



MEMORANDUM

Date: June 15, 2023

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

From: Jan Lester 
County Administrator

Re: **Additional Information for the Board of Supervisors June 20, 2023 Meeting – Agenda Items 19 and 21 – Affordable Housing Gap Funding Recommendations**

At its June 6, 2023 meeting the Board of Supervisors continued the Pima County Regional Affordable Housing Gap Funding Recommendations as well as a related Agenda Item from Supervisor Heinz. I previously provided a detailed description of the Request for Proposals (RFP) selection process and recommendations as well as the endorsement by the Board's Regional Affordable Housing Commission in my May 22, 2023 memorandum to the Board. Attached for your consideration is supplemental material to inform your deliberations.

Attachment 1 is a high-level summary of the proposals. This includes a timeline of the process, a brief summary of the projects inclusive of the requested funding amount, number of units, requested funding, their scores and geographic distribution.

Attachment 2 is a comparison of proposals and their scores based on the criteria set forth in the RFP.

Finally, at Deputy County Administrator Garcia's direction, Economic Development Director Heath Vescovi-Chiordi was identified to conduct an impartial assessment of the two protests that were received and whether the selection committee had followed the process outlined in the published RFP. Mr. Vescovi-Chiordi's thoughtful review of the protests from Pima County Land Trust and Dominium is memorialized in Attachment 3. He concluded that the evaluation process was appropriately followed and upheld the recommendations for funding submitted to the Board.

JKL/anc

Attachments

c: Carmine DeBonis, Jr., Deputy County Administrator
Francisco Garcia, MD, MPH, Deputy County Administrator and Chief Medical Officer
Steve Holmes, Deputy County Administrator
Dan Sullivan, Director, Community and Workforce Development
Heath Vescovi-Chiordi, Director, Economic Development
Terri Spencer, Director, Procurement Department

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ATTACHMENT 1

Affordable Housing Gap Funding Timeline



2022

Nov 2021 – Administrator empanels the Affordable Housing Taskforce

Feb 4 to May 27 – Taskforce develop recommendations that address housing affordability

May 17 - Board allocates \$5M in FY22-23 budget to implement Taskforce Recommendations

Oct 18 - Board charters the Regional Affordable Housing Commission

JAN 2023

Jan 9 – First meeting of Regional Affordable Housing Commission

Jan 27
Commission approved framework for spending the \$5M:

- Gap funding for housing development/preservation \$4M
- County land for housing development \$200K
- Housing Market Study/Dashboard \$500K
- Housing design models \$50K
- Other TBD expenses \$250K

Commission endorsed solicitation process for Gap Funding for Affordable Housing Development and Preservation

Jan 31 – CWD issued Request for Proposals

- Publicly available on
- Public notice in Arizona Daily Star and Daily Territorial

MARCH 2023

Mar 1 – 5 Applications received before noon MST

- Family Housing Resources (2/28/23@4:46pm)
- Pima County Land Trust (3/1/23@11:58am)
- IMPACT Residential Development (2/28/23@4:51pm)
- Dominion Apartments (3/1/23@noon)
- Southwest Non-Profit Housing Corp (3/1/23@10am – hand delivered)

Application received after deadline: Casa Maria (3/1/23@2:06pm)

Mar 2 – Application received after deadline: International Sonoran Desert Alliance (3/2/23@12:00am)

Mar 28 – Evaluation panel convened, verified no conflict of interest, discussed proposals, and reached consensus as to recommendations for award

MAY 2023

May 5 – Commission met to review, discuss and endorse staff recommendations for affordable housing gap funding

Staff provided a review of all proposals received, provided an overview of each proposal, review of panel scores, and asked for endorsement of the panel recommendations for the 2 highest scoring proposals

Commission unanimously approved

May 12 – Notice of Recommendation for Award issued and published with the following recommendations: 1) Southwest Non-Profit Housing Corp – Rio Mercado 2) Family Housing Resources – Talavera Apartments

May 18 – 1:19pm Protest received: Pima County Land Trust regarding notice not to award their proposal

May 19 – 10:31am Protest received: Dominion regarding the notice not to award their proposal

May 20 – Economic Development Director Heath Vescovi-Chiordi designated to review protests

JUNE 2023

Jun 1 – Pima County Land Trust and Dominion Inc. notified of finding of no basis to change review panel's recommendation

Jun 6 – BOS continues item to June 20th due to protest period.

