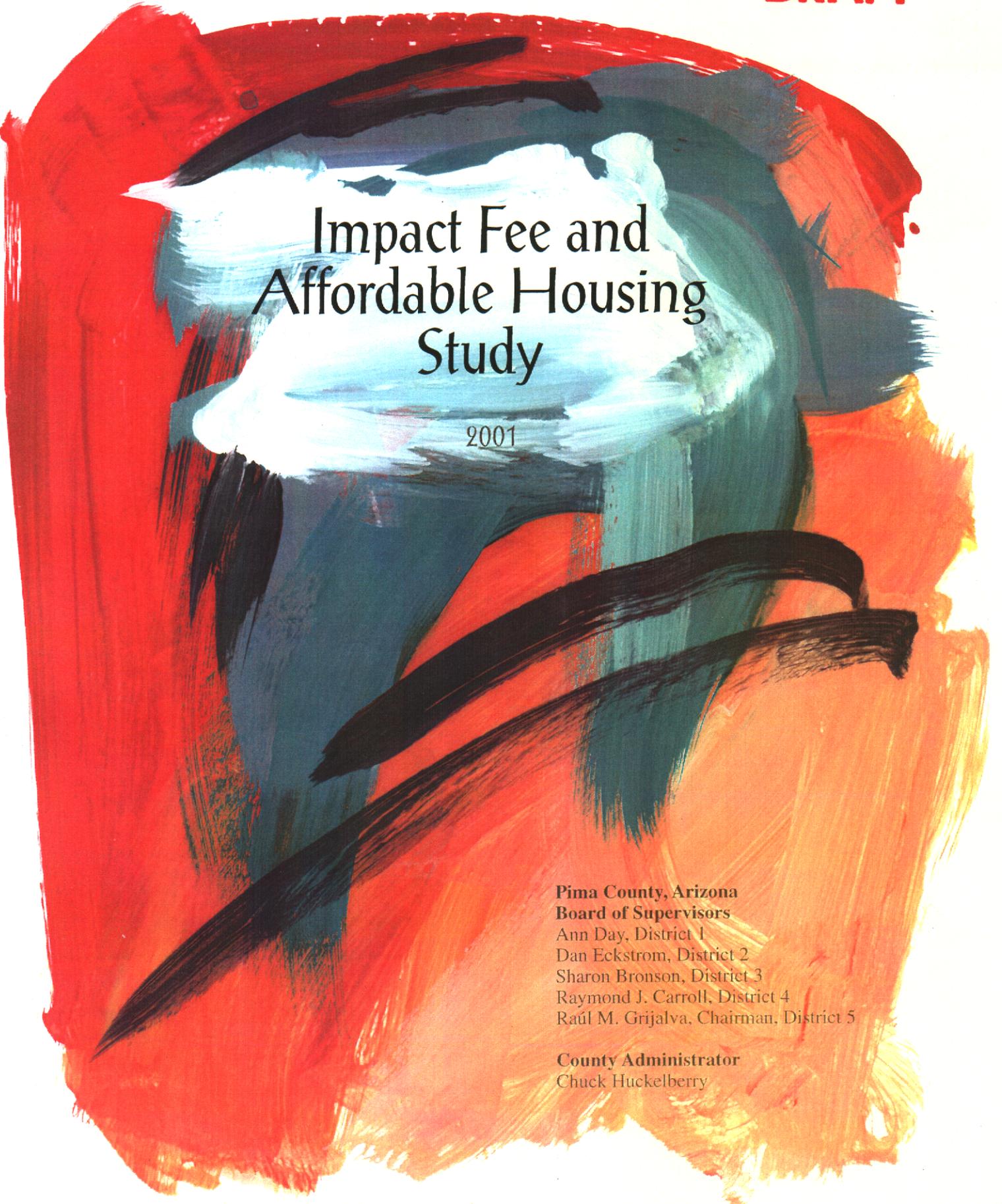


DRAFT



Impact Fee and Affordable Housing Study

2001

Pima County, Arizona

Board of Supervisors

Ann Day, District 1

Dan Eckstrom, District 2

Sharon Bronson, District 3

Raymond J. Carroll, District 4

Raúl M. Grijalva, Chairman, District 5

County Administrator

Chuck Huckelberry



MEMORANDUM

Date: October 2, 2001

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

From: C.H. Huckelberry
County Administrator

A handwritten signature in black ink, appearing to read "CHH", is written over the printed name "C.H. Huckelberry".

Re: **Impact Fee and Affordable Housing Study**

Background

The attached *Impact Fee and Affordable Housing Study* updates and enhances the July 1998 study by the same name, which found upon review of 35 county government programs in high growth regions that Pima County generally had lower expenditures per capita and limited impact fee and affordable housing measures, compared to jurisdictions with similar pressures. This memorandum provides a summary of the recent data and an analysis of how Pima County compares in the areas of expenditures, impact fees, and affordable housing programs to counties in Florida, California, and other Western States.

Rate of Population Growth

According to 2000 Census data, Pima County is the 53rd largest county in the United States, up from a ranking of 68 in 1990, and Tucson is the 30th largest city. Among the 35 counties in the study set, Pima County experienced greater numerical population increases than 31 jurisdictions, and a greater percent population increase than 28 of the counties.

Expenditures Per Capita

In 1998, Pima County budgeted to spend \$856 per capita, which was 35 percent less per capita than the \$1,157 average of 70 other counties studied for a June 1999 report. An analysis of last year's budgeted expenditures for the same study set confirmed the disparity: Pima County's \$996 per capita expenditure was 31 percent below the \$1,307 average expenditure per capita of other counties.

- Counties with a population ranging from 700,000 to 900,000 had an average expenditure per capita of \$1,935, more than twice that of Pima County.
- On a regional basis, Florida counties spend almost twice the amount Pima County spends per person, and California counties spend one third more per person.

Impact Fee Programs

In 1998, the review of impact fee programs found that other jurisdictions exceeded the Pima County roadway impact fee program in both range and extent. The same result holds true today.

- Counties in Florida typically have fees for roads, fire services, parks, library services, corrections, emergency services, public buildings, schools, and at times solid waste programs.
- California programs have a similar scope, and at times are extensive, such as the \$14,221 total rooftop fee found in Orange County California, of which \$11,566 is for roads.
- Today, at least two-thirds of the 35 counties in the study set collect fees greater than those collected in Pima County.

Affordable Housing

In 1998, affordable housing programs that provided alternative funding sources, inclusionary zoning and linkage fees were discussed. Today approximately one third of the 35 counties surveyed have a fee waiver program for affordable housing. Pima County has recently instituted this aspect of affordable housing, but to date has not adopted measures that would integrate affordable housing into the new home construction industry where the operation of market forces has created substantial affordability gaps.

Conclusion

In general Pima County grew faster, spent less on a per capita basis, collected less in growth related fees, and afforded less in the way of equitable housing programs than the county governments in the study set. Our growth pressures are generally greater, but our program response is less. These results confirm the findings of analysis conducted three years ago. Programs to enhance fees, ensure concurrency, and enact affordable housing measures will be forwarded to the Board for consideration as part of the Comprehensive Plan Update.

