



BOARD OF SUPERVISORS AGENDA ITEM REPORT

Requested Board Meeting Date: 3/18/2025

*= Mandatory, information must be provided

Click or tap the boxes to enter text. If not applicable, indicate "N/A".

*Title:

FY24/25 Pima County Gap Funding for Affordable Housing Development and Preservation

*Introduction/Background:

On October 2, 2024 the Gap Funding for Affordable Housing Development and Preservation was released for solicitation at the direction of the Regional Affordable Housing Commission (Commission) to meet Arizona Department of Housing, Low Income Housing Tax Credits application deadline for eligible projects. The evaluation panel recommendations were presented to the Commission and were unanimously endorsed. The Notice of Recommendation for Award was issued January 23, 2025.

*Discussion:

Pima County Community and Workforce Development (CWD) received 11 applications within the categories of 1) New Development Rental; 2) New Development Home Ownership; and 3) Existing, Adaptive, Re-Use, Rehabilitation and Renovation. Based on the Commission recommendation and dedication of all \$5 million FY24/25 to gap funding, the following projects are recommended for award:

1. Rincon Manor Phase I, Spire Development, 84 units new rental development, \$1 million
2. Elstone II, Southern Arizona Land Trust, 10 units, new rental development, \$1 million
3. Rio Azul Apartments Phase II, Southwest Nonprofit Housing Corporation, new rental development, 6 units, \$600,000.00
4. Lariat Village, Impact Residential Development, new rental development, 120 units, \$673,000.00
5. Casitas on Park, Habitat for Humanity of Southern Arizona, new homeownership development, 21 units, \$727,000.00
6. Barrio Kroeger Lane Infill, Pima County Community Land Trust, new homeownership development, 2 units, \$250,375.00
7. Amazon Flats, City of Tucson, existing – preservation, renovation and rehabilitation, 30 units, \$749,625.00

Projects not awarded include:

1. El Camino Apartments based on financial feasibility and project timeline.
2. Primavera Affordable Housing Project based on unit discrepancy throughout the application, financial feasibility, project timeline, and lack of community support for the project located within the City of South Tucson.
3. Rally Point Apartments based on discrepancy within application for new development utilizing gap funds for air conditioning units rather than housing units, and lack of cash flow for project continuation.
4. Rincon Manor Phase II – (Spire Development) was submitted with Phase I and scored as a whole rather than separate from Phase I. After reconvening, the evaluation panel's consensus was that the project on its own would not be recommended based on financial feasibility for the new development rental project consisting of 30 units on the same parcel. The evaluation panel stands by its initial recommendation of projects to award this gap funding cycle.

*Conclusion:

In conclusion, the Commission along with CWD recommend the approval from the Board of Supervisors to award the projects as recommended by the evaluation panel supplying the county with an additional 23 single-family homes, 220 rental units, and preserving 30 units. Leveraging \$87,713,702.00 in private funding for housing affordability in Pima County.

***Recommendation:**

Staff recommend the acceptance of the recommendations to award the projects within each category ensuring affordability over the next 30 years and stable housing for those earning at or below 80% area median income.

***Fiscal Impact:**

No unbudgeted impact to the general fund.


***Board of Supervisor District:**


1 2 3 4 5 All

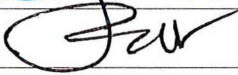
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Department Director Signature:  Date: 2.28.25

Deputy County Administrator Signature:  Date: 3/3/2025

County Administrator Signature:  Date: 3/4/2025