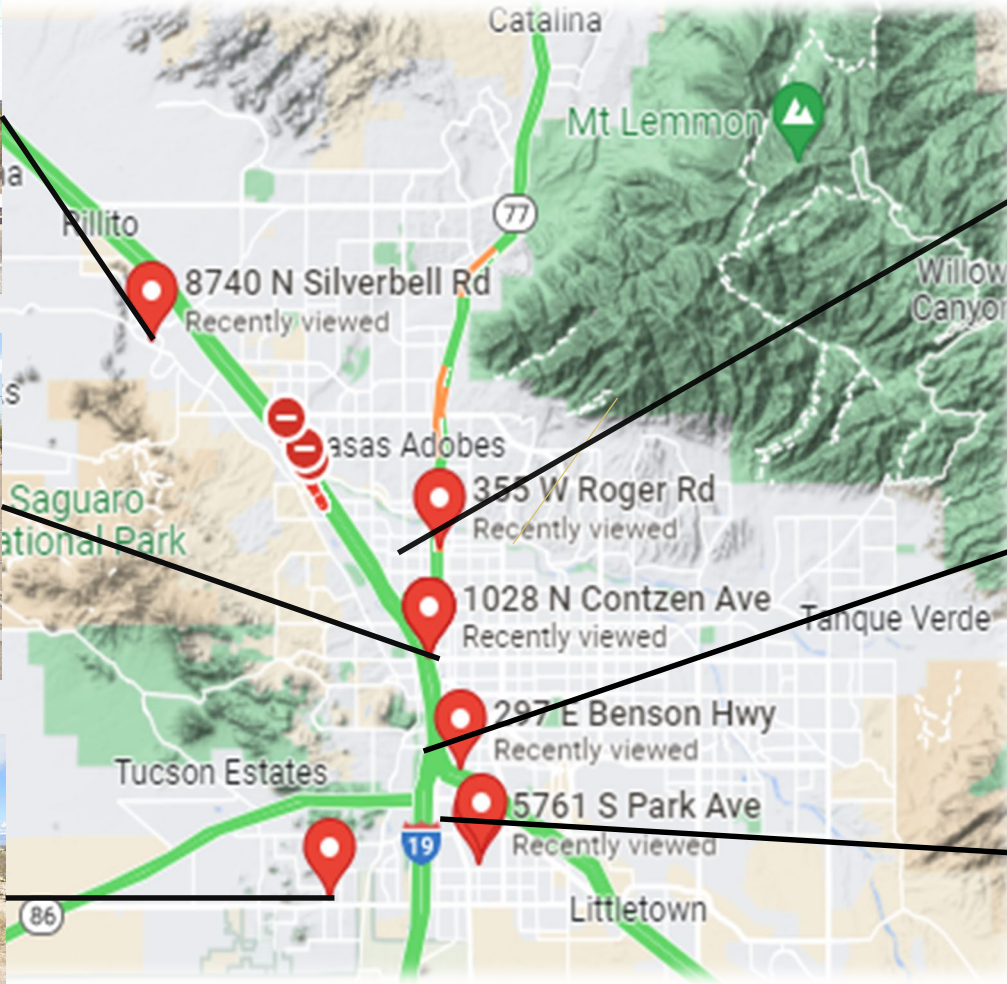
Jun 7 – Clerk of the Board received formal protests from Pima County Community Land Trust and Dominion.

