



BOARD OF SUPERVISORS AGENDA ITEM SUMMARY

Requested Board Meeting Date: 10-15-2013

ITEM SUMMARY, JUSTIFICATION &/or SPECIAL CONSIDERATIONS:

This Memorandum will have the effect of allocating \$752,000 of 2004 General Obligation Bonds to fund four projects the Housing Commission recommends to the Board of Supervisors to approve funding are as follows:

- 1. Alvord Court Apartments: Approval of \$112,000 in County Affordable Housing Bond funds for a newly constructed 24 unit multi-family affordable rental development.*
- 2. Curtis Road Project: Approval of \$150,000 in County Affordable Housing Bond funds for a newly constructed 8 unit single-family homeownership development.*
- 3. Green Remodeled Homes: Approval of \$250,000 in County Affordable Housing Bond funds for a 5 unit single-family acquisition and rehab homeownership development.*
- 4. Corona Road Estates: Approval of \$240,000 in County Affordable Housing Bond funds for a newly constructed 9 unit single-family homeownership development.*

If approved and upon satisfaction of Memorandum conditions, Staff will begin preparation of contract documents; the Board of Supervisors will approve final contract at such time all Memorandum conditions are fulfilled and at a regularly scheduled Board of Supervisor's Meeting.

CONTRACT NUMBER (If applicable):

STAFF RECOMMENDATION (S):

Staff recommends that all four projects be approved.

CORPORATE HEADQUARTERS: _____

CLERK OF BOARD USE ONLY: BOX M.G.

ITEM NO.

PIMA COUNTY COST: \$752,000.00 and/or REVENUE TO PIMA COUNTY: \$

FUNDING SOURCE(S): 2004 General Obligation Bond Funding, CIP
(i.e. General Fund, State Grant Fund, Federal Fund, Stadium D. Fund, etc.)

Advertised Public Hearing:

☐ YES ☒ NO

Board of Supervisors District:

1 ☐ 2 ☒ 3 ☒ 4 ☐ 5 ☒ All ☐

IF APPROVED:

Forty-six (46) new units of affordable housing will be available to families in Pima County.

IF DENIED:

Forty-six (46) low-income working families may not have the opportunity to live in safe, decent rental housing that is affordable.

DEPARTMENT NAME: Community Development and Neighborhood Conservation


CONTACT PERSON Betty Villegas, Housing Program Manager
TELEPHONE NO. 243-6744



MEMORANDUM

Date: September 30, 2013

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

From: Frank Moreno, Chair 
Pima County Housing Commission

Re: **Recommendations from the Pima County Housing Commission for funding of four Affordable Housing Projects with 2004 Affordable Housing G.O. Bonds totaling \$752,000.00**

Background

In May 2004 voters approved General Obligation Bonds in the amount of \$10 million dollars designated for the development and construction of affordable housing. The initial process included a Request for Applications announced in March 2005. Since that time the affordable housing program application process remained open and proposals have been accepted and reviewed on a continuous basis. A total of 17 requests have been reviewed by staff and Housing Commission resulting in 15 projects receiving approval by the Board of Supervisors in the amount of \$9,228,106.00.

In May 2013 the Housing Commission approved a Notice of Funding Availability (NOFA) to solicit applications for the remaining funds. Released on May 28, 2013, the NOFA announced the availability of approximately \$750,000 in Affordable Housing G.O. Bonds with a limit of \$250,000 for each request. Following the deadline of July 5, 2013, Pima County received 12 requests for funding totaling over \$2.7 million. After preliminary review by county staff, 9 applications were determined sufficiently complete and eligible for further consideration by the Housing Commission. During the month of August, each of the 9 applications was thoroughly evaluated and scored (underwritten) by staff and members of three members of the Housing Commission who volunteered to serve on the Subcommittee to review the applications.

