



# HOUSING

*Phoenix*

CREATING A STRONGER AND MORE VIBRANT PHOENIX  
THROUGH INCREASED HOUSING OPTIONS FOR ALL

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## Dear Neighbors:

Phoenix's culture, booming economy, and quality of life has attracted hundreds of thousands of new residents over the past decade. This is further confirmation of what Phoenicians already know—our city is an exceptional place to call home. This population boom has also brought with it rising housing costs, creating challenges for residents both new and old.

Across the nation housing affordability is among the most difficult challenges facing cities. Phoenix is no exception. Ensuring that Phoenix has affordable housing options for all who desire to call our city home is a priority for the Phoenix City Council.

That is why we have committed to achieving the most ambitious housing goal ever set by our city: creating or preserving 50,000 housing units by 2030.

Together, we will welcome new residents, and honor our existing ones, by providing a vast array of housing options for every income level.

Best,

A handwritten signature in black ink, appearing to read "Kate Gallego". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Mayor Kate Gallego





## OUR VISION

Our vision is to create a stronger and more vibrant Phoenix through increased housing options for residents at all income levels and family sizes. This vision will be achieved through one goal that has nine policy initiatives:

### Goal

**Create or preserve 50,000 homes by 2030, and increase overall supply of market, workforce, and affordable housing through the implementation of the following policy initiatives:**

1. Prioritize New Housing in Areas of Opportunity
2. Amend Current Zoning Ordinance to Facilitate More Housing Options
3. Redevelop City-Owned Land with Mixed-Income Housing
4. Enhance Public-Private Partnerships and Increase Public, Private and Philanthropic Financing
5. Building Innovations and Cost Saving Practices
6. Increase Affordable Housing Developer Representation
7. Expand Efforts to Preserve Existing Housing Stock
8. Support Affordable Housing Legislation
9. Education Campaign

As we implement this Housing Phoenix Plan, our aim is to substantially increase the number of available and affordable housing options for all Phoenix residents at all income levels. Federal guidelines suggest that households should spend no more than 30% of their income on housing and utility payments. Today, many residents spend a higher proportion of their income on rent and homeownership costs. As a result, many people do not have enough income remaining to adequately pay for food, healthcare and other basic needs. Some households have chosen to move farther away from employment centers in an attempt to find more affordable housing options. While this may reduce housing costs, it increases transportation costs and the length of their commute. The primary goal of this Plan is to create or preserve 50,000 units of housing through implementation of the aforementioned housing policy initiatives.

For too many Phoenicians, their ZIP code is a determinant of access to opportunities. The vision of the Housing Phoenix Plan is a city where all residents have equitable access to quality public services and amenities: including public spaces; schools; transit; retail; employment opportunities; affordable housing; and environments that are healthy and safe. This Plan is focused on helping to deliver on this vision.

While housing is a stabilizing factor for affordable, equitable, and resilient communities, this Plan is intended to complement, not replace other city efforts, such as those focused on public safety, education, or public health. All these issues must be addressed to increase economic mobility and security for our residents and to ensure an equitable city.

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## HOUSING NEEDS ASSESSMENT AND GAP ANALYSIS

To effectively address housing affordability in Phoenix, we must understand our current need and how we got to where we are today. Phoenix's housing crisis did not happen overnight. It is the result of several factors that have been building for decades. As a result, it will require a variety of actions and time to achieve our goals and ensure that anyone who wants to live in Phoenix has a pathway to affordable and equitable housing opportunities.

*As Phoenix continues to become a destination city for business and development, the need for increased housing options continues to rise.*

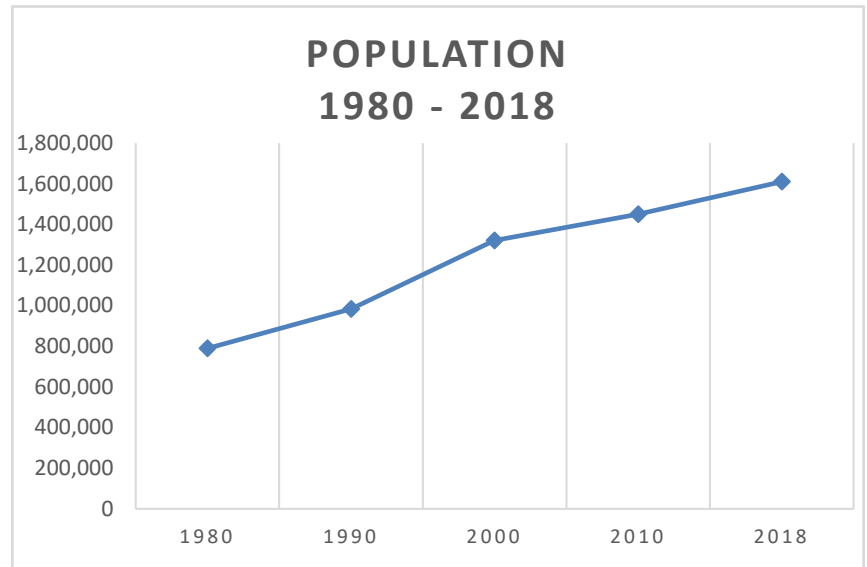




## RAPID POPULATION GROWTH

Phoenix is the 5<sup>th</sup> largest city in the country and continues to grow. New residents are drawn to Phoenix by our strong economy, relatively low cost of living, high quality of life, economic opportunity, and cultural attractions. Since 2000, Phoenix's population has grown by 20% to include approximately 555,013 households and 1.6 million people.

