

DR. MATT HEINZ

Supervisor
District 2



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Pima County Board of Supervisors

To: Ellen Mouton, Director, Finance & Risk Management
Jan Leshner, County Administrator

From: Dr. Matt Heinz, Supervisor, District 2

Date: October 12, 2022

RE: New Initiatives / Expanded Programs, FY2023-24

A handwritten signature in blue ink, appearing to be "M. Heinz", is written over the "From:" line and extends into the "Date:" line.

In response to the Memo from County Administrator Leshner dated 10/10/22 requesting Board Members' suggestions for new initiatives or expanded programs for FY24, I'd like to include the following for consideration by the Board:

- 1) **\$37.9 Million in FY24 for Affordable Housing, to begin implementing the short-term and medium-term recommendations of the Affordable Housing Task Force, including but not limited to the following:**
 - a. Goal 1: Develop regional housing assessment of availability and need, considering the continuum of housing, including:
 - i. 1.1 Assess organizational structure and operating needs of a joint regional housing body that can invest public and private funds efficiently and effectively in the development and rehabilitation of more affordable housing units in Pima County (see: City of Tempe Affordable Housing 501(c)(3) structure and governance, best practice)
 1. Stand up and staff said regional housing body (*\$200K start-up costs; \$1.5M annual operating budget to begin*)
 - ii. 1.2 Understand what developers need to be able to increase production, including ways to address pre-development and construction costs. Includes comprehensive needs assessment with both market rate developers and affordable housing/LIHTC developers in our region, through focus groups, interviews, online research, etc (*\$200K*)
 - iii. 1.3 Develop comprehensive understanding of land and market (supply and demand) to facilitate and increase housing affordability, including conducting a comprehensive Housing Market Value Analysis and developing a complementary "Supply and 5-year Demand" + Housing Costs Dashboard. (*\$2.5 M initial investment in FY24 to conduct the Housing Market Value Analysis and develop the Dashboard, through competitive procurement processes.*)
 - b. Goal 2: Promote AND FUND housing density/infill across the continuum of housing, including:
 - i. 2.1 In FY24, begin developing a "Streamlining Development" Implementation Plan, enacting recommendations of goals 1.2 and 1.3 above, to:
 1. Fast track projects that incorporate flexible design guidelines and promote height and density development goals; and
 2. Develop funding sources and offer for developers appropriate financial subsidies/incentives for fast-track projects that promote housing affordability. Financial incentives are essential in "buying down" costs of housing, and can include, but are not limited, to: ■ Creation of Industrial Development Authority-financed revolving loan fund ■ Reduced impact fees for properties already near

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existing infrastructure ■ Reduced engineering/fee studies ■ Reduced fees for greywater, EV readiness, solar readiness, Slurry Coating Newly Finished Streets, Complete Streets, retention/detention work ■ County general fund or dedicated sources of funding, including bonding or property tax.

- ii. Begin funding said incentives for the development and preservation of affordable housing units -- *\$25M in FY24*
 - c. Goals 4 and 5: Reduce Barriers among vulnerable populations -- particularly single-income renter households, extremely low-income and very low-income households, and households in low-income census tracts – to finding and maintaining affordable housing.
 - i. Identify the needs of landlords and find ways to incentivize the renting of their properties to vulnerable populations, such as through: monetary incentives; voucher programs that include protection from damage and unpaid rents; ADOH grants for property owners (technical assistance provision to landlords so they can secure ~); property tax rebates; and rental rehabilitation support -- *\$5M in FY24*
 - d. Goal 4, Outcome 4.3: Evaluate the potential of regional land trusts at scale: Evaluate existing property uses, financing needs and potential footprint of the Pima County Community Land Trust, the Southern AZ Land Trust, and smaller city and county land trusts. Identify opportunities for scaling regional land trusts that potentially integrate mortgage financing and down payment assistance for income-qualified families. Evaluate financial and technical assistance needs of land trusts at scale. (*\$1.0M in FY24*)
 - e. Goal 5, Outcome 5.4: Engage the City of Tucson and other jurisdictions in regional Transit-Oriented Development strategies – including alignment of zoning and transportation planning -- to improve transportation and mobility access for low-to-moderate-income renters and homeowners. (*\$1.5M in FY24*)
 - f. Goal 5, Outcome 5.5: Procure research and evaluation support from the University of Arizona/ Arizona State University / NAU to assess how we are leveraging innovations to increase affordable housing supply and reduce barriers to affordable housing for low-and-moderate-income families. (*\$1.0M in FY24*)
- 2) Climate Action Plan for County Operations (CAPCO) -- \$30M in the FY24 CIP (Capital Improvement Program) budget to accelerate needed renovations to county facilities, including wastewater facilities, in order to cut carbon emissions more aggressively.**
- 3) PEEPS: Additional \$5M in the Library District Budget in FY24 to continue building the capacity to fund PEEPS long-term and set the stage to expand its reach to more low-income families after Year 3.**

cc:

Carmine DeBonis, Jr., Deputy County Administrator
Francisco García, MD, MPH, Chief Medical Officer and Deputy County Administrator
Steve Holmes, Deputy County Administrator
Melissa Manriquez, Clerk of the Board