



MAP Talk Webinar

**MAP Talk: Growth, Gaps, and Vulnerability
Understanding the Tucson Housing Market**



**June 24th
12:00 - 1:30pm MST/PDT**





MAKING ACTION POSSIBLE
for Southern Arizona



Alisha Kim

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MAKING ACTION POSSIBLE
for Southern Arizona



T. VanHook

CEO, Habitat for Humanity Tucson





Webinar Details

- ▶ **The MAP Talk will be recorded**
 - ▶ See the MAP Dashboard website for recordings
- ▶ **Conference mode**
 - ▶ Everyone muted except presenter
- ▶ **How to ask a question**
 - ▶ Use Zoom Q&A or email anytime to ghammond@Arizona.edu



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Arizona Daily Star

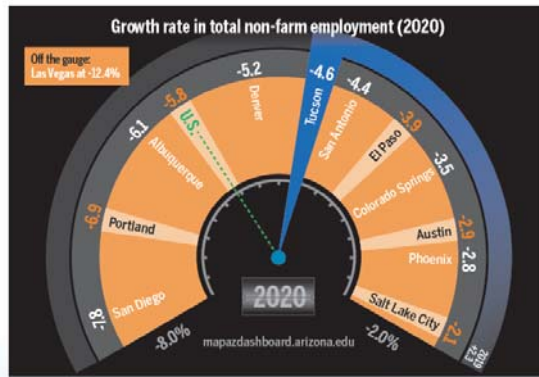
Tucson economy: MAP Dashboard

Monthly Stats	Change Year/Year
Non-farm jobs 374,100 (Jan. 2021)	-4.4%
Unemployment rate 7.4% (Jan. 2021)	3.4%
Median home price \$276,010 (Feb. 2021)	12.7%
Housing permits 462 (Feb. 2021)*	42.6%

*Single-family permits, based on U.S. Census Bureau data

Tucson fared better than U.S., middling among peers for 2020 job losses

Tucson's employment declined by 4.6% in 2020, driven by the economic impact of the pandemic. That was a loss of 18,042 jobs. In comparison, Phoenix's employment declined by 2.8% and statewide jobs dropped by 3.1%. When compared to peer western metropolitan statistical areas, Tucson's job loss fell near the middle, ranking seventh. Salt Lake City posted the smallest loss in employment at 2.1%. Las Vegas, one of the hardest hit metropolitan areas in the U.S., posted a 12.4% decline in jobs. Las Vegas has been hit especially hard by the pandemic due to its large share of jobs in leisure and hospitality. While Tucson was hit hard last year, the recovery has begun and prospects look brighter for the second half of 2021 and 2022.



A project of the Economic and Business Research Center at the University of Arizona Eller College of Management

Real-time economic data is at your fingertips with the Arizona's Economy smartphone app. Available free on iTunes and Google Play.

About the MAP Dashboard
The MAP (Making Action Possible for Southern Arizona) Dashboard is produced by the UA Economic and Business Research Center in partnership with the Community Foundation for Southern Arizona, the Pima Association of Governments, the Southern Arizona Leadership Council, and Sun Corridor Inc. A portion is published monthly in the *Arizona Daily Star*. To view more data, go to mapazdashboard.arizona.edu

3/28/21

Tucson's health: MAP Dashboard

The Health & Social Well-Being category on the MAP Dashboard identifies critical trends in the well-being of Southern Arizona residents. The scorecard shows how Tucson currently ranks across six indicators using an icon-based system. Tucson has a sun icon for housing cost burden indicating that it ranks in the top third of peer metropolitan statistical areas (MSAs). Additionally, Tucson has three partly sunny icons in health insurance coverage, physical well-being and teen birth rate, which means Tucson ranked in the middle third of the 12 MSAs. Behavioral health and poverty rate have cloudy icons, indicating that Tucson was in the bottom third of the comparable metros. The recent change shows that Tucson has improved in several key health and social well-being measures. Overall, Tucson has room for improvement in the overall health and social well-being of its residents. The information on the MAP provides residents and policymakers with performance measures crucial to gauging the overall well-being of a region. The MAP is constantly evolving and adding new information. To learn more, visit the MAP Dashboard (www.mapazdashboard.arizona.edu).

Tucson metropolitan statistical area health and social well-being scorecard

Indicator	How are we doing?	How do we compare?	Recent change
Behavioral health	4.0 poor mental health days	☁️	▲
Health insurance coverage	90.8%	☁️	▶️
Housing cost burden	32.1% of households	☀️	▼
Physical well-being	82.8% good or excellent health	☁️	▼
Poverty rate	16.8%	☁️	▼
Teen birth rate	24.5 per 1,000 females	☁️	▼

☀️ Ranked in top 1/3 ☁️ Ranked in middle 1/3 ☁️ Ranked in bottom 1/3 🔄 Ranked last

MAP Scorecard "How do we compare?" rankings are relative to the following peer metropolitan areas: Albuquerque, Austin, Colorado Springs, Denver, El Paso, Las Vegas, Phoenix, Portland, Salt Lake City, San Antonio and San Diego.

mapazdashboard.arizona.edu

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3/1/21

ARIZONA DAILY STAR





MEASURING PROGRESS, INSPIRING ACTION

The MAP Dashboard project is intended to measurably improve Southern Arizona through data driven collective civic action and education.