On September 6, 2013, members the Sub-Committee met with staff to disclose their scores, discuss and select the best projects to be forwarded to all members of the Housing Commission for funding approval. On September 16, 2013, the date of the Housing Commission's regular meeting, the entire commission voted to recommend four projects for funding to Board of Supervisors. Those projects include Alvord Court Apartments (Developer, Compass Affordable Housing), Curtis Road Project (Developer, Habitat for Humanity Tucson), Green Home Remodeled Homes (Developer, Pima County Community Land Trust) and Corona Road Estates (Developer, Southern Arizona Land Trust). Detailed summaries of each project are attached.

With these four recommendations, should the Board of Supervisors approve these projects, all remaining 2004 Affordable Housing General Obligation Bond funds will be obligated.

Recommendations

The members of the Pima County Housing Commission recommend that the Board of Supervisors approve funding for the following projects with specific conditions set forth in the attached project summaries:

1. Alvord Court Apartments (District 2): **\$112,000** in County Affordable Housing Bond Funds for new construction of twenty-four (24) multi-family, rental units to be leased to qualified, very low-income households.
2. Curtis Road Project (District 3): **\$150,000** in County Affordable Housing Bond Funds for new construction of eight (8) single-family units to be sold to qualified low and moderate income households.
3. Green Remodeled Homes (Districts 2 & 5): **\$250,000** in County Affordable Housing Bond Funds for the acquisition and rehabilitation of five (5) single-family units to be sold to qualified low and moderate income households.
4. Corona Road Estates (District 5): **\$240,000** in County Affordable Housing Bond Funds for construction of nine (9) new single-family units to be sold to qualified low and moderate income households.

Finally, it is recommended that the Board of Supervisors authorize county staff to begin the process of developing and processing a contract the recommended projects including an effective start date as the date when the Board of Supervisors approves the recommended funding, on October 15, 2013.

Attachments

cc: Hank Atha, Deputy County Administrator for Community and Economic Development
Margaret Kish, Community Development and Neighborhood Conservation Director
Betty Villegas, Affordable Housing Program Manager

AFFORDABLE HOUSING APPLICATION SUMMARY

Applicant: Compass Affordable Housing, Inc. (CAH)

Project Name: Alvord Court

Application Date: 7/5/13

Sub-committee Review Date: 9/4/13

Sub-committee Members: Frank Moreno, Jon Miles, Tim Esobedo

Project Description – New Construction, Affordable Rental Housing for very low-income adults including those with disabilities, young adults aging out of foster care, and those in recovery from substance abuse, all who are special needs populations in Tucson.

