing for the community. Planned land uses in the City of Somerton provide approximately 11,860 acres of land that could accommodate higher-density units.

The goal of the City of Somerton is to provide housing choice for all income levels. The City's policies to meet this goal include 1) encouraging a diverse mix of housing to address the broad range of the housing

market, 2) addressing housing maintenance issues, 3) working closely with nonprofit organization to ensure that affordable housing is available to low-income individuals and seasonal workers, 4) developing a housing plan targeting balanced housing with 50% of the housing affordable to households with incomes at the County median income or below, and 5) encouraging the development of quality multi-family housing in appropriate locations. Assuming land is developed at its highest potential density the City of Somerton could accommodate as many as 820 additional medium and higher-density units.

City of Yuma

The City of Yuma has two departments that focus on affordable housing in the City limits – the Neighborhood Services Department and the Housing Authority of the City of Yuma. As a direct recipient of Community Development Block Grant funding from the US Department of Housing and Urban Development, the City's Neighborhood Services Department completes a Consolidated Plan every five years. The Consolidated Plan describes housing needs and conditions in the City and establishes five-year goals for addressing housing and community development conditions that impact low- and moderate-income residents and neighborhoods. The Neighborhood Services Department also completes an Annual Action Plan that defines the specific uses of CDBG and other government funding to address housing and community development conditions.

The Housing Authority of the City of Yuma currently assists 1,122 households with Housing Choice Vouchers and owns and operates 235 rental units. The HACY has approximately 3,900 households on its waiting lists for Housing Choice Vouchers or Rental Units.

The City of Yuma Housing Element provides an overview of the housing market and conditions and the City's approach to providing housing for all segments of the community. The City's Housing Element also promotes Smart Growth through its policies and implementation strategies by encouraging a mix of land uses, a variety of housing types and affordability, and connecting housing and jobs through transportation choices.

The goal of the City of Yuma is to encourage the provision of safe, decent, sanitary, and affordable housing for all residents. The Housing Element includes four objectives and fourteen policies and actions. Objectives of the City of Yuma include to 1) maintain strict development and subdivision standards for quality residential development and balance these standards with aesthetic and cost concerns, 2) maintain and enhance the quality of existing housing, 3) encourage a variety of housing types to meet all socioeconomic segments of the population, considering both full time and seasonal residents, and 4) encourage a residential environment that insures energy conservation, noise attenuation, open space, and compatible appearance. Current zoning in the City of Yuma will allow for as many as 6,785 additional higher-density units in high-density and mixed-use zones.

Common Housing Goals and Objectives

Common policies across jurisdictions are important to quality and affordable residential development. Local jurisdictions' Housing Elements speak to multiple common goals, objectives and actions. Common goals and objectives include:

1. Maintaining and enhancing the quality of existing housing;
2. Encouraging a variety of housing types to meet all socioeconomic segments of the population;
3. Focusing on high quality and sustainable development; and
4. Working closely with the private and nonprofit sectors to address the needs of low- and moderate-income households.

Common actions include:

1. Zoning land for and encouraging higher density residential development to promote lower-cost rental and ownership options;
2. Developing and implementing programs and policies to address substandard housing conditions;
3. Incorporating energy efficiency and sustainable building practices into codes and ordinances;
4. Providing assistance to first-time and low-income homebuyers;
5. Creating incentives for in-fill development, including multi-family units;
6. Enforcing codes and policies related to public health and safety; and
7. Providing incentives for the development of affordable housing.

The Yuma Regional Development Plan

Housing policies and actions are generally jurisdictional, yet housing markets are regional. For this reason it is essential for all jurisdictions to work cooperatively to address housing conditions, including unmet need among low- and moderate-income households. The jurisdictions together developed the Yuma County Regional Development Plan.

The Yuma Regional Development Plan and resulting coordination of effort is an ideal forum to cooperatively address housing quality, variety and affordability throughout the County.

Through the Yuma Regional Development Plan, jurisdictions work together to ensure compatible land uses between adjacent entities and along military boundaries, provide notification regarding annexations, plan amendments, rezonings and subdivisions, coordinate relevant development issues, and continue to adopt similar and comparable building codes. In the more urbanized areas of the County, the goal of the County and jurisdictions is to concentrate development in areas that have or will have water and wastewater distribution systems, surface transportation and circulation systems, schools, parks/open space, and recreation facilities, fire and police protection, and refuse collection services. Many of these objectives support housing quality, variety and affordability.

STRATEGIC IMPLEMENTATION OVERVIEW

The housing needs and conditions identified in the Housing Needs Assessment suggest three County goals and multiple corresponding actions. Actions will be selected by the Board of Supervisors and included in the Yuma County Housing Element.

Suggested Goals

Goal 1: Provide an adequate housing supply with a balanced inventory of dwelling types and densities to meet the needs of present and future residents of Yuma County at all economic levels.

Goal 2: Preserve and expand the supply of a variety of quality housing units.

Goal 3: Maintain cooperative working relationships with affordable housing stakeholders in Yuma County.

Housing Policies, Incentives and Strategy Menu

The following menu includes actions and strategies that the County may wish to consider for inclusion in the Housing Element. The actions and strategies fall into seven broad and often inter-related categories:

1. Promote Affordable Housing Development.
2. Planning, Zoning and Development Standards.
3. Financial Resources.
4. Infill and Neighborhood/Small Area Revitalization.
5. Land Availability.
6. Community-based Programs.
7. Management Practices.

The volume of actual effort and housing development will influence the amount of staff time necessary for implementation. Italicized actions when combined will generally require a three-quarter to full-time staff position to ensure successful implementation.

Promote Affordable Housing Development

1. *Create a linkage program that would require developers to assist in the development of affordable housing if they are developing real estate that could increase the demand for affordable workforce housing, such as hotels, offices or retail centers.*
2. Provide priority to capital improvements projects that will increase or preserve the supply of housing affordable to households earning less than 80% of the County median income as annually determined by the US Department of Housing and Urban Development.
3. Include housing affordability discussions in meetings with developers and during planning and evaluation of development plans.

4. Encourage partnerships among planned developments and nonprofit organizations to develop housing for rent or sale to households earning less than the area median income and compatible with the planned development; and among property owners and private or nonprofit developers to encourage investment in the development, redevelopment, rehabilitation and adaptive reuse of land and buildings.
5. Provide support to one or more nonprofit organizations to develop a mechanism to acquire and rehabilitate property for sale or lease to households earning less than the area median income.

Planning, Zoning and Development Standards

1. *Adopt an incentive policy for affordable housing for when a developer or other party commits to affordable housing units for households with incomes below 80% of the area median income as adjusted annually by the US Department of Housing and Urban Development. Affordable housing development provisions include:*
2. *Density bonuses, and*
3. *Flexible design standards such as minimum open space ratios, minimum site areas, and parking incentives.*
4. *Adopt a property maintenance ordinance. Create information packets and outreach programs to educate Yuma County property owners on home maintenance.*
5. Incorporate housing affordability into the development review checklist.
6. Encourage residential uses near employment centers and services to increase the jobs-housing balance, by zoning or rezoning underutilized commercial property to residential or mixed-use zoning; and low-density residential to higher- or mixed density residential.
7. When updating or amending land use plans evaluate the potential impact rezoning may have on existing businesses, as well as future economic development and job creation potential.
8. Ensure that zoning policies recognize and accommodate the needs and preferences of a changing demographic, including seniors, couples without children and people living alone; and that adequate sites are designated for multi-family and manufactured housing to meet expected demand among households at various income levels, including very-low and low-income households.
9. Identify areas where upgrading infrastructure and community amenities could improve neighborhood involvement in and encourage private investment in housing production and/or rehabilitation.
10. Explore form-based zoning as a mechanism to reduce “Not In My Backyard” issues.
11. Identify and map parcels that may have room for residential development. Include surplus parcels, undeveloped or underdeveloped portions of actively-used sites, commercial and recreational property and low-density uses in areas suited for higher densities.
12. Implement residential uses over commercial uses as an opportunity to expand housing choice while providing additional and alternative income to property owners.
13. Establish design criteria for manufactured and modular housing to promote placement in a wider array of zoning districts.

14. Use buffering, screening and design standards to mitigate impacts of higher-density residential development on neighboring lower-density residential development
15. Develop standards for the use of alternative building materials.
16. Promote energy efficient construction and effective land use patterns to increase housing variety, quality and affordability.
17. Assess current plans and identify potential locations for higher density development that includes affordable housing units.
18. Work with developers and other stakeholders including nonprofit organizations and employers to identify appropriate locations for housing units affordable to households of all economic levels.

Financial Resources

1. *Create a Dedicated Affordable Housing Revenue Fund through developer exactions or contributions.*
2. *Partner with financial institutions to develop one or more local loan pools for development of new housing opportunities, refinancing of existing affordable housing, and rehabilitation of substandard housing units for targeted households.*
3. *Issue General Obligation Bonds to support projects that will provide affordable and workforce housing opportunities.*
4. Systematically review federal, state and private funding availability for a variety of affordable housing programs and projects. Pursue funding for specific activities.
5. Support applications from third parties for state and federal housing resources through letters of support, matching funds, land donation, coordination, and/or project / grant management services.
6. Create a linked deposit program wherein financial institutions are selected for deposit of government funds based on their willingness to contribute loans and other resources to valued public activities, including affordable housing.
7. Link economic development incentives with housing for employees or link affordable housing development with economic development incentives.
8. Create a process for employer input into housing programs and projects as a method to facilitate employee attraction and retention.