LEARN MORE



36

CORE
INDICATORS

Tracked on the MAP Dashboard



THE COUNCIL FOR COMMUNITY AND
ECONOMIC RESEARCH

Promoting excellence in community and economic research since 1961

2021

**Research Award for
Data Collection, Dissemination,
and Visualization**



Mark Montoya
Interim President/CEO, COO, Community
Foundation for Southern Arizona





City of Tucson

Housing and Community Development

MAP Talk: Growth, Gaps, and Vulnerability
Understanding the Tucson Housing Market

June 24, 2021



Background – Housing Market Study



Planning and Development Services (PDS)

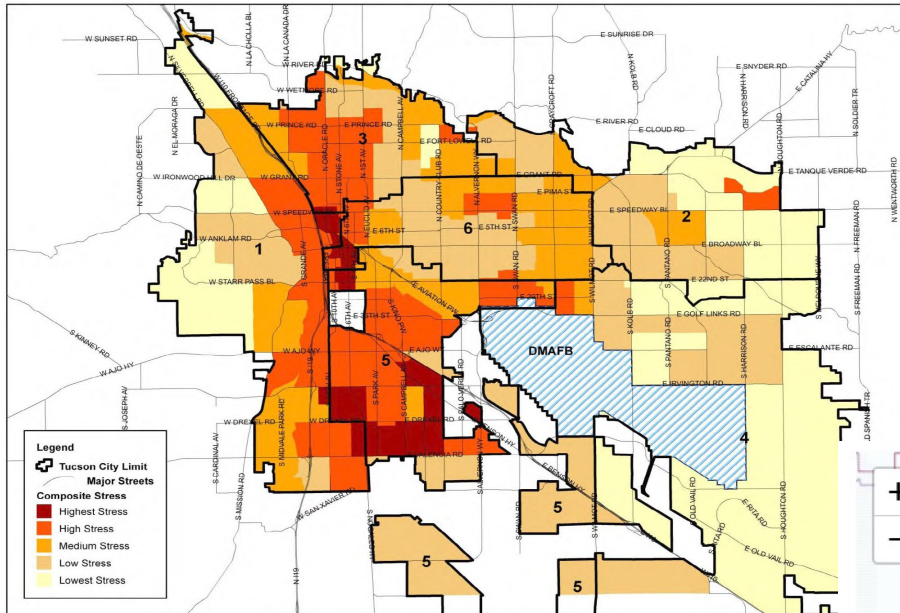
Housing and Community Development (HCD)



