



February 17, 2026

Ms. Cassie Lundin
Division Manager
Pima County Community & Workforce Development
2797 E. Ajo Way
Tucson, AZ 85713

RE: Pima County Affordable Housing Strategy & Funding Plan

SAHBA, and our members, value the efforts of The Board of Supervisors and Regional Affordable Housing Commission Pima County's efforts to address the housing needs of our region including GAP funding, improvements to the development review and approval process, code changes and seeking other opportunities to reduce costs and expand housing supply.

The Affordable Housing Strategy & Funding Plan is a solid document that we hope is actively utilized and drives favorable outcomes for our community. We offer the following specific comments:

- **Page 13, Roles and Responsibilities:** The term 'Pima County' appears to be used both to represent the entire County ("Addressing Pima County's housing challenges...") and as it relates to the unincorporated areas of the County ("Pima County plays a distinct and catalytic role within the broader regional housing eco system..."). The intended uses of the term should be clear.
- **Page 14, Exhibit 3: Housing Continuum, Affordability & Roles:** 1) Workforce Rental & Entry-Level Ownership; and Small & Middle Housing can be market based, 2) Small & Middle Housing should include a broader range of housing types (we frequently reference AARP's [Discovering and Developing Middle Housing](#) report).
- **Page 15, Current Roles the County Holds:** 1) Are these roles the County is currently playing or has the potential to play? For example, we are unaware of what the County has done to advance infrastructure development in support of housing, and 2) Land conservation as part of the CLS and leveraging flood control systems is inconsistent with our goals for increasing housing inventory and affordability.
- **Page 17, Proposed or Expanded Role:** What does, "Managing public land inventories for housing" mean? If anything, the County should be seeking to divest land holdings by selling to the private sector.
- **Page 18, Vacant and Underutilized Public Land for Housing:** The plan should emphasize the significant opportunity State Land holdings in southern Arizona represents for housing and economic prosperity. Bringing these holdings to market should be one of the top priorities. State Land regularly goes to auction in metro Phoenix and hardly ever in the Tucson area.
- **Page 30, What is Area Median Income?:** The report should provide the price of home that can be afforded at each level of income.
- **Page 32, 1.6 Continue to Enable:** Report should include a bullet point to consider eliminating single-family zoning. And include a bullet point about improving development review and approval processes.

- **Page 33, 1.7 Reduce Development Costs:** Unless and until there is an acknowledgment that “fee requirements” impact affordability of market rate housing in the same way as “affordable housing” – and receive the same effort and focus to mitigate those costs – increasing affordability will not happen. For example, Pima County’s updated Transportation Impact Fees (approximately \$3,000 increase) will “price out” approximately 1,500 households from affording the median new home. Strategies to offset or reduce fees for subsidized housing but not market rate housing is a double standard.
- **Page 50, 1.6 Continue to Enable:** This is encouraging. The allowable housing types should be expanded.
- **Page 52, 1.7:** Similar comments to above.

Expanding upon Goal #1 (Expand the supply, diversity, and affordability of housing...including market rate...) it is important to note there are many factors that directly affect market rate housing supply and affordability. While many of them are beyond local control (interest rates, tariffs, rising construction costs and inflationary pressures) there are many within the County’s authority that would make a meaningful difference. Some of them are referenced or alluded to in the plan (fees, zoning, and economic/workforce development). We recommend a greater emphasis on addressing the burden of the current regulatory framework (see attached Cost of Regulation summary) and the time value of the development review/approval process (see attached memo Re: Economic Impact of Development Approval Timeframes). These costs have a direct connection to the private sector’s ability to provide necessary inventory and reduces the number of families that can afford new homes (see attached “Priced Out” report).

We offer an initial set of recommendations aimed at advancing market-rate housing opportunities that would have a meaningful impact on achieving Goal #1 and overcoming our region’s housing challenges.

1. **INCREASING DEVELOPABLE ACREAGE:** Growing the housing inventory is tied directly to cost effective utilization of land and higher lot yield. This can be accomplished through higher density zoned land, eliminating or minimizing regulations that reduce developable acreage and creative solutions such as bringing County owned land to market. Specific examples include:
 - A. **Initiate a 5-year freeze** for any code amendments, manuals, standards, specifications or other regulatory requirements unless they demonstrably reduce development and construction costs. Good idea but is 5 year realistic?
 - B. **Proactive review of all existing codes, manuals, standards, specifications or other regulatory requirements** to identify and pursue changes to simplify and streamline the process. Examples include removing elements of design/architectural guidelines that add costs without a quantifiable benefit to the quality of construction and decreasing the slope of finished lots to 0.05%.
 - C. **Revise the zoning code to create flexibility and allow a broader range of housing types in more locations including:** expanding the policies guiding the use of Accessory Dwelling Units (ADUs); using “best practices” from other communities or industry publications such as *“Discovering and Developing Middle Housing”* by AARP; updating Transfer of Development Rights policies; increasing allowable height; and identifying ways to increase by-right zoning and/or administrative zoning approvals.
 - D. **Revise environmental regulations that increase cost and reduce developable acreage including:** creating an exemption for small projects; reducing NPPO mitigation ratios; allowing “like-for-like” mitigation to occur outside the original area; allowing maximum flexibility for off-site mitigation; creating a mitigation bank program; allowing for modifications to mapped habitat based on updated site-