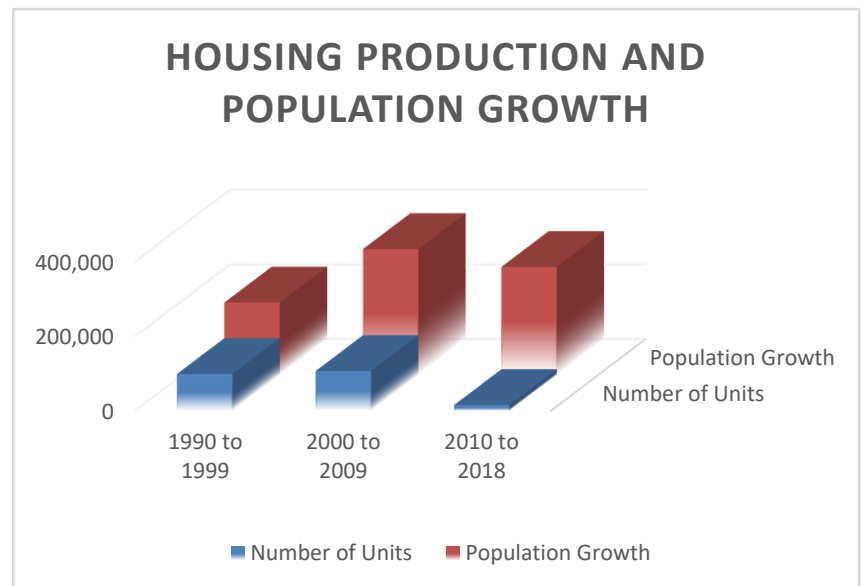
In 2019, Phoenix was the fastest growing city in the U.S. For four years in a row, more people have moved to Phoenix than any other city in the country. As our population grows, many of our residents experience challenges locating housing within an affordable price range.



Source: American Community Survey 5 - Year Estimates, U.S. Census

## HOUSING UNDERPRODUCTION

Although Phoenix has experienced consistent population growth, the housing market has not grown at the same rate. An Up for Growth study found that between 2000 and 2015 Arizona underproduced 505,134 housing units. This underproduction has caused a housing shortage in Phoenix. For example, in the last 30 years Phoenix produced approximately 220,000 new housing units, however, population has grown by 820,000 people. Phoenix's housing production has not kept pace with population growth. This underproduction was magnified when construction virtually shut down during the recession of 2008. Since that time, construction has slowly increased but has not reached the level of production achieved prior to the recession.



Source: American Community Survey 5 - Year Estimates, U.S. Census

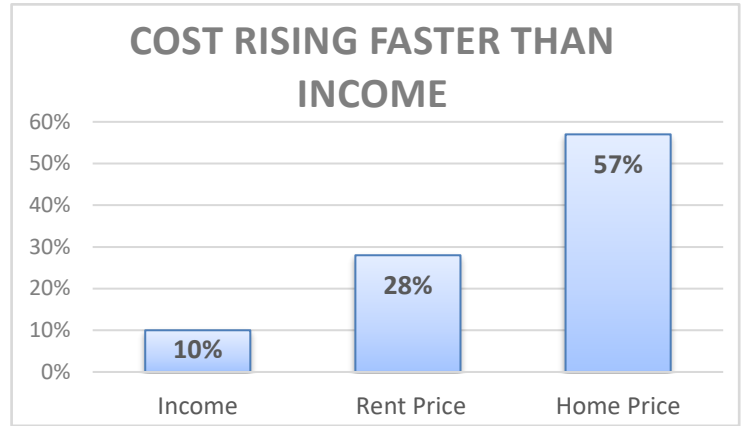
The current shortages of housing supply, relative to demand, is a primary reason housing costs are increasing. A significant increase in housing supply is necessary to keep pace with current and projected housing demand.



# Housing Needs Assessment and Gap Analysis

## A GROWING MISMATCH BETWEEN HOUSING COSTS, WAGES, AND INCOME

While our economy has grown, not all Phoenixians have equally benefited. For too many residents, wages have not kept pace with rising rents and home prices. Between 2010 and 2018, Phoenix’s median income increased by 10%, while, median rent increased by over 28% and the median home price increased by over 57% during this time.