Infill and Neighborhood / Small Area Revitalization

1. *Identify distressed neighborhoods or small areas with little private investment and explore the creation of a redevelopment district or revitalization area. Involve neighborhood residents in the planning process and develop action plans to meet identified needs including social and community services, infrastructure, transportation, economic development, law enforcement and affordable housing.*
2. *Implement a rental housing ordinance that specifies minimum housing standards. Seek resources from federal, state and local sources to ensure the program is well funded and resources are available to assist property owners to undertake rehabilitation.*

3. Develop infill incentives as a method to promote the production or rehabilitation of affordable housing close to existing infrastructure, shopping and services. Include financial incentives, density and zoning incentives, fee waivers, and/or donated or reduced cost land.
4. Develop a cooperative code enforcement agreement among municipalities and the County.

Land Availability

1. Utilize Community Development Block Grant funding and General Obligation Bonds as sources for land acquisition for future affordable housing development.
2. Identify and map publicly-owned parcels that may have room for residential development. Include surplus parcels, undeveloped or underdeveloped portions of actively-used sites, commercial and recreational property and low-density structures in areas suited for higher densities.
3. Evaluate the suitability of government-owned property for affordable housing. Include an assessment of whether the property could be dedicated for development by a nonprofit organization and/or rezoned to encourage manufactured or higher-density housing.
4. Convey or sell County-owned property to nonprofit organizations that will provide affordable housing for low-income families (A.R.S. § 11-251.10)

Community-based Programs

1. *Continue the owner-occupied housing rehabilitation program. Apply for CDBG and/or State Housing Funds to rehabilitate housing units occupied by low- and moderate-income households. Promote energy conservation through participation in home weatherization and energy audit programs. Secure housing rehabilitation assistance through deeds of trust and promissory notes to provide future funding for housing activities.*
2. *Work with nonprofit agencies and employers to create and match housing assistance benefits.*
3. *Create a rental rehabilitation program targeted towards investors owning fewer than ten units.*
4. Conduct an in-depth assessment of housing quality and ownership conditions in areas where at least one-half of the housing stock was built prior to 1980.
5. Through marketing, workshop space and other sponsorship, support housing counseling and education and financial assistance programs for households entering the home purchase market or experiencing housing affordability concerns.
6. Sponsor home maintenance and repair clinics to assist property owners in making their own repairs.
7. Support foreclosure prevention programs that include owner education, refinancing opportunities, and assistance negotiating with financial and servicing institutions.
8. Support programs that provide short-term assistance to households that may be displaced as a result of foreclosure, eviction or job loss.
9. Sponsor tenant and landlord training on rights and responsibilities of each party and fair housing law.
10. Investigate programs and services to assist seniors to “age in place”.

11. Consider adaptive reuse of public and vacant structures for affordable special needs housing.
12. Support transitional housing, temporary shelter; and permanent supportive housing to increase housing options for people with special needs, including the elderly, homeless, victims of domestic violence, handicapped, mentally ill and disabled.

Management Practices

1. *Implement an organizational structure to finance, construct or manage housing for households earning less than the area median income or for other target populations. At a minimum evaluate an expanded role for existing housing authorities; and a community development corporation (CDC) or similar nonprofit organization.*
2. Incorporate housing quality, variety and affordability discussions into regional planning forums.
3. Keep current market data and information to inform citizens, businesses and developers of current housing conditions.
4. Create informational brochures for distribution to developers.
5. Periodically examine how zoning provisions and building codes add to the cost of production of all units, not just affordable units.
6. When updating land use and other regulatory policies, reassess the impact of regulatory policy on housing affordability and affordable housing development.
7. Create a one-stop shop for developers and other organizations interested in affordable housing production, rehabilitation or related services.
8. Identify methods by which developers whose plans for affordable housing are accepted in one jurisdiction will also be accepted in other jurisdictions throughout Yuma County.
9. Ensure that tracking systems are in place so that affordable housing is not lost through redevelopment, rehabilitation, or expiring use.
10. Adopt a common building code and plan review checklists among all jurisdictions in Yuma County.
11. Ensure that a public input process is utilized for all key programs, projects and policies.
12. Prior to developing new or expanding existing programs or resources, assess organizational capacity to successfully deliver each.
13. Create shared administration and expertise across units of government wherein each jurisdiction expands the capacity to deliver specific types of programs or projects and through inter-governmental cooperation assists other units of government.
14. Annually update key housing market data to ensure that policies, programs and projects are appropriately targeted.
15. Ensure that housing programs, policies and actions incorporate an analysis of: current and projected economic, social and political forces; potential for displacement or loss of existing affordable units;

permanency of affordability mechanisms; and impact on neighboring jurisdictions or county-wide efforts.

16. Map the location of Section 8 voucher holders and identify common characteristics of selected geographic areas and housing types.
17. Periodically assemble agencies and organizations, including government, nonprofit and private, that are essential to moving forward with affordable housing policies and strategies. Focus discussions on market conditions and relevant programs, policies and incentives to address each.
18. Establish a Housing Task Force comprised of local government, nonprofit and private interests to periodically research, evaluate and recommend appropriate policies and strategies to elected and appointed officials.
19. When needs are shared by multiple jurisdictions, implement regional or joint solutions to ensure greater efficiency and reduced costs.
20. Set specific community education goals. Educate the public, key staff and elected and appointed officials regarding housing quality, variety and affordability. Repeat selected themes often, including factual information on specific information such as density, crime, design, traffic, and parking; how moderate and higher-income owners benefit from federal tax policy and private sector underwriting standards; the range of employment and income opportunities and how these relate to the cost of renting or owning; and the impact of housing conditions on property values and taxes, economic development efforts, and personal and community health.
21. Develop a portfolio of projects and programs to build on-going support for affordable housing activities. Include photos; describe appearance, design, and impact on individuals, neighbors and neighboring properties, employers, sales tax revenues, traffic reduction, and other visual/statistical data.

Policy and Incentive Overview

Because many of the housing conditions and needs require policies and incentives of relatively high complexity and sophistication, this section provides background information related to policies and incentives of relatively high complexity including adopting an affordable housing incentive policy, implementing a property maintenance ordinance, involving employers in workforce housing activities, and issuing general obligation bonds. A better understanding of these policies and incentives will assist Yuma County in selecting and implementing appropriate activities.

Affordable Housing Incentive Policy

An affordable housing incentive policy (AHIP) is used when a developer or other party commits to permanently affordable housing units. An AHIP requires collaboration among County divisions and may also be adopted by each jurisdiction. The goal of an AHIP is to provide viable incentives to stimulate the development, rehabilitation and redevelopment of affordable housing. Parties wishing to take advantage of offered incentives must provide rental and/or ownership opportunities that have affordability restrictions placed on the units for an intended population. Encouraging the preservation and production of permanently affordable units and facilities will assist in narrowing the deficit of all types of housing for low- and moderate-income households.

Incentives included in an AHIP support the creation of affordable housing within residential and mixed-use developments while ensuring that housing also meets applicable regulations of the federal government, Arizona Revised Statues, Yuma County, local jurisdictions, and all other regulating entities.

An AHIP should designate a lead agency on housing policy issues. The lead agency is typically a department or division that already fosters partnerships with local jurisdictions, neighborhoods, non-profit housing providers, and the home-building industry to develop, finance, rehabilitate, relocate, and implement community development policies.

Definitions

An AHIP defines key terms to ensure that all parties understand requirements. Typical definitions included in an AHIP include:

- Affordability Controls are mechanisms used to ensure that the sale or rental prices of set-aside units stay attainable to households making a certain percentage of Area Median Income (AMI). These controls remain in effect for a specified period of time.
- Affordable Housing is housing or shelter that is developed or redeveloped for households at specific income levels, generally 80% of the AMI for ownership and no more than 60% AMI for rental who will pay not more than 30% of their gross income for housing.
- Area Median Income (AMI) is an income level annually determined by the United States Department of Housing and Urban Development based on a variety of factors. Area Median Income is based on household size.

- Covenant is a type of contract in which the covenanter makes a promise to a covenantee to do or not do some action. In real property law, "covenant running with the land" imposes land use duties or restrictions regardless of who owns the property.
- Deed is a legal written instrument that passes, affirms or confirms an interest, right or property and that is signed, attested and usually recorded.
- Deed Restrictions place limitations on the use of property. Many units of government use deed restrictions to enforce affordability controls.
- Density Bonus is a developer incentive. It is a percentage of units that the jurisdiction permits the developer to construct above and beyond what the zoning designation for that piece of property would otherwise allow.
- Developer Incentives include density bonuses, expedited permit processes, fee waivers, and resource reductions that are given to developers to encourage them to build affordable units, or to compensate them for selling/renting the units below market to designated populations.
- Development Fee is broadly defined as any fee paid to the jurisdiction associated with the development of a project, including Impact Fees.
- Expedited Permit Process allows the jurisdiction to review and process a developer's application for building permits, zoning permits, and other permits, on a faster time schedule than usual.
- Fee Waivers include certain development fees, such as building permits and entitlement fees that are waived in exchange for the construction of a certain number of affordable units as part of a proposed development.
- Housing Set-Aside is the number and/or percentage of units that are set-aside for a specific income level and/or population. For example, a 10% set-aside means that for every 10 units in a proposed development one affordable unit will be set aside. Jurisdictions often require that set-aside units be distributed proportionally throughout the development and development phases, and have the same design and appearance as market-rate units.
- Income-Targeting specifies the percentage of AMI that units must be set-aside for and is typically established by jurisdictions based on housing needs and conditions.
- Income-Tiering refers to multiple income categories for which housing units will be set-aside, such as 50% of AMI and 80% of AMI.
- In-lieu of Attainable Housing Contribution is a cash payment made by a developer who wishes to receive incentives but does not wish to construct affordable housing units. Usually these payments are deposited in a housing trust fund or a similar restricted fund for the construction of other affordable units elsewhere in the jurisdiction.
- Market Rate is the price that a residential unit would sell or rent for on the open real estate market without any subsidies or price restrictions.