based biological data (including drone imagery); reassessing riparian mitigation guidelines including removing Xeroriparian C and D as regulated habitat; and increase allowable disturbance before triggering mitigation from 1/3 acre to a project-size percentage.

- E. **Revise flood control regulations that increase cost and reduce developable acreage including:** adjusting peak flow attenuation standards by modestly increasing allowable flows in balanced basins and reducing reductions in critical basins; increasing allowable offsite water surface elevation impacts from 0.10' to 0.20' (consistent with national engineering practice) which reduces overdesign; raising allowable offsite water velocity impacts from 10% to 15%, providing engineering flexibility while maintaining safety; reducing first flush retention requirements to 0.4", lowering land and grading costs while maintaining effective stormwater management; extending dry-down times to 24 hours for projects under 10 acres and 36 hours for larger projects, aligning with technical feasibility and reducing engineering costs.
- F. **Pursue the sale of County-owned land** suitable for housing, with proceeds reinvested into affordable housing to maximize community benefit.

2. **IMPROVE PREDICTABILITY & CERTAINTY:** Time is money. Favorable timeframes, metrics and accountability in the development review and approval process help manage costs.

- A. **Refresh and reaffirm the County's 2010 Standard Operating Procedures** (attached) to advance consistency in the review and approval process.
- B. **Analyze review times and establish clear metrics for quicker approvals** along with publishing monthly reports showing performance to targets as done previously.
- C. **Develop uniform training to ensure consistent reviews and inspections across departments**, reducing delays, resubmittals and avoiding contradictory interpretations of code.
- D. **Extend validity of approved plans to 10 years**, aligning with California's model, shielding projects from midstream code changes that increase costs.
- E. **Foster alignment across public works departments**, with Development Services having primary oversight and final decision-making authority when resolving issues with applicants and other departments.

3. **ESTABLISH REASONABLE & SUSTAINABLE FRAMEWORK FOR FEES AND INFRASTRUCTURE INVESTMENT:** Reducing or holding the line on fees will have the most immediate effect on housing costs. Minimizing requirements for things like offsite improvements while maximizing public investment in infrastructure will have similar but more long-term benefits.

- A. **Undertake a cross-department analysis of all fees** applied to new development and seek ways to reduce or eliminate fees. Note: Should also explore incentives that result in lower fees (Ex. New homes sold below median sales price within the submarket could pay lower fees).
- B. **Revise the approach to impact fees** by updating only every 10 years and aligning projects more closely with the areas where fees are collected, improving fairness and transparency.
- C. **Expand use of Community Facilities Districts (CFDs)** and similar financing tools, giving communities flexibility to fund improvements without driving up the upfront cost of homes.
- D. **Reduce thresholds that trigger offsite improvements**, ensuring that only proportionate impacts are assigned to projects.

- E. **Revisit trip generation and traffic analysis requirements**, which often overestimate vehicle trips and impose excessive costs on developments.
- F. **Develop a robust approach to credits and reimbursements** for developer provided infrastructure.

4. **ECONOMIC & WORKFORCE DEVELOPMENT**: Attracting employers who require high-skilled and high-wage employees will increase area median income and expand the pool of buyers for market rate homes. An already sparse pool of construction workers is rapidly “aging out” creating shortages in labor during periods of high activity. Prioritizing workforce development will help keep up with construction needs and improve prosperity by providing skills for well-paying jobs.

- A. **Expand partnerships with private sector partners**, including industry associations, to understand and meet employment needs.
- B. **Invest in training programs** for the construction trades for young adults to increase their economic opportunities and quality of life.
- C. **Continue to develop and implement economic development strategies**, including robust incentives, that make Pima County attractive to outside investment and expansion of local companies.

Yet perhaps as significant as any of these recommendations, the actions taken by local governments towards housing should match the expressed desire for housing supply and affordability. Routinely, we encounter policies, regulations or other measures (ex. fee increases) that make housing, or the process of building homes, more complicated and more expensive. While there is always well-intentioned rationale for doing so (“cost recovery,” “sustainability,” “neighborhood protection”) these actions none the less move us further away from building homes that are more affordable.