Attachment



**IMPACT FEE
AND
AFFORDABLE HOUSING
STUDY**

2001

PIMA COUNTY, ARIZONA

IMPACT FEE AND AFFORDABLE HOUSING STUDY

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INTRODUCTION

Impact fees are used to offset the burden that population growth and development puts on existing infrastructure and services. These fees are usually collected in single payments at the time the development is approved or awarded a building permit. The counties studied here collect impact fees for services such as roads, parks, libraries, law enforcement, solid waste, emergency services, public buildings, and schools. Impact fees are imposed on a variety of land uses including residential, industrial, retail, office, and resort. Fees vary by land use and by county.

Rapid growth can stress public services and infrastructure, resulting in increased pollution, congestion, and a decrease in the quality of life. According to a 2001 Pima County Tax Base and Property Valuation study, the current pattern of growth and development in Pima County has contributed to a decreased tax base on a per capita, constant dollar basis. With this growth comes an increased demand for services, yet on a per capita basis, less revenue is available to the County to provide such services. Often local governments experiencing rapid growth cannot raise enough revenue through traditional sources to meet needed expenditures and capital improvement costs.

This report is an update of a 1998 study that focused on 35 counties in California, Florida, and other rapidly growing counties in the western United States. Data gathered for these counties is compared to Pima County in an effort to see how Pima County ranks in population growth and per capita expenditures. It shows that these 35 western counties are addressing the negative effects of fast growth on public services and infrastructure through the use of impact fees. Also, it describes impact fee waiver programs, along with other types of affordable housing programs provided by these counties.

Unless noted, information found in this report came from county web sites, ordinances, and directly from county staff.

PIMA COUNTY AND IMPACT FEES

Currently, Pima County only collects a residential roadway impact fee. Fees are linked to the building permit process, and apply to all residential development that creates a new or separate dwelling unit, including mobile and manufactured homes, recreational vehicles and trailers . As shown below, the impact fee varies with the density of development and retirement and non-retirement housing.

<u>Land Use Type</u>	<u>Standard</u>	<u>Retirement Community</u>
Less than 6 RAC	\$1,550.00	\$1,162.50
6 or more RAC	\$1,162.50	\$868.00

Since the implementation of the roadway impact fee program in November, 1996, almost \$12.5 million has been collected for various roadway projects within seven benefit areas. The revenue from this program can only be used for roadway construction, not for maintenance. Because of the current shortfall between funds available for roadway construction and the amount of actual funds needed, Department of Transportation staff is currently assessing the adequacy of these fees.

There are two ways in which new residential construction can be found exempt from the roadway fee: affordable housing or a plea to the appeals panel. Fee waivers for 100 percent of fees are provided for the construction of affordable housing, provided that households meet the income limits determined by the U.S. Department of Housing and Urban Development (80% of the areas median income). Sixty-eight households have applied for the fee waiver, but because the affordable housing waiver program was only implemented about a month ago, these households have only recently begun receiving waivers.

The other option available to property owners is to state their case before the Development Fee Appeals Panel. Out of the 10,374 impact fees paid since the implementation of the fee program, 1,267 were appealed. Of the 1,267 appealed, 129 were denied, with the rest receiving reductions of 25% to 100%. According to the affordable housing fee waiver Program Director, many low-income households seeking fee waivers prior to the implementation of the waiver program argued their case to the appeals panel and ended up paying some or all of the fees.

FLORIDA COUNTIES: POPULATION GROWTH AND FISCAL INFORMATION

Population Growth

The following tables and charts compare Pima County with 17 Florida Counties that charge impact fees. This data is based on 2000 Census information, which enables comparisons of percent and numerical changes in population growth for Florida and Arizona counties.

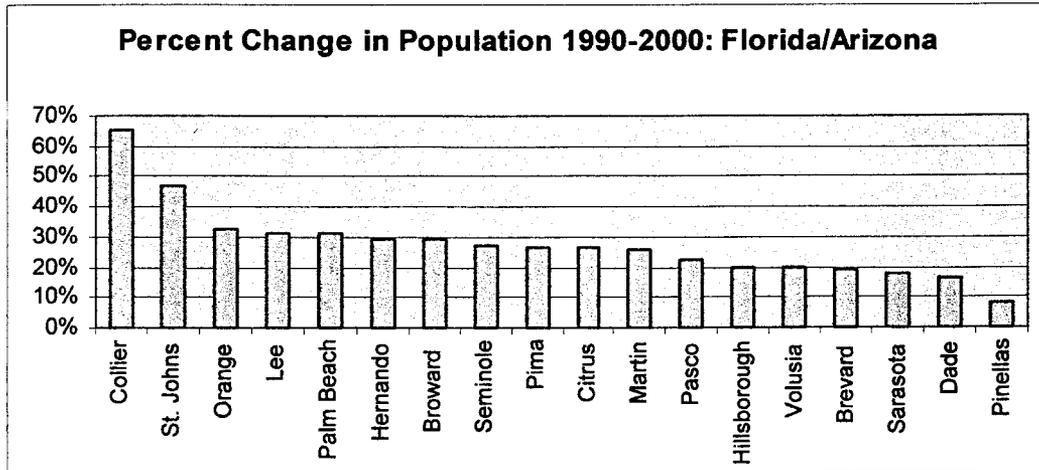
When compared to the Florida Counties below, Pima County has experienced equal or more population gains, both numerically and by percent increase.

Population Growth Data

COUNTY	% CHANGE-POPULATION 1990-2000	# CHANGE-POPULATION 1990-2000
Brevard	19%	77,252
Broward	29%	367,530
Citrus	26%	24,570
Collier	65%	99,278
Dade	16%	316,268
Hernando	29%	29,687
Hillsborough	20%	164,894
Lee	32%	105,775
Martin	26%	25,831
Orange	32%	218,853
Palm Beach	31%	267,666
Pasco	23%	63,634
Pinellas	8%	69,823
Sarasota	17%	48,181
Seminole	27%	77,667
St. Johns	47%	39,306
Volusia	20%	72,631
Pima	27%	176,866