Affordable Housing Gap Funding Proposals Proposal Review | Evaluation Summary



Project Name	Type	Units	Funding Amount Requested	BOS	Average
Southwest Non-Profit Housing Corp - Rio Mercado	New Construction - Rental	107	\$2,125,000.00	D2	124.5
Family Housing Resources - Talavera Apartments	Preservation - Rental	96	\$500,000.00	D3	108.25
Casa Maria - El Camino Affordable Housing	Rehabilitation	17	\$400,000.00	D2	100.37
Pima County Land Trust - Barrio Anita Casitas	New Construction - Homeownership	4	\$750,000.00	D5	97.12
IMPACT Residential Development - Valencia	New Construction - Rental	261	\$4,000,000.00	D5	97
Sonoran Desert Alliance - Curley School Artisan Apts.	Rehabilitation	30	\$250,000.00	D3	90.37
Dominium Development and Acquisitions - The Safford	New Construction - Rental	200	\$2,000,000.00	D3	85.87

Proposer Site Locations



Proposer Site Location | Ajo



ATTACHMENT 2

Project Name	Curley School Artisan Apartments	Pima County Land Trust - Barrio Anita Casitas	Dominium Development and Acquisitions – The Safford	Casa Maria – El Camino Affordable Housing	IMPACT Residential Development – Valencia	Southwest Non-Profit Housing Corp – Rio Mercado	Family Housing Resources – Talavera Apartments	Max Score Available
	Rehabilitation	Homeownership	Rental – New Construction	Rehabilitation	Rental – New Construction	Rental – New Construction	Preservation – Rental	
	30	4	200	17	261	107	96	
Gap Funding Ask	\$ 250,000.00	\$ 750,000.00	\$ 2,000,000.00	\$ 400,000.00	\$ 4,000,000.00	\$ 2,125,000.00	\$ 500,000.00	
Degree of Leverage	0.75	3	10	3.5	10	7.5	10	10
Affordability	6.5	5	6.25	2.5	10	8.75	8.75	10
Accessibility	3.75	7.75	1.25	2.5	1.25	2.5	3.75	15
Rental Acquisition/Renovation/Preservation	3.75	1.25	0	3.75	0	0	3.75	10
Adaptive Re-Use Development	0	0	0	7.5	0	0	0	10
Project Readiness (shovel ready projects)	3.25	7.5	10	5	6.25	10	10	10
Energy Efficiency	2.5	5	2.5	0	0	6.75	0	10
In-fill development	3.75	3.75	5	5	5	3.75	3.75	5
Project Location	3.75	2.25	1.25	3.75	2.5	1.25	2.5	5
Affordable Housing Partnerships	2	3.75	2	2.5	2.5	2.5	1.25	5
Consensus Building, Public Participation and Local Support	1.25	2.25	0	3.3	0	3.25	0	5
Smart Growth and Planning	3.75	12.5	5	16.25	13.75	25	25	50
Proximity to Community Services and Amenities	30.625	18.375	13.875	22.75	15.75	24	16.25	34
Addressing Poverty and Improving Opportunity	5.75	6.75	7.5	7	7.5	5.5	7	10
Mix and Balances of Users	2.5	3	2.5	5	2.5	2.5	0	15
Accessibility and Mobility Choices	13.75	15	18.75	10	20	21.25	16.25	25
Total Average	90.37	97.125	85.875	100.3	97	124.5	108.25	229

Project Name	Total Average	Rank
Curley School Artisan Apartments	90.37	6
Pima County Land Trust - Barrio Anita Casitas	97.125	4
Dominium Development and Acquisitions – The Safford	85.875	7
Casa Maria – El Camino Affordable Housing	100.3	3
IMPACT Residential Development – Valencia	97	5
Southwest Non-Profit Housing Corp – Rio Mercado	124.5	1
Family Housing Resources – Talavera Apartments	108.25	2

International Sonoran Desert Alliance

Evaluation Panel Overview-CWD-RFP-AHF-Gap Funding for Affordable Housing Development and Preservation- 2023

Project	Type	Units	Gap Funding Ask	BOS	City/Town	Meets Min Score	Average
Curley School Artisan Apartments	Rehabilitation	30	\$250,000	D3	Ajo	NO	90.37

Rehabilitation/Renovation – upgrades to windows (historical landmarked-original wood framed windows); upgrade HVAC system; Cost per unit budget \$10k, 30 units.