Source: American Community Survey, U.S. Census Bureau (2018)

## CITY OF PHOENIX INCOME LEVELS

Annually, the Department of Housing and Urban Development (HUD) publishes area median income (AMI) data for the Phoenix Metropolitan Statistical Area. This data breaks down income levels and determines their associated percentage of the area median income. A family’s income level is based on their household size. The HUD Area Median Income chart provides the income category, AMI Percentages and income ranges for a family of three.

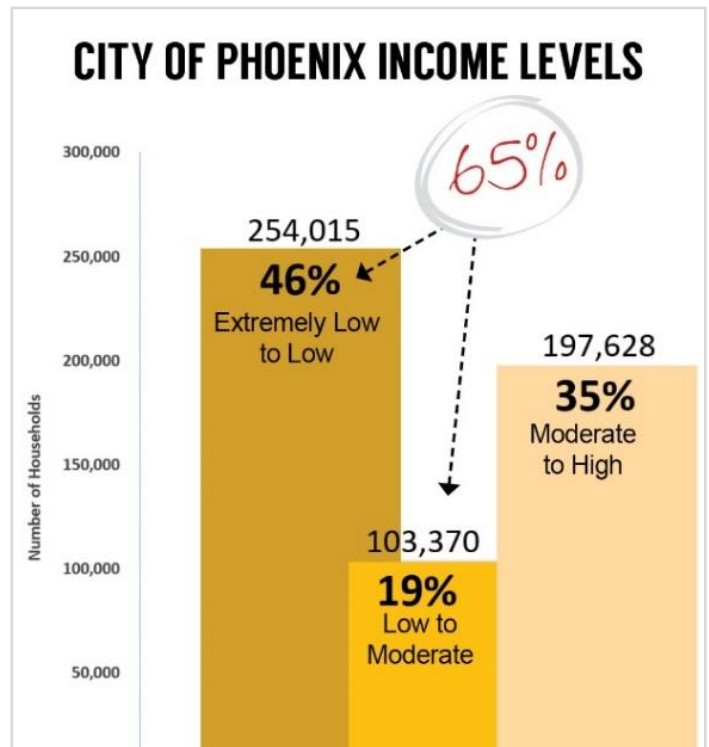
HUD Area Median Income (AMI) Limits		
Income Category	AMI Percentage	AMI Income Ranges*
Extremely Low	0% - 30%	\$0 - \$19,700
Very Low	30% - 50%	\$19,700 - \$32,850
Low	50% - 80%	\$32,850 - \$52,500
Low to Moderate	80% - 120%	\$52,500 - \$78,840
Moderate to High	120%>	\$78,840

\*Income ranges based on three-person household

Currently, 46% of Phoenix residents are considered extremely low income, very low income or low income; 19% are considered low to moderate income; and 35% are considered moderate to high income. In our current housing market, the 65 % of households that fall within or below the moderate income range would require some amount of subsidy to achieve housing that is considered affordable at their income level.

## COST BURDEN ANALYSIS

As housing costs have grown and new construction has focused on luxury and market-rate housing, more Phoenixians have been forced to spend a greater percentage of their income on housing costs. HUD defines affordable housing as spending no more than 30% of monthly income on housing and utility payments. Households paying more than 30% of their monthly income toward housing costs are considered cost burdened.



Source: American Community Survey, U.S. Census Bureau (2018)

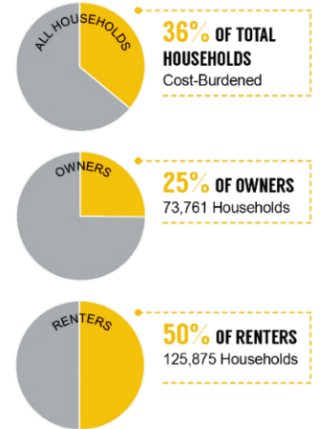


# Housing Needs Assessment and Gap Analysis

In 2018, half of Phoenix renters were considered housing-cost burdened, 25% of homeowners were housing-cost burdened and altogether 36% of the entire population is housing-cost burdened. The lack of market rate housing has created a trickle-down effect in which moderate to high income households are absorbing housing units that would be affordable to workforce households. As a result, workforce households are forced into unaffordable housing units or pushed into housing that would be affordable to low and very low-income households. This downward pressure further reduces the housing resources available to low and very low-income households. This trend is demonstrated in the Income Ranges % of Cost Burdened chart. This chart shows the significant lack of affordable housing options for low income households.