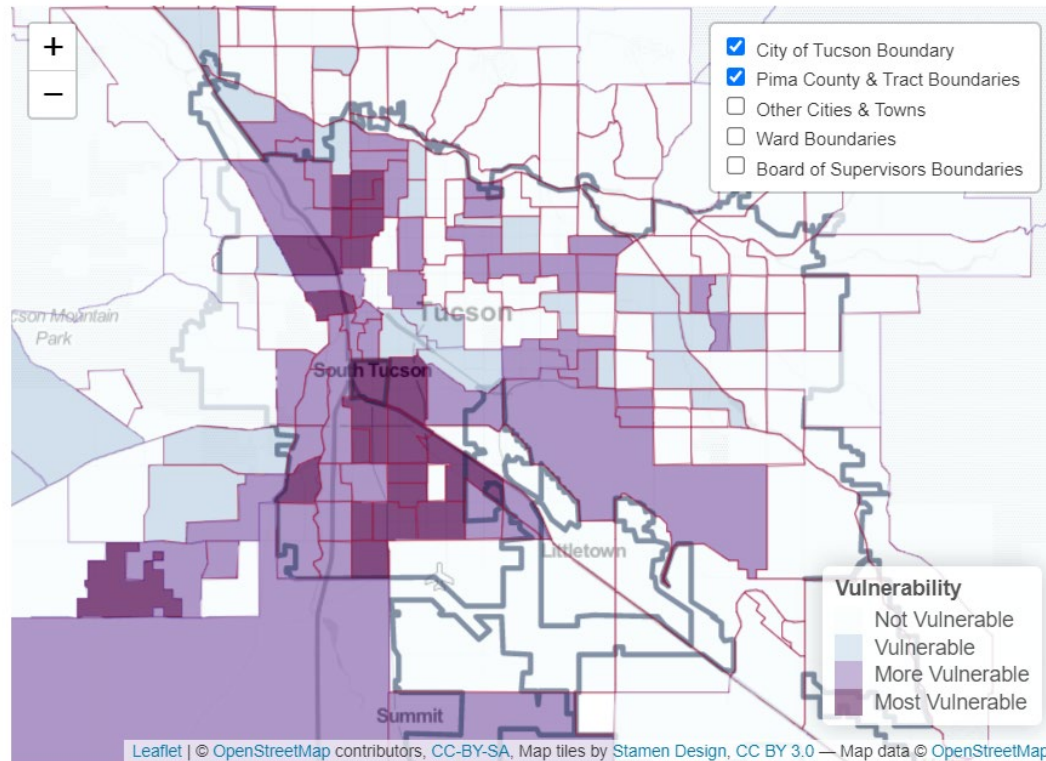
Eller College of Management



Indicators of Neighborhood Stress
 American Community Survey 2005-2009
 Census Tract Data: City of Tucson



Neighborhood Vulnerability Index Map



2013 – 2018 ACS

Neighborhood Vulnerability Index in Practice

Tucson and Pima County

Eviction Prevention/Emergency Rent and Utility Relief Program

This program provides support for residents struggling to pay rent or utilities due to the COVID-19 pandemic.

For more information on the program requirements and details, visit: tucsonpimaep.com or call (831) 292-4302



**CITY OF
TUCSON**



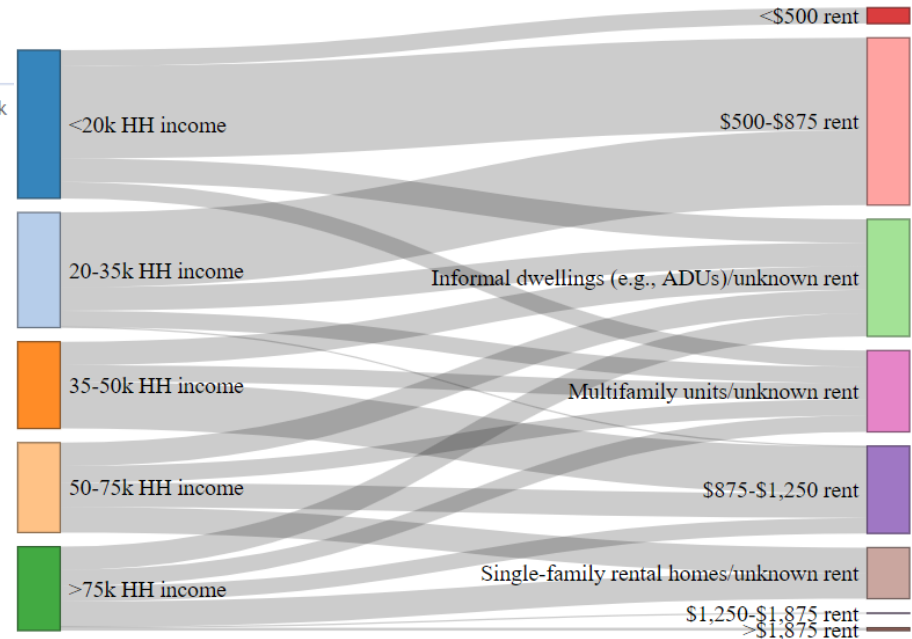
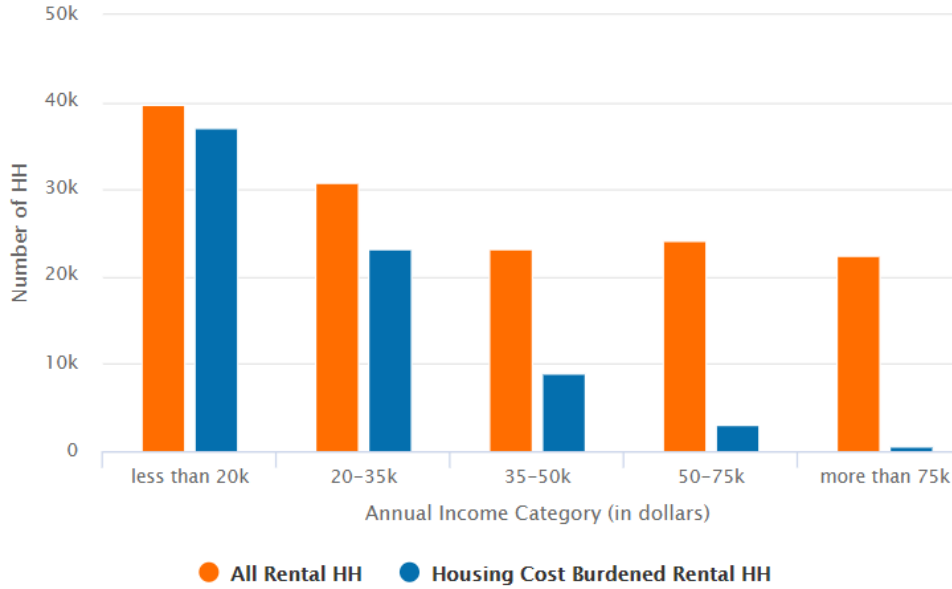
Eviction Prevention Program