Secured Funds: \$50,000.00 Pima County Community Development Block Grant

Total for project (as listed in proposal): **\$300,000.00**

Total gap funding requested: **\$250,000.00**

Category (RFP Scoring Criteria)	Average Score	Max Score Available
Degree of Leverage	.75	10.0
Affordability	6.5	10.0
Accessibility	3.75	15.0
Rental Acquisition/Renovation/Preservation	3.75	10.0
Adaptive Re-Use Development	0	10.0
Project Readiness (shovel ready projects)	6.25	10.0
Energy Efficiency	2.5	10.0
In-fill development	3.75	5.0
Project Location	3.75	5.0
Affordable Housing Partnerships	2	5.0
Consensus Building, Public Participation and Local Support	1.25	5.0
Smart Growth and Planning (any project that promotes sustainable neighborhoods, health community development and affirmatively furthers fair housing choice which promotes affordable housing	3.75	50.0
Proximity to Community Services and Amenities	30.625	34.0
Addressing Poverty and Improving Opportunity	5.75	10.0
Mix and Balances of Users	2.5	15.0
Accessibility and Mobility Choices	13.75	25.0
Total Average	90.37	229

Pima County Community Land Trust (PCCLT)

Evaluation Panel Overview-CWD-RFP-AHF-Gap Funding for Affordable Housing Development and Preservation- 2023

Project Name	Type	# of units	Gap Funding Ask	BOS	City/Town	Meets Min Score	Average
Pima County Land Trust - Barrio Anita Casitas	Homeownership	4	\$750,000.00	D5	Tucson	NO	97.125

Homeownership – 4 single-family homes w/casita in Barrio Anita; homes are 3 bedroom/2 bath 1344 sq. ft. ADU /Casitas are 1 bedroom/1 bath 400 sq. ft.; Use of funding per application – if other applications secured will use gap funds for energy upgrades like solar/HVAC; utilities; potential hard construction costs; \$40k contingency fund; \$3,500.00 architectural supervision; \$20k construction financing; \$5k accounting; \$150k developer fee

Secured Funds: \$310,000.00

\$ 185,000.00 – National Fair Housing Alliance preliminary award

\$ 125,000.00 – National Community Reinvestment Coalition Field Empowerment Funds

Non-Secured: \$700,000.00 – permanent mortgages applied to close out costs

\$800,000.00 – Loan quoted in application

\$750,000.00 – CHDO HOME pending award

Total for project (as listed in proposal): **\$1,820,000.00**

Total gap funding requested: **\$750,000.00**

Category (RFP Scoring Criteria)	Average Score	Max Score Available
Degree of Leverage	3	10.0
Affordability	5	10.0
Accessibility	7.75	15.0
Rental Acquisition/Renovation/Preservation	1.25	10.0
Adaptive Re-Use Development	0	10.0
Project Readiness (shovel ready projects)	7.5	10.0
Energy Efficiency	5	10.0
In-fill development	3.75	5.0
Project Location	2.25	5.0
Affordable Housing Partnerships	3.75	5.0
Consensus Building, Public Participation and Local Support	2.25	5.0
Smart Growth and Planning (any project that promotes sustainable neighborhoods, health community development and affirmatively furthers fair housing choice which promotes affordable housing)	12.5	50.0
Proximity to Community Services and Amenities	18.375	34.0
Addressing Poverty and Improving Opportunity	6.75	10.0
Mix and Balances of Users	3.0	15.0
Accessibility and Mobility Choices	15	25.0
Total Average	97.125	229