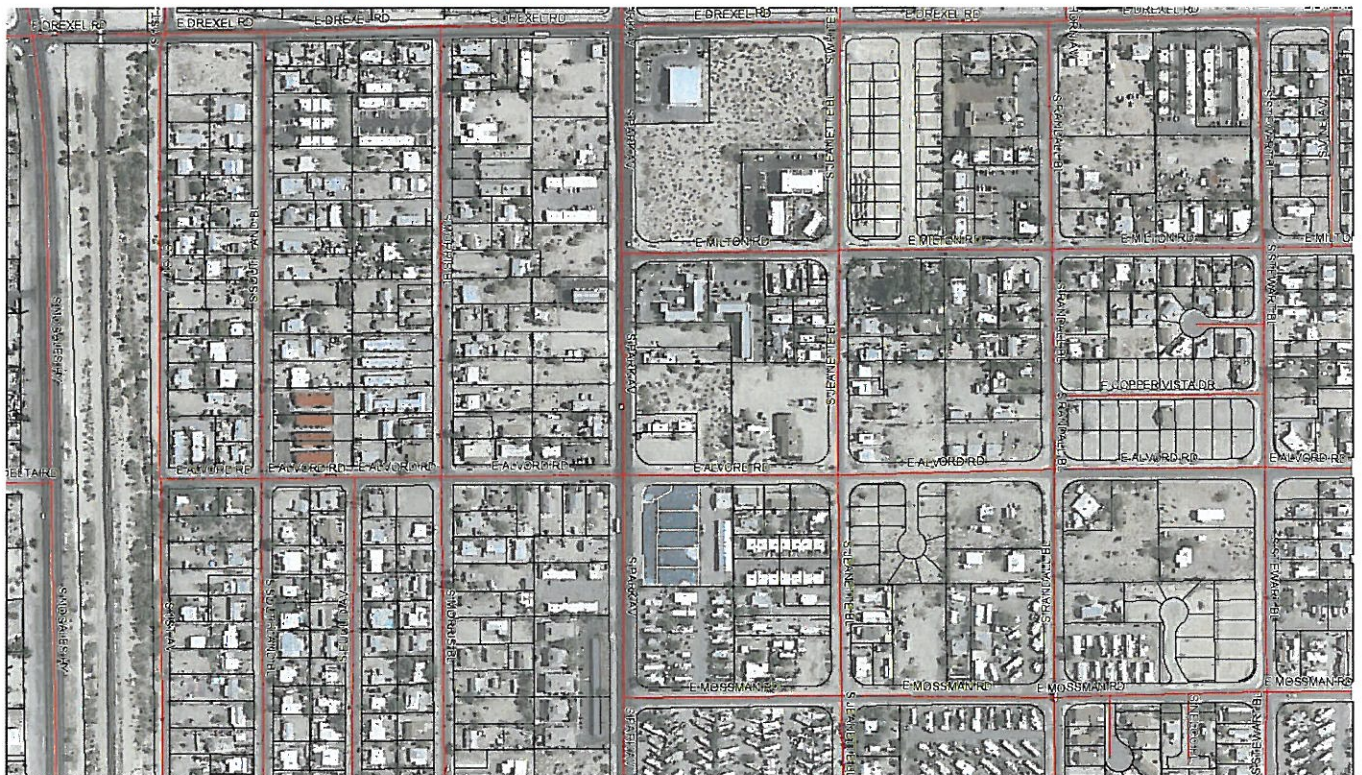
Project Location – project site is located at the southeast corner of Park Avenue and Alvord Road.

- CAH's resident services program will provide a tenant services program that will be unique to the site and will provide support services for residents that will enhance their quality of life, help them meet their daily needs and maintain their housing.
- The Proposed *Alvord Court* will feature 24 affordable housing units, all accessible, targeted to very low income persons with disabilities.
- The three-story building (with an elevator) will be built to the Tucson Green Building Program standards and will include Energy Star equipment and appliances.
- The development is adjacent to a high frequency public bus stop shelter located and northeast corner of Park and Alvord and will include the following features/amenities:
 - A sidewalk around periphery of the building with interior walking paths
 - Each floor of the building has a patio for tenants and guests
 - Community Center building
 - Community Garden
 - Garden Courtyard for residents located adjacent to the elevator and laundry building.
 - Landscaping along periphery of the site.
 - Native Seeds, Trees for Tucson and the Cactus & Succulent Society are all participating in the landscaping, gardens and patios.
- Initial Application Checklist has been completed; minimum threshold items have been met.
- **Total Affordable Housing Units: 24 affordable apartments**
- **Total Development Costs = 2,826,000**
- **Bond Fund Requested: \$ 112,000**
- Other Permanent Subsidy:

\$ 1,500,000	ADOH – State Housing Fund
\$ 590,000	City of Tucson HOME funds
\$ 624,000	Federal Home Loan Bank of San Francisco AHP funds
- Total Cost per unit (residential)= \$117,750
- **Bond \$'s per unit: \$4,667**
- Degree of leverage: **25:1**
- **Sub-committee Score 84**

Funding Recommendations/Conditions:

1. **Approval of funding in full amount requested is recommended, subject to approval by Board of Supervisors.**
2. **Subject to successful negotiation of a contract with Pima County:**
 - a. **Including approval of minimum 30 Affordability Restriction Agreement – acceptable to all parties.**



AFFORDABLE HOUSING APPLICATION SUMMARY

Applicant: Habitat for Humanity Tucson, Inc. (HFHT)