- Period of Affordability is the length of time during which unit occupancy and price or rent are restricted to a specific income level or population. Jurisdictions frequently establish minimum periods of affordability, such as 30 years for rental units and 15 years for ownership units. Periods of affordability are usually outlined and enforced through affordability controls, such as deed restrictions or covenants.
- Rental Unit is a housing unit owned by one party and leased to another.
- Right of First Refusal prevents the sale of a residential property until a designated party has been offered the opportunity to purchase the property first. For example, if the County has the right of first refusal, then an affordable unit cannot be sold unless the County has been offered the opportunity to purchase the property first.
- Second Mortgage Lien is a claim or charge on a property for payment on a debt that is second in priority to a first mortgage. Some jurisdictions use second mortgages to enforce affordability controls and ensure that if an affordable unit is sold during the period of affordability, any incentives or funds invested are recaptured.

General Policies

Generally parties seeking incentives must apply for the incentives and complete a certification process. Incentives are usually available for rental and owner-occupied new construction and rehabilitated housing or shelter that meets the standards and requirements specified in the Zoning Ordinance, Comprehensive Plan and adopted Building Codes. When incentives are requested by owners or developers that have not received final platting or site plan approval, the owner and developer must make modifications to plans.

Incentives are generally optional and available to developers of residential or mixed use developments seeking rezoning or any kind of discretionary land use approval provided that a minimum of ten percent (10%) affordable housing units are included in the development. A variety of housing types, mixed income and affordable housing developments are encouraged. Incentives are also offered to developers of affordable housing funded through a federal or state program, providing matching funds for these projects.

An agency must be designated to certify the income eligibility of households. Most jurisdictions utilize income qualification rules of either the Federal HOME program or the Section 8 Housing Choice Voucher Program, which take into account income, family size, assets and other economic circumstances. Some jurisdictions provide this service to developers either as an additional contribution or on a fee-for-service basis.

Typically, developments providing permanent affordable housing must also provide access to transportation such as current or planned transit access within ½ mile of the site or alternative transit such as vanpool, park and ride, or service plans for seniors and persons with disabilities. Many jurisdictions also require that the development has direct access to multiple land uses that serve residential customers, such as grocery stores, banks, schools and other retail or activity centers.

Due to limited resources, jurisdictions typically limit the annual number of fee waivers and reimbursement opportunities and utilize a first-come, first-served policy. Once a project receives preliminary approval,

resources are set-aside for the applicable incentives. If a project does not receive final approval within a specific period of time, for example 12 months, incentives can be allocated to the next available project.

Many jurisdictions require that developments receiving fee waivers or reimbursements must be completed and sold or occupied within twenty-four to thirty-six months of a contract, development or other binding agreement with the jurisdiction. Site control is typically required and all other requirements, with the exception of rezoning, must be met. In addition to time limits and site control requirements, jurisdictions also typically require that developers using a third party to provide affordable units, such as a nonprofit organization, enter into an agreement regarding the management, use and oversight of the affordable housing.

Most jurisdictions require a written agreement be recorded regarding the affordable housing units. Written agreements include land use restriction agreements and covenants that run with the land. These agreements apply to all future owners of the property for a specified period of affordability The affordability covenant allows the jurisdiction to enforce the affordability controls.

Incentive Process

In order to begin the voluntary housing incentive process, an application process must be established. A written application is typically required that describes the development and the affordable housing within the development. Many jurisdictions modify written application requirements of other programs, such as the Federal HOME program or CDBG program. The process also typically includes a preliminary discussion with staff about the project, often before a written application is submitted. Ideally, a single point of contact is established to work with the developer throughout the process.

For new development, the applicant and staff establish an incentives review timeline and define initial incentive opportunities for the project. An applicant generally has until preliminary approval to commit to incentives.

The Final Plat or Site Plan must typically identify the affordable units/lots and contain a notice approved by the jurisdiction that the deed to the affordable units/lots is subject to the terms of any development agreement, affordability covenant, and deed restrictions. The development agreement and affordability covenant often provide that if the developer is not in compliance with the terms and conditions of the development agreement and other requirements or regulations, the jurisdiction has the right to withhold building or occupancy permits until the developer is in full compliance.

When a unit or project is ready to receive a Certificate of Occupancy (C of O), the applicant must typically demonstrate compliance with the approved pricing structure and covenants. Compliance is established through a meeting with staff who review documents and follow up to ensure that income eligibility has been appropriately determined and verified.

Incentives

Fee waivers, fee deferrals, expedited review, and regulatory incentives are the most frequently used incentives in an AHIP. Many jurisdictions provide incentives on a sliding scale, with more incentives provided to projects that have higher percentages of affordable housing units in relation to market rate

units. Other jurisdictions waive only a percentage of fees, with higher percentages offered to developers providing a greater percentage of affordable units. The type and amount of fees waived must balance the jurisdiction's budget needs with incentives sufficient to attract the interest of developers.

Fee Waivers

Jurisdictions waive certain Building Permit and Planning fees for developments that are certified as an affordable housing development. Some jurisdictions also reimburse impact fees. Fee waivers and reimbursements are usually subject to a sliding scale based on the AMI served by the developer. The lower the AMI served, the greater the waiver and reimbursement percentages. Fee waivers and reimbursements are typically not available for owners with outstanding or overdue debts to the jurisdiction, Code violations, County tax or licensing violations, or fair housing violations.

Fees that may be waived include rezoning applications, Comprehensive Plan amendments, subdivision fees, preliminary and/or final plat submittal, concept plan, P&Z review and approval, building permit fees, plan check fees, public improvement permit fees, and plan review engineering.

Deferred Impact Fees

Some jurisdictions defer impact fees on all units, including both affordable and market rate units until the unit is at certificate of occupancy stage. Many jurisdictions provide this option only when a higher percentage of units are set-aside as affordable.

EXAMPLE FEE WAIVER / REDUCTION POLICY		
% of Units Affordable	**% of AMI served**	**% Waiver or Reduction**
Less than 20% of units	50% or less of AMI	50% reduction
20% of units or more	50% or less of AMI	75% reduction
Less than 20% of units	51% - 80% of AMI	25% reduction
20% of units or more	51% - 80% of AMI	50% reduction

Energy Efficiency and Targeted Populations Bonus Incentive

If a developer designs and constructs units that meet all mandatory and voluntary energy code expectations and includes 20% of units or more as affordable, some jurisdictions provide a larger waiver or reimbursement to the developer. For example, if a developer constructs units in Yuma County that serve farm workers, military personnel and their families, employees in a primary occupation, and/or elderly or disabled persons and includes 20% of units or more as affordable, the developer may receive a 100% waiver and/or reimbursement for all units in the development.

Expedited Review

Jurisdiction staff often works with applicants to usher projects through review and inspection as quickly and efficiently as possible on a timeline negotiated in a development agreement. Affordable housing

developments are often eligible for expedited review throughout the post-entitlement planning process, usually with the goal of a 50% reduction in time. The speed of the review ultimately depends on the quality of the applicant's submittals and performance. Providing corrections, responding to comments, and securing an approval in a timely manner is a shared responsibility of both staff and the applicant. Expedited review is often discontinued if the applicant's design team fails to respond in a timely manner. Exceptions are often made for projects that are seeking State or Federal funding.

Regulatory Incentives

Regulatory incentives are usually available to developers that commit to a minimum of ten percent (10%) affordable housing units and include density bonuses and flexible design standards in selected zoning districts. Affordable housing regulatory incentives, such as minimum open space ratios, minimum site areas, parking requirements, and building form requirements are incorporated into the jurisdiction's Zoning Ordinance.

Density bonuses increase the number of dwellings that may be built on a property. A developer who wishes to take advantage of a density bonus is allowed to increase the total number of units that are constructed in a new project over that otherwise allowed, provided that a certain percentage of the total number of the additional units are reserved for lower and low or moderate income households. The units gained from qualifying for a density bonus can usually be rented or sold at market rates without affordability covenants or deed restrictions, as long as the proposed percentage of affordable units is satisfied.

Density bonuses are typically determined by a formula and vary based on the number of affordable units included in a development and the income level of households that will occupy the affordable units. Some jurisdictions provide for greater density bonuses when target populations will be served or voluntary energy codes will be met. The following table demonstrates how density bonuses might be provided to a 50-unit development. Most jurisdictions require that density calculations resulting in fractional units be rounded up to the next whole number.

