



Pima County 2008 Housing Bond Proposal

**PIMA COUNTY COMMUNITY DEVELOPMENT AND
NEIGHBORHOOD CONSERVATION DEPARTMENT**





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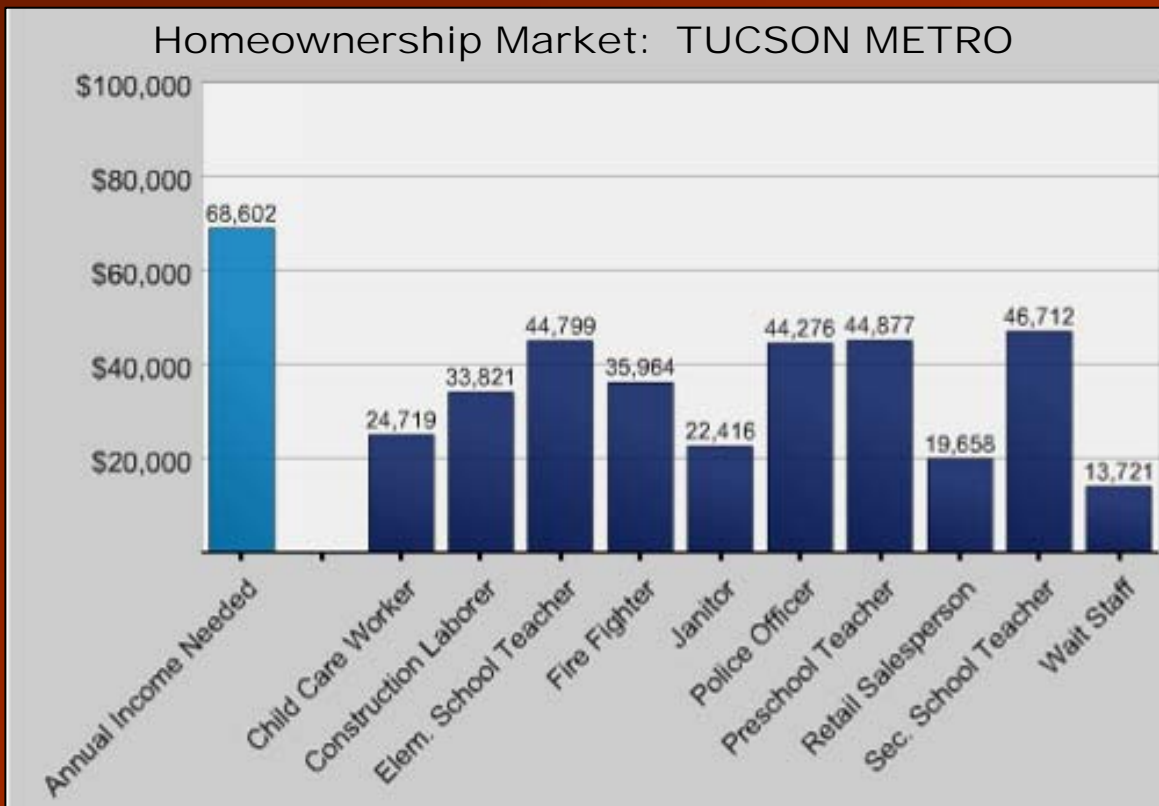
THE CHALLENGE

- **Board of Supervisors Goal:**
 - Increase homeownership by households below 80% of the Area Median Income (AMI) by 10% before the end of the decade (2010).
- **or:**
 - 6,700 new homeowners at 80% AMI.
- **80% AMI for the Tucson MSA:**
 - \$41,900
- **An 80% AMI Affordable Mortgage @ 7%, 30 year fixed:**
 - \$157,500





AFFORDABILITY GAP: MORTGAGES



\$195,000

Median Resale Priced Home

\$68,602

Annual Income Needed for affordable home purchase

Gap still exists even with two incomes!