Simply put, the region built fewer new homes in 2025 than we did in 1995. This should be a wakeup call to elected and non-elected government officials, housing proponents, economic development organizations, and the broader community. Meeting our region’s housing needs, and community demand for more affordable homes, depends on bold and decisive actions. The status quo is not working. Housing production, whether income restricted or market rate, must be unencumbered and prioritized.

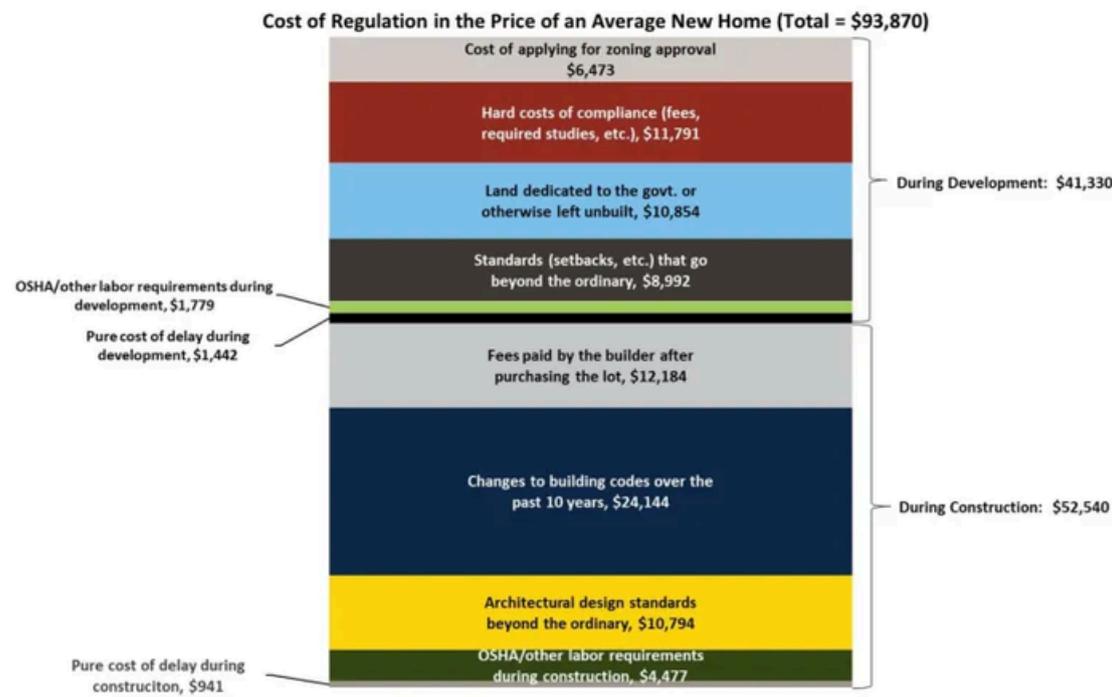
ELIMINATING EXCESSIVE REGULATIONS

THE ISSUE

Regulations at all levels of government are hindering the production of housing.

Single-Family Homes

Regulations account for nearly 25% of the cost of a single-family home.



In 2021, on average, regulations imposed by government at all levels accounted for \$93,870 of the final price of a new single-family home built for sale. Of the \$93,870, \$41,330 is due to a higher price for the finished lot, attributable to regulations imposed during the lot's development. The remaining \$52,540 is the result of regulatory costs imposed on the builder during construction, after the builder purchases the finished lot.

Over time, NAHB studies show that the cost of regulation has continued to climb. The 2021 estimate of \$93,870 is up 11% from the \$84,671 in the 2016 study and 44% from NAHB's 2011 estimate of \$65,224.



MEMORANDUM

Date: October 1, 2020

To: C.H. Huckelberry
County Administrator

From: Yves Khawam 
Assistant County Administrator
for Public Works

Re: **Economic Impact of Development Approval Timeframes**

As you are aware, timeframes associated with development approval and permitting of private development projects are often perceived by jurisdictions solely through the lens of customer service satisfaction. However, accelerating these timeframes also creates a large economic benefit to the community.

In 2013, we studied the cost of permitting timeframes by using three-year data of projects secured by Sun Corridor Inc., then Tucson Regional Economic Opportunities (TREO). At that time, the economic impact of the average TREO project was \$3.2 million per month, with projects secured in a year totaling an economic impact of \$24.9 million per month. This means that in 2013, shaving 30 days off land approval or permitting timeframes generated an economic impact of \$24.5 million annually to the Tucson region, solely limited to TREO projects and not including those generated by new and expanding businesses not facilitated by TREO.