EXAMPLE OF PERCENTAGE OF AFFORDABLE UNITS AND CORRESPONDING DENSITY BONUS – 50-UNIT PROJECT											
Affordable to Households with Incomes 50% of the Area Median Income or below				Affordable to Households with Incomes between 51% and 80% of the Area Median Income				Affordable to households with incomes below 80% of the Area Median Income and meets voluntary energy codes			
Affordable Units		Density Bonus	Total Units in Project	Affordable Units		Density Bonus	Total Units in Project	Affordable Units		Density Bonus	Total Units in Project
%	No.			%	No.			%	No.		
10%	5	12%	56	10%	5	10%	55	10%	5	15%	58
12%	6	14%	57	12%	6	12%	56	12%	6	18%	59
14%	7	16%	58	14%	7	14%	57	14%	7	21%	61
16%	8	18%	59	16%	8	16%	58	16%	8	24%	62
18%	9	20%	60	18%	9	18%	59	18%	9	26%	63
20% +	10+	25%	63	20% +	10+	20%	60	20% +	10+	30%	65

Parking Incentives often include tandem parking to satisfy two parking spaces as long as the parking does not extend into the Right-of-Way or defined set-backs, reduction in the number of required parking spaces based on the percentage of affordable units or the proximity of a transit stop, and shared parking in mixed-use and infill developments where the non-residential use operates during typical working hours.

Adjustment of Building Form Standards such as setbacks, height, lot coverage, area, lot size, landscaping, and features that increase access or mobility of disabled persons are often made when the improvements will also increase affordability.

Property Maintenance Ordinance

Unlike rental housing codes, which are focused only on rental property, many jurisdictions adopt property maintenance codes that apply to all buildings, including residential, commercial and industrial. Property maintenance ordinances (PMO) are not new in Arizona, and many local jurisdictions have adopted these ordinances to provide minimum standards for the maintenance of buildings, structures and property to protect the public health, safety, and welfare. The International Code Council (ICC) – the organization that oversees the uniform application of building and safety codes across the United States – has developed an International Property Maintenance Code (IPMC) that is typically used by jurisdictions as the template for their PMOs. Currently, 28 local jurisdictions in Arizona have adopted Property Maintenance Ordinances; most are based on the IPMC.

Many PMOs set maintenance standards for both the interior and exterior of buildings, while others set standards for the exterior of buildings only. Standards for building interiors are important for ensuring quality rental housing. The most effective PMOs are based on local codes and ordinances, many of which also include property maintenance provisions spread out through numerous sections. One goal of establishing a PMO is to consolidate all property maintenance provisions in one section of the code or ordinance.

PMOs must be objective and have as their primary goal public health, safety, and welfare. Consequently, PMOs are applied jurisdiction-wide and generally have less restrictive standards than found in the Covenants, Conditions and Restrictions typical in newer subdivisions. PMOs typically contain provisions regarding: foundations, walls, roofs and chimneys; doors, windows, and skylights; fences, screen walls, and retaining walls; exterior stairs, railings, balconies, porches, and decks; accumulation of vegetation and litter; drainage; insect, rodent, and animal control; offensive materials and substances; exterior hazard and attractive nuisance; displaying vehicles for sale on property; permitted and prohibited storage; and graffiti.

PMO provisions for interior conditions generally include basic structural and environmental requirements; light and ventilation; plumbing facilities and fixtures; mechanical systems; electrical systems; and occupancy limitations.

PMOs also typically provide enforcement authority, inspection rights and procedures, civil and criminal enforcement and penalties, and the rights of the jurisdiction to abate hazards that constitute a public health, safety or welfare emergency.

Most jurisdictions adopting a PMO ensure the enforcement is complaint-based rather than proactively enforced by staff. In the early phase of PMO implementation, education about the new ordinance is essential so that property owners can achieve compliance. Seeking funding sources to support property owners who cannot afford to bring their property into compliance with the PMO is also essential.

Once a PMO is drafted, it is important to establish an advisory group to refine the PMO. Suggested representation includes representatives of Associations of Realtors, Builder's Associations, Chamber of Commerce, the Arizona Multi-family Housing Association, Neighborhood Associations, residential and commercial property managers, as well as at least one homeowner and one small business owner.

Arizona Revised Statutes §33-1901 through §33-1905 provide legislative authority to jurisdictions regarding rental property. It requires that rental property owners register their properties with the County Assessor's Office and defines a "Slum property" as a residential rental property that has deteriorated or is in a state of disrepair and that manifests one or more of the following conditions that are a danger to the health or safety of the public:

1. Structurally unsound exterior surfaces, roof, walls, doors, floors, stairwells, porches or railings.
2. Lack of potable water, adequate sanitation facilities, adequate water or waste pipe connections.
3. Hazardous electrical systems or gas connections.
4. Lack of safe, rapid egress.
5. Accumulation of human or animal waste, medical or biological waste, gaseous or combustible materials, dangerous or corrosive liquids, flammable or explosive materials or drug paraphernalia.

When properties are designated as slum properties, Arizona law allows for appointment of a temporary receiver, such as a real estate licensee specializing in property management or an attorney specializing in real estate law to manage the property. The temporary receiver may take control of the property, pay the mortgage, collect rents and make or have made repairs necessary to bring the property into compliance with statutes and ordinances.

In addition to other statutes or ordinances providing for inspection of property, cities, towns and counties may inspect residential rental property when the owner fails to register the property with the County Assessor and the tenant agrees to the inspection. When a property has been designated a slum property, cities, towns and counties have the authority to annually inspect the property for three consecutive years with property owners responsible for the cost of inspection. Cities and towns may require that owners of slum properties hire a regulated property management firm and participate in landlord-tenant training classes.

Adopted in December 2008, the Sacramento County Rental Inspection Ordinance provides a regulated approach to insuring safe rental properties in unincorporated Sacramento County. The County's Housing Code Enforcement Program originally required rental property owners to properly maintain rental units and inspections were required if complaints were received. However, the process did not adequately deal with the increasing number of deteriorating properties: many tenants were afraid to report sub-standard conditions, and the foreclosure crisis caused more properties to become vacant and vandalized.

The County's ordinance differs from other ordinances because it allows owners and/or agents of rental properties to become certified to self-inspect their properties. It concentrates on owner/tenant education and provides mandated inspections that assure quality housing for all rental tenants. The County collects an annual fee (currently $12) as a condition of renting a unit. Property inspections must be completed and reported before a change of tenancy. Properties less than five years old, public housing and properties occupied by Housing Choice Voucher holders are exempt from inspection requirements.

The County prioritizes and manages complaints based on the type of violation. Priority violations are inspected within 72 hours and include: surfacing sewage; lack of heat; lack of required utilities, including water and hot water; collapsing roof or ceiling; and vacant, open and accessible dwelling. For all other violations, an advisory letter is mailed to the property owner allowing thirty days for the repairs/correction to be made. The County contacts the tenant to verify that repairs were made. If repairs have not been made, the County conducts an evaluation.

Employer Assisted Housing

Employers have a vested interest in making sure their workers can afford decent homes close to the workplace. However, most employers are unlikely to take the initiative to invest in affordable housing strategies without encouragement from the public or non-profit sectors. The likelihood of employer involvement in housing can be maximized by offering financial incentives to augment or offset private contributions, and by facilitating partnerships with non-profit organizations to design and manage housing benefit programs. Employers can also be encouraged to take a leadership role in advocating for new development that can help meet employee housing needs.

When employers work with government to increase the supply of homes affordable to their workers, they address more than just the housing shortage. By improving access to nearby housing, employers can substantially reduce workers' commute times, removing a major obstacle to new employee recruitment and improving employee retention and morale. When workers are able to live closer to their jobs, local residents benefit from decreased traffic congestion. Employer involvement in housing initiatives can also contribute to community development in and around workplace facilities; for example, an influx of new homeowners and renters may help to stabilize nearby neighborhoods in need of reinvestment, increasing the desirability of the surrounding environment.

Policies and programs that leverage employers' commitment to affordable homes are applicable in a wide range of areas. With employer support, workers holding low-wage jobs may be able to find decent housing in high-cost areas. In rural communities, employers may need to be involved in housing production programs to ensure an adequate supply of housing is available to support economic development initiatives and attract employees. In declining urban and suburban areas, employer investment in housing can help stabilize neighborhoods and spur revitalization.

Employers facing employee shortages in specified occupations may choose to offer housing benefit programs to new applicants in order to improve recruitment. Some jurisdictions offer matching programs where every dollar of housing assistance provided to employees by participating employers is matched by an equivalent contribution up to a specified limit. Matching funds tend to be relatively modest and are generally used for down-payment or closing cost assistance, although they may also be structured for utility deposits and renter security deposits.

While matching programs do not directly benefit businesses, their availability gives participating employers a competitive edge in recruiting new employees by allowing them to offer a more attractive benefit package. In addition, assistance can be structured as a loan that is forgiven over time, an arrangement that provides an incentive for employees to stay with the company.

To be eligible for participation in a matching program, most jurisdictions require employers to make a minimum per-employee contribution, and may also stipulate that employees receiving the benefit receive homeownership counseling and financing from an approved agency.

Employers may be interested in offering an employee housing benefit but lack the capacity or resources to design their own program. To address this need, government agencies can promote partnerships with nonprofit organizations that have expertise in delivering related services, including homeownership

education and counseling, down payment assistance, below-market mortgages, assistance with security deposits, and rental subsidy assistance. Employers can "outsource" their housing programs to these organizations to ensure efficient delivery of services and remain free to concentrate on running their businesses.

Jurisdictions can encourage nonprofit organizations that administer housing programs to build an employer-assisted housing program that also increases the organizations' effectiveness and attractiveness to local businesses. By limiting eligibility for benefits and other incentives to businesses that participate in programs administered by designated organizations, local officials can help promote employer enrollment and ensure that funds are used in conjunction with a well-managed housing program. Linking benefit eligibility to participation in approved programs also helps to indirectly fund the operations of the organization(s) administering the programs.

