



Affordable Housing Taskforce

Executive Summary

Purpose: The Affordable Housing Taskforce was empaneled by the County Administrator for the purpose of informing the Board's actions and policies to improve housing affordability across Pima County. Specifically, the taskforce will:

- ✓ Identify evidence-based and promising practices that should be considered in Pima County to address the need for affordable housing for Pima County Residents.
- ✓ Make recommendations that will meaningfully increase availability of affordable housing within metro and rural Pima County
- ✓ Identify public/private collaborative pathways to improve housing affordability
- ✓ Not to duplicate, but adopt vital recommendation from People, Communities, and Home Investment Plan (PCHIP)
- ✓ Make five consensus-driven policy recommendations to the Board of Supervisors on housing affordability
 - Establish priorities – types of housing needed
 - Guide request for proposals (RFP) is this for the needs assessment.
 - Fill federal funding gaps -
 - Develop policies for County land transfers
 - Blend federal funded projects – Matching/leverage funds and standards
 - Fund evidence based practices
- ✓ Recommend a dedicated funding source for housing commission to administer if other sources of funding are aligned with local priorities/strategic mission
- ✓ Recommend a new charter for the Pima County Housing Commission that will strengthen the Board's role in housing affordability
- ✓ Set the Housing Commission with a strategic mission
- ✓ Establish the parameters with the City of Tucson and other jurisdictions to address affordable housing in the region

Studies and Analyses

Several articles, data analyses, and research studies have been conducted nationally and recently within the local area. Below is a summary of information as it pertains to affordable housing in the area.

Baseline Definition: HUD officially defines an “affordable dwelling” as one that a household can obtain for 30 percent or less of its income. This is the standard of the affordable housing studies that have been conducted throughout the region.

Region: Unincorporated Pima County, City of South Tucson, Town of Marana, Town of Sahuarita, Ajo, Amado, Arivaca, Avra Valley, Catalina, Continental, Drexel Heights, Flowing Wells, Helmet Peak, Littletown, Picture Rocks, Rillito, Robles Junction, South Nogales Highway Area, Vail, Valencia West, Why

Historical Reports, Data and Analytics (Summary)

Low Income Housing Tax Credit: funding from Arizona Department of Housing for financing developers of affordable rental housing serving households with income below 60% of the area median income. LIHTC has financed development of over 5,000 affordable rental units in Pima County. Part of the Tax Reform Act of 1986.

Pima County's Comprehensive Plan: Created policy to incentivize the integration of affordable housing developments to provide new rental and for sale dwelling units priced for households earning below the area median income and preserve affordable housing stock (Goal 3) (link to document below) Encouraged the support, develop and adoption of regulatory incentives that provide affordable housing in new development, continue to work closely with local nonprofit and for profit housing developers to attract LIHTC investment in Pima County; recommendation to support and prioritize private and public local, state and federal financial assistance efforts including: private activity bonds, Pima County Community Land Trust, Affordable housing general obligation bond, US Department of Agriculture, donation of Pima County owned property, AZ Department of Housing and US Department of HUD

Develop and maintain a GIS based Vacant & Underutilized Land Inventory to identify and prioritize county parcels ideal for mixed income residential affordable housing developments. Identify, prioritize and make available County-owned property for affordable housing developments as appropriate for potential private/public partnerships. Preserve the Pima County Housing Trust Fund by identifying an alternative revenue stream. Encourage and support strategies that preserve and subsidize affordable housing, including but not limited to: Community land trusts, deed restrictions and equity sharing arrangements and cooperatives.

Support private, public, and non-profit home repair and weatherization efforts to assist very low- and low-income owner and renter households to improve their homes to a safe, sanitary, and decent state of repair. Work with housing industry to develop and provide education opportunities for do-it-yourself home repairs.

Recommendations from Pima County Eviction and Homeless Prevention Task Force (Affordable Housing Only)
Promote and increase transitional and low barrier housing using support from existing deferral and private funds that allow for it. (HUD HOME etc.) Prevent outside investors from acquiring rental property purchases. Support Low Income Housing Tax Credit statewide SB2732. Provide permanent sources of funding for City and County housing trust funds. Develop a comprehensive Tucson-Pima County housing plan. Create local bond fund initiatives for affordable housing development and preservation.