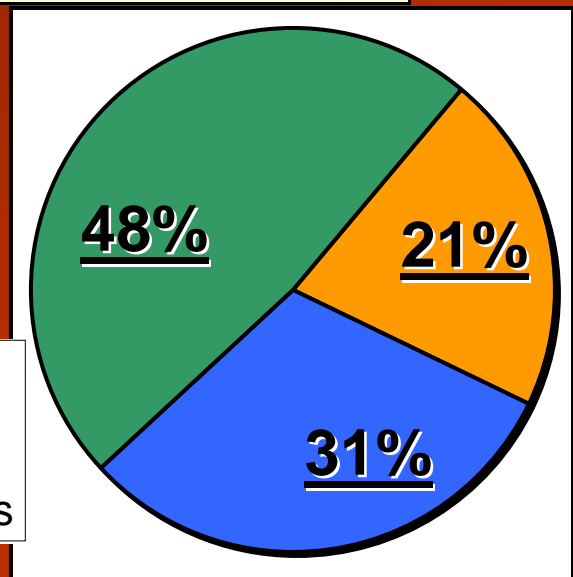
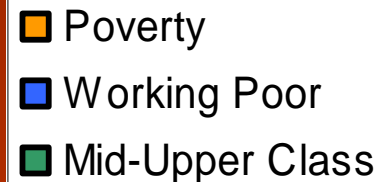




WHAT KIND OF HOUSING CAN THE WORKING- POOR AFFORD?

52% Pima County residents are virtually priced out of the housing market

Household
Income:



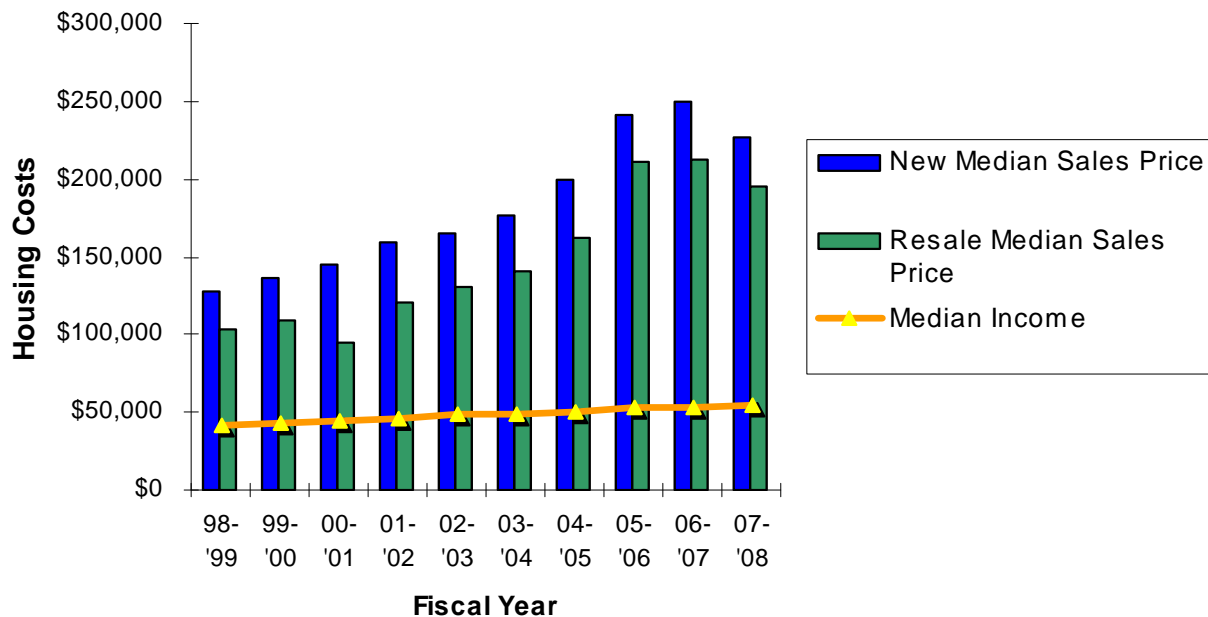
Single family income: Police Officer = \$44,276

Two family income: Retail Salespersons = \$39,316



AFFORDABILITY GAP: HOUSING COSTS VS. WAGE

Median Housing Costs vs. Median Family Income (Tucson MSA): Ten Year Trend



43.9%
Increase in new homes sales prices

46.6%
Increase in resale homes sales prices

24.2%
Increase in wages

Sources: The Southern Arizona Housing Market Letter, 2008; United States Department of Housing and Urban Development, 2008





THE SOCIAL IMPACT:

Safe, decent and affordable housing creates a healthy community.