Project Name: Curtis Road Project

Application Date: 7/5/13

Sub-committee Review Date: 9/4/13

Sub-committee Members: Frank Moreno, Jon Miles, Tim Esobedo

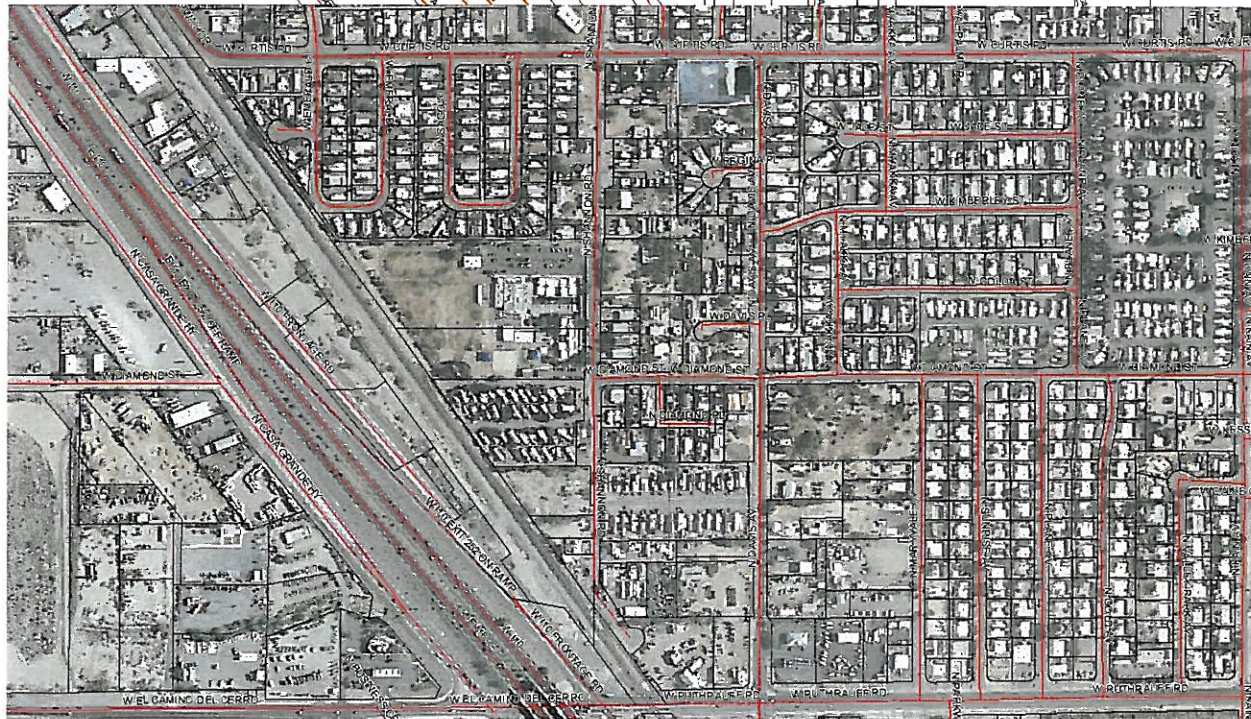
Project Description - New Construction, adaptive re-use in-fill development, consisting of affordable single-family Energy Star homes (8 home subdivision) for low-income households, targeting households earning between 40% to 70% of area median income, including elderly and veteran populations.

Project Location: project site is located at the southwest corner of Davis Road and Curtis Road.