UArizona Housing Market Study (MAP Dashboard)

According to the University of Arizona Eller College of Management, Housing Market Study, Making Action Possible (MAP) Dashboard, renters account for 37.6% of households in Tucson region as of 2018. The portion of renters to homeowners has increased over time. While rent prices vary around the region, rent price growth for the entire Tucson MSA was +10.9% between 2013 to 2018. In 2019, Tucson had the third-highest rent price growth among western peer cities at 5.1%.

In the same study, more than 33% of households in Tucson are housing cost burdened, meaning they spend over 30% of their income on housing. From 2014-2018, 22.4% of Pima County homeowners and 51.8% of renters were housing cost burdened.

Pima County residents, ages 60 years or older is above the national average just under 25% of the population. Housing to allow older adults to age in place must take into account unique challenges related to low fixed incomes, limited mobility and access to healthcare. Almost 26% of older adult households in the Tucson metro area, about 31,000 households are at or below 50% median income for two people (\$24,250 or less)

PCHIP Recommendations Related to Affordable Housing

Preserve and improve existing affordable rental housing units by expanding or optimizing occupancy of existing affordable housing; Develop a plan to continue affordability terms with expiring low-income housing tax credit (LIHTC) and other affordable units. Expand the supply of affordable rental housing by facilitating the construction of affordable housing by reducing costs (impact fees, permits, etc.), expediting permits, and exploring zoning and other code changes to promote denser residential construction in select locations.

Support zoning and development incentives that prioritize and encourage affordable and mixed-income developments. Leverage local funding sources to best compete for state and national funding for affordable housing development, like Low-Income Housing credits. Explore way to minimize costs and leveraging private funds to maximize the impact of public affordable housing dollars. Research, compete for, support and develop new funding sources for affordable housing development.

Experiment with innovative ways of expanding affordable rental options, including accessory dwelling units, tiny houses, etc. Strategically acquire property for affordable housing development. Prioritize equitable affordable housing development in areas near transit, resources, and job centers as well as neighborhoods at risk of displacement due to rising housing costs and high opportunity areas to promote housing choice.

Housing Affordability for Tucson HAST

Gap analysis and data summary of HAST concluded there are not enough affordable units for lower-income households; many higher earning households take units at lower rents creating a crunch for lower earning households; housing affordability solutions are needed for over 75,000 households; and solutions to expand housing affordability must be targeted to reduce the long standing effects of housing segregation. Policy recommendations are listed below (bold):

Support community partners in development: The City supports affordable housing development partners primarily through providing gap funding. Develop a consistent, transparent application process to provide more clarity for the development community and to better align with the state funding cycles. Build capacity and support new local developers and existing non-profit organizations interested in development. Includes training focused on small scale development and missing middle housing.

Prioritize Affordable Housing in Areas of Opportunity: The city is developing a checklist tool to objectively score affordable housing projects that includes site considerations like- areas of higher wealth, access to health facilities, zoning for TOD corridors higher density residential zoning scores higher, access to public transportation, proximity to employment opportunities quality schools and recreation centers, access to a grocery store. Projects that guarantee longer affordability periods, permanent supportive housing, veteran housing, persons with disabilities or older adults, and lower affordability limits score higher.

Adopted policies regarding the Government Property Lease Excise Tax (GPLET) – prioritizes promoting affordable and workforce housing in the downtown area.

Accessory Dwelling Units – code amendment allowing for current homes to build casitas on single family zoned lots in Tucson.

Develop manufactured housing rehabilitation initiative to support affordable home ownership. Create a new rehabilitation program for multi-family rental buildings; work with AZ department of housing to identify and support continuing affordability terms of expiring projects

Update zoning regulations to encourage affordable housing; Incorporate incentive into planning and overlay zoning on transit corridors; Promote high quality climate adapted and attractive design of new housing; Update development standards and create tools to incentivize affordable housing

Facilitate development by reducing costs and through innovation: Streamline development review process for affordable housing projects; evaluate expansion of the affordable housing impact fee program; incentivize ADU construction to add affordable rental units to the market; promote low cost development methods such as modular homes, 3D printed homes, etc.