## COST-BURDEN ANALYSIS

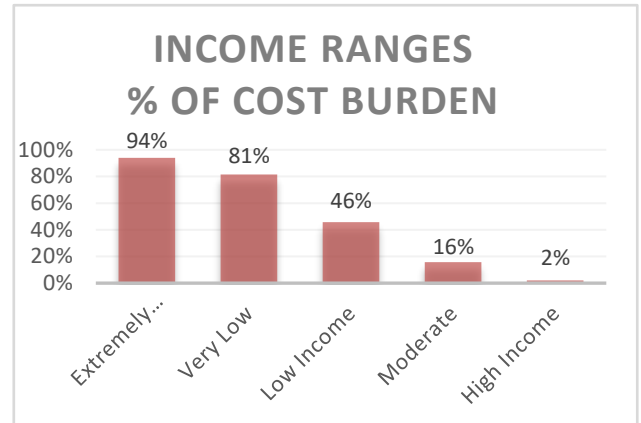
**199,636**  
Households Cost-Burdened



Source: American Community Survey, U.S. Census Bureau (2018)

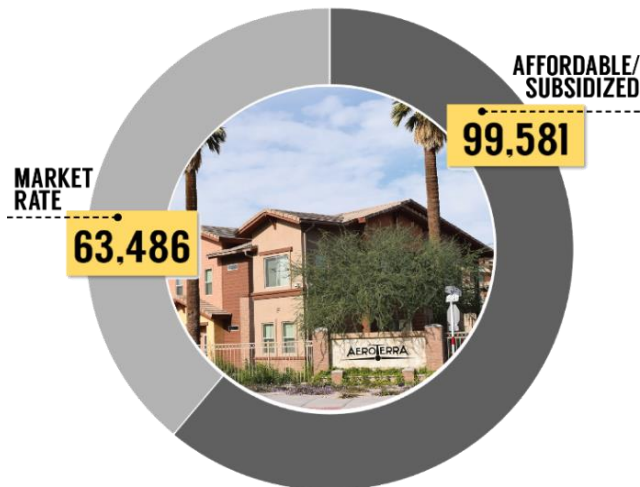
## AFFORDABLE HOUSING GAP ANALYSIS

Through performing a gap analysis of the current housing need and available housing stock, it was found that Phoenix currently has a need for 163,067 additional housing units. The 163,067 units includes the following breakdown; 63,486 market rate units and 99,581 subsidized units (affordable to households with lower income levels). Of the 99,581 subsidized units 24,451 units are needed for the following special populations: 9,000 units are needed for seniors; 5,000 units are needed for veterans; 9,000 units are needed for persons with disabilities; and 1,451 units are needed for persons experiencing homelessness.



Source: American Community Survey U.S. Census Bureau (2018)

Number of Units Needed  
**163,067**



Source: U.S. Census 2018 and Apartment Insights Data 2019, Third Quarter

## AVAILABLE VACANT LAND

Developing 163,067 units of housing using a traditional single-family design model would require 31,613 acres of land. The total available vacant land within the City of Phoenix is 24,298 acres (including all land use types, except for parks and preserves). This is well below the 31,613 acres needed to develop 163,067 housing units using a traditional single-family design model. To develop the number of housing units needed within our current available resources, a variety of building design types must be considered. For example, single family construction that includes a variety of

housing types such as townhomes, duplexes, triplexes and condominiums will allow development to address our supply shortage at a more rapid pace, while also using vacant land in a more sustainable fashion. Additionally, the construction of multi-family rental housing is an essential tool needed to address the current supply shortage. A Commercial Café study on available vacant land found that urban sprawl creates strain on our residents, infrastructure, the environment, and local budgets. Designs that follow walkability standards lead to more sustainable infrastructure systems, sustainable resident lifestyles, and sustainable transportation methods, in turn leading to a decrease in the level of finite resources needed to sustain our city.



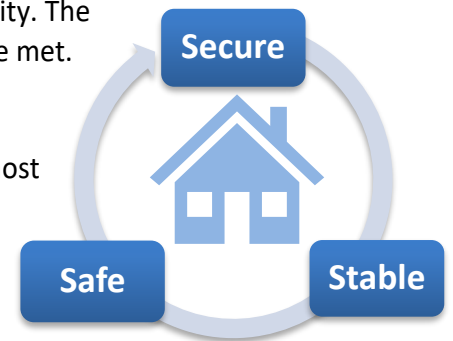


## THE CONNECTION BETWEEN HEALTH AND AFFORDABLE HOUSING

C.J. Eisenbarth Hager, Vitalyst Health

### Housing Quality

Shelter is one of the most basic of human needs, providing safety, security and stability. The physical condition of the home influences the extent to which basic human needs are met. For example, toxic environmental materials, such as lead paint and asbestos, poor maintenance, and aging housing stock can result in a dangerous living environment. Another example includes those experiencing homelessness, who are exposed to a host of threats to health and well-being, from increased exposure to violence to lack of a safe place to store medicine or recover from a medical procedure. Unintentional injury, communicable and chronic disease, mental illness and poor childhood development can result from, and be compounded by, poor housing conditions.



### Housing Affordability

Financial burden associated with housing can result in tough trade-offs, such as foregoing or delaying healthy food, preventative healthcare or essential medications to manage chronic conditions. This trade-off is felt most frequently by lower income renters and those experiencing homelessness. Extreme financial burden can strain social and mental health as well.

Non-payment of rent is the most common cause of eviction; non-payment of rent is also closely tied to a family's income. Not surprisingly, prevailing rents that are out of proportion with prevailing wages create a complex mix that can lead to evictions and ultimately homelessness. Evictions and homelessness can be devastating to health with both immediate and lasting impacts.