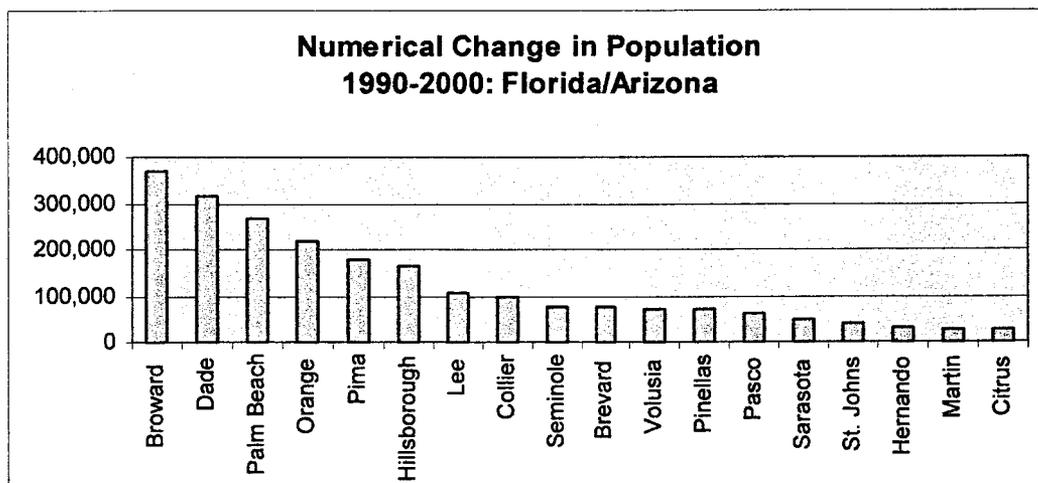
Percent Change in Population: Florida Counties Compared to Pima County

The 2000 Census data shows that in the last decade Pima County's population grew by 27 percent. As shown below, this places Pima County in the middle of the Florida Counties studied, when ranked by percent change in population. Collier County, Florida, ranked 37 amongst U.S. counties for percent increase in population during these 10 years.



Numerical Change in Population: Florida Counties Compared to Pima County

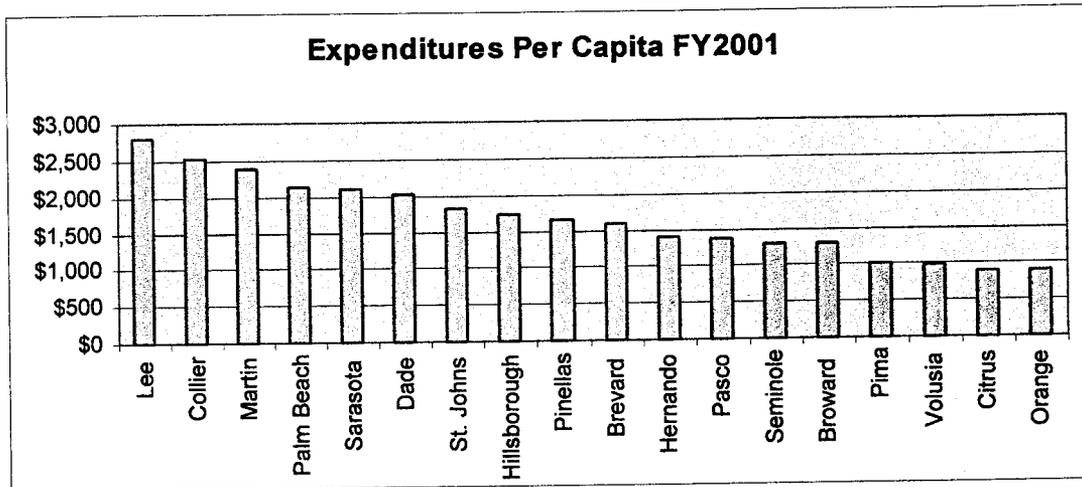
Pima County reportedly gained 176,866 people during the 1990-2000 period, ranking it 27th out of all U.S. Counties. This was a larger population gain than most of the Florida counties in this study. Broward County, Florida, ranked seventh.



Budgeted Expenditures Per Capita FY 2001: Florida Counties Compared to Pima County

Total budgeted expenditures FY 2001, for the 17 Florida counties and Pima County are compared below. On average, these Florida counties spent almost twice the amount Pima spent per capita.

	Florida County Average	Pima County
Expenditures / capita	\$1,705	\$996



FLORIDA COUNTIES: IMPACT FEES

Table 1 shows Florida Counties residential impact fees along side Pima County's road impact fees. These Florida counties collect impact fees for emergency services, roads, fire services, parks, libraries, law enforcement and corrections, solid waste services, public buildings, and schools. Pima County collects only road fees. Looking at this table, Pima, Pinellas, and Brevard counties charge the lowest residential impact fees. Pima's range from \$868 to \$1,550 per dwelling unit. It appears that Collier County charges some of the highest residential fees, ranging from \$4,029 to \$6,391 per dwelling unit. These Florida counties also collect impact fees for commercial and industrial land uses. For example, Sarasota County's retail impact fees range from \$912 for a 1,000 square foot furniture store, to \$19,734 for a 1,000 square foot convenience store.

FLORIDA COUNTIES: AFFORDABLE HOUSING PROGRAMS

Many county-level affordable housing programs are funded through Florida's State Housing Initiative Partnership (SHIP) program. Funding for SHIP comes from new and existing documentary stamp taxes on deeds generated state wide, and must be spent on the development and maintenance of affordable housing.

Several of Florida counties have fee waiver, discount, or deferral programs. These programs often waive impact fees for affordable housing projects and/or for low-income home buyers. Waivers for developers building affordable housing can be use as an incentive to keep developers from leaving the affordable housing market because of decreased profits due to the impact fees. Some of the counties make up for the lost revenue by paying the impacts fees out of the general fund.

Other types of affordable housing programs offered by these Florida counties include down payment and closing cost assistance, assistance for affordable housing constructed on infill lots, mortgage assistance, rental assistance, county owned public housing, renovation and rehabilitation assistance, expedited review processes, density bonuses, and reduced setbacks.

Collier County

First Time Home Buyers Impact Fee Waiver and Deferral Assistance Program:

No fees are actually waived or deferred. Instead the County pays these fees on behalf of the low-income home buyer, with funds from Florida's SHIP Program. The funds must be use to pay impact fees on new construction. Depending on different household income levels, low-income residents can qualify the following levels of waivers/deferrals:

1. 100% impact fee waiver
2. 50% waiver/50% deferral
3. 25% waiver/75% deferral

Table 1

FLORIDA Residential Impact Fees by County: Single Family, Multi-Family, Mobile Home