Administered by the



Gaps Analysis

Rental Household Burden by Income



Market Study → Creating an Affordable Housing Strategy



SUMMARY OF POLICY INCENTIVES AND TERM LENGTH

Policy Initiatives	Short Term 6 Months or Less	Medium Term 12 months	Long Term 18 months or more	Ongoing
1. Prioritize New Housing in Areas of Opportunity		✓		
2. Amend Current Zoning Ordinances to Facilitate More Housing Options				
a. Amend Current Zoning Ordinance to Include Affordable Housing Incentives			✓	
b. Amend Current Zoning Ordinance in Target Areas to Allow for Accessory Dwelling Units			✓	
c. Expand the Walkable Urban Code	✓			
3. Redevelop City-Owned Land with Mixed-Income Housing	✓		✓	✓
4. Enhance Public-Private Partnerships	✓			
5. Building Innovations and Cost Saving Practices				
a. Development Assistance Team Assigned to Affordable Housing Projects		✓		
b. Affordable Housing Advocate				✓
c. Reduced Planning and Permitting Fees			✓	
d. Create Infrastructure Fund for Affordable Housing Developers			✓	
e. Ongoing Research – Cost Saving Practices				✓
6. Increase Affordable Housing Developer Representation	✓			
7. Expand Efforts to Preserve Existing Housing Stock				
a. Land Banking			✓	
b. Implement Community Land Trust Program		✓		
c. Implement Landlord Incentives and Resources		✓		
d. Expand the Rental Rehabilitation Program		✓		
8. Support Affordable Housing Legislation	✓		✓	✓
9. Education Campaign	✓			



Pima County, Arizona
Housing Crisis Snapshot
Pre-COVID19 & Post

Marcos Ysmael
Housing Program Manager
Pima County Housing Center
Community and Workforce Development Department

Shortage of Affordable Homes

Source:

National Low Income Housing Coalition Gap Report (2018 and 2019 American Community Survey (ACS) and ACS Public Use Microdata Sample (PUMS).)

	2018 Arizona	2019 Arizona	2018 Phoenix-Mesa- Scottsdale, AZ	2019 Phoenix-Mesa- Scottsdale, AZ	2018 Tucson, AZ	2019 Tucson, AZ
Extremely Low Income Households and Available Rentals						
EXTREMELY LOW INCOME RENTER HOUSEHOLDS	183,343	183,652	113,011	112,737	38,320	36,025
AFFORDABLE AND AVAILABLE RENTAL HOMES	48,585	47,620	20,691	23,252	11,410	10,623
Surplus (Deficit) of Affordable and Available Rental Units						
AT OR BELOW EXTREMELY LOW INCOME	-134,758	-136,032	-92,320	-89,485	-26,910	-25,402
AT OR BELOW 50% AMI	-159,547	-160,488	-116,198	-115,156	-25,899	-23,857

GAP Report – AZ

Source: Nat'l Low Income Housing Coalition

% of Renter households cost burdened	2018 Arizona	2019 Arizona	2018 Pheonix-Mesa-Scottsdale	2019 Pheonix-Mesa-Scottsdale	2018 Tucson	2019 Tucson
AT EXTREMELY LOW INCOME	87%	88%	90%	91%	84%	89%
EXTREMELY LOW INCOME TO 50% AMI	80%	78%	79%	81%	83%	75%
51% TO 80% AMI	52%	49%	52%	52%	48%	39%
81 TO 100% AMI	21%	19%	21%	18%	15%	20%

Pressures on Construction Market affecting production

- According to a 2018 survey by the National Association of Home Builders, 84 percent of the organization's members believe the cost and availability of labor is their biggest issue;
- The cost of construction materials: The producer price index has risen by 23.7 percent since 2009 (U.S. Bureau of Labor Statistics);
- Another factor is the increased price of undeveloped land in and around urban centers, where work is concentrated and demand is high.
- Many home builders and developers have focused on the high-end luxury housing market, which means home builders are constructing fewer entry-level and starter homes.
- When such starter homes *are* built, their prices are ultimately bid up because demand far exceeds supply

(Source: Curbed – The affordable housing crisis explained; By Patrick Sisson, Jeff Andrews, and Alex Bazeley; 5/15/19)

Demographic shifts affecting demand

- *Baby boomers (55+) are living longer, more independently than prior generations and they're also more likely than prior generations to be divorced and living alone;*
- *This means less housing stock has been freed up by elderly moving to assisted living or dying;*
- *In some cases baby boomers are trading down & compete for entry-level homes with other generations, putting upward pressure on entry level homes;*
- *Foreclosure crisis of 2008 hit Gen X hardest, but after 10 – 11 years of repairing their credit, some Gen Xer's have been keen to return to homeownership;*
- *Additionally, the continued presence of Gen Xers in the rental market is driving down rental supply;*
- *Millennials, are finding more competition (and less affordability) for entry level homes which leads many to continue renting – driving up demand in rental market*