Additionally, affordability impacts the other housing dimensions of quality and neighborhood context. A family may sacrifice housing quality for the sake of its affordability or pay higher rent in order to live in a neighborhood with good schools.

### Neighborhood Context

Where we live, or the neighborhood or community context, also impacts health. Residing in a home in close proximity to community assets, such as schools, open or green spaces and healthy food retailers, encourages interaction with these health-promoting resources. Likewise, the social environment of a neighborhood impacts health and well-being. Do you trust your neighbors to keep an eye on your house while you are out of town? Do you let your kids play in the front yard? Neighborhood context and social dynamics can either reinforce health or undermine it.

Historically, certain populations face distinct challenges in finding, securing and maintaining housing that supports health. Governments at all levels and housing-related institutions created policies and programs that intentionally limited housing opportunities for people of color, people with disabilities, LGBTQ communities and different age groups. While many of these policies and programs may no longer be legal, some are still practiced. The impact of these discriminatory practices can be seen today in wealth and income disparities, which ultimately influence health and access to opportunity.



### DISPARITIES ACROSS NEIGHBORHOODS

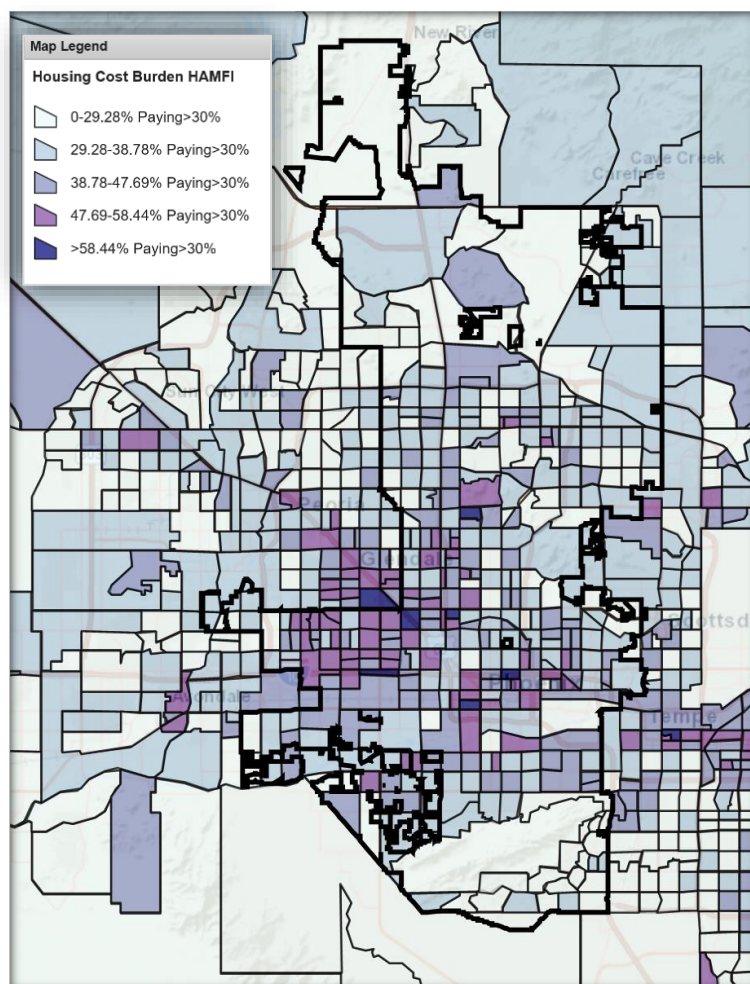
Income, rents, homeownership rates, evictions, race/ethnicity, and other demographic and housing characteristics vary greatly across Phoenix, with significant differences between neighborhoods in the north and south. For example, the south part of the city has a larger population of people of color and a higher percentage of people paying more than 30% of their income on housing costs than other areas in Phoenix.

In 2015, the most recent year for which data is readily available, many neighborhoods in Phoenix's south and west sides experienced high rates of rent-burdened residents. This is in large part a reflection of the fact that residents in these areas had lower than average incomes. In some neighborhoods in the south and west sides of Phoenix, more than 50% of households were paying 30% or more of their income on housing costs, while less than 29% of renting households were housing cost burdened in the north.

The United States has a long history of discriminatory practices in home mortgage lending. In the 1930's, the federal government founded the modern mortgage loan market through a series of bills that established the Federal Housing Administration and the Federal National Mortgage Association (Fannie Mae). Together, these entities insured and purchased mortgages to allow more Americans to access credit and receive favorable and affordable home loan terms.

An unfortunate part of this history is the method by which the government assessed borrower risk. Through the Home Owners' Loan Corporation (HOLC), the federal government created maps, indicating where lending federally insured mortgages would be too risky. These areas, colored in red, marked predominately minority neighborhoods, especially areas with large African American populations.