	EMS	Roads	Fire	Parks	Library	Corrections	Solid Waste	Public Buildings	Schools	TOTAL
Brevard										
SF	57	855	X	X	X	32	160	X	X	\$1,104
MF	47	535	X	X	X	27	160	X	X	\$769
MH	47	351	X	X	X	27	160	X	X	\$585
Broward										
SF	X	354	X	436	X	X	X	X	3106	\$3,896
MF	X	244	X	296	X	X	X	X	1945	\$2,485
MH	X	178	X	385	X	X	X	X	2576	\$3,139
Citrus										
SF	6	1430	76	153	121	36	X	203	636	\$2,661
MF	4	742	49	91	100	23	X	168	165	\$1,342
MH	5	850	72	135	104	34	X	174	447	\$1,821
Collier										
SF	130	2871	375	820	299	118	X	X	1778	\$6,391
MF	130	1800	375	820	299	118	X	X	827	\$4,369
MH	130	1053	375	820	299	118	X	X	1234	\$4,029
Lee										
SF	10	2436	560	872	X	X	X	X	X	\$3,878
MF	6	1687	269	539	X	X	X	X	X	\$2,501
MH	9	1221	308	649	X	X	X	X	X	\$2,187
Martin										
800 sq.ft. & under	67	1360	X	837	181	88	X	177	628	\$3,338
800 - 1,100	99	2026	X	1247	269	131	X	263	938	\$4,973
1,101-2,300	103	2150	X	1296	280	136	X	274	973	\$5,212
2,301 & over	107	2223	X	1340	289	140	X	283	1006	\$5,388
Orange										
SF	X	2075	149	X	X	70	X	X	2828	\$5,122
MF	X	1439	127	X	X	182	X	X	1907	\$3,655
MH	X	1040	148	X	X	182	X	X	2329	\$3,699
Palm Beach										
800 Sq.ft. & under	X	X	X	849	160	X	X	84	311	\$1,404
801-1,399	X	X	X	998	188	X	X	98	588	\$1,872
1,400-1,999	X	X	X	1173	221	X	X	116	900	\$2,410
2,000-3,599	X	X	X	1363	257	X	X	134	1214	\$2,968
3,600 & over	X	X	X	1512	285	X	X	149	1416	\$3,362
Pinellas										
SF	X	1632	X	X	X	X	X	X	X	\$1,632
MF	X	986	X	X	X	X	X	X	X	\$986
MH	X	776	X	X	X	X	X	X	X	\$776
Sarasota										
SF	X	1959	X	392	157	X	X	X	X	\$2,508
MF	X	1679	X	282	113	X	X	X	X	\$2,074
MH	X	649	X	266	107	X	X	X	X	\$1,022
Seminole										
SF	X	1271	172	X	54	X	X	X	1384	\$2,881
MF	X	849	172	X	54	X	X	X	639	\$1,714
MH	X	707	172	X	54	X	X	X	955	\$1,888
Volusia										
SF	X	1064	200	451	X	X	X	X	1097	\$2,812
MF	X	1058	200	451	X	X	X	X	1097	\$2,806
MH	X	407	200	451	X	X	X	X	1097	\$2,155
PIMA										
<6 RAC	X	1550	X	X	X	X	X	X	X	\$1,550
6 RAC or more	X	1163	X	X	X	X	X	X	X	\$1,163
Retirement <6	X	1163	X	X	X	X	X	X	X	\$1,163
Retir. 6 or more	X	868	X	X	X	X	X	X	X	\$868

X = no fee or unknown Per Dwelling Unit If range of Fees - this is highest

According to Collier County's Housing and Urban Improvement Office, this program serves 150 single-family units and 600 multi-family units per year, at a cost of approximately \$500,000 per year.

Affordable Housing Density Bonus Program

This program provides increased residential densities to developers who ensure that a portion of their housing development will be affordable housing. By increasing the number of residential units per acre, the per unit cost of land and development decreases. This is an example of voluntary inclusionary housing.

First Time Home Buyers Down Payment/Closing Assistance Program

With funds from SHIP, the County provides interest free loans of up to \$5,000 to assist low to middle income first time buyers with down payment and closing costs, and rehabilitation repairs.

Other programs include an expedited permit processing for developers and builders of affordable housing, and multi-family rental housing deferrals for developers.

Lee County

Through Lee County's Local Housing Assistance Plan (funded by SHIP), the County provides funding and technical assistance to nonprofit housing development organizations, and down payment/closing cost assistance to qualified home buyers.

Volusia County

In Volusia County, SHIP funds are used for property acquisition, payment of impact fees, and down payment assistance.

Pinellas County

Builders and developers are encouraged to build affordable housing in Pinellas County through incentive programs. These include an expedited review process, density bonuses or reduced set backs, and waiver or payment of development impact fees.

Orange County

Affordable Housing Expedited Review

This expedited review of affordable housing development proposals can reduce the total development review time by 60 or more days.

Impact Fee Discount Program

This program provides discounts on impact fees, and sewer and water fees, for the construction of affordable housing.

1. Single family homes - discount of 62%
2. Multi-family homes - discount of 25%
3. Single family homes located in target areas - discount 50%

Affordability requirements:

1. A housing unit will be affordable to a family with a moderate income - 25%
2. A housing unit will be affordable to a family with a moderate income - 50%
3. A housing unit will be affordable to a family with a moderate income - 75%

Infill Affordable Housing Program

This program provides assistance to low-income buyers of affordable housing to be constructed on infill lots. SHIP funds are used in the form of a second mortgage that does not need to be repaid unless the home is sold or rented within the 10 year mortgage term.

Down Payment Assistance Program

This program provides SHIP funds to low-income first time home buyers, for down payment and closing costs. The buyer must provide at least \$1000 of their own funds. The assistance is in the form of a second mortgage of \$5,000 to \$7,500, which is forgiven if the buyer fulfills residency certain requirements.

Other programs include the Homeowners Rehabilitation Program, the Multi-family Construction Program for renovations, and two Section 8 federally funded programs.

Miami - Dade County

Impact Fee Exemptions

Affordable housing construction is exempt from some impact fees.

Documentary Surtax Program Initiative

The County collects a tax when documents are recorded for the sale of commercial property. These funds are then used for low interest loans to purchase or rehabilitate owner occupied housing, and for construction loans for community development corporations.

Bank Partnership Program Initiative

This program provides a blended rate of two mortgages to make home ownership affordable. Private lenders provide 30 year mortgages at a prevailing rate, and the county provides a second mortgage rate between 0-3%.

Other Affordable housing programs include County owned public housing and Section 8 federally funded programs.

CALIFORNIA COUNTIES: POPULATION GROWTH AND FISCAL INFORMATION

Population Growth

The following tables and charts compare Pima County with nine California counties that charge impact fees. This data, based on 2000 Census information, enables comparisons of percent and numerical changes in growth for California and Arizona counties.

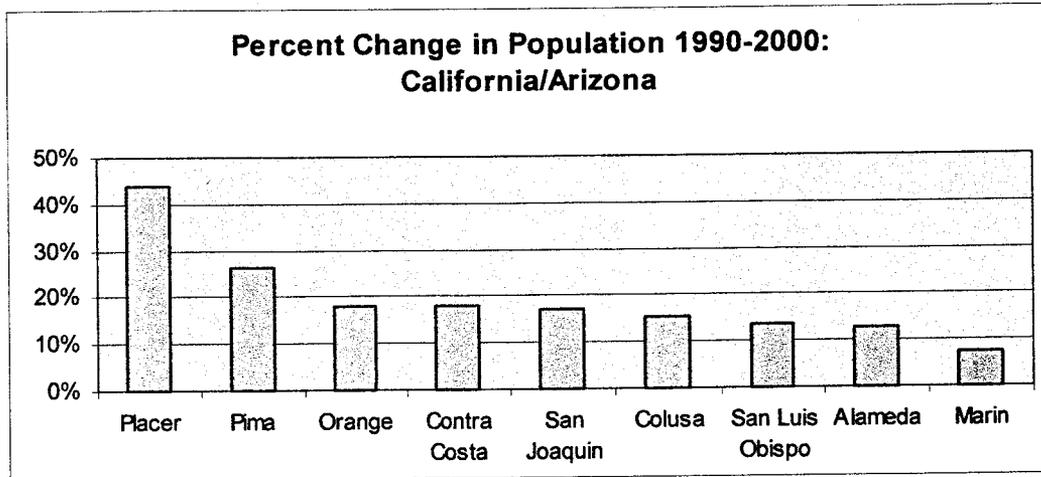
For the most part, Pima County has experienced larger population gains, both numerically and by percentage increase, than these California Counties.