(Source: Curbed – The affordable housing crisis explained; By Patrick Sisson, Jeff Andrews, and Alex Bazeley; 5/15/19)

Lack of Supply + Demand = Affordability Crisis

- ❑ December 2019 – AZ Daily Star Article: **Home values in Tucson up 10.3% — nation's 2nd highest rate** (Gabriella Rico)
 - This Data from the Federal Housing Finance Agency (FHFA) states that value of existing homes in Tucson has appreciated 10.3% in the past year, compared to 4.9% in overall U.S. Market
 - There are not enough homes coming up for sale to meet buyer demand and that is driving up existing home prices according to FHFA Supervisory Economist Will Doerner.

- ❑ *January 2020 – AZ Daily Star Article: **Rising rents driving out families, affecting classrooms in Tucson*** (Patty Machelor, Danyelle Khmara)
 - Price increases have been building for a while. In 2014, for example, the average monthly rent in Tucson was just under \$640. By the first quarter of 2019, it had jumped to just below \$800. By the third quarter of last year, it was up to \$820, according to data from Picor Commercial Real Estate Services.
 - Why the boom? Out-of-state buyers are purchasing countless properties.
 - About 80% of the investors are from out of state. They are looking to Tucson because there's a better return on investments here (Picor Commercial Real Estate Services)

Pandemic Recession further amplifies crisis – May 2021 update

❑ Demand continues to exceed Supply

❑ Homeownership – New Home Permits – past 3 months:

Month/yr	New Home Permits Issued	One year change
May 2021	417	+ 23%
April 2021	455	+ 108%
March 2021	471	+ 53.9%

❑ One-year change in active listings:

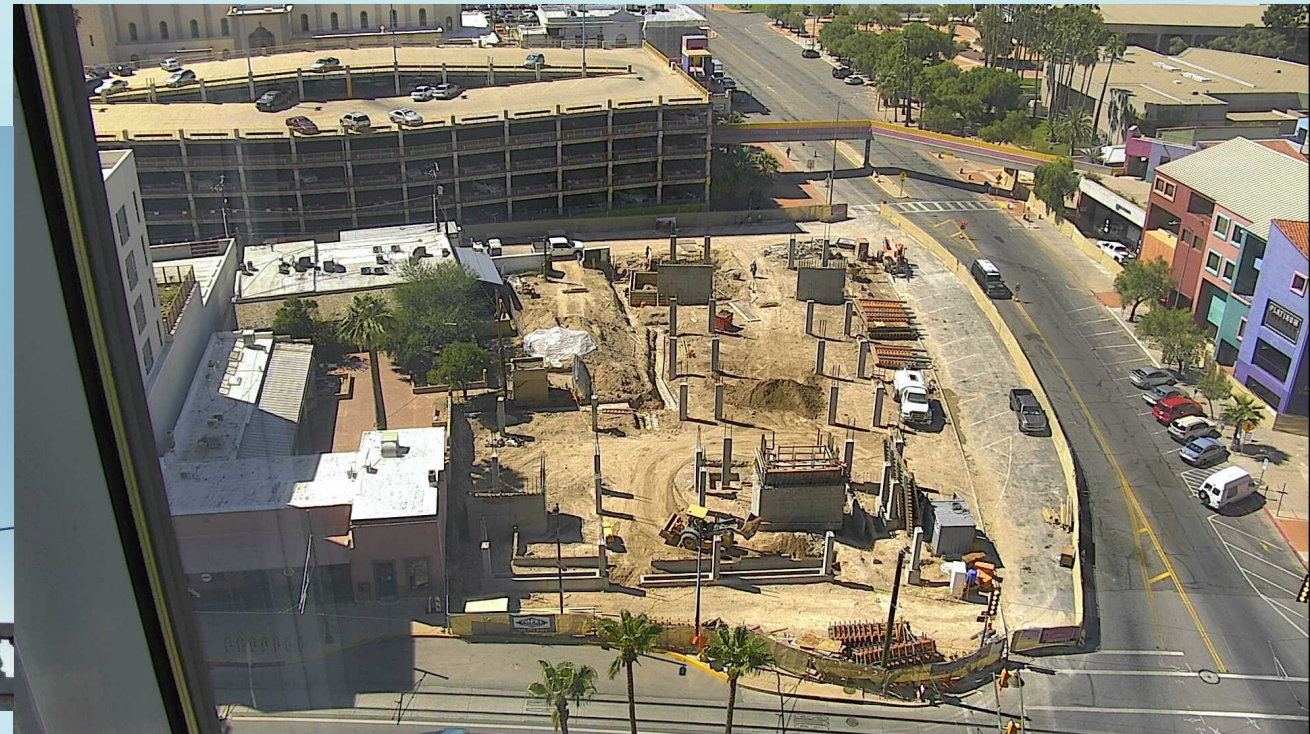
Month/yr	Rental Listings	Homes for Sale – All Properties
May 2021	- 34.1%	- 61.5%
April 2021	- 38.8%	- 63.7%
March 2021	- 31.5%	- 69.1%