### PERCENTAGE OF COST BURDENED HOUSEHOLDS



Source: U.S Department of Housing and Urban Development

The effects of government-sanctioned redlining are still impacting the community. Many of the areas that were deemed "hazardous" in the 1930's are still impoverished today, more than eight decades later. A recent study found 74% of the neighborhoods redlined by HOLC are considered Low and Moderate Income (LMI) and 64% are majority minority areas.

The map shown on the next page demonstrates Phoenix's HOLC designation in the 1930's. Phoenix was a much smaller city then, with a population of only 65,000 in 1940. Compared to the geographic reach of the city today, the area HOLC rated is extremely small. However, it is clear that the redlining designation nearly



## Housing Needs Assessment and Gap Analysis

eight decades ago continues to impact our community today. Minorities are still concentrated in the southern portion of the city, while Whites are more prevalent in the northern region.

The HUD map below represents the distribution of the city’s white population. The census tracts highlighted in white represent those that are more than 83`% non-white residents. This map shows a clear pattern – the southern part of the city is largely non-white, while the northern part is predominately white.

The federal government eventually stopped its redlining practices and outlawed such actions through landmark legislation such as the Civil Rights and Fair Housing Acts, but discriminatory lending practices continue to affect LMI communities. For example, the subprime

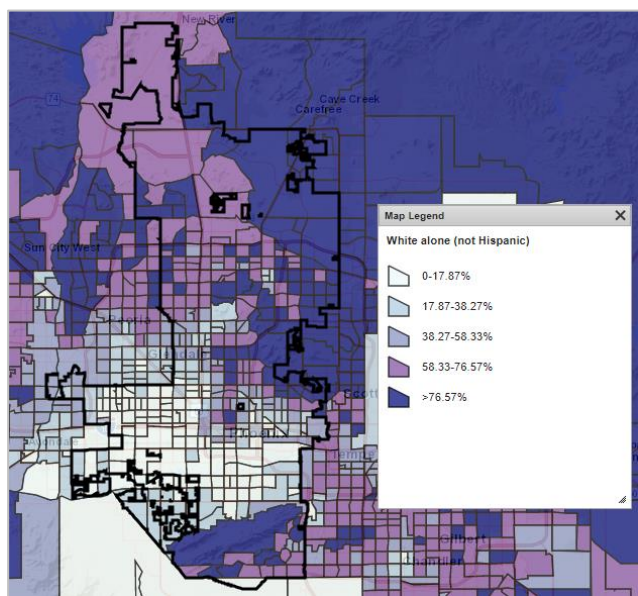
mortgages that contributed to the 2007-2008 financial crisis disproportionately affected racial and ethnic minorities and LMI homeowners.

LMI and minority communities continue to have unequal access to the best loan rates and terms. This is occurring even with adequate credit history, income, and other individual financial considerations.

The research has shown that neighborhoods can be a good predictor of health, due to extreme differences in our environments that externally influence health and wellbeing – such as air quality and access to affordable nutritious food, quality schools, active greenspaces, or employment. Therefore, it is important to place housing in areas with many opportunities, such as, transportation, quality schools, employment corridors, grocery stores, and community spaces.

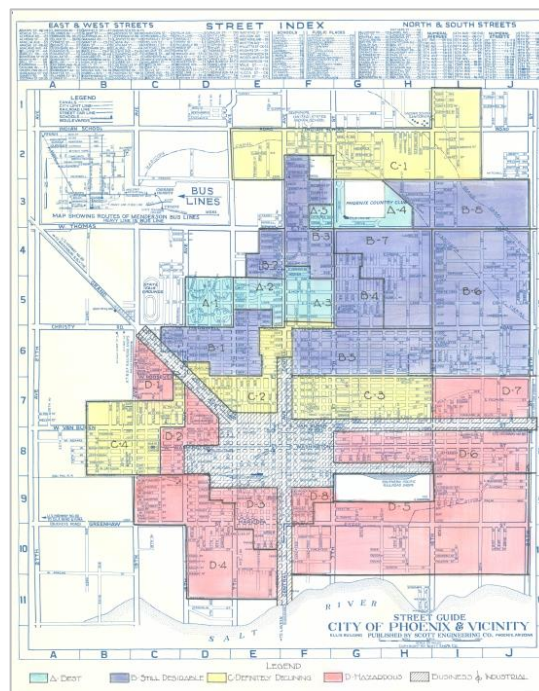
### Racial Distribution

Concentration of White Population by Census Tract



Source: U.S Department of Housing and Urban Development

Phoenix HOLC Redlining Map, 1930’s



Source: Mapping Inequality, University of Richmond’s Digital Scholarship Lab



## Housing Needs Assessment and Gap Analysis







### AFFORDABILITY AND INCOME

Phoenix's residents have made our city what it is today! As we work to ensure that prosperity is enjoyed by all Phoenicians, we need to ensure there are affordable housing opportunities for residents at all income levels, at all stages of life, in all our communities.