Population Growth Data

COUNTY	% CHANGE-POPULATION 1990-2000	# CHANGE-POPULATION 1990-2000
Alameda	13%	164,559
Colusa	16%	2,529
Contra Costa	18%	145,084
Marin	7%	17,193
Orange	18%	435,733
Placer	44%	75,603
San Francisco	7%	52,774
San Joaquin	17%	82,970
San Luis Obispo	14%	29,519
Pima	27%	176,866

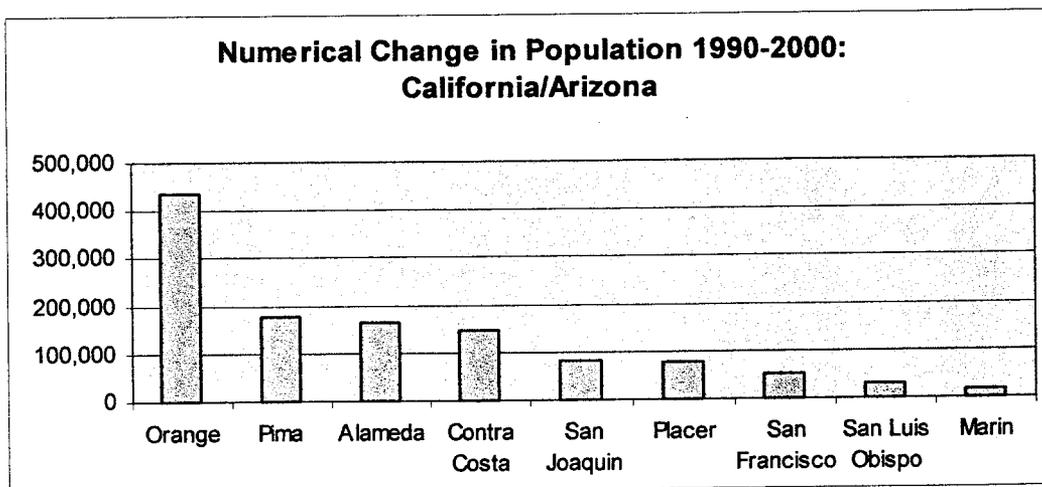
Percent Change in Population: California Counties Compared to Pima County

The 2000 Census data shows that in the last decade, Pima county has grown by a greater percent increase than all of these counties, except for Placer County.



Numerical Change in Population: California Counties Compared to Pima County

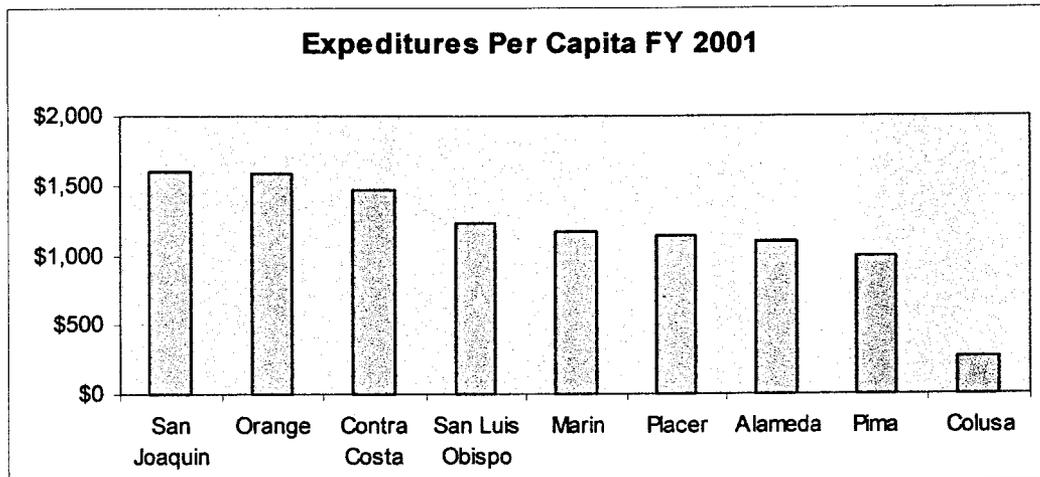
During this decade, Pima County gained more people than all these California counties, with the exception of Orange County. The 2000 Census data shows that Orange County gained about two and a half times the number of people gained by Pima County and ranked fifth amongst U.S. counties for largest population gain.



**Budgeted Expenditures Per Capita FY 2001:
California Counties Compared to Pima County**

Total budgeted expenditures FY 2001, for eight California counties and Pima County are compared below. San Francisco was left out of this chart because its per capita expenditures were so much higher than the counties compared below. On average, these eight California counties spent over a third more per capita than Pima County.

	CA Counties Average (without San Francisco & Colusa)	Pima
Expenditures / capita	\$1326	\$996



CALIFORNIA COUNTIES: IMPACT FEES

Table 2 shows California Counties residential impact fees along side Pima County's road impact fees. These California counties collect impact fees for roads, fire services, public facilities, schools, and libraries. Colusa County's fees are shown in a separate table (table 3) due to the variety of impact fees they collect. Looking at these tables, Pima, Alameda, and San Francisco counties charge the lowest residential impact fees. San Francisco, however, also requires new commercial and industrial development to provide services or fees in lieu of services. For example, and new office building may be required to provide or construct a certain number of affordable housing units, or pay a fee in lieu of construction.

It appears that Orange County charges some of the highest residential fees, with a high end fee of \$14,221 per dwelling unit. Contra Costa, Placer, and San Luis Obispo counties also charge high fees, ranging from more than \$6,000 to around \$9,000 per dwelling unit. These California counties also collect impact fees for other land uses like commercial and industrial. For example, Alameda County's traffic mitigation impact fees for retail uses are \$4.30 per square foot or \$40,300 for a 10,000 square foot retail store.

CALIFORNIA COUNTIES: AFFORDABLE HOUSING PROGRAMS

The State of California offers several state-wide affordable housing programs through the California Housing Partnership Corporation, the California Housing Finance Agency, and the Rural California Housing Corporation. State-wide programs include the Community Development Financial Institution Tax Credit Program and the State Low-Income Housing Tax Credit Program.

The California counties studied here don't have the automatic fee waiver/discount programs that exist in some of the Florida counties. Builders and developers may present their case to the Board of Supervisors for a fee waiver in Placer County. In Marin County, planning fees can be waived, but school fees can't. And Alameda's code allows for adoption of fee waivers, but has not adopted them.