❑ Rents and Home prices continue to increase at higher rate than wages

- Median Price of Existing Homes: May 2021 = \$287,000, increasing by a record 26.8% over same period last past year;
- Median Price of Newly Constructed Homes: May 2021 = \$346,046, increasing by 7% over same period last year;
- One-Year Change in Average Rental Cost for May 2021 = 16.8% increase
- Pima County Median Income: decreased by 1% over the past year (from 2020 to 2021)

How can Government help increase supply?

- Reduce Barriers to producing/preserving affordable workforce housing
- Leverage Local and Regional Resources – Collaboration/Partnerships
- Leverage Federal Funding



U.S. Department of Housing & Urban Development (HUD)
 Home Investment Partnership Program (HOME Program) – preserve and
 produce affordable housing for low/mod income households

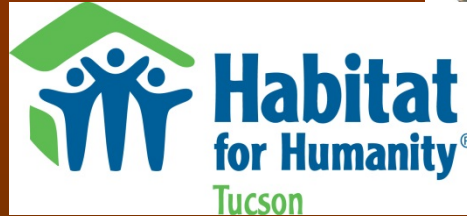
Annual Appropriation and American Rescue Plan Act Funding

FY2021 National HOME Program Appropriation = \$1.35B		
FY2021 Pima County-City of Tucson Consortium HOME \$'s (7/1/2021)		
Pima County	City of Tucson	Consortium Total
\$1,043,814	\$2,479,663	\$3,523,477
American Rescue Plan Act HOME Program \$'s for Homeless Assistance = \$4.75B Nationally		
ARP Act - Tucson-Pima County HOME Program Consortium Allocation (Fall 2021)		
Pima County's Estimated split	City of Tucson	Consortium Total
\$3,785,184	\$8,992,003	\$12,770,187

The following slides provide examples of previously completed projects leveraging federal and local resources including surplus City/County owned land; County Bond Funds ('97 & '04 General Obligation Bond Funds); State of AZ Housing Trust Fund; Low Income Housing Tax Credits and HUD HOME Program funds



HABITAT TUCSON BALBOA LAGUNA SUBDIVISION 36 PATIO HOMES; ZERO LOT-LINES





Chantlalli

ESTATES

A mixed income development with 37 affordable and 24 market rate owner occupied homes



GHOST RANCH LODGE APT'S



GHOST RANCH LODGE APT'S



GHOST RANCH LODGE APTS



The success of the historic preservation of Ghost Ranch Lodge as affordable housing has had on the community is best expressed through the words of Jason Brown, the Vice Chair of the Citizens Steering Committee (CSC) for the Oracle Area Revitalization Plan, who praised the project for providing not only “much needed low-income senior housing” but also for acting as “a catalyst for future area improvements”. The rehabilitation of this historic site not only preserved an important piece of American architectural history, but also brought the community together as participants in the redesign process. Ghost Ranch Lodge has won numerous local and national awards, including but not limited to the 2011 HUD Secretary’s Historic Preservation Award, the 2011 J. Timothy Anderson Award for Excellent in Historic Rehab, the 2012 Arizona Governor’s Heritage Preservation Honor Award, the 2013 National Affordable Housing Management Association’s Vanguard Award for Major Rehabilitation and the 2015 Housing Development NDC Academy Award.





CURLEY SCHOOL PROJECT

1. 30 LIHTC and Historic tax credit units in the former High School
2. Previous elementary school site to become a retreat and culinary training center with garden
3. Gymnasium site to become recreation space
4. Cafeteria space to become a business incubator
5. Office and computer labs





FUNDING

- ❖ Over ten layers of funding
- ❖ Total Development Costs = \$9,373,915
- ❖ 30 Affordable Rental Units
- ❖ 23 Local Jobs



MAY 2007~GRAND OPENING





NOW & INTO THE FUTURE

- ❖ Affordable Housing served as a catalyst....
- ❖ Ajo Plaza Redevelopment
 - ❖ South Plaza Phase 1 redevelopment completed in 2013
- ❖ Sonoran Desert Conference Center- opened spring 2015
 - ❖ Sonorandesertconferencecenter.com
- ❖ Eco-tourism & Geo-tourism





Casas Ontario Rental Housing Project (6 units)
G.O. Bond Funds \$400,000
County HOME Funds \$410,000
Total Dev Cost: \$967,742
Anticipated Completion: March 2018