- The project site was previously used as a fire station by Northwest Fire District until being abandoned for new facilities a few years ago. Northwest Fire provided a heavily discounted sales price to HFHT allowing them to acquire the property at substantially less than fair market value.
- The development is located within Flowing Wells Neighborhood, which has a very active neighborhood association that is supporting the project and whose members helped secure HFHT's rezoning of the site.
- The development will utilize a 2 story single-family home design developed by the Drachman Institute and the University Of Arizona College Of Architecture and will be balanced by 4 traditional HFHT single story units.
- All the homes will be built to Energy Star 3 standards, undergoing testing by third party experts.
- The development is adjacent to a public bus stop located across the street and will include the following features/amenities:
 - A new paved road through the site with 5' sidewalks will provide access to the new home sites.
 - Energy efficient design will provide monthly savings in energy costs on each home estimated at approximately \$60 to \$70.
 - Community Garden
 - 5' Landscape Buffer along periphery of the site.
 - Convenient access to 1-10/Ruthrauf Rd. and northwest employment corridors including Tucson Mall, Northwest Hospital and Marana.
- Initial Application Checklist has been completed; minimum threshold items have been met.
- **Total Affordable Housing Units: = 8 single family homes**
- **Total Development Costs = \$1,060,000**
- **Bond Fund Requested: \$ 150,000**
- Other Permanent Subsidy:

\$ 598,000	HFHT Philanthropic funding
\$ 160,000	City of Tucson HOME funds
\$ 120,000	Federal Home Loan Bank of San Francisco WISH funds
\$ 32,000	IDA Accounts (Pio Decimo)
- Total Cost per unit (residential)= \$132,500
- **Bond \$'s per unit: \$18,750**
- Degree of leverage: **9.53:1**
- **Sub-committee Score 84**

- 1. Approval of funding in full amount requested is recommended, subject to approval by Board of Supervisors.**
- 2. Subject to successful negotiation of a contract with Pima County, including approval of minimum 30 Affordability Restriction Agreement – acceptable to all parties.**
- 3. All permanent funding sources identified (or approved alternate funding) must be committed to the project within 6 months of funding approval by Board of Supervisors.**
- 4. No County bond funds will be disbursed until all permanent sources are committed to the project.**



AFFORDABLE HOUSING APPLICATION SUMMARY

Applicant: Pima County Community Land Trust (PCCLT)

Project Name: Green Remodeling Project

Application Date: 7/5/13

Sub-committee Review Date: 9/4/13

Sub-committee Members: Frank Moreno, Jon Miles, Tim Esobedo

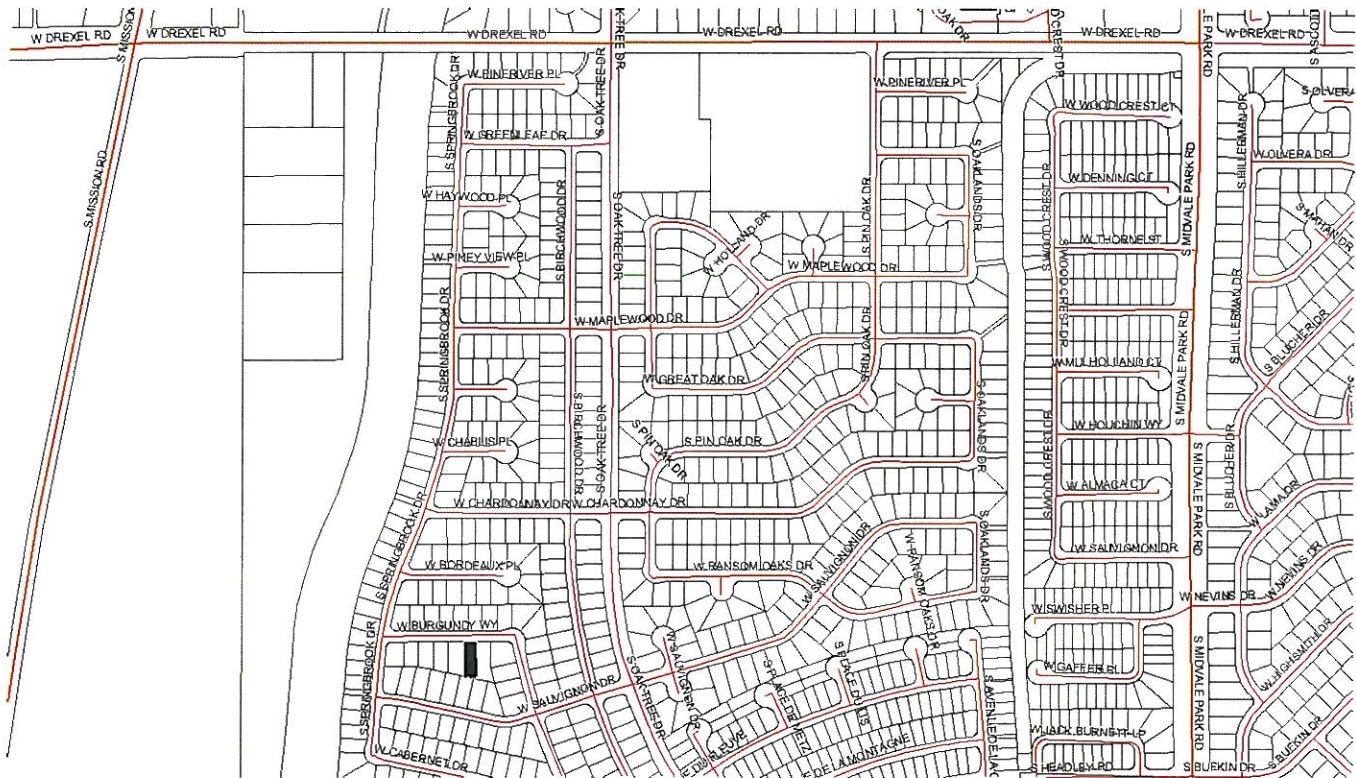
Project Description – Scattered site acquisition and green renovation of 5 single-family foreclosed homes that will be renovated under the City of Tucson's Residential Green Remodeling Program and then sold to low-income households qualified under the PCCLT program.