Tucson: 55% owner-occupied housing units

Pima County: 66% owner-occupied housing units

National Average: 67% owner-occupied housing units

Source: American Fact Finder, 2006





PIMA COUNTY AFFORDABLE HOUSING BOND PROGRAM

\$37.6 million Housing Bond Program will create 1500 new homes
(2750 projected units for the three bond programs)

- **1997 Housing Bond Program – restrictive language**
 - \$5 Million
 - 261 housing units produced
- **2004 Housing Bond Program – expanded language**
 - \$10 Million
 - \$3.7 Million committed
 - 317 housing units in development to date
 - 1,000 units projected by completion of program
- **Average Commitment**
 - \$20,000 per homeownership unit
 - \$9,000 per rental unit





2008 HOUSING BOND PROGRAMS

1. \$30 million Affordable Housing Bond Program:

A. Off-site improvements located in the public right-of-way:

- Utility and Sewer lines
- Public roadways
- Streetlights, sidewalks, and curbs
- Engineering fees associated with off-site improvements
- Planning/development review; water/sewer permit; meter/connection fees

B. Long Term Affordability as the public benefit (2004 Bond):

- Land Acquisition
- Community Land Trust
- Purchase of existing housing units





Why is it important to support Pima County's 2008 Affordable Housing Bond Programs?





1. HISTORY OF EXISTING PUBLIC SUPPORT:

- **Grassroots:**
 - Pima County Interfaith Coalition led to the implementation and passage of the 1997 Housing and Neighborhood Reinvestment G.O. Bond Programs
- **Pima County Voters:**
 - Approved the 2004 Affordable Housing G.O. Bond Program
- **Private, public, and non-profit organizations:**
 - Will provide continued public benefit to the community with the approval of 2008 Affordable Housing G.O. Bond Program





2. REGIONAL SIGNIFICANCE: BOND PROGRAM

- Newly developed affordable housing increases the tax base
- Housing counseling is a proven foreclosure prevention strategy
- Leverages (10:1) other funding sources in the production of affordable housing
- Produces and provides safe, decent, affordable housing
- A unique and innovative program
- Installs important public infrastructure improvements
- Investment targeted to Pima County Stress Areas
- Supports housing development for special needs populations





THE ECONOMIC IMPACT

Source: Arizona Department of Housing

<u>Impact of G.O. Bond Funds</u>	<u>\$1 Million</u>	<u>\$10 Million</u>	<u>\$20 Million</u>
Employment	66	660	1,320
Wages and Salaries	\$1,656,012	\$16,560,120	\$33,120,240
State & Local Tax Revenue	\$332,929	\$3,329,290	\$6,658,580
Total Economic Value	\$4,907,408	\$49,074,080	\$98,148,160



THE ECONOMIC IMPACT:

