



MEMORANDUM

Date: November 14, 2024

To: The Honorable Chair and Members

Pima County Board of Supervisors

From: Jan Leshel

County Administrator

Re: Additional Information for the November 19, 2024 Board of Supervisors Meeting -

Agenda Item No. 24, Primavera Foundation, Inc.

Tucson Community Development and Design Center ("TCDD"), an Arizona Corporation, acquired the subject property from Pima County as vacant land by quit claim deed ("Deed") on September 28, 1982, Book 6875, Pages 212 and 218. Covenant II of the Deed indicates that the property shall be developed with housing for elderly and handicapped residents. TCDD developed the vacant land with a 30 unit apartment complex known as Viviendas Asistenciales (the "Property"). Covenant VI of the Deed indicates that title to the Property shall automatically revert to Pima County upon satisfaction of the indebtedness. The Deed indicates the specific date of November 1, 2023 for reversion of the Property to Pima County. Investigation of the status of the indebtedness indicated that the note would not be paid in full until October 14, 2024 as a function of the HUD loan that was originated approximately one year after the Property was deeded to TCDD by Pima County.

County Administration, Real Property Services (RPS), and Pima County Attorney's Office (PCAO) determined that it was not in the best interest of Pima County to take possession of the Property and its operations with the remaining debt, and an amendment to the quit claim deed covenants granting TCDD additional time to satisfy the indebtedness was recorded on April 13, 2023. As of the date of this Memorandum the debt has been fully paid off and the Property is set to revert to Pima County no later than December 1, 2024.

A Request for Proposal (RFP) process was completed in anticipation of the reversion of the Property to Pima County to determine the most qualified non-profit agency to take over the management of the Property in order to maintain uninterrupted service for low income elderly residents and the Primavera Foundation, Inc. ("Primavera") was selected.

Deputy County Administrator Garcia, Community & Workforce Development, RPS and PCAO subsequently met with TCDD and Primavera and determined that the best path forward to make sure that the Property continues to serve the housing and programming needs of the low-income elderly residents and consistent with policy priorities 1 and 2 of Pima County Board of Supervisors Policy on Reducing Generational Poverty and Improving Community Wealth (the Prosperity Initiative) and strategic goals of the Regional Housing Affordability Task Force.

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In support of Primavera's application to HUD for the rental assistance program TCDD will directly transfer the Property to Primavera. The transfer of the Property from TCDD directly to Primavera removes Pima County from the chain of title, relieves Pima County from any property management responsibilities, does not cause any interruptions to the application process for the rental reimbursement program currently being reviewed by HUD, and permits uninterrupted service to the current residents. Pima County will agree to extend the reversion of the quit claim deed for an additional 30-year period while at the same time the ownership of the Property will be transferred to Primavera by TCDD. Pima County retains the right to exercise an early reversion of the property back to County ownership if Primavera fails in any way to continue to provide low-income elderly housing at the property as stipulated in the original deed. The transfer of the Property by TCDD to Primavera will require the specific authorization of the Pima County Board of Supervisors and will occur on or about December 1, 2024. Such an agreement will come to Board of Supervisors for approval at your November 19, 2024 meeting.

JKL/dym

c: Carmine DeBonis, Jr., Deputy County Administrator Francisco García, MD, MPH, Deputy County Administrator & Chief Medical Officer Steve Holmes, Deputy County Administrator Dan Sullivan, Director, Community & Workforce Development Jeffrey Teplitsky, Director, Real Property Services