Project Location: scattered site development with 5 single-family homes at the following locations: 1961 W. Burgundy, 85746(Dist 5); 2102 E. Highland, 85706(Dist 2); 3014 E. Via Genovesa, 85706; (Dist 2) 6290 S. High Hope Ln., 85706(Dist 2); and 6303 S. Sunview Way, 85706(Dist 2).

- In partnership with the City of Tucson, PCCLT acquired 5 vacant, bank-owned, foreclosed homes located on Tucson's south side. The City of Tucson provides HUD Neighborhood Stabilization Program (NSP) grant funds for the acquisition of these properties in order to reduce the number of vacant foreclosed homes in the community. PCCLT then renovates the homes utilizing the City's Residential Green Remodeling Program and then sells the homes utilizing their unique land trust method of ownership.
- PCCLT enables low-income households to purchase and own homes on land leased from PCCLT through a long-term (99 year) inheritable ground lease. The homebuyer's loan amount is for 80% of the leasehold value; the homebuyer will hold a deed for the house and all improvements and will enter into a 99 year ground lease with PCCLT.
- To date – PCCLT has sold 66 green remodeled (formerly vacant foreclosed homes) using this unique method of homeownership which helps provide affordable homeownership opportunities to low-income families and assures that the homes will remain affordable to serve future generations.
- PCCLT partners with Tucson Association of Realtors to provide information sessions to prospective homebuyers.
- PCCLT partners with local HUD certified Housing Counseling Agencies to provide homebuyer education for prospective PCCLT homebuyers
- All the homes will be renovated to meet the City of Tucson Residential Green Remodeling Rating System for a minimum Silver Rating which improves energy efficiency, indoor air quality and water conservation.
- All of the homes are in close proximity to public transportation, I-10 & I-19, and to several major employment corridors including UofA Medical Center South Campus, DMAFB, Tucson International Airport and Tucson's new Technology Corridor anchored by the new UofA BioScience Technology Park and the Bridges retail park.
- Initial Application Checklist has been completed; minimum threshold items have been met.
- Total Affordable Housing Units: = 5 single family homes plus sales proceeds will allow for 2 additional acquisitions.
- **Total Development Costs = 859,048**
- **Bond Fund Requested: \$ 250,000**
- Other Permanent Subsidy: \$ 609,048 City of Tucson NSP3 funds
- Total Cost per unit (residential)= \$171,809
- **Bond \$'s per unit: \$50,000**
- Degree of leverage: 7:1 when sale proceeds reinvested are included (4:1 without)
- Subcommittee Score: 82