In part due to this finding, Pima County Development Services adjusted its processes to reduce approval timeframes, thereby committing to a maximum of five-day review for site development projects and building permits (10 day for projects greater than 20,000 SF).

Per your request, we have refreshed these numbers with Sun Corridor Inc. projects from FY 2017-18 through FY 2019-20. Of note is that the average project monthly economic impact has increased to \$4.2 million with total projects per year generating an average of \$41.6 million in one month.

Again, based solely on projects facilitated by Sun Corridor, shaving 30 days off land and permitting approval timeframes creates an additional \$41.6 million of annual economic benefit the region would not otherwise receive. Promoting the regional shortening of these timeframes is the most cost-effective economic catalyst the regional jurisdictions can provide, especially since there was no additional cost associated with restructuring the processes and implementing the organizational changes that allowed Pima County to meet its current targets.

FY2018-20 Sun Corridor Inc. Projects

Project Name	Industry	Average Monthly Impact
Easy	Transportation & Logistics	\$1,362,439
Chucks	Other	\$1,049,264
Plasma	Bioscience	\$405,359
Swift	Renewable Energy & Mining Technology	\$1,089,751
Burn	Other	\$431,585
Renew	Financial Services/Insurance	\$10,329,760
Shine	Consumer Products	\$907,862
Hello	Financial Services/Insurance	\$12,854,614
Wildcat	Transportation & Logistics	\$10,008,908
Arc	Aerospace & Defense	\$931,377
Bradley	Healthcare	\$2,755,062
Treasure	Other	\$1,131,471
Heavy	Renewable Energy & Mining Technology	\$3,550,862
Brown	Transportation & Logistics	\$18,210,780
Beet	Consumer Products	\$2,208,613
Celebrity	Healthcare	\$9,444,896
Dispatch	Renewable Energy & Mining Technology	\$1,190,016
Bot	Renewable Energy & Mining Technology	\$292,187
Cactus	Transportation & Logistics	\$3,019,993
Big Sky	Healthcare	\$454,582
Guide	Consumer Products	\$1,378,034
Honour	Other	\$3,639,202
Micro	Healthcare	\$640,057
Tree	Healthcare	\$483,661
Safeguard II	Aerospace & Defense	\$30,853,488
Wolf	Other	\$2,372,042
Maya	Consumer Products	\$1,373,163
Scenic	Aerospace & Defense	\$456,223
Curtain	Other	\$1,384,521
Green	Transportation & Logistics	\$466,667
Average monthly impact per project		\$4,155,881
Projects per year average monthly impact		\$41,558,812

- c: David W. Welsh, Executive Vice President, Sun Corridor Inc.
 Jan Leshner, Chief Deputy County Administrator
 Carmine DeBonis, Jr., Deputy County Administrator for Public Works
 Carla Blackwell, Director, Development Services Department
 John Moffatt, Director, Economic Development

Tucson, AZ MSA Households Priced Out of the Market by Increases in House Prices, 2026

Area	Mortgage Rate	House Price	Monthly Mortgage Payment	Taxes and Insurance	Minimum Income Needed	Households That Can Afford House
Tucson, AZ	6.00%	\$388,000	\$2,260	\$298	\$109,636	153,196
Tucson, AZ	6.00%	\$389,000	\$2,266	\$299	\$109,918	152,678
Difference		\$1,000	\$6	\$1	\$283	-518

Calculations assume a 10% down payment and a 73 basis point fee for private mortgage insurance.

A Household Qualifies for a Mortgage if Mortgage Payments, Taxes, and Insurance are 28% of Income

Tucson, AZ MSA Household Income Distribution for 2024				
Income Range:		Households	Cumulative	
\$0	to \$10,314	23,878	23,878	
\$10,315	to \$15,472	13,676	37,554	
\$15,473	to \$20,630	16,085	53,639	
\$20,631	to \$25,788	20,106	73,745	
\$25,789	to \$30,945	15,058	88,803	
\$30,946	to \$36,103	15,512	104,315	
\$36,104	to \$41,261	20,214	124,529	
\$41,262	to \$46,419	20,670	145,199	
\$46,420	to \$51,576	16,540	161,739	
\$51,577	to \$61,892	35,603	197,342	
\$61,893	to \$77,365	46,299	243,641	
\$77,366	to \$103,154	62,151	305,792	
\$103,155	to \$128,943	47,351	353,143	
\$128,944	to \$154,731	28,978	382,121	
\$154,732	to \$206,309	39,325	421,446	
\$206,310	to More	49,442	470,888	