

**PIMA COUNTY HOUSING COMMISSION  
SUBCOMMITTEE MEETING  
Pima County Housing Center  
801 W. Congress Street, Tucson, AZ 85745  
Monday, February 10, 2020  
3:00 PM to 4:30 PM**

**Meeting Summary**

<b>Members Present</b>	<b>Member Absent</b>	<b>Guests Present</b>
Frank Thomson, Chair	David Godlewski	Carla Blackwell, Director, Pima County Development Services
Ken Anderson		Dr. Francisco Garcia, Deputy County Administrator
Nicole Brulé-Fisher		Marcos Ysmael, Housing Program Manager
Sharayah Jimenez		Mark Holden, Principal Planner, Development Services
		Martha Martin, Housing Planner

1. Welcome

The meeting began at 3:00 p.m. with a quorum; Commissioner Sharayah Jimenez joined the meeting around 4:00 p.m.

2. Approval of December 2, 2019 Subcommittee Meeting Summary

Commissioner Anderson moved to accept the minutes as provided. Chair accepted.

3. Continued discussion on various ideas and proposals to promote affordable housing development in Pima County for possible action by the Housing Commission

Chair Thomson mentioned information sent to the Subcommittee prior to this meeting including a video – “New Class of Manufactured Homes” provided by Commissioner Anderson and an article – “The Great Affordability Crisis that is Breaking America” published February 7, 2020 by Annie Lowrey, Staff writer at The Atlantic Monthly.

Dr. Garcia stated his interest in this ongoing discussion is to think creatively about opportunities available both politically and fiscally this year. The City of Tucson is currently revitalizing the Metropolitan Housing Commission through a review of its charter and its activities – including the commission of a study to look at factors affecting affordability. The county is looking at expanding the scope of work under contract to include unincorporated Pima County and other jurisdictions outside the City of Tucson. This will allow everyone to

work from the same set of data that is very focused on this particular Mark Holden and looks at a lot of different solutions for a whole spectrum [of housing needs]. The merger of CSET and CDNC, how they communicate with each other and with Development Services provides a lot of knowledge and history to inform this conversation. This is a good time to take stock, gather new data, come up with new creative solutions over next 12 months and maybe present bold new policy initiatives to the Board of Supervisors. That is the context. And with the possible economic downturn in the future, how do we keep moving forward.

Chair Thomason agreed other jurisdictions need this information yet the gap exists and a downtown will worsen things. This is what we've done with the RTA which has provided for all jurisdictions. It's a workable approach for housing.

Commissioner Fisher discussed her connection to this Commission as a result of her work on homeless issues with Supervisor Ally Miller.

Everyone agrees it's a nationwide problem where many different approaches are underway, some of which may work locally.

The Atlantic article most importantly addresses the major gap in affordable housing despite a currently strong economy. The system for the development of housing throughout the country over 60 years no longer works. The desirable amenities that have been added to building and zoning codes has contributed to the increasing costs of housing.

Mark Holden noted the article helped explain how many issues compounding housing affordability – the high cost of childcare, school loans, stagnant wages.

Marcos Ysmael commented the affordability crisis has crept up into middle income and upper income market sectors due to aging households remaining in place; millennials living at home with parents; increased number of singles (as a result of divorces or death of spouses); the loss of local builders and developers as a result of the last great recession; and middle and upper income sectors struggling with housing costs. He commented on the availability and limitations of federally funded housing programs in Pima County.

Commissioner Fisher said training for the trades should be a part of this broad, aggressive approach to addressing housing affordability.

Chair Thompson said another solution is reduction of [construction, development] fees.

Commissioner Anderson said another solution [strategy] is the affordability and appeal of modern manufactured housing. Development Director Carla Blackwell asked about the code standards of manufactured housing. Commissioner Anderson said they meet HUD code, City of Phoenix Residential Zone and Design Standards and Freddie and Fannie Mae "Choice Home Certification" standards.

Mark Holden noted different standards for modular, mobile and manufactured housing. Commissioner Anderson offered to send the Choice Home Certification standards to Carla Blackwell, Mark Holden and Dr. Garcia.

Mark Holden asked whether these units are permitted by state department of housing. Commissioner Anderson answered they are sold to builders who comply with county development services – they could be marketed to individuals, housing authorities and by nonprofit developers.

Carla Blackwell said these units are not temporary, meets code, and as they start to appraise [more], that will help battle [the perception they are less valuable than stick-built homes].

Commissioner Anderson said [on behalf of the Arizona Manufactured Housing Association] we don't intend to go to neighborhoods with deed restrictions [i.e. HOAs]. We intend to help with the affordability crisis. Over 50 manufactured homes have been placed in the City of Tucson with only one complaint. Another advantage – additional sections can be added as households grow or they want to expand.

Dr. Garcia said by late March, early April, they may start digging in at least phase one of the City/County Housing Study. As other phases of the study are completed, they may look at other issues to see what value can be extracted and used for our conversations with the City and other jurisdictions for a much more coordinated effort and response.

