

DR. MATT HEINZ

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Pima County Board of Supervisors

To: Melissa Manriquez, Clerk of the Board

From: Matt Heinz, Supervisor, District 2

A handwritten signature in blue ink, appearing to be "M. Heinz", with a long, sweeping underline.

Date: May 21, 2025

RE: June 3, 2025, Regular Agenda: Affordable Housing Appropriation for FY26

Board of Supervisors

Discussion/Direction/Action: Directing the County Administrator to increase the budget for Affordable Housing for Fiscal Year 2025/26 (FY26) from the current \$5M to \$8.5M, with the additional \$3.5M coming from expenditure savings and/or additional revenues/account balances realized elsewhere in the budget as we close out FY25 and/or expenditure reductions elsewhere in the FY26 Final County Budget. Of note, this is the amount of additional revenue for Affordable Housing (\$3.5M) that would have been raised by an additional 3 cents in the Primary Property Tax Rate this coming year, **but this proposal keeps the property tax rates exactly where they are as per the Adopted Tentative Budget adopted by the Board of Supervisors on May 20, 2025.**

The entire \$8.5M budget for Affordable Housing for FY26 shall go to the Regional Affordable Housing Commission for their thoughtful deliberation and recommendations as to specific allocations within both Gap Funding for Affordable Housing development/preservation and programs to keep people housed. The Commission's recommendations shall come to the Board of Supervisors for final approval – first, the recommendation regarding how much of the FY26 Appropriation to devote to existing County/partner programs that keep people housed vs. to Gap Funding (by early Fall); and second, the specific recommended projects for Gap Funding awards (by January 31, 2026).

Pima County's housing challenges are felt countywide:

- In **urban areas like Tucson**, families face rising rents and limited ownership opportunities.
- In **rural communities**, aging manufactured homes are falling into disrepair and investment is scarce.
- **Tribal nations and historically underserved neighborhoods** lack access to quality, affordable units.

To the extent possible, the Regional Affordable Housing Commission shall ensure that their recommendations meet these diverse needs for both new affordable housing development and preservation of existing affordable housing, serving the needs of all Pima County residents.

cc: Jan Leshar, County Administrator
Steve Holmes, Deputy County Administrator
Carmine DeBonis, Jr., Deputy County Administrator
Nicole Fyffe, Senior Advisor to the County Administrator
Jenifer Darland, Director, Office of Housing Opportunities and Homeless Solutions