Evaluation Panel Overview-CWD-RFP-AHF-Gap Funding for Affordable Housing Development and Preservation- 2023

Project Name	Type	# of units	Gap Funding Ask	BOS	City/Town	Meets Min Score	Average
Dominium Development and Acquisitions – The Safford	Rental – New Construction	200	\$2,000,000.00	D3	Marana	NO	85.87

Rental Property – Funds requests to construct the 200 affordable apartment home community in Marana by reimbursing \$2 million of architectural fees and the acquisition of land

Secured Funds: \$46,000,000.00 Tax-Exempt Construction Loan
 \$15,000,000.00 Equity Bridge Loan
 \$35,000,000.00 Low Income Housing Tax Credit Equity
 \$3,000,000.00 in Gap Funding from Arizona Department of Housing, State Housing Trust Funds
 \$11,000,000.00 – deferred by Dominion of its developer fee to develop the community

Total for project (as listed in proposal): **\$80,000,000.00**

Total gap funding requested: **\$2,000,000.00**

Category (RFP Scoring Criteria)	Average Score	Max Score Available
Degree of Leverage	10	10.0
Affordability	6.25	10.0
Accessibility	1.25	15.0
Rental Acquisition/Renovation/Preservation	0	10.0
Adaptive Re-Use Development	0	10.0
Project Readiness (shovel ready projects)	10	10.0
Energy Efficiency	2.5	10.0
In-fill development	5	5.0
Project Location	1.25	5.0
Affordable Housing Partnerships	2	5.0
Consensus Building, Public Participation and Local Support	0	5.0
Smart Growth and Planning (any project that promotes sustainable neighborhoods, health community development and affirmatively furthers fair housing choice which promotes affordable housing)	5	50.0
Proximity to Community Services and Amenities	13.875	34.0
Addressing Poverty and Improving Opportunity	7.5	10.0
Mix and Balances of Users	2.5	15.0
Accessibility and Mobility Choices	18.75	25.0
Total Average	85.875	229

****Land acquisition is NOT permitted within the scope of this RFP**

Evaluation Panel Overview-CWD-RFP-AHF-Gap Funding for Affordable Housing Development and Preservation- 2023

Project Name	Type	# of units	Gap Funding Ask	BOS	City/Town	Meets Min Score	Average
Casa Maria – El Camino Affordable Housing	Rehabilitation	17	\$400,000.00	D2	City of South Tucson	NO	100.3

Rental /Rehabilitation – Gap funding requested for renovation to the El Camino Affordable Housing project that will include \$468,012.79 in estimated repair/renovation costs

Secured Funds: \$500,000.00 – Financed by Casa Maria for purchase

\$700,000.00 – Donation campaign

\$350,000.00 used as down payment of total property purchase

\$350,000.00 set aside for architect, on-site manager, and general contractor

Total for project (as listed in proposal): **\$1,318,012.79**

Total gap funding requested: **\$400,000.00**

Category (RFP Scoring Criteria)	Average Score	Max Score Available
Degree of Leverage	3.5	10.0
Affordability	2.5	10.0
Accessibility	2.5	15.0
Rental Acquisition/Renovation/Preservation	3.75	10.0
Adaptive Re-Use Development	7.5	10.0
Project Readiness (shovel ready projects)	5	10.0
Energy Efficiency	0	10.0
In-fill development	5	5.0
Project Location	3.75	5.0
Affordable Housing Partnerships	2.5	5.0
Consensus Building, Public Participation and Local Support	3.3	5.0
Smart Growth and Planning (any project that promotes sustainable neighborhoods, health community development and affirmatively furthers fair housing choice which promotes affordable housing	16.25	50.0
Proximity to Community Services and Amenities	22.75	34.0
Addressing Poverty and Improving Opportunity	7.0	10.0
Mix and Balances of Users	5	15.0
Accessibility and Mobility Choices	10	25.0
Total Average	100.3	229

IMPACT Residential Development

Evaluation Panel Overview-CWD-RFP-AHF-Gap Funding for Affordable Housing Development and Preservation- 2023