1. **Approval of funding in full amount requested is recommended, subject to approval by Board of Supervisors.**
2. **Subject to successful negotiation of a contract with Pima County:**
 - a. **Including approval of minimum 30 Affordability Restriction Agreement – acceptable to all parties.**

1961 W. Burgundy



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AFFORDABLE HOUSING APPLICATION SUMMARY

Applicant: Southern Arizona Land Trust (SALT)

Project Name: Corona Road Estates

Application Date: 7/5/13

Sub-committee Review Date: 9/4/13

Sub-committee Members: Frank Moreno, Jon Miles, Tim Esobedo

Project Description - New Construction, In-fill development of a previously foreclosed subdivision, consisting of 9 affordable, single-family, energy efficient homes for low-income (80% AMI or less), homebuyers, targeting first-time homebuyers and households at/below 65%AMI.

Project Location: Corona Road Estates, located on Corona Road one block east of S. San Fernando Avenue in the Elvira Neighborhood – east of 12th Avenue and south of Valencia Road. (Dist. 5)

- Corona Road Estates was a failed subdivision consisting of 20 fully improved lots that was foreclosed by the Bank of Oklahoma. On 2 of the 20 lots were partially constructed homes. SALT was able to purchase all 20 lots, including the 2 partially built homes, with financing from AZ MultiBank and the Pima IDA.
- SALT is a partner and grant sub-recipient of the Pima County Neighborhood Stabilization Program – round 2 (NSP2); Corona Road Estates lies within the NSP2 Target Area and to date SALT, in partnership with the NSP2 program, has been able to complete 9 new homes and finished the 2 partially constructed homes for a total of 11 completed/occupied single family homes, all of which serve as affordable housing with 9 of the units currently being rented to household below 80% of Area Median Income..
- All the homes will be built to the City of Tucson Residential Green Building rating system and will include Energy Star appliances, Energy Star lighting packages, Energy Star rated windows and WaterSense plumbing fixturesstandards.
- Developer has collaborated with Family Housing Resources, a HUD approved housing counseling agency, to provide pre and post purchase homebuyer education and counseling.
- The development is in close proximity to public schools, public bus transportation stops and provides access to major employers including University of Arizona, Tucson Aviation Tech Park and Tucson International Airport, Desert Diamond Casinos, DMAFB, and City/County government offices as well as public libraries, parks.
- Initial Application Checklist has been completed; minimum threshold items have been met.
- **Total Affordable Housing Units: 9 single family homes (Bond Funded);** plus 11 homes already completed – all affordable.
- **Total Development Costs = \$2,403,487 (includes all 20 homes)**
- **Bond Fund Requested: \$ 240,000**
- Other Permanent Subsidy:
 - \$1,000,000 Pima County Industrial Development Authority (grant)
 - \$ 713,487 SALT/Pima IDA loan
 - \$ 270,000 Federal Home Loan Bank of SanFrancisco AHP grant
 - \$ 250,000 Bank of Tucson (loan)
 - \$ 200,000 AZ MutliBank (loan)
- Total Cost per unit (residential) \$130,000 (9 bond funded units) 120,174 (11 completed units)
- **Bond \$'s per unit: \$ 26,667**
- Degree of leverage: **5:1 (based on 9 bond funded units to be constructed)**
- **Sub-committee Score 80**

1. **Approval of funding in full amount requested is recommended, subject to approval by Board of Supervisors.**
2. **Subject to successful negotiation of a contract with Pima County, including approval of minimum 30 Affordability Restriction Agreement – acceptable to all parties.**
3. **All permanent funding sources identified (or approved alternate funding) must be committed to the project within 6 months of funding approval by Board of Supervisors.**
4. **No County bond funds will be disbursed until all permanent sources are committed to the project.**

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