Housing and Revitalization Bonds

General obligation bonds are issued to raise funds for an activity the jurisdiction wishes to support, such as affordable housing or neighborhood revitalization. The bonds are repaid through tax levies. While challenging to secure, general obligation bonds can provide an indispensable form of flexible funding for the development of affordable housing. General obligation bonds can be particularly effective when used as gap funds to leverage federal and state funding streams. General obligation funds also can be used to support programs that do not qualify for federal funds

Since the need for voter approval is the key obstacle to issuing general obligation bonds, the ability to do so will vary according to public opinion and the jurisdiction's legal and political environment. Jurisdictions often use general obligation bonds to raise funds for projects that will benefit the entire community and that will not be self-supporting - that is, they will not generate sufficient direct revenue to support repayment of the debt. Bonds can bridge the gap between the costs of affordable housing projects and the financing they can support through expected rents or home sales. General obligation bonds may be repaid out of the general revenue or through increases in existing taxes.

Most jurisdictions have experience issuing general obligation bonds for public works projects that do not generate sufficient revenue to pay for themselves, yet few have experience issuing such bonds for the development of affordable housing or revitalization of neighborhoods. In 1997 and again in 2004, Pima County issued General Obligation Bonds for Affordable Housing and Neighborhood Reinvestment. The Bond program provided funding opportunities to nonprofit organizations, units of local government and private sector licensed builders for affordable housing development. The County managed an open and continuous application process. Applications were reviewed and recommended for funding by the County's Housing Commission and the Board of Supervisors made final recommendations for funding.

Eligible uses of Pima County bond funds included off-site improvements located in the public right of way such as public roadways, sewer and utility lines, streetlights, sidewalks an curbs, engineering fees associated with the improvements, planning and development review fees, and water and sewer permits, meters and connection feels. The funds could not be used for the construction of housing units for homeownership or property improvements that would be owned by private parties.

Appendix 1 - Subsidized Apartment Units by Jurisdiction Yuma County

Name	Location	Type	Total Units	Restricted Units
Las Quintas de Adobe	San Luis	Elderly	26	26
Las Casitas Apartments	San Luis	Family	76	76
Bienestar Apartments	San Luis	Family	100	100
Bienestar Apartments II	San Luis	Elderly	64	64
Orgullo Del Sol Apartments	San Luis	Family	218	109
Del Pueblo Apartments	Somerton	Family	40	40
Valle Del Desierto	Somerton	Elderly	44	44
Amistad Apartments	Somerton	Family	24	24
Orchid Street Apartments	Somerton	Family	16	16
Tierra Del Cielo Apartments	Somerton	Family	33	32
West Reservation Multi-family Homes	Somerton	Family	24	24
Casa de Roman Apartments	Somerton	Family	48	48
Somerton Apartments	Somerton	Family	81	81
Casa Sierra Vista	Yuma	Elderly	30	30
Catalina Square Apartments	Yuma	Elderly	100	100
James E Jefferson Manor	Yuma	Family	32	32
LM Kelly Apartments	Yuma	Disabled	31	30
Colorado Street Apartments	Yuma	Family	32	32
Rainbow Apartments	Yuma	Family	81	81
Alexandrite Sands	Yuma	Family	312	63
Hotel San Carlos	Yuma	Family	60	60
Villa Nueva Apartments	Yuma	Family	80	80
Terracina Housing	Yuma	Elderly	80	80
La Mirada Housing	Yuma	Family	80	80
Carver Park Townhomes	Yuma	Family	36	36
Villa Serena Apartments	Yuma	Family	80	80
La Mariposa Villas	Yuma	Family	59	59
La Mariposa Senior Villas	Yuma	Elderly	59	59
Colorado Street Apartments	Yuma	Family	32	32
Total Subsidized Units				1,977
Total Subsidized Units - Family				1,544
Total Subsidized Units – Elderly/Disabled				433

Sources: US Department of Housing and Urban Development; US Department of Agriculture; Arizona Department of Housing

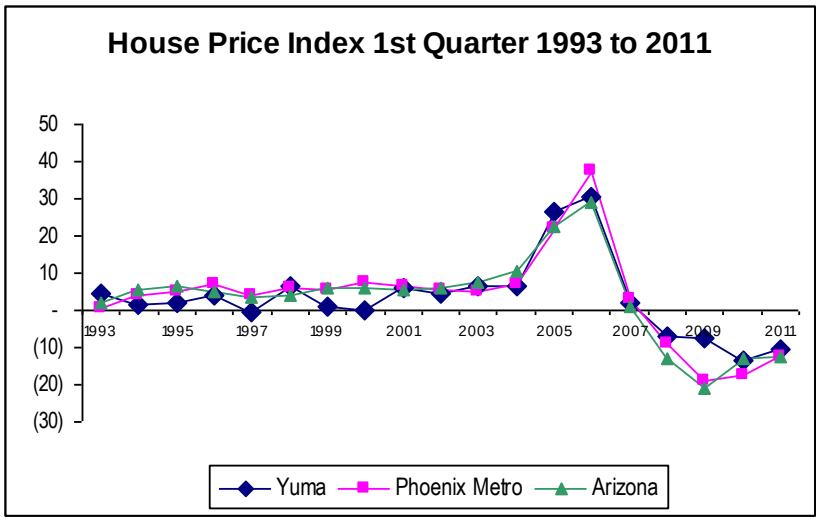
Appendix 2 - National Economic Indicators

A variety of national economic indicators explain the housing market in general and provide insight into how Yuma County's housing market reacts in relation to the nationwide housing market. These indicators include:

- Pending home sales. This data is produced monthly by the National Association of Realtors (NAR) and reflects the volume of existing homes for which a sales contract has been signed but the transaction has not closed. Pending home sales have stabilized over the past two years, indicating that demand for existing homes has remained steady.

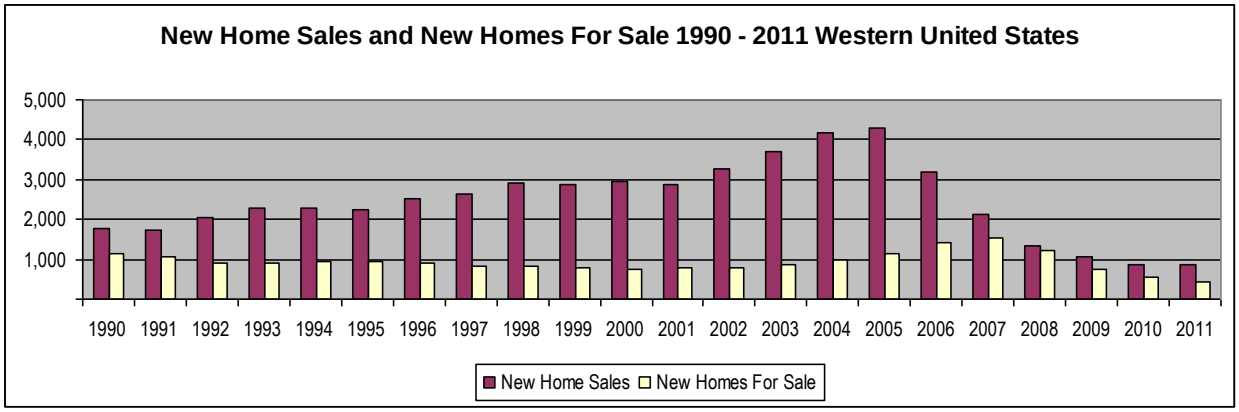
- New home sales. This data is produced monthly by the US Census Bureau and provides information to the regional level. The data is derived from a survey of homebuilders, who are asked to report the construction and sales status, including prices, of homes for which they have taken out a building permit. The data is useful but highly erratic as it reports only that month's activity. The data does not reflect cancellations, so if the cancellation rate is high, the indicator might still reflect strong sales. Recent trends indicate that new home sales dropped 37% from 2008 to 2011. Average sales for the last quarter of 2011 are up approximately 20% from the same period in 2010.

- House Price Index. This index is produced by the Federal Housing Finance Agency on a quarterly basis and measures resale of the same houses at the metropolitan area and state levels. The data also includes refinancing of the same unit. The measurement of change in the price of the same housing unit is useful as it doesn't reflect a shift to more or less expensive units being produced. Historic data demonstrates relatively stable house prices from 1993 until 2005, with the Yuma area experiencing house price increases and decreases similar to the Phoenix area and Arizona as a whole. House prices increased more rapidly in the Yuma area early in the housing boom and declined sharply in 2007, with prices dropping less dramatically over the past few years. By 2011, house prices in Yuma County had declined similarly to those in the Phoenix area and Arizona as a whole.



- Vacancy Rates. This data is produced quarterly by the US Census Bureau down to the regional and state levels. The data is derived from the monthly Current Population Survey and released about a month after the quarter ends. The data is reported separately for ownership and rental and can provide some useful information regarding overbuilding and oversupply. At the State level, rental vacancy rates have remained relatively stable for several decades with periods of lower vacancy during times of higher housing cost. Rental vacancy in Arizona is typically higher than nationwide and fluctuates more. Rental vacancy rates in Arizona ranged from a low of 7.2% in 1995 to a high of 17.7% in 2009, compared to a nationwide low of 7.1% in the late 1980s to a high of 10.6% in 2009. Homeowner vacancy in Arizona is also typically higher than nationwide and fluctuates dramatically in response to housing market cycles. Homeowner vacancy rates in Arizona ranged from a low of 1.2% in 2005 to a high of 3.8% in 2008 / 2009, compared to a nationwide low of 1.4% in 1992 to a high of 2.8% in 2008.