Project Name	Type	# of units	Gap Funding Ask	BOS	City/Town	Meets Min Score	Average
IMPACT Residential Development – Valencia	Rental – New Construction	261	\$4,000,000.00	D5	Tucson	NO	97

Rental /New Construction – Proposer requests gap funds to support direct construction costs associated with the project. Direct Construction total cost \$8,829,540.00

Secured Funds: \$3,767,300.00 HUD HOME Funds
 \$3,000,000.00 State Gap Funds
 \$7,299,270.00 State LIHTC
 \$22,820,633.00 Federal LIHTC
 \$3,180,000.00 Seller’s Note
 \$2,250,000.00 45L Credits
 \$2,931,522.00 Deferred Developer Fee
 \$26,550,000.00 Perm Loan

Total for project (as listed in proposal): **\$75,798,825.00**
 Total gap funding requested: **\$4,000,000.00**

Category (RFP Scoring Criteria)	Average Score	Max Score Available
Degree of Leverage	10	10.0
Affordability	10	10.0
Accessibility	1.25	15.0
Rental Acquisition/Renovation/Preservation	0	10.0
Adaptive Re-Use Development	0	10.0
Project Readiness (shovel ready projects)	6.25	10.0
Energy Efficiency	0	10.0
In-fill development	5	5.0
Project Location	2.5	5.0
Affordable Housing Partnerships	2.5	5.0
Consensus Building, Public Participation and Local Support	0	5.0
Smart Growth and Planning (any project that promotes sustainable neighborhoods, health community development and affirmatively furthers fair housing choice which promotes affordable housing)	13.75	50.0
Proximity to Community Services and Amenities	15.75	34.0
Addressing Poverty and Improving Opportunity	7.5	10.0
Mix and Balances of Users	2.5	15.0
Accessibility and Mobility Choices	20	25.0
Total Average	97	229

Southwest Non-Profit Housing Corporation

Evaluation Panel Overview-CWD-RFP-AHF-Gap Funding for Affordable Housing Development and Preservation- 2023

Project Name	Type	# of units	Gap Funding Ask	BOS	City/Town	Meets Min Score	Average
Southwest Non-Profit Housing Corp – Rio Mercado	Rental – New Construction	107	\$2,125,000.00	D2	Tucson	Yes	124.5

Rental /New Construction – Proposer requests gap funds to reduce rental costs and allow all 107 units to be rented at 60% AMI or less over the course of 30 years.

Secured Funds: \$12,700,000.00 Perm Loan
 \$3,350,000.00 City of Tucson HOME funds
 \$13,261,000.00 Investor Equity
 \$2,436,000.00 Deferred developer fees

Total for project (as listed in proposal): **\$33,872,000.00**
 Total gap funding requested: **\$2,125,000.00**

Category (RFP Scoring Criteria)	Average Score	Max Score Available
Degree of Leverage	7.5	10.0
Affordability	8.75	10.0
Accessibility	2.5	15.0
Rental Acquisition/Renovation/Preservation	0	10.0
Adaptive Re-Use Development	0	10.0
Project Readiness (shovel ready projects)	10	10.0
Energy Efficiency	6.75	10.0
In-fill development	3.75	5.0
Project Location	1.25	5.0
Affordable Housing Partnerships	2.5	5.0
Consensus Building, Public Participation and Local Support	3.25	5.0
Smart Growth and Planning (any project that promotes sustainable neighborhoods, health community development and affirmatively furthers fair housing choice which promotes affordable housing	25	50.0
Proximity to Community Services and Amenities	24	34.0
Addressing Poverty and Improving Opportunity	5.5	10.0
Mix and Balances of Users	2.5	15.0
Accessibility and Mobility Choices	21.25	25.0
Total Average	124.5	229

Family Housing Resources

Evaluation Panel Overview-CWD-RFP-AHF-Gap Funding for Affordable Housing Development and Preservation- 2023