PCCLT CASAS ONTARIO PROJECT LOCATION MAP



BARRIO HOLLYWOOD HOUSING SITE PLAN



PIMA COUNTY COMMUNITY LAND TRUST

0' 10' 20' NCPH
SCALE: 1"=20'-0"
PROJECT: BHH-01 DATE: 08/22/16
FILE NAME: BHH-01_TORENDER_082516.DWG



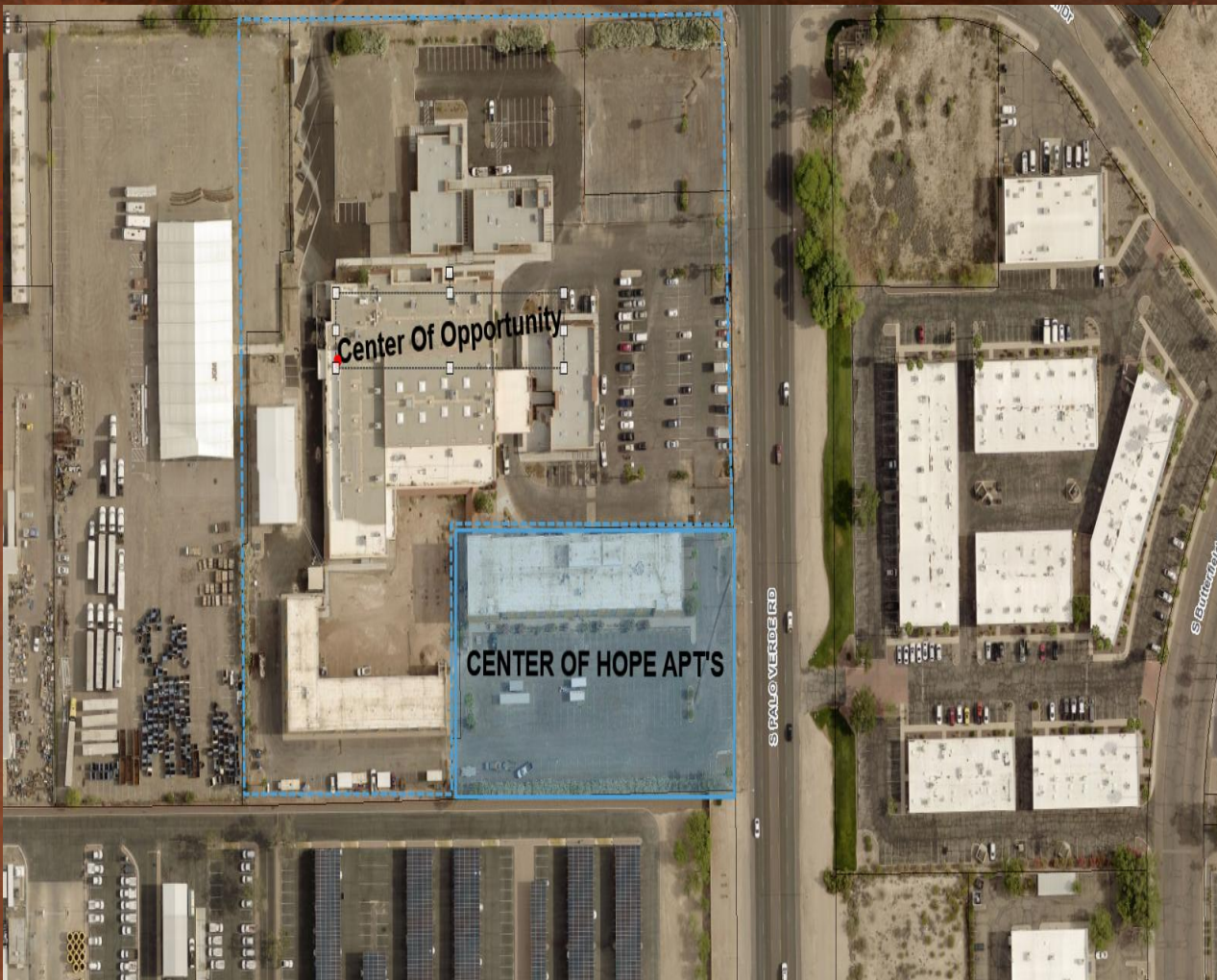
CASAS ONTARIO GRAND OPENING MARCH 28, 2018



CENTER OF HOPE APARTMENTS

ESTIMATED COMPLETION – AUG/SEPT 2021

LA FRONTERA PARTNERS, PROJECT DEVELOPER



Center of Hope Atp's – Former 200 room hotel tower being converted to 100 One bedrm Apartments for priority populations; Located within the “Center of Opportunity” campus being developed by the HS Lopez Family Foundation, which includes three phases, as follows:

- Phase I: a 150-bed shelter by Gospel Rescue Mission;
- Phase II: a medical clinic, multi-agency use building for supportive services, a job training center, and a small park;
- Phase III: Permanent Supportive Housing developed by La Frontera Partners, Inc.