A SIMPLE

MATHEMATICAL EXAMPLE

Chantlalli Estates

- 37 units
- \$300,000 total on project
- \$8,108 per unit

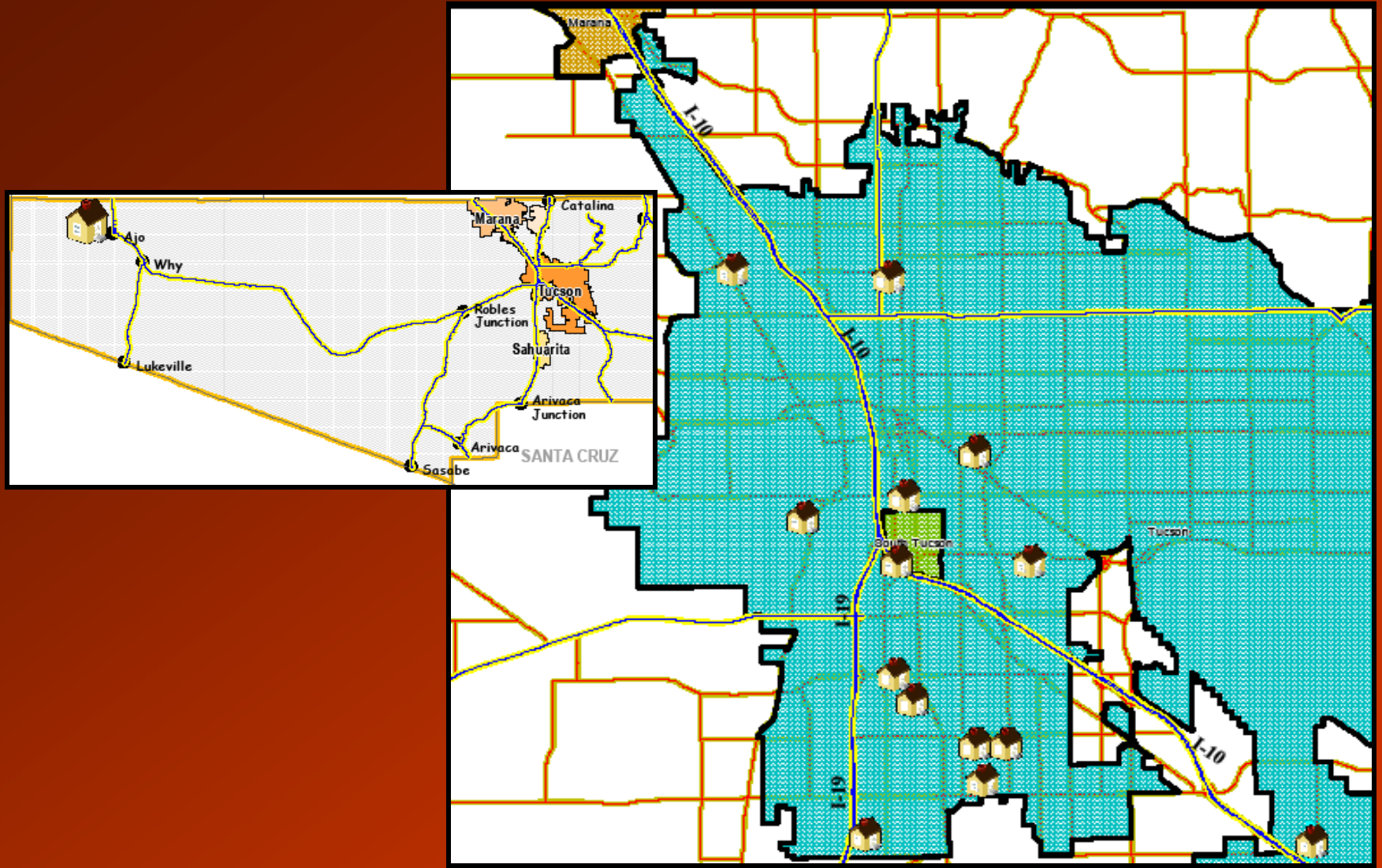
Chantlalli Estates Home

- 2008 assessed value = \$136,223
- \$1,300 property tax – primary and secondary rate
- \$1,300 x 15 years = \$19,500 total returned to local governments

*NOTE: no inflation included, no present value, no cost of bonds



3. THE REGIONAL IMPACT





THE REGIONAL IMPACT:

Marana and South Tucson submitted proposals for bond projects

- **Marana Requested - \$1,250,000**
for engineering, design, land acquisition and infrastructure construction for affordable housing development
- **South Tucson Requested - \$5,000,000**
for land acquisition, demolition of vacant structures, work with non-profits to develop affordable housing





4. PUBLIC, PRIVATE & NONPROFIT **DEVELOPMENT PARTNERSHIPS**

- **Private:**
 - La Causa Construction
 - Major Construction
 - Rugan Construction
 - Presidio Nuevo Builders
- **Public:**
 - City of Tucson
 - University of Arizona
 - AZ Department of Housing
- **Non Profit:**
 - Chicanos Por La Causa
 - Habitat for Humanity
 - Old Pueblo Community Foundation
 - Tucson Urban League
 - Development Design Group
 - International Sonoran Desert Alliance