Project Name	Type	# of units	Gap Funding Ask	BOS	City/Town	Meets Min Score	Average
Family Housing Resources – Talavera Apartments	Preservation – Rental	96	\$500,000.00	D3	Tucson	Yes	108.25

Rental /Preservation – Renovation to ensure 96 units will remain affordable over the next 30 years; Conversion of 6 apartments into handicap units; Conversion of 3 apartments into vision and hearing accessible units. Gap funding requested to offset unexpected costs to the overall project, specifically the replacement of secondary electrical services and hard construction costs to complete the project.

Secured Funds: \$7,150,000.00 Loan
 \$2,700,000.00 Carryback Mortgage
 \$400,000.00 FHR Soft Loan
 \$7,323,669.00 LIHTC 4% Equity
 \$400,000.00 Tucson HOME loan
 \$159,030.00 Deferred Developer Fee (Gorman)
 \$295,342.00 Deferred Developer Fee (FHR)
 \$100.00 GP Equity

Total for project (as listed in proposal): **\$18,928,141.00**
 Total gap funding requested: **\$500,000.00**

Category (RFP Scoring Criteria)	Average Score	Max Score Available
Degree of Leverage	10	10.0
Affordability	8.75	10.0
Accessibility	3.75	15.0
Rental Acquisition/Renovation/Preservation	3.75	10.0
Adaptive Re-Use Development	0	10.0
Project Readiness (shovel ready projects)	10	10.0
Energy Efficiency	0	10.0
In-fill development	3.75	5.0
Project Location	2.5	5.0
Affordable Housing Partnerships	1.25	5.0
Consensus Building, Public Participation and Local Support	0	5.0
Smart Growth and Planning (any project that promotes sustainable neighborhoods, health community development and affirmatively furthers fair housing choice which promotes affordable housing)	25	50.0
Proximity to Community Services and Amenities	16.25	34.0
Addressing Poverty and Improving Opportunity	7	10.0
Mix and Balances of Users	0	15.0
Accessibility and Mobility Choices	16.25	25.0
Total Average	108.25	229

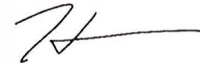
ATTACHMENT 3

Date: June 2, 2023

To: Jan Leshar
County Administrator

Francisco García, MD, MPH
Deputy County Administrator and Chief
Medical Officer

From: Heath S. Vescovi-Chiordi, Director, Pima County Economic Development



Re: Affordable Housing RFP Protest Evaluation

On January 31, 2023, Pima County Community & Workforce Development (CWD) issued CWD-RFP-AHF-01-2023, a solicitation for gap funding for affordable housing development and preservation. CWD assembled a review panel of local experts on affordable housing and development to review applications. Seven applications came from the following entities:

- Family Housing Resources
- Pima County Land Trust
- IMPACT Residential Development
- Casa Maria
- Dominion Apartments
- Sonoran Desert Alliance
- Southwest Non-Profit Housing Corp

CWD's review panel recommended funding for Southwest Non-Profit Housing Corp and Family Housing Resources. These recommendations were reviewed and unanimously approved by the Regional Affordable Housing Commission on May 5. A Notice of Recommendation for Award was posted May 12, 2023, including information about how entities not recommended for award could file protests.

Pima County Land Trust submitted a protest on May 18 and Dominion submitted a protest on May 19. CWD Director Dan Sullivan contacted me to serve as his designee to review and make a recommendation on the merits of the two protests. After careful review of the protest documents, as well as other source material, I have determined that there is no basis to change the recommendation of the scoring panel. In conjunction with CWD, I notified the two agencies on June 1 of my conclusion and how they may further appeal to the Pima County Board of Supervisors.

CC: Dan Sullivan, Community & Workforce Development Director
Carla L. Blackwell, Development Services Director
Jen Darland, Community & Workforce Development Deputy Director
Nicole Fyffe, Senior Advisor, County Administrator's Office