Sample Unit Floor Plan



Pressures on Construction Market affecting production

✓ Potential Solutions to help increase Production

➤ According to a 2018 survey by the National Association of Home Builders, 84 percent of the organization's members believe the cost and availability of labor is their biggest issue;

✓ EXPAND WORKFORCE TRAINING, EDUCATION AND DEVELOPMENT PROGRAMS

➤ The cost of construction materials: The producer price index has risen by 23.7 percent since 2009 (U.S. Bureau of Labor Statistics);

✓ CREATE & LEVERAGE PARTNERSHIPS WITH COUNTY WORKFORCE INVESTMENT BOARD, LOCAL/REGIONAL SUPPLIERS AND PRODUCERS

(Source: Curbed – The affordable housing crisis explained; By Patrick Sisson, Jeff Andrews, and Alex Bazeley; 5/15/19)

COMMUNITY AND WORKFORCE DEVELOPMENT DEPARTMENT (CWD)

COMMUNITY DEVELOPMENT AND AFFORDABLE HOUSING DIV.



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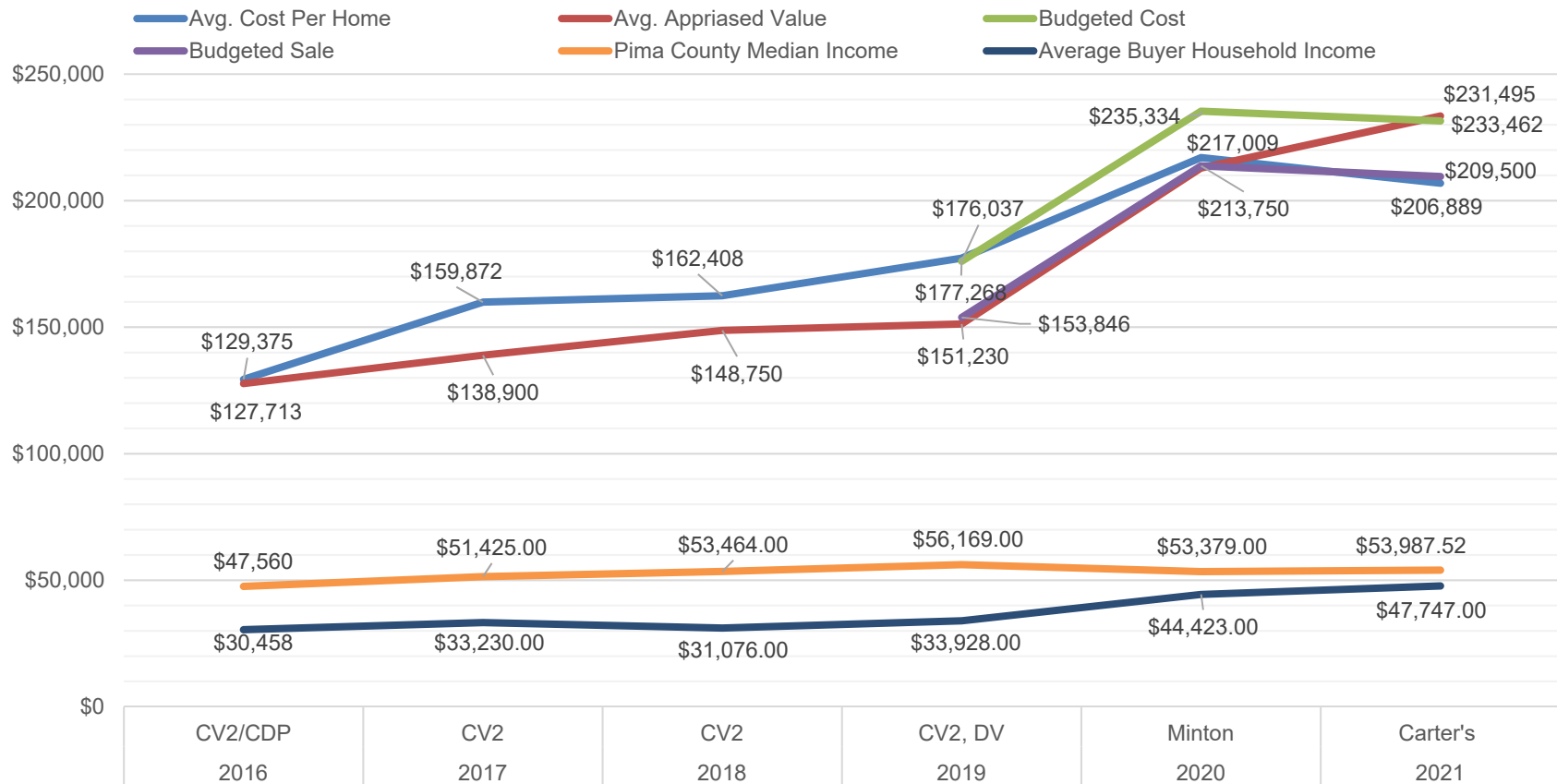


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Habitat Home Cost & Value History 2016-2021



Thank you