This means providing affordable housing opportunities for our firefighters, police officers, teachers, sanitation workers, construction workers, young professionals, small business owners and other working families - those who rescue us in times of need, keep our streets clean and safe, educate our children, and stock our grocery stores, among other critical functions. It means providing housing opportunities for our service industry and healthcare workers who fuel our economy and care for us and our loved ones. It means providing housing opportunities for our veterans who have served our country and fought for our freedom. It means providing housing opportunities for young adults and young families, who are our future, as well as existing residents who have fueled our economic growth. It also means enabling our seniors and legacy residents to remain in the city that they helped build.

Affordable housing is about providing meaningful access to opportunities for our residents who are vital to our city. But affordability means different things to different people. Our goal is to provide a variety of housing options for a full spectrum of residents so that all who desire to call Phoenix home can afford to live here. The image below provides a visual of households that fall within extremely low, very low, low income, median income, and moderate-income categories. This visual presents household situations and the maximum affordable rent and maximum affordable mortgage for each household.

Currently, the average rent for a one-bedroom apartment in our community is approximately \$1,100 per month, which is affordable to households earning at or above \$53,000 annually. Our community's average rent is not affordable to residents earning minimum wage, service industry workers and many other essential workers. As a whole, 45% of households earn less than \$53,000 and cannot afford this average rent amount. According to Zillow, the current median home price in phoenix is \$248,000. The only income level that can afford to purchase a median price home, are families that make 100% of Area Median Income, which is \$73,000 for a family of 4.

Household Type						
	Retiree on Fixed Income	Service Industry Worker	Sanitation Worker	Single Parent with Two Children	Family of 4 People	Young Married Couple
Number in Household	1	1	1	3	4	2
Estimated Household Income	\$15,000	\$26,000	\$31,000	\$53,000	\$73,000	\$70,000
% of Area Median Income (At or Below)	30%	50%	60%	80%	100%	120%
Max Rent They Can Afford	\$375	\$650	\$775	\$1,325	\$1,825	\$1,750
Max Home Price	\$49,000	\$65,000	\$95,000	\$171,000	\$250,000	\$220,000



## CREATE OR PRESERVE 50,000 AFFORDABLE HOMES BY 2030 AND INCREASE OVERALL SUPPLY

*Create and preserve housing so all Phoenicians can afford to live in Phoenix.*

### ***Case Study – Community Service Worker***

Patricia relocated to Phoenix in 2018 as an AmeriCorps VISTA volunteer. Through AmeriCorps VISTA, Patricia received a stipend of approximately \$960 per month. Her affordable housing cost equated to \$288 per month (including utilities). In her search for housing, Patricia discovered that all the available units far exceeded her affordable range and, in many cases, exceeded her entire monthly stipend.

Thankfully, the Housing Department had a vacancy at one of their housing sites and Patricia was able to obtain affordable housing! Patricia's AmeriCorps VISTA assignment aligned with the Housing Departments mission as she would be assisting with their \$30 million Edison-Eastlake Community Choice Neighborhoods Implementation Grant as well as the ConnectHome USA project which helps reduce the digital divide for HUD-assisted housing residents. Patricia continues to give back to the Edison-Eastlake community and connects well with our residents because she has personally experienced the struggle of securing affordable housing in our community.



### ***Goal, Policy Initiatives, and Timeframes***

To address the housing needs identified in the Housing Phoenix Plan we have established an aggressive goal to create or preserve 50,000 homes by 2030. To meet this goal and increase overall supply of market, workforce, and affordable housing the following nine policy initiatives will be implemented. Each policy initiative has an approximate implementation timeframe: short term will require 6 months, medium term will require up to 12 months, long term will require 18 months or more, and on-going efforts will be continuous.



## Policy Initiatives to create or preserve 50,000 housing units by 2030

### 1. PRIORITIZE NEW HOUSING IN AREAS OF OPPORTUNITY

*Medium Term – 12 months or less*

The city will develop an objective place-based scoring matrix for multifamily housing projects to allow City Council and decision makers to analyze the value of new multifamily housing projects throughout the city. The matrix will provide clear goals, through a defined scoring criteria, and give priority to projects that align with the city's objectives. Scoring criteria will be established to ensure that housing is placed near vital community amenities and resources. This scoring matrix will help communicate to decision makers the importance of the proposed project and help developers reduce the cost of zoning through a more streamlined process.



### 2. AMEND CURRENT ZONING ORDINANCE TO FACILITATE MORE HOUSING OPTIONS

Development in Phoenix is shaped by our zoning ordinance, which governs land use, building sizes and forms, parking, and more. To ensure that our city can continue to house a diverse population at every income level we need to update our zoning regulations. Updating zoning regulations will make it easier and cheaper to build or preserve different types of housing – such as single-family, multifamily, single room occupancy, accessory dwelling units, senior, and assisted living. This will help meet the needs of our existing and growing population while preserving the character of our neighborhoods.