Marcos Ysmael mentioned the Southern Arizona Builders Association and Southern Arizona Housing Market Newsletter provided current, ongoing data reports.

Commissioner Fisher said the Tucson Association of Realtors maintains statistics on their website for public information and completed a study last year which has not been released, but will show why there are no homeownership opportunities in downtown Tucson for the average person to afford. She asked how are we incentivizing homeownership in downtown?

Commissioner Jimenez agreed and is working with Thrive on Five where homeownership is a goal. None of the nonprofits are taking it on. No one is taking ownership of this problem that affects not only downtown, but suburban areas. There, REITS [Real Estate Investment Trusts] have taken over much of the affordable housing [stock]. This [adversely] impacts neighborhood character.

Commissioner Thomson said homeownership is one way many build wealth whereas rentals do not produce value [for the households].

Marcos Ysmael offered to provide reports that compare [ownership rates] in various Arizona counties.

Commissioner Jimenez mentioned Ryan Stephenson's efforts to bring the Incremental Development Alliance Small Scale Workshop to Tucson to help small, infill developers provide affordable housing - triplexes, duplexes – with incentives and zoning to help.

Carla Blackwell said there are several designated infill incentive districts in Pima County – Flowing Wells, Kleindale and Benson Highway where developers have been given the opportunity to offer creative solutions without some of the typical restrictions on development.

Carla Blackwell described a California initiative stretching the corridor between San Francisco and the Silicon Valley where abandoned retail facilities can be redeveloped into a variety of housing types for up to 25,000 new housing units.

Marcos Ysmael said there are a few small-scale developers in Pima County – Habitat for Humanity, La Frontera (actually larger scale), Primavera, TMM Family Services, Pima County Community Land Trust and Compass Affordable Housing.

Commissioner Jimenez would like to see the Pima County Community Land Trust expand its housing development efforts.

Marcos Ysmael said the Incremental Development Alliance training will be beneficial especially for the local nonprofit housing developers struggling to find resources.

Marcos Ysmael said we need to offset costs of waivers and recommended county general funds. Discussion covered taxes, “pay as you go” (county bond funds, federal HOME and CDBG funds, and political considerations such as roads.

Marcos Ysmael asked whether county can change how and when the Impact Fee is applied. Carla Blackwell said statute dictates it has collected at time of permitting but if someone is adding on to an existing house, no new fees are required. For another unit – guesthouse - on a homeowner’s lot, no new fees are required; however, a whole new housing unit on a homeowner’s lot would require the payment of impact fees.

Members discussed adding a new fee on Airbnb that effectively takes away housing stock adding to the short supply.

Carla Blackwell recommended staying away from any new taxes for now and looking more at the redevelopment aspects where a case can be made for not paying impact fees as something existing already generated fees. For example, the Foothills Mall already built out the roads and sewer connections. As the owners propose a redevelopment for this site, they will not be required to pay impact and sewer fees.

Commissioner Thomson said we reached the end of our time.

Carla Blackwell asked what are the next steps.

Dr. Garcia said he will report to the subcommittee in March on the scope of work for the City/County housing study – and will put that in your inbox. The goal is to speed up this process – obtain data in parallel to city and planning – which will be a jumping off point –

part of strategy – addresses different parts of the problem. He said there is no one magic bullet to solve all of the affordable housing challenges. And he would like to include the homeless component as part of the holistic solution. He excused himself for another meeting.

Marcos Ysmael asked if the subcommittee would like to bring other commissioners – housing experts and other candidates to join the subcommittee. This can be brought up at the next quarterly meeting of the full commission.

Marcos Ysmael asked the commissioners if they would consider going ahead with quarterly march Meeting on Monday, March 16, or postponing it to April when they will have an update on the study. Commissioner Thomson asked whether there was any business that would force a March meeting. Marcos Ysmael and others said there is none.

Commissioner Thomson directed staff to send an email to all members of the Housing Commission that he suggests a postponement of the meeting to April 20, 2020 when the Subcommittee will be prepared to provide a full report on their progress to date.

At this point, there were several simultaneous conversations underway at once. None of them is coherent.

Commissioner Jimenez asked whether Housing Trust Funds can be used to cover the cost (approximately \$10,000) of the Incremental Development Alliance Workshop.

Marcos Ysmael said the Housing Commission voted to allocate the Housing Trust (currently with a balance of approximately \$45,000) to next project that is La Frontera; they have enough federal money. Marcos Ysmael suggested staff send an email to conduct an electronic vote, then at next meeting, ratify the electronic vote. Marcos Ysmael directed Martha to ask both the Chair and Vice Chair if they approve.

#### 4. Next Subcommittee Meeting Date

As suggested by Deputy County Administrator, Dr. Francisco Garcia, to receive an update on the City-County Housing Study before the next quarterly Housing Commission Meeting, the Commissioners agreed to reconvene the Subcommittee in March 2020 and postpone the quarterly meeting to April. Staff will send a notice to all members of the Commission to advise them of this change.

#### 5. Adjournment

The meeting adjourned at approximately 4:45 p.m.