5. LEVERAGED RESOURCES

Complement Federal, State and Local resources

- Low income Housing Tax Credits
- Historic Tax credits
- HOME
- CDBG
- Federal Home Loan Bank
 - Affordable Housing Program
- Rural Communities Assistance Corporation
- Enterprise Foundation
- Arizona State Heritage Program
- State of Arizona HOME Program
- State of Arizona Housing Trust Fund
- Pima County Industrial Development Authority Loans
- City of Tucson General Fund
- Tucson Electric Power Company
- Fannie Mae Foundation
- Lenders

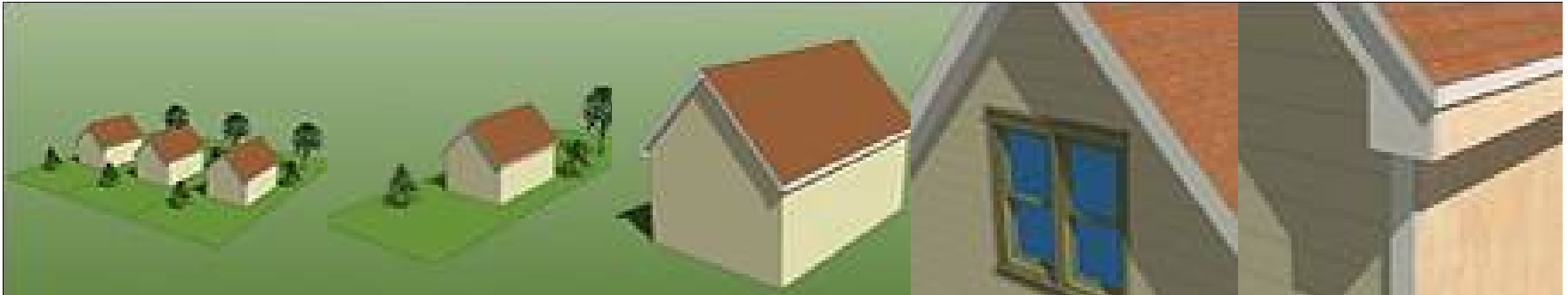




6. REGULATORY MANDATES

- **No mandates requiring Affordable Housing**
- ***HOUSING BOND PROJECTS:***
 - Comply with Fair Housing initiatives
 - Promote accessibility and visibility in housing development
 - Encourages sustainable green building practices
 - Promote access to transit
- ***IN ADDITION TO:***
 - Not being subject to federal cross cutting requirements such as:
 - Davis Bacon
 - NEPA





7. VIABILITY

- **Existing Capacity:**
 - Qualified, experienced and professional housing staff to administer program
 - Staff supported with County General Funds and Federal administrative resources
 - Bond funds compliment other programs administered by the County such as HOME, CDBG, and Housing Trust Fund
- **Process and Oversight:**
 - Open and Continuous Application Process
 - Threshold Criteria and Program Priorities reviewed by staff
 - Housing Commission reviews and makes recommendations to the Board of Supervisors