Other affordable housing programs in these California counties include a first time home buyers mortgage assistance program in Orange County, affordable housing density bonus program in Orange County, rental assistance in Alameda and Orange counties, and public housing and linkage programs in San Francisco City/County.

Table 2

CALIFORNIA Residential Impact Fees by County: Single Family, Multi-Family

	Road	Fire	Public Facilities	School*	Library	Comm.Dev.	Parks	TOTAL
Alameda								
SF	1200	X	X	X	X	X	X	\$1,200
MF	820	X	X	X	X	X	X	\$820
Contra Costa**								
Residential east	3194	325	X	3492	X	252	1678	\$8,941
west	1997		X	4347	X	430	1814	\$6,344
Marin								
1,000 sq.ft. high	X	X	X	2650	X	X	X	\$2,650
low	X	X	X	1500	X	X	X	\$1,500
Orange								
SF/MF high	11566	392	X	2050	213	X	X	\$14,221
low	194	63	X	X	197	X	X	\$454
Placer								
SF 1000 sq.ft.	1515	480	2744	4330	X	X	X	\$9,069
MF 1000 sq.ft.	X	480	2000	4330	X	X	X	\$6,810
San Francisco								
Residential	X	X	X	1720	X	X	X	\$1,720
San Joaquin								
SF high	1700	X	X	2500	X	X	X	\$4,200
low	406	X	X	2000	X	X	X	\$2,406
MF high	100	X	X	2500	X	X	X	\$2,600
low	1200	X	X	2000	X	X	X	\$3,200
San Luis Obispo								
SF 1,000sq.ft.	3444	92	3277	2050	X	X	X	\$8,863
PIMA								
<6 RAC	1550	X	X	X	X	X	X	\$1,550
6 RAC or more	1163	X	X	X	X	X	X	\$1,163
Retirement <6	1163	X	X	X	X	X	X	\$1,163
Retir. 6 or more	868	X	X	X	X	X	X	\$868

*School fees are based on 1,000 sq.ft. dwelling unit

**Who Pays for Development Fees and Exactions?, Public Policy Institute of California, 1997

Table 3

Colusa County Development Impact Fees: Unincorporated Areas of County

	SF	MF 2-5 units	MF 5+	MH
Library	278	273	238	256
Social Welfare	19	19	16	17
General Admin	96	94	82	88
Planning	59	58	50	54
Public Works	267	263	228	246
Courts	34	33	29	31
District Attorney	16	16	14	15
Public Health	129	128	111	119
Probation	11	10	9	10
Sheriff	710	698	607	654
Superintendent Schools	112	110	96	103
Roads	261	255	223	240
Fire	404	396	345	372
Public Admin.	267	261	228	245
TOTAL	\$2,663	\$2,614	\$2,276	\$2,450

Inclusionary Housing in California

According to a 1998 American Planning Association article, "Inclusionary Housing in California: the experience of two decades," six out of the nine California counties studied here have inclusionary housing requirements. These are Alameda, Contra Costa, Marin, Orange, Placer, and San Luis Obispo. This same article defines inclusionary housing as "a citywide or countywide mandatory requirement or voluntary objective that assigns a percentage of housing units in all new residential developments with more than a specified minimum of units, to be sold or rented to lower or moderate-income households at affordable rates." Apparently the required percentage of units that must be affordable ranges from five percent in San Luis Obispo County to 50 percent in Placer County, for projects with a average minimum of 10 units.

As an incentive for compliance, many California jurisdictions provide financial assistance and/or flexibility in development standards. Orange, Marin, and Placer counties, for example, provide density bonuses for inclusionary housing.

Alameda County, California

Traffic Mitigation Fee Waivers

Alameda's Cumulative Traffic Impact Mitigation Fees ordinance allows for the adoption of fee waivers or reductions for the construction of affordable housing, elderly housing, housing for persons with disabilities, public parks, and day care centers.

Section 8 Rental Assistance

Alameda County Housing Authority administers five Section 8 rental assistance programs for low-income families who lease rental units from private owners. The Housing and Community Development Department also has programs to increase the supply of affordable housing for low-income renters, owners, and first time home buyers.

Orange County, California

Rental Assistance

The County administers Section 8 rental assistance to low-income households.

First-Time Buyer Mortgage Assistance Program

Assistance is given in the form of a down payment loan equal to the lesser of 10% of the purchase price or \$25,000. Loans have an interest rate of 0 to 5%. No payment is required for 5 years. Then in years 6 to 15 interest only payments are required. Loans are forgiven after 15 years if the home remains the borrowers primary residence. Borrowers must be first time buyers

Affordable Housing Density Bonus Program

This program provides increased residential densities to developers who ensure that a portion of their housing development will be affordable housing (inclusionary housing). By increasing the number of residential units per acre, the per unit cost of land and development decreases.

Other funds are available for developers of affordable housing units, but no impact fee waivers

unless the housing project is owned by a governmental entity (City, County, Federal Housing Authority etc.).

Marin County, California

Planning Fee Waivers

The County's Community Development Agency will waive 100 percent of the planning fees for projects that include affordable housing. The amount waived will depend on the number of affordable housing units in the project, and how long they'll remain affordable.

Inclusionary Zoning Requirements and Density Bonuses

Marin County requires that a certain percentage of housing units in developments of 10 units or more be affordable to low-income and very low-income households. A density bonus is also available to developments with affordable housing units that meet certain criteria.

Placer County, California

Impact Fee Waivers

Builders of affordable housing may apply for a waiver of impact fees. Their case must be presented to the Board of Supervisors, who make the final decision.

Residential Density Bonuses

As an incentive for inclusionary housing, developers may construct up to 25 percent more units than typically allowed by the underlying zoning. To be eligible for the density bonus, projects of five or more rental units must have at least 20 percent of the units affordable to lower income households, 10 percent affordable to very low income, and/or 50 percent for senior citizens of any income level. The units must also remain affordable for a certain number of years.

San Francisco City/County

Public Housing

The San Francisco Housing Authority operates 43 low-cost multiple-unit buildings and high-rises. Tenants usually pay no more than 30 percent of their household income for these units. But waiting list for these units can range from four to eight years.

Section 8 Housing Certificate and Voucher Program

The Housing Authority administers this program, which provides rental assistance to low-income households. The waiting list for this program is currently closed.

Linkage Program

As described in the impact fee section, San Francisco has a linkage program. The linkage program requires developers constructing office space to provide a certain amount of services/infrastructure, or pay a fee in lieu of the provision. The services and infrastructure include affordable housing, affordable child care, on site open space, downtown parks, art, transit, schools, and transportation, employment, and childcare brokerage services.

OTHER WESTERN COUNTIES: POPULATION GROWTH AND FISCAL INFORMATION

Population Growth

The following tables and charts compare Pima County with eight counties in Colorado, New Mexico, Nevada, Oregon, and Washington. This data is based on 2000 Census information, which enables comparisons of percent and numerical changes in growth for these counties.

