MEMORANDUM

Date: November 23, 2021

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: Jan Lesher
Chief Deputy County Administrator

Re: Affordable Housing Task Force

In 2004, the Board of Supervisors unanimously approved the County Administrator’s recommendation to establish the Pima County Housing Commission charged with oversight of $10 million voter-approved 2004 General Obligation Bonds for Affordable Housing Production. Despite significant challenges the bond program was successfully completed in 2017. The effort leveraged over $120 million in development funds, and produced 585 new affordable housing units for low-income households.

On September 16, 2019 the Housing Commission voted to form a subcommittee on Affordable Housing Strategies, which developed and provided a summary report to the full commission on December 16, 2019. It suggested the need to develop a comprehensive approach to housing affordability.

In August 2020, the County Administrator convened a 23-member community-based Eviction and Homelessness Prevention Task Force to develop recommendations that could be implemented by the County to reduce evictions and promote the economic stability of individuals or households subject to eviction. The report also recommended that the County identify permanent sources of funding for a Housing Trust Fund that would be used to support affordable housing using local community land trusts and other non-profit and for-profit developers committed to affordable housing. Since that time the Department of Community & Workforce Development has implemented effective eviction mitigation strategies and coordinated a system for rent and utility assistance in collaboration with a variety of partners.

Given that there is a clear, continued need for affordable housing and assistance to families in marginally affordable housing, I have approved the creation of an Affordable Housing Task Force. This group will bring together a cross-section of stakeholders currently involved in some aspect of affordable housing production and development to review extant data including the Eviction and Homelessness Prevention Task Force Report, the Housing Commission’s affordable housing strategies document, the Pima County/City of Tucson commissioned housing market study, as well as emerging housing affordability data. The purpose of the Task Force will be to evaluate current issues with affordable housing, identify best practices and data driven strategies, and to provide high-impact recommendations to address the affordable housing shortage in Pima County. The Task Force would also review the charter of the existing Housing Commission in order to make recommendations to the Board of Supervisors about how such an entity might be redesigned to focus specifically on housing affordability now that its bond stewardship oversight has been completed.
Community and Workforce Development staff will support the 12-person Task Force, which would convene over the course of 90 days, to develop recommendations in a final report to the Board for their consideration.

JL/dym

Attachment

c: Carmine DeBonis, Jr., Deputy County Administrator for Public Works
    Francisco Garcia, MD, MPH, Deputy County Administrator & Chief Medical Officer,
    Health and Community Services
    Dan Sullivan, Director, Community and Workforce Development
To: C.H. Huckelberry  
   County Administrator  

From: Dan Sullivan  
   Director, Community & Workforce Development  

Date: November 17, 2021  

RE: Affordable Housing Task Force  

Background  
On November 16, 2004, the Board of Supervisors unanimously approved the County Administrator’s recommendation to establish the Pima County Housing Commission to address the growing housing affordability gap that plagued Pima County and the nation. The Housing Commission was charged with oversight of $10 million voter-approved 2004 General Obligation Bonds for Affordable Housing Production (Affordable Housing Bond Program). The Board directed the Housing Commission to hold public hearings on recommendations for an “Affordable Housing Fee” to be assessed on new home construction to generate funds for the County Housing Trust Fund that would be used to implement the Affordable Housing Strategies. The affordable housing fee was unanimously approved and adopted by the Board of Supervisors in December 2005.

While the $10 million 2004 Affordable Housing Bond Program faced challenges due to the Great Recession, the program was successfully completed in 2017. The effort leveraged over $120 million in development funds, and produced 585 new affordable housing units for low-income households.

In 2013, the Affordable Housing Contribution Fee program was discontinued as it was deemed to be an illegal development “exaction” based on the analysis from the Pima County Attorney’s office of the U.S. Supreme Court’s opinion in Koontz v. St. Johns River Water Management District. As a result, only $34,000 was raised and deposited in the County Housing Trust Fund account. The Housing Commission voted to use these funds to leverage federal housing development funds, including upcoming Department of Housing and Urban Development (HUD) assisted low-income housing development, however none of these funds were expended.

On September 16, 2019 the Housing Commission voted to form a subcommittee on Affordable Housing Strategies, which developed and provided a summary report to the full commission on December 16, 2019. The 2020 quarterly Housing Commission meetings were cancelled due to the health pandemic and the commissioners’ terms expired on December 31, 2020.