- New Home Sales and New Homes for Sale. This data is produced by the US Census Bureau and reflects the number of new housing units sold and for sale. In the west, new home sales were relatively stable considering population growth from 1990 through 2001. Demand for new homes increased beginning in 2002 and peaked in 2005. Comparing new home sales with new homes for sale demonstrates that builders continued to produce new housing units even after demand declined in 2006. Permit data suggests that Yuma County's new home market followed the regional trend.



- The Consumer Price Index (CPI) is the most widely used measure of inflation, and inflation directly impacts interest rates. The CPI includes prices in major groups of consumer expenditures: food and beverages, housing, apparel, transportation, medical care, recreation, education and communications, and other goods and services. Some data is available at the local level but the most detailed data is available regionally and nationally. The index represents changes in purchase prices paid by employed urban households in 87 urban areas, not including Yuma. A survey of 50,000 landlords measures rents, which are included in the housing index category.

- Mortgage Applications. This data is produced weekly by the Mortgage Bankers Association and reported on the national level. It is useful because it provides up-to-date information on the overall state of the housing market. The information is based on a survey of mortgage bankers, commercial banks, and thrift institutions. The survey shows the mix between fixed- and adjustable-rate mortgages.

- Interest Rates. Borrowers often watch the prime rate or the federal funds rate and expect to see a change in mortgage interest rates. The prime rate and federal funds rate track each other closely, so short-term mortgages or those with short-term adjustable rates will also track the prime and federal funds rates. But mortgage lenders do not generally look to these short-term rates when setting long-term and fixed-rate mortgage rates. Instead, they look to economic growth and inflation indicators, such as the yield on the 10-year Treasury Constant Maturity, which takes into consideration a broad range of other indicators.

  In 1981 and 1982 the average 30-year mortgage carried an interest rate of more than 16%, and the typical rate was above 8% as recently as 2000. The average in 2011 was 4.45%, and Freddie Mac economists are predicting an average of 4.5% for 2012, increasing to 5.4% in 2013.

- Credit Conditions. Many homeowners and potential purchasers are not able to take advantage of low interest rates because of poor credit, a weak job market and tight mortgage credit. Current FHA standards require buyers have a credit score of at least 580 to qualify for maximum financing. Buyers with lower credit scores may qualify for financing but may not finance more than 90% of the home's value.

- Gross Domestic Product. Gross Domestic Product (GDP) is a measure of all goods and services produced in the economy. And the housing sector contributes directly and significantly to overall production activity. The two line items in GDP directly associated with the housing sector are residential fixed investment and housing service. Residential fixed investment consists of value-put-in-place of new housing units, production of mobile homes, brokers' commissions on the sale of existing residential properties, and expenditures related to improving existing units. Housing service is a component of personal consumption expenditures, usually in the form of rent for tenants or as rental equivalence for homeowners.

  The construction and sale of new homes make direct contribution to GDP, based on the value of construction put in place. However, the sales price for existing homes do not enter into the calculation of the nation's domestic output, just as a used car sales price does not get entered because the transaction does not represent a new production. However, purchases related to the transaction of existing home sales do get included in the GDP. For example, all payments for services rendered, such as real estate agent commissions, home inspection, attorney, and loan origination fees, are included. The transfer payments, such as transfer taxes, escrows, title and other insurance premiums, interest payments, and loan points are excluded.

Appendix 3 - Economic Impacts of the Housing Sector

The real estate industry is a significant contributor to the U.S. economy, providing millions of Americans with jobs and generating hundreds of billions of dollars of economic output each year. It is also an important source of wealth building. According to the Bureau of Labor Statistics, the housing sector contributed about 14% to the nation's total production and in 2010.

Many people's livelihoods depend on real estate. BLS produces employment reports listing employees on payrolls by industry. In addition to employment in the real estate industry, the BLS estimates that construction of each new single-family home requires 1,591 worker-hours and that each new multi-family unit requires 836 worker hours. Projecting these estimates and accounting for productivity and price changes over the years, the National Association of Home Builders (NAHB) estimates that the construction of 100 single-family homes generates 2,45 full-time jobs in construction and construction-related industries, $79.4 million in wages, and $42.5 million in combined federal, state and local revenues and fees. The construction of 1,000 multifamily units generates 1,030 full-time jobs in construction and construction-related industries, $3.35 million in wages; and $1.78 million in combined federal, state and local tax revenues and fees.

In 2010, more than $500 million exchanged hands from the refinancing and sale of existing and new homes in Yuma County, providing jobs for real estate agents and appraisers, loan officers and employees of the construction industry.

2009 BLS data show that 485 paid Yuma County workers were employed in 113 establishments in the real estate and rental and leasing industry alone.

The 2009 annual payroll from this one sector of the housing industry was $7,013,000.

All economic activity produces a multiplier effect. A home purchase usually results in further spending in other sectors of the economy, such as landscaping, furniture, and appliances. The income earned by the manufacturers, and landscapers is re-circulated into the economy as they spend, generating another round of income and purchases. The National Association of Realtor's macroeconomic modeling suggests that the multiplier for home purchases is between $1.34 and $1.62 in the first year or two after purchase. This means that for each dollar increase in direct housing activity, an additional $0.34 to $0.62 is contributed to the local economy.

Appendix 4 - Housing Needs Assessment Supporting Data Tables

HOUSEHOLD TYPE BY JURISDICTION 2010									
		Family Households				Nonfamily Households			
		Married couples		Single Parents		Single-person		Other nonfamily	
	TOTAL	No.	% (1)	No.	% (1)	No.	% (1)	No.	% (1)
Yuma County	70,289	40,007	57%	13,430	19%	13,864	20%	2,988	4%
Unincorporated	25,911	15,878	61%	3,244	13%	5,176	20%	1,613	6%
San Luis	6,157	3,537	57%	2,076	34%	488	8%	56	1%
Somerton	3,489	1,994	57%	1,047	30%	425	12%	23	1%
Wellton	1,162	838	72%	117	10%	175	15%	32	3%
Yuma, City	33,570	17,760	53%	6,946	21%	7,600	23%	1,264	4%

Source: US Census American Community Survey 2010 3-yr estimates

(1) % of Jurisdiction

Note: may not add to total households

HUD MEDIAN HOUSEHOLD INCOME TREND YUMA COUNTY 2005 - 2012								
	2005	2006	2007	2008	2009	2010	2011	2012
Income	$39,800	$41,100	$40,700	$42,500	$44,100	$44,600	$43,900	$44,500
% Change		3.3%	-1.0%	4.4%	3.8%	1.1%	-1.6%	1.4%

HOUSEHOLDS BY INCOME CATEGORY BY JURISDICTION 2010												
	San Luis			Somerton			Wellton			Yuma, City		
		% Juris	% Co		% Juris	% Co		% Juris	% Co		% Juris	% Co
Less than $20,000	1,847	30%	12%	1,118	32%	7%	226	19%	1%	7,243	22%	46%
$20,000 to $34,999	2,226	36%	14%	1,020	29%	6%	263	23%	2%	6,840	20%	42%
$35,000 to $49,999	904	15%	8%	472	14%	4%	297	26%	3%	5,665	17%	48%
$50,000 to $74,999	860	14%	7%	497	14%	4%	228	20%	2%	6,329	19%	49%
$75,000 to $99,999	205	3%	3%	171	5%	3%	91	8%	1%	3,440	10%	52%
$100,000 or more	115	2%	2%	211	6%	3%	57	5%	1%	4,053	12%	58%
	6,157		9%	3,489		5%	1,162		2%	33,570		48%
US Census American Community Survey 2010 5-yr estimates												

TREND IN HOUSEHOLDS BY INCOME CATEGORY 2000 TO 2010 YUMA COUNTY AND UNINCORPORATED YUMA COUNTY						
	Yuma County			Unincorporated Yuma Co		
	2000	2010	2000 to 2010 Change	2000	2010	2000 to 2010 Change
Less than $10,000	5,273	5,609	6%	2,077	1,745	-16%
$10,000 to $19,999	9,832	10,189	4%	4,132	3,619	-12%
$20,000 to $34,999	14,180	16,166	14%	5,906	5,817	-2%
$35,000 to $49,999	9,367	11,843	26%	3,761	4,505	20%
$50,000 to $74,999	8,535	12,923	51%	3,357	5,009	49%
$75,000 to $99,999	3,507	6,558	87%	1,207	2,651	120%
$100,000 or more	3,210	7,001	118%	1,109	2,565	131%
Total	53,904	70,289	30%	21,549	25,911	20%
Source: US Census American Community Survey 2010 5-yr estimates						

YUMA COUNTY PRIMARY OCCUPATIONS, MEDIAN WAGES, AND PERCENT OF MEDIAN INCOME 2010						
	Single Earner		1.5 Earners		2 Earners	
	Annual Median Wage	% of Yuma County AMI	Annual Median Wages	% of Yuma County AMI	Annual Median Wages	% of Yuma County AMI
Office and Administrative Support	$26,519	59%	$39,126	88%	$76,947	173%
Farming, Fishing, Forestry	$18,077	41%	$31,337	70%	$71,115	159%
Sales and Related	$19,817	44%	$28,856	65%	$55,971	125%
Food Preparation and Serving	$17,719	40%	$26,709	60%	$53,677	120%
Education, Training, Library	$36,748	82%	$46,657	105%	$76,382	171%

Source: Arizona Workforce Informer Bureau of Labor Statistics Data

Note: 1.5 and 2 earners assumes one earner at occupation median and one earner at median for all occupations