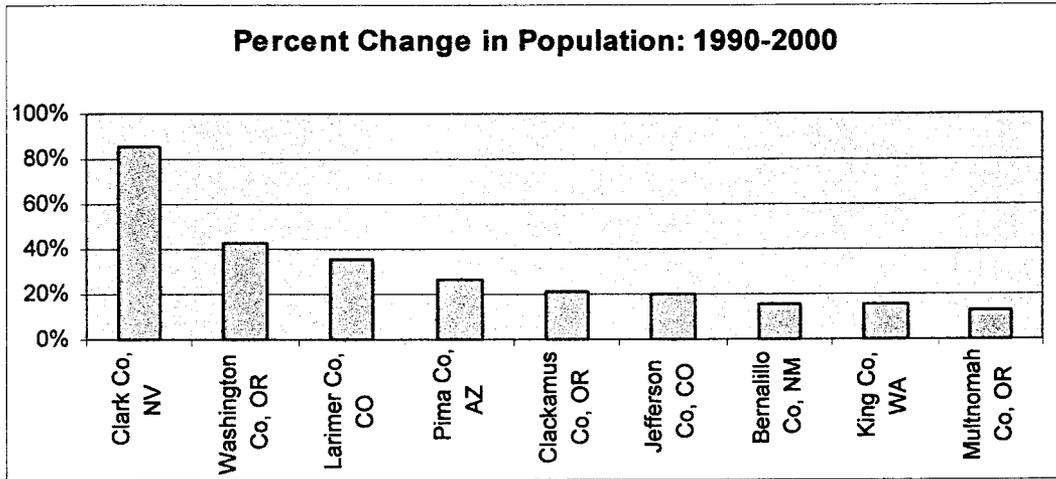
Pima County has experienced similar population gains, both numerically and by percent increase.

Population Growth Data

COUNTY	% CHANGE- POPULATION 1990-2000	# CHANGE- POPULATION 1990-2000
Bernalillo County, NM	16%	76,101
Clackamas County, OR	21%	59,541
Clark County, NV	86%	634,306
Jefferson County, CO	20%	88,626
King County, WA	15%	229,715
Larimer County, CO	35%	65,358
Multnomah County, OR	13%	76,599
Washington County, OR	43%	133,788
Pima	27%	176,866

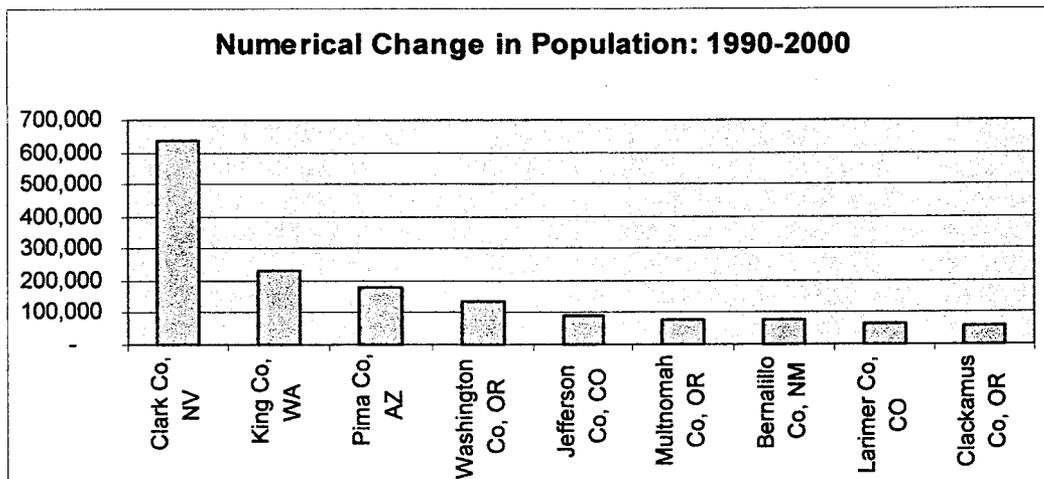
Percent Change in Population: Other Western Counties Compared to Pima County

Pima County falls just above the middle in the data set below. Three counties experienced larger percent increases in population, and five experienced smaller percent increases. Clark County ranked 13th among all U.S. counties for percent increase in population over this decade.



Numerical Change in Population: Other Western Counties Compared to Pima County

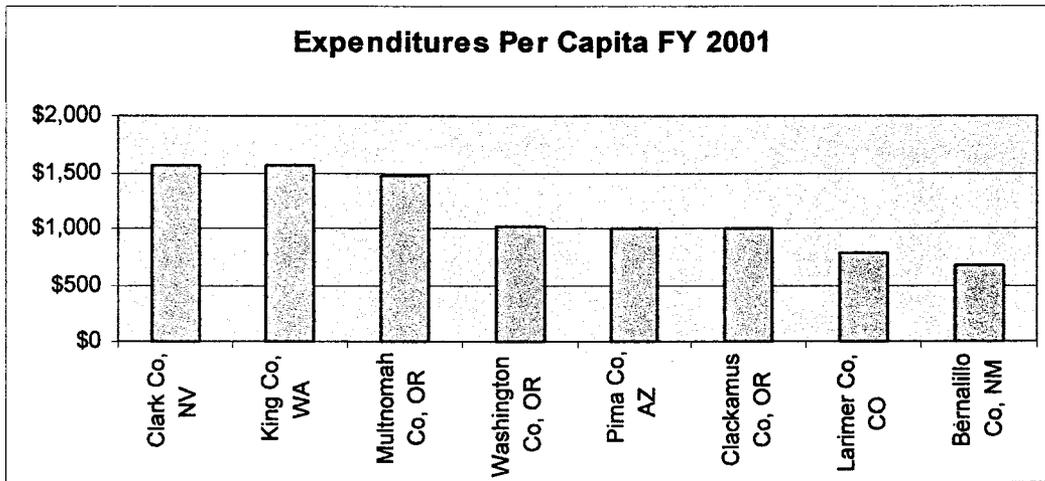
The 2000 Census data shows that Clark and King counties gained more people than Pima County from 1990 to 2000. Compared to all U.S. counties, Clark County was number 3, and King County was number 18, in numerical population increase. Pima County did gain more people than these Colorado, Oregon, and New Mexico counties.



**Budgeted Expenditures Per Capita FY 2001:
Other Western Counties Compared to Pima County**

Total budgeted expenditures FY 2001, for the eight other counties and Pima County are compared below. Unlike the California and Florida counties, these western counties have an average per capita expenditure amount similar to that of Pima County's.

	Other Counties Average	Pima
Expenditures / capita	\$1089	\$996



OTHER WESTERN COUNTIES: IMPACT FEES

Table 4 shows other western counties residential impact fees along side Pima County's road impact fees. These counties collect impact fees for roads, parks, open space, fire and emergency services, schools, and drainage services. Looking at these tables, Clark County, Nevada charges the lowest residential impact fees at \$467 for a single family dwelling. Clark County's impact fee program differs from the other counties shown here, in that it's impact fees are only collected in one limited area of the county. Pima County and Jefferson County, Colorado have the next lowest fees, both of which are for roads. Jefferson's highest fee is \$1,334, and Pima's is \$1,550.