In August 2020, the County Administrator convened a 23-member community-based Eviction and Homelessness Prevention Task Force to develop recommendations that could be implemented by the County to reduce evictions and promote the economic stability of individuals or households subject to eviction. The Eviction and Homelessness Prevention Task Force December 2020 Report made recommendations to establish a Comprehensive Pima County and City of Tucson Housing Plan, and proposed a new local bond initiative to support affordable housing development and preservation. The report also recommended that the County identify permanent sources of funding for Housing Trust Funds that would be used to support affordable housing using local community land trusts and other non-profit and for-profit developers committed to housing development that will remain affordable.
Discussion

March 2021 the Board of Supervisors asked that the Eviction and Homeless Prevention Taskforce reconvene, at the time the consensus was that the recommendations made in the December 2020 report remained valid and should not be significantly altered. With the eviction mitigation strategies and coordinated system for rent and utility assistance in place, now is the time to convene a specific Affordable Housing Task Force to review the findings from the Eviction and Homeless Prevention Task Force as well as the Housing Commission’s affordable housing strategies along with current data from the Pima County and City of Tucson commissioned housing market study, as well as emerging housing affordability data.

Pima County continues to experience an expanding gap of affordable housing that has been exacerbated by the COVID 19 pandemic. Home prices and rent costs continue to climb despite minimal growth in wages further marginalizing low income households in Pima County. Within the past year, median sales prices have increased by 28 percent, while the inventory of homes for sale decreased by 64 percent. Renters have also been impacted by average rental costs that have increased by 12.6 percent during the same period, as well as a 39 percent decline in active rental listings.

The National Low Income Housing Coalition’s (NLHIC) latest Housing GAP Report for Tucson and Pima County indicates that 75 percent of low-income renters are cost-burdened, and 90 percent of extremely low-income tenants are cost-burdened. The NLHIC report also calculates a shortage of over 59,000 homes that are affordable for low and extremely low-income households in Pima County.

The data is consistent with the recent Pima County, City of Tucson, and University of Arizona Housing Market Study including the final gap analysis phase focused on understanding housing market gaps by income, age, race, and ethnicity. The entire housing market study is available online at https://mapazdashboard.arizona.edu/housing-market-study-overview. Overall, the analysis estimates that over 45,000 families with incomes less than $35,000 are currently renting units beyond their financial means.

The County and City have worked together and streamlined processes to keep families in their homes during the health pandemic and have implemented many of the recommendations made by the Eviction and Homeless Prevention Task Force, however the affordability of housing units within the community continues to threaten the long-term financial stability of low income families and fixed income households throughout Pima County.

Recommendation

There is a clear need for affordable housing and continued assistance to families in marginally affordable housing. In order to address this need, we ask that the County Administrator consider convening a task force comprised of a cross-section of stakeholders currently involved in various aspects of affordable housing production and development.

The purpose of the task force would be to evaluate current issues with affordable housing, identify best practices and data driven strategies, and to provide high-impact recommendations that address the affordable housing shortage in Pima County. The task force would also review the charter of the existing Housing Commission and to make recommendations to the Board of Supervisors about how such an entity might be redesigned to focus specifically on housing affordability.

1 Multiple Listing Service of Southern Arizona Monthly Indicators – May 2021; 2 Berkadia 2021 Forecast-Tucson AZ illustrates that Median Household income decreased by 1% between 2020 and 2021.
The list below includes organizations and business that should be considered for membership on such a task force. They are all active in addressing different aspects of housing affordability, are stakeholders in providing community wide affordable housing, and/or have the ability to influence the greater community in regard to affordable housing:

- Primavera Foundation
- Habitat for Humanity
- Poster Mitro McDonald Architects
- Pima County Land Trust
- Family Housing Resources
- Southern Arizona Land Trust
- Old Pueblo Community Services
- Regional Behavioral Health Authority
- Tucson Pima Collaboration to End Homelessness (TPCH)
- Foundation for Senior Living FLS
- La Frontera
- Compass Affordable Housing
- Tucson Medical Center
- Tom Warne Real Estate
- Rio Nuevo
- University of Arizona
- Northern Trust
- Community Foundation
- SAHBA

Relevant internal stake holders from Development Services, Public Health, the Public Defender, Behavioral Health, Real Property, Pima County Attorney, and others would be included formally in the process.

Community and Workforce Development staff would support the task force and if approved by the County Administrator, work with members to update and implement the mission and directives of the commission as we continue to collaborate to address the affordable housing needs within Pima County. It is proposed that the task force convene over the course of 90 days, meeting bi-weekly, to develop recommendations in a final report to the County Administrator for transmission to the Board for their consideration.

If such a strategy is amenable to you, we will develop a detailed work plan for your review and approval.

Initials: DS/cl

Concur:

Francisco García, Deputy County Administrator

Approved or Not Approved

C.H. Huckelberry, County Administrator

CC: Jan Lesher, Chief Deputy County Administrator