Develop affordable and mixed income housing on City owned properties: develop a phased development plan for existing city sites; explore feasibility of city sites on sunshine mile; strategically acquire new properties to advance the city's affordable and mixed income housing goals; advance development on phase one sites

Enhance efforts aimed at housing Tucsonans most vulnerable to housing instability: support new permanent supportive housing projects; support the work of the affordable housing alliance (AHA); support small scale housing for youth and older adults; rehabilitate the Tucson House

Pursue additional and more sustainable funding streams for affordable housing in the region: reinstate the Tucson Housing Trust Fund; Advocate for more state and federal funding for housing; evaluate adding housing in a future bond or tax measure to go to voters

Expand education, outreach and research efforts: housing resource connection program; expand housing education efforts; Housing choice vouchers (Section 8) Home repair programs, property tax reduction/exemption programs, fair housing.

[Arizona State University: State-Level Legal Barriers to Adopting Affordable Housing Policies in Arizona, November 2021](#)

Tools currently preempted or limited by Arizona Law – inclusionary zoning, rent control/rent stabilization, short-term rental regulation, and financing structures that can increase the supply of affordable housing.

State Law Barriers to Inclusionary Zoning – Arizona is one of only seven states that prohibit local governments from enacting mandatory inclusionary zoning. Cities can enact voluntary inclusionary zoning programs. The statutes permit local governments to offer incentives to developers who volunteer to build affordable housing.

Linkages Fees (Impact Fees) – fees to create affordable housing is a measure taken by some jurisdictions as an alternative to inclusionary zoning. The fee is calculated based on how many people will need affordable housing as a result of the project because they can no longer afford to live in the area due to rising costs.

Rent Control – limits the amount that a landlord can charge for rent; imposing strict cost ceiling to rent stabilization. Arizona preempts local governments from enacting rent control with the only exception being when a unit is owned, financed, subsidized or insured by a municipality or state agency. Private Property Rights

Protection Act makes a government liable for reducing a property's fair market value by lowering its actual and potential income.

Short-Term Rentals – are an entire housing unit, private room or guest house that is rented for a short period (less than 30 days). Units are popular with travelers and are akin to Air B&B's. Although lucrative for homeowners, this limits long term rental properties available in the area. Arizona law preempted local governments from adopting any additional regulations on short-term rentals. However, Arizona does have several statewide rules on short-term rentals. (Where permits are required like parties, events, etc.)

References

University of Arizona Southwest Institute for Research on Women, <https://sirow.arizona.edu/publications-presentations>

People, Communities and Homes Investment Plan (P-CHIP) <https://p-chip.tucsonaz.gov/pages/plan>

Poverty and Urban Stress Demonstration <https://povreport.tucsonaz.gov/>

Housing Affordability for Tucson HAST
<https://housingaffordability.tucsonaz.gov/documents/fb2b4b40b5204bf9ade54c5bc44f833f/explore>

Pima County Eviction and Homelessness Prevention Task Force Report
https://webcms.pima.gov/UserFiles/Servers/Server_6/File/Government/CSET/CSET%20newsroom/2020/Eviction%20Task%20Force/Final%20Task%20Force%20ereport1208.pdf

Making Action Possible (MAP) Dashboard – Affordable Housing Overview
<https://mapazdashboard.arizona.edu/affordable-housing>

NHP Foundation Preserving Americas Affordable Housing
http://nhpfoundation.org/documents/aNHP_WhitePaper_HousingReboot.pdf

Arizona Housing Coalition
https://www.azhousingcoalition.org/uploads/1/2/4/9/124924903/az_housing_coalition_best_practices_toolkit_final_2_.pdf

Pima County Comprehensive Plan <https://webcms.pima.gov/cms/One.aspx?portalId=169&pageId=164629>

Arizona State University, Morrison Institute for Public Policy: State-Level Legal Barriers to Adopting Affordable Housing Policies in Arizona, November 2021 <https://morrisoninstitute.asu.edu/sites/default/files/state-level-legal-barriers-to-adopting-affordable-housing-policies-in-arizona-nov-2021.pdf>

GAP Analysis of Affordable Housing In Pima County, Arizona 2016, Family Housing Resources and University of Arizona https://www.fhrtucson.org/wp-content/uploads/2019/08/Pivo-et-al-Gap-Analysis-of-Affordable-Housing-in-Pima-County_Printable-without-Map-Folio.pdf