TRAVEL TIME TO WORK BY JURISDICTION 2010									
Jurisdiction		< 15 mins		15 – 29 mins		30 – 45 mins		45 mins +	
	TOTAL	No.	% (1)	No.	% (1)	No.	% (1)	No.	% (1)
Yuma County	66,989	26,581	40%	26,331	39%	9,916	15%	7,866	12%
Unincorporated	19,114	5,952	31%	9,202	48%	2,848	15%	1,302	11%
San Luis	5,870	1,623	28%	769	13%	2,418	41%	1,977	34%
Somerton	4,307	871	20%	2,104	49%	1,036	24%	593	14%
Wellton	594	286	48%	145	24%	112	19%	95	18%
Yuma, City	37,104	17,849	48%	14,111	38%	3,502	9%	3,189	8%

Source: US Census American Community Survey 2010 3-yr estimates

(1) % of Jurisdiction

Note: may not add to total households

NON-SEASONAL VACANCY BY JURISDICTION 2010										
	For Rent		For Sale		Rented or Sold		For Migrant Workers		Other (1)	
	No.	%	No.	%	No.	%	No.	%	No.	%
Yuma County	1,887	28%	912	14%	1,187	18%	156	2%	2,487	38%
Unincorporated	542	19%	571	20%	478	17%	92	3%	1,158	41%
San Luis	64	29%	-	0%	31	14%	-	0%	125	57%
Somerton	186	44%	-	0%	92	22%	-	0%	143	34%
Wellton	22	23%	9	9%	-	0%	-	0%	64	67%
Yuma, City	1,073	35%	332	11%	586	19%	64	2%	997	33%

Source: US Census American Community Survey 2010 5-yr estimates

(1) Includes 156 units for migrant famrworkers; 92 in unincorporated Yuma County and 64 in City of Yuma

TENURE BY JURISDICTION 2010 (OCCUPIED HOUSING UNITS)				
	Owner Occupied		Renter Occupied	
	No.	%	No.	%
Yuma County	49,606	71%	20,683	29%
Unincorporated	20,942	81%	4,969	19%
San Luis	4,504	73%	1,653	27%
Somerton	2,676	77%	813	23%
Wellton	917	79%	245	21%
Yuma, City	20,567	61%	13,003	39%

Source: US Census American Community Survey 2010 5-yr estimates

TREND IN TENURE BY JURISDICTION 2000 TO 2010 (OCCUPIED HOUSING UNITS)						
	Owner Occupied			Renter Occupied		
	2000	2010	2000 – 2010 Change	2000	2010	2000 – 2010 Change
Yuma County	72%	71%	(2%)	28%	29%	2%
Unincorporated	83%	81%	(2%)	17%	19%	2%
San Luis	73%	73%	(4%)	27%	27%	4%
Somerton	71%	77%	6%	29%	23%	(6%)
Wellton	85%	79%	(6%)	15%	21%	6%
Yuma, City	63%	61%	(2%)	37%	39%	2%
Source: US Census American Community Survey 2010 5-yr estimates						

OWNERS BY AGE OF HOUSEHOLDER 2010														
	<24 yrs		25 - 34 yrs		35 - 44 yrs		45 - 54 yrs		55 - 64 yrs		65 - 74 yrs		75 yrs +	
Owners	No.	% age	No.	% age	No.	% age	No.	% age	No.	% age	No.	% age	No.	% age
Yuma County	1,089	21%	4,749	47%	8,463	68%	8,951	73%	3,579	83%	4,242	85%	10,080	87%
Unincorporated	364	33%	1,701	59%	2,628	74%	3,184	78%	1,361	94%	2,112	90%	5,041	92%
San Luis	64	28%	639	62%	1,012	70%	1,181	73%	560	86%	382	90%	309	100%
Somerton	74	33%	217	56%	716	81%	612	88%	143	71%	305	78%	362	85%
Wellton	-	0%	58	73%	97	72%	72	44%	44	86%	90	86%	183	92%
Yuma, City	587	17%	2,134	38%	4,010	61%	3,902	68%	1,471	75%	1,353	79%	4,185	82%
Source: US Census American Community Survey 2010 5-yr estimates														

RENTERS BY AGE OF HOUSEHOLDER 2010														
	<24 yrs		25 - 34 yrs		35 - 44 yrs		45 - 54 yrs		55 - 64 yrs		65 - 74 yrs		75 yrs +	
Owners	No.	% age	No.	% age	No.	% age	No.	% age	No.	% age	No.	% age	No.	% age
Yuma County	3,987	79%	5,260	53%	4,074	32%	3,368	27%	730	17%	725	15%	1,456	13%
Unincorporated	751	67%	1,163	41%	917	26%	922	22%	89	6%	229	10%	441	8%
San Luis	163	72%	389	38%	425	30%	428	27%	88	14%	42	10%	-	0%
Somerton	150	67%	169	44%	166	19%	82	12%	58	29%	85	22%	63	15%
Wellton	16	100%	22	28%	38	28%	91	56%	7	14%	15	14%	17	9%
Yuma, City	2,907	83%	3,517	62%	2,528	39%	1,845	32%	488	25%	354	21%	935	18%
Source: US Census American Community Survey 2010 5-yr estimates														

OWNERS BY HOUSEHOLD SIZE 2010												
	1		2		3		4		5		6+	
	No.	% HH	No.	% HH	No.	% HH	No.	% HH	No.	% HH	No.	% HH
Yuma County	8,553	62%	20,108	80%	6,345	61%	6,171	67%	5,299	72%	3,130	73%
Unincorporated	3,934	76%	10,416	90%	2,233	70%	2,134	71%	1,223	75%	674	91%
San Luis	275	56%	772	77%	990	76%	652	62%	1,141	73%	483	100%
Somerton	364	86%	516	72%	435	71%	388	64%	490	76%	17	41%
Wellton	132	75%	528	83%	58	67%	96	77%	86	91%	954	55%
Yuma, City	3,848	51%	7,876	71%	2,629	50%	2,901	66%	2,359	68%	1,002	77%
Source: US Census American Community Survey 2010 3-yr estimates												

HOUSING VARIETY – TYPE OF STRUCTURE AND UNITS IN STRUCTURE – BY JURISDICTION 2010									
	Total Units (1)	Single-family detached and attached		2 to 4 units		5 or more units		Manufactured Housing / Mobile Homes (3)	
		No.	% (2)	No.	% (2)	No.	% (2)	No. (3)	% (2)
Yuma County	91,739	45,050	49%	3,549	4%	6,146	7%	31,144	34%
Unincorporated	39,964	14,909	40%	563	2%	460	1%	19,937	46%
San Luis	5,912	4,588	73%	208	3%	138	2%	1,281	20%
Somerton	3,569	2,822	78%	335	9%	175	5%	254	7%
Wellton	1,491	418	27%	15	1%	0	0%	884	56%
Yuma, City	42,280	22,313	53%	3,905	9%	5,373	13%	8,788	21%

Sources: Census 2000, State of the Cities Data System permit information for 2000 through 2010; ACS 2010 5-year estimates
(1) Includes "other" units (boats, buses, RVs)
(2) Percent of Jurisdiction
(3) Unincorporated County = actual permits issued; jurisdictions = ACS 2010 5-year estimates

OCCUPIED UNITS BY TYPE AND TENURE 2010												
	Single-Family Attached and Detached				2 or more units				Manufactured or Mobile Home			
	Owner		Renter		Owner		Renter		Owner		Renter	
	No.	% 1	No.	% 1	No.	% 1	No.	% 1	No.	% 1	No.	% 1
Yuma County	31,345	80%	8,074	20%	474	5%	8,272	95%	15,046	79%	3,920	21%
Unincorporated	10,170	84%	1,995	16%	89	9%	895	91%	8,991	83%	1,796	17%
San Luis	3,545	85%	650	15%	0	0%	334	100%	929	58%	669	42%
Somerton	2,357	87%	354	13%	113	24%	354	76%	206	66%	105	34%
Yuma, City	14,928	75%	4,978	25%	255	4%	6,647	96%	4,509	78%	1,251	22%

Source: US Census American Community Survey 2010 5-yr estimates *no report for Wellton
1 % of housing stock

RENTER OCCUPANCY AND TYPE OF UNIT BY JURISDICTION 2010								
	Single-family detached and attached		2 to 4 units		5 or more units		Manufactured Housing / Mobile Homes	
	No.	% of renters	No.	% of renters	No.	% of renters	No.	% of renters
Yuma County	8,074	39%	2,945	14%	5,327	26%	3,920	19%
Unincorporated	1,995	40%	407	8%	488	10%	1,796	36%
San Luis	650	39%	223	13%	111	7%	669	40%
Somerton	354	44%	213	26%	141	17%	105	13%
Wellton	97	40%	9	4%	33	13%	99	40%
Yuma, City	4,978	38%	2,093	16%	4,554	35%	1,251	10%

Source: US Census American Community Survey 2010 5-yr estimates

PERCENT OF UNITS OWNER OCCUPIED BY JURISDICTION 2010											
		Owner Occupied		Single-family detached and attached		2 to 4 units		5 or more units		Manufactured Housing / Mobile Homes	
	Occupied Units	No.	% of total stock	No.	% of owners	No.	% of owner s	No.	% of owners	No.	% of owners
Yuma County	70,289	49,606	71%	31,345	63%	247	<1%	227	<1%	15,046	30%
Unincorporated	25,911	20,942	81%	10,170	49%	8	<1%	81	<1%	8,991	43%
San Luis	6,157	4,504	73%	3,545	79%	0	<1%	0	<1%	929	21%
Somerton	3,489	2,676	77%	2,357	88%	113	4%	0	<1%	206	8%
Wellton	1,162	917	79%	345	38%	9	1%	8	1%	411	45%
Yuma, City	33,570	20,567	61%	14,928	73%	117	1%	138	1%	4,509	22%