It appears that Bernalillo County, New Mexico charges the highest residential fees among these counties, with a fee of \$13,443 per single family dwelling unit. Bernalillo also charges fees for the widest number of services. King County Washington has the second highest fees, with a high end fee of \$12,193. The other three counties have single family dwelling unit fees between \$2,252 and \$4,428. These counties also collect impact fees for other land uses. For example, Jefferson County's traffic impact fees for hotel/motel uses are \$1,260 per room.

OTHER WESTERN COUNTIES: AFFORDABLE HOUSING PROGRAMS

The only county with a fee waiver program is King County Washington. Clackamas County, Oregon has a payment plan for transportation fees, and Larimer County's Land Use Code authorizes the payment of these fees by other County funds. These and other types of affordable housing programs offered by these counties are described below.

Clackamas County, Oregon

Transportation System Development Charge Semiannual Installment Program

For an application fee of \$300, anyone may apply to pay for this transportation fee in 20 semiannual payments. This payment plan must be secured with a lien on the property, and the unpaid balance in subject to interest.

HOME Investment Partnership Program

This program was created under the National Affordable Housing Act of 1990. The County receives approximately \$800,000 a year in HOME funds. These funds are spent on affordable housing projects that involve rehabilitation, new construction, the acquisition of property, relocation assistance, and finance related costs.

**Table 4
Other Western States Residential Impact Fees by County:
Single Family, Multi-Family, Mobile Home**

		Roads	Schools	Parks	Fire/EMS	Open Space	Drainage	TOTAL
Jefferson, CO	SF	1334	X	X	X	X	X	\$1,334
	MF	1109	X	X	X	X	X	\$1,109
Larimer, CO	SF	1913	484	701	X	X	X	\$3,098
	MF	1326	484	456	X	X	X	\$2,266
	MH	1913	484	540	X	X	X	\$2,937
Clark, NV	SF	38	X	364	65	X	X	\$467
	MF	26	X	364	65	X	X	\$455
Bernalillo, NM	SF	804	X	503	272	326	11528	\$13,433
	MF	502	X	317	171	205	11528	\$12,723
	MH	446	X	503	272	326	11528	\$13,075
Clackamas, OR	SF	2252	X	X	X	X	X	\$2,252
	MF	1560	X	X	X	X	X	\$1,560
	MH	2252	X	X	X	X	X	\$2,252
Washington, OR	SF	2260	X	2168	X	X	X	\$4,428
	MF	1379	X	1667	X	X	X	\$3,046
	MH	1087	X	1529	X	X	X	\$2,616
King, WA	High	7535	4658	X	X	X	X	\$12,193
	Low	24	119	X	X	X	X	\$143
PIMA	<6 RAC	1550	X	X	X	X	X	\$1,550
	6 RAC or more	1163	X	X	X	X	X	\$1,163
	Retirement <6	1163	X	X	X	X	X	\$1,163
	Retir. 6 or more	868	X	X	X	X	X	\$868

X = no fee or unknown Per Dwelling Unit If range of Fees - this is highest

Washington County, Oregon

First-Time Home Buyer Program

To reduce the size of mortgages for low-income home buyers, this program can loan the home buyer up to \$20,000 with no interest or repayment for the first five years they own the home. A lease and later own option is also available. The County also has town homes available at discount prices through a loan from the County.

Homework

This is a rental assistance program for low-income families. The program is a County partnership with 12 other housing agencies, and provides assistance to families who qualify for the Temporary Assistance and Needy Families (TANF) program.

Affordable Housing Program

The County acquired five multi-family housing complexes, 241 units. Forty percent of the units are available to families earning below 60% of the median income, and the remaining units are available to families earning below 80% of the median income.

King County, Washington

School and Road Impact Fee Waivers

Waiver are available to developers and moderate income people who are building their own home. Fees can also be waived for any rental unit that is affordable to those with a household income at or below 50% of the median income. Fees can also be waved for any unit that is affordable to those with a household income at or below 80% of the median income. Housing must remain affordable for at least 15 years.

Credit Enhancement Program for Inclusionary Housing

This program provides financing assistance to housing developments that include affordable housing. The amount of assistance depends on the number of affordable units in the project. The affordable units must be for renters with incomes below 60% of the median, low-income persons with special needs, or home buyers with incomes below 80% of the median. The developer may also make a payment to the County to fund affordable housing at another location instead of providing affordable housing units in the project.

Density Bonus Program for Affordable Housing

This program is available to developers who are willing to build some number of affordable rental or ownership units into their projects (inclusionary housing). For rentals, the size of the bonus ranges from 1 to 1.5 bonus units per affordable unit. For ownership housing, the size of the bonus ranges from .75 to 1.5 bonus units per affordable unit. If 100% of the units are affordable, then the bonus is 200% of the base density of the underlying zone.

Surplus Property for Affordable Housing

Every year the County decides what surplus County owned property is suitable for affordable housing. The County then accepts affordable housing proposals from for-profit and non-profit developers.

Jefferson County, Washington

Affordable housing programs include:

- Assistance to first time home buyers
- Rehabilitation of rental and owner occupied housing
- Housing for the homeless
- Housing for the elderly and disabled

Bernalillo County, New Mexico

Section 8 Voucher Choice Home Ownership Program

The County pays 70% of the home owners mortgage payment, for up to 15 years. There is a two

year wait for this program.

Conditional Impact Fee Waivers

No more than 40% of a development project's affordable housing units may qualify for the waiver of all impact fees. In addition, a mortgage is placed on the units for the amount waived, and is due and payable if or when the units become no longer affordable.

Larimer County, Colorado

Although the County does not currently waive fees (called fees in lieu of dedications and capital expansion fees), the County's Land Use Code does permit the County Commissioners to authorize funds to pay for some or all of these fees for dwelling units that meet affordable housing criteria.

SUMMARY

This study compared Pima County's population growth, expenditures, impact fees and affordable housing programs, to 35 counties in Florida, California, and the west. When compared by population growth, Pima County experienced as much and in many cases more population growth than experienced by these other counties from 1990 to 2000. Pima County grew faster numerically, than 31 of these counties, and grew by a greater percentage than 28. However, Pima's expenditures per capita FY 2001, were lower than 26 of these counties.

When comparing impact fee programs, the total impact fees charged by at least two-thirds of the counties were greater than the road fees charged by Pima County. In addition, most of the counties collect fees for more than one public service, and the fees apply to other land uses as well as residential.

Like Pima County, one-third of these counties have some type of impact fee waiver program for affordable housing. A few counties recoup the waived fees with general fund revenues. And one county offers an impact fee payment plan, in which transportation fees can be paid in 20 semiannual payments, lowering up-front construction costs. The counties in this study also offer a variety of other affordable housing programs.