CORAZON
DEL
PUELBO

2004

Bond Project

Habitat for Humanity

**40 single-
family units**



Approved funding: \$748,160

Development Design Group

VIA DEL SUR TOWNHOMES



**1997
Bond Project**

**60 single-
family units**



Approved funding: \$273,984

WE-CHIJ ESTATES



**1997
Bond Project**

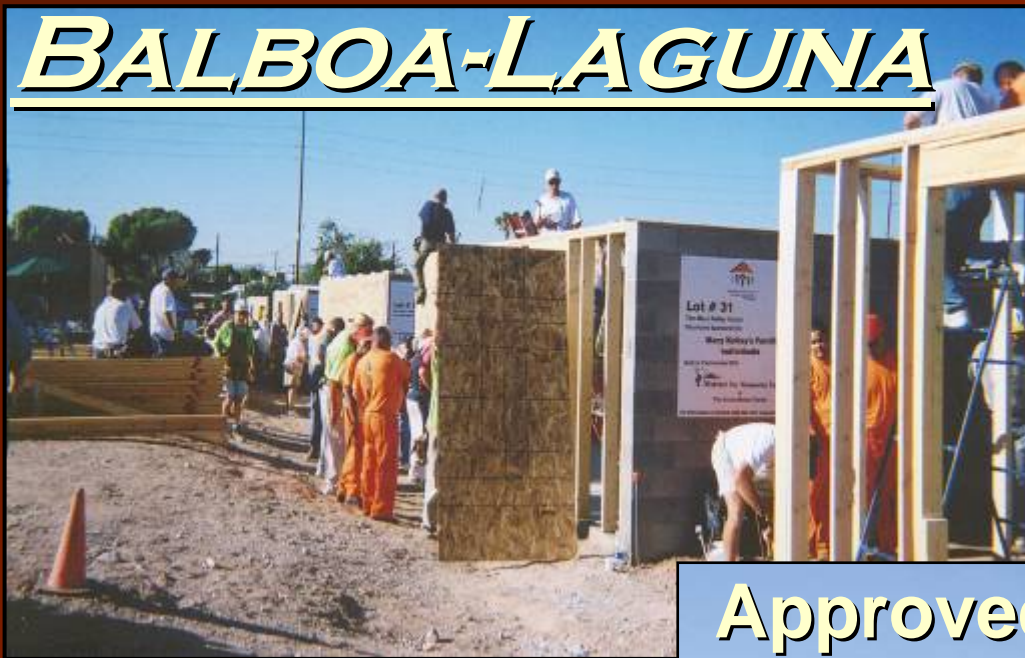
Old Pueblo Community Foundation

**21 single-
family units**



Approved funding: \$444,580

BALBOA-LAGUNA



**1997
Bond Project**

Approved funding: \$821,000

Habitat for Humanity

**36 single-
family units**



**1997 Bond
Project**



CHANTLALLI
ESTATES

Approved funding: \$300,000

**Chicanos
Por
La Causa**



37 single- family units



2008 HOUSING BOND PROGRAMS

2. \$1.35 million for One-Stop Housing Center:

- Land Acquisition: \$350,000
- Construction: \$1M
- Year 2010: Open to the Public





HOUSING CENTER: REGIONAL SIGNIFICANCE

- A One-Stop Shop, centrally located, serving all of Pima County
 - Accessible to transit
- One stop center to educate the next generation of qualified home buyers
 - Cooperative and collaborative approach
 - Owner occupied rehabilitation and weatherization
 - Homebuyer assistance, housing and financial counseling
 - Fair Housing resources
 - Affordable lending activities
 - Classrooms and venue for public hearings and meetings
 - Sustainable demonstration resource learning center
- Elimination of duplication of services
- Office space for both Pima County CDNC staff and interested public / nonprofit organizations





HOUSING CENTER: REGIONAL AND JURISDICTIONAL BALANCE

- **Access to comprehensive housing services and associated organizations**
- **Housing Center incorporated into existing regional plans:**
 - Consolidated Plan
 - Annual Action Plans
 - Capital Improvement Plan
- **In Last 10 years CDNC has:**
 - Assisted over 700 new homebuyers Countywide
 - Supported the development or improvement of over 400 affordable rental units Countywide
- **Need to promote home ownership:**
 - Bond Program continues to promote equitable distribution of resources in stressed neighborhoods in both incorporated and unincorporated communities throughout Pima County





HOUSING CENTER: PUBLIC PRIVATE & NONPROFIT PARTNERSHIPS

- **Housing Center:**
 - Facilities to provide opportunities for collaboration with public private and non-profit agencies
 - One-Stop concept provides a public benefit at a single point of access to a myriad of housing related services:
 - Meeting space
 - Counseling
 - Lending
 - Information
 - Library
 - Demonstrations
 - Provides access to those less likely to apply for services



2008 Pima County Housing Commission

***PIMA COUNTY COMMUNITY DEVELOPMENT AND
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