Source: US Census American Community Survey 2010 5-yr estimates

Note: does not include "other" units (Boar, RV, Van) and does not add to 100%

TENURE BY UNIT BEDROOM SIZE 2010												
	0 br		1 br		2 br		3 br		4 br		5+ br	
	Renter	Owner	Renter	Owner	Renter	Owner	Renter	Owner	Renter	Owner	Renter	Owner
Yuma County	64%	36%	37%	63%	42%	58%	24%	76%	16%	84%	15%	85%
Unincorporated	44%	56%	16%	84%	24%	76%	19%	81%	9%	91%	7%	93%
San Luis	0%	100%	77%	23%	56%	44%	16%	84%	6%	94%	32%	68%
Somerton	100%	0%	95%	5%	70%	30%	19%	81%	6%	94%	0%	100%
Wellton	32%	68%	22%	78%	41%	59%	17%	83%	0%	100%	0%	100%
Yuma, City	73%	27%	52%	48%	54%	46%	29%	71%	23%	77%	20%	80%

Source: ACS 2010 5-year estimates

OWNER SEVERE COST BURDEN BY JURISDICTION 2010												
	With a Mortgage					Without a Mortgage					Total Cost Burden	
		>30%		>50%			>30%		>50%			
	Total	No.	%	No.	%	Total	No.	%	No.	%	No.	%
Yuma County	26,705	6,372	24%	3,894	15%	22,901	1,645	7%	711	3%	12,622	25%
Unincorporated	9,416	2,420	26%	1,256	13%	11,526	-	0%	265	2%	3,941	19%
San Luis	3,028	836	28%	769	25%	1,476	249	17%	27	2%	1,881	42%
Somerton	1,827	615	34%	194	11%	849	123	14%	52	6%	984	37%
Wellton	314	47	15%	11	4%	603	38	6%	15	2%	111	12%
Yuma, City	12,120	2,454	20%	1,664	14%	8,447	534	6%	352	4%	5,004	24%

Sources: Census 2000, 2010 American Community Survey, US Census Bureau

TRENDS IN MORTGAGE STATUS AND OWNER COST BURDEN YUMA COUNTY 2000 - 2010						
	2000		2010		2000 – 2010 Change	
	No.	%	No.	%	No.	%
Owners	38,886		49,606		10,720	28%
Cost burdened (>30%)	7,612	20%	12,622	25%	5,010	66%
Severe cost burden (>50%)	2,828	7%	4,605	9%	1,777	63%
Owners with a mortgage	21,847	56%	26,705	54%	4,858	22%
Cost burdened with a mortgage	6,493	30%	10,266	38%	3,773	58%
Cost burdened (>30%)	4,150	64%	6,372	62%	2,222	54%
Severe cost burden (> 50%)	2,343	36%	3,894	38%	1,551	66%
Owners without a mortgage	17,039	44%	22,901	46%	5,862	34%
Cost Burdened no mortgage	1,119	7%	2,356	10%	1,237	111%
Cost burdened (>30%)	635	57%	1,645	70%	1,010	159%
Severe cost burden (> 50%)	484	43%	711	30%	227	47%
Sources: Census 2000, 2010 ACS 5-year estimates						

MEDIAN GROSS RENT AND AFFORDABILITY 2010 YUMA COUNTY			
	Median Gross Rent	**Annual Gross Income Needed**	**Affordable to HH at or above % of Median**
Yuma County	$708	$28,320	73%
San Luis	$491	$19,640	78%
Somerton	$599	$23,960	85%
Wellton	$492	$19,680	49%
Yuma, City	$768	$30,720	74%

(1) Census 2000
(2) ACS 2010 5-year estimates

TREND IN MEDIAN GROSS RENT 2000 – 2010 BY JURISDICTION				
	2000 (1)	**2010 (2)**	**2000 – 2010 change**	**% change**
Yuma County	$ 508	$ 708	$ 200	39%
San Luis	$ 380	$ 491	$ 111	29%
Somerton	$ 360	$ 599	$ 239	66%
Wellton	$ 413	$ 492	$ 79	19%
Yuma, City	$ 549	$ 768	$ 219	40%

(1) Census 2000
(2) ACS 2010 5-year estimates

TREND IN HOME PURCHASE AND REFINANCING LOANS – SUBPRIME ACTIVITY YUMA COUNTY 2005 - 2010						
	2005		2011		2005 – 2011 Change	
	No.	%	No.	%	No.	%
Home Purchase Loans	4,957		1,552		-3,405	-69%
With pricing	1,007	20%	35	2%	-972	-97%
Refinance Loans	4,613		1,553		-3,060	-66%
With pricing	1,125	24%	76	5%	-1,049	-93%
Total Loans (1)	12,197		3,717		-8,480	-70%
With pricing	2,290	19%	155	4%	-2,135	-93%

Source: Home Mortgage Disclosure Act

(1) Includes home purchase, refinance, home-improvement, multi-family, rental and manufactured housing loans.

MEDIAN SALES PRICES AND VOLUME BY PROPERTY ADDRESS 2010-2011										
		Site Built Units			Manufactured/Mobile Home Units			Condo Units		
	Total Units Sold	Units Sold	% of Units Sold (1)	Median Price	Units Sold	% of Units Sold (1)	Median Price	Units Sold	% of Units Sold (1)	Median Price
Yuma County	7,315	5,288	72%	$140,000	1,672	23%	$102,400	355	5%	$145,000
Unincorporated (2)	17	10	59%	$124,500	7	41%	$35,250	0	0%	n/a
San Luis	498	493	99%	$139,000	5	1%	$65,000	0	0%	n/a
Somerton	520	507	98%	$139,100	8	2%	$74,500	5	1%	$122,500
Wellton	145	88	61%	$180,000	18	12%	$126,500	39	27%	$108,250
Yuma	6,135	4,190	68%	$200,000	1,634	27%	$102,500	311	5%	$150,000

Source: Yuma County Assessor

(1) By jurisdiction.

(2) Includes Tacna, Roll, Dateland. Yuma area included in Yuma, City data.

HOME PURCHASE AFFORDABILITY 2011 – YUMA COUNTY		
	Median Priced Unit	
Income to Housing Cost Ratio ➔	**28%**	**33%**
Unit Price	$ 112,000	$ 112,000
+ Closing Costs (2%)	$ 2,240	$2,240
- Down Payment (3%)	$ 3,360	$3,360
Estimated Mortgage Amount	$ 110,880	$ 110,880
Estimated Monthly Payment at 5% for 30 years, including principal, interest, taxes, insurance, PMI	732	730
Approx. Annual Income Needed to Purchase	$ 26,600	$ 31,400
Approximate Hourly wage needed (full-time)	$ 12.79	$15.10
Max other monthly debt (41% total debt ratio)	$ 175	$ 340

MEDIAN VALUE BY JURISDICTION 2009		
	Median Value (selected units)	**Median Value (Mobile Homes)**
Yuma County	$ 132,300	$ 55,300
San Luis	$ 113,000	$ 44,900
Somerton	$ 124,500	$ 8,400
Wellton	$ 57,800	$ 28,800
Yuma, City	$ 153,300	$ 34,300
Source: 2009 ACS 3-year estimates		

HOUSING VALUES BY VALUE RANGE – SELECTED SINGLE-FAMILY UNITS BY JURISDICTION 2010														
	$69,999 or less		$70,000 to $99,999		$100,000 to $124,999		$125,000 to $149,999		$150,000 to $174,999		$175,000 to $199,999		$200,000 or more	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Yuma Co	12,566	25%	5,802	12%	5,285	11%	3,959	8%	5,001	10%	3,455	7%	13,538	27%
Unincorporated	6,126	29%	2,716	13%	2,002	10%	1,206	6%	1,700	8%	1,192	6%	6,000	29%
San Luis	893	20%	846	19%	984	22%	510	11%	520	12%	327	7%	424	9%
Somerton	323	12%	427	16%	600	22%	296	11%	282	11%	99	4%	649	24%
Wellton	489	53%	103	11%	75	8%	52	6%	43	5%	73	8%	82	9%
Yuma, City	4,735	23%	1,710	8%	1,624	8%	1,895	9%	2,456	12%	1,764	9%	6,383	31%

Source: ACS 2010 5-year estimates

ESTIMATED IMPACT OF FORECLOSURES YUMA COUNTY 2012 - 2014						
Total Estimated Foreclosures 2012 – 2014	Estimated Neighboring Units Impacted (1)	Estimated Per Unit Loss in Property Value per Unit (2)	Total Estimated Loss in Property Value	Annual Estimated Loss in Property Tax Revenue (3)	Annual Estimated Loss in Spending	Estimated Annual Loss in Sales Tax Revenue
1,138	17,895	$855	$16,273,258	$1,627,326	$976,395	$57,000

(1) D. Immergluck and G. Smith (2010). The External Costs of Foreclosure: The Impact of Single-Family Mortgage Foreclosures on Property Values; based on

(2) October 2007 Joint Economic Committee of the US Congress report The Subprime Crisis: The Economic Impact on Wealth, Property Values and Tax Revenues, and How We Got Here.

(3) Property tax rate of 10% applied by author.