### Amend Current Zoning Ordinance to Include Affordable Housing Incentives

*Long Term – 18 months or more*

Staff will pursue the development and ultimate adoption of a Text Amendment to the Zoning Ordinance that will establish additional incentives for residentially zoned property to provide affordable housing or allow the developer to pay into an affordable housing fund. Incentives may include allowances for additional height and density or relief from development standards such as lot coverage and building setbacks.



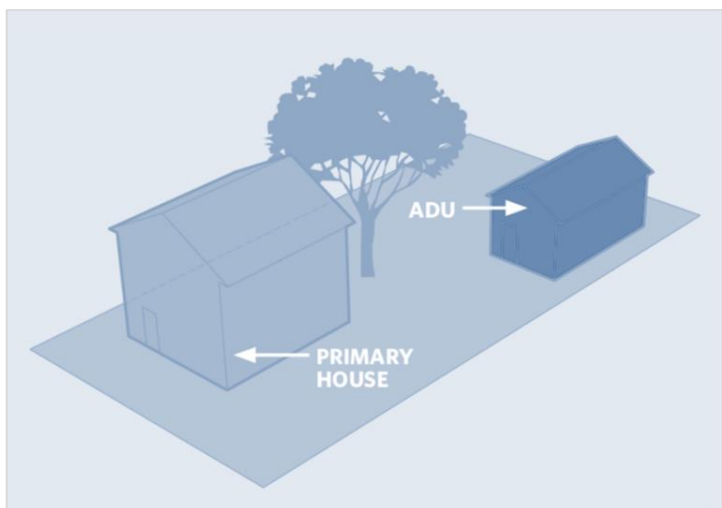
### Amend Current Zoning Ordinance in Target Areas to Allow for Accessory Dwelling Units

*Long Term – 18 months or more*

Accessory Dwelling Units (ADUs) are smaller, secondary residences located on single-family lots. They can include the conversion of portions of existing homes, detached additions, or external new homes. ADUs help increase the overall supply of housing and provide a wider range of housing options within a neighborhood. ADUs increase density – therefore lowering energy costs and greenhouse gas emissions – and have the potential to improve housing affordability for both homeowners and renters.

ADUs not only provide additional, often lower-cost housing options for residents to rent, they also help homeowners generate extra income.

Staff will propose an update to the Zoning Ordinance that will permit ADUs in targeted neighborhoods with the idea that after further study, an expansion to other areas of Phoenix could take place as interest in the program grows.



### Expand the Walkable Urban Code

*Short Term – 6 months or less*

The Walkable Urban Code is a form-based code that allows for increased flexibility for all development types. This will create a great opportunity for more flexible infill development and adaptive reuse. Expanding the Walkable Urban Code throughout the City of Phoenix will expand development flexibility for all Phoenix businesses and property owners. The expansion of the Walkable Urban Code will require property owners to complete the rezoning process prior to utilizing the benefits of the Walkable Urban Code.

The rezoning process does create a barrier for property owners. As a very long-term goal, it would be beneficial to pilot a by-right Walkable Urban Code overlay near major transportation corridors where the zoning entitlements of the code can be utilized without requiring the property owner to complete the rezoning process.

## 3. REDEVELOP CITY-OWNED LAND WITH MIXED-INCOME HOUSING

*Short Term and Long Term – Ongoing*

In response to the severe shortage of affordable housing in our community, the city of Phoenix Housing Department has increased housing efforts through new funding sources, acquiring land, and redeveloping existing city-owned land. These efforts have resulted in the City of Phoenix Housing Department having more affordable housing units underway than ever before.



*Monroe Gardens, Gorman and City of Phoenix*

The city was awarded a \$30-million-dollar Choice Neighborhoods Implementation Grant. One element of this plan includes housing redevelopment, where 577 obsolete public housing units will be demolished to build 1,011 new housing units. Outside the Choice Neighborhood area, the city has also demolished 38 obsolete public housing units and will redevelop this site to accommodate 78 new housing units.



*Habitat for Humanity, Matthew Henson Infill Project*

Additionally, the Housing Department has partnered with Habitat for Humanity to complete an infill project for the development of 30 new homeownership units. The aforementioned projects will result in 1,119 new housing units, which is a 55% increase from the number of units previously available on these parcels.

Land acquisition is often one of the most expensive components of housing development. The city of Phoenix Housing Department owns three (3) underutilized parcels in desirable areas of downtown. The redevelopment of these three (3) parcels could create between 400-600 units of mixed income housing. By rezoning and providing land through a Request for Proposal process, the city will substantially reduce the upfront cost of affordable housing development.

This method of redevelopment can also be expanded to other city-owned parcels, to further expand affordable and workforce housing redevelopment opportunities. This Plan would identify all city-owned parcels ideal for mixed income housing development or redevelopment. In the assessment of available land, the city will also identify parcels in which its existing use could be modified to incorporate a component of housing. The co-location of housing with amenities such as parks, community centers, senior center, etc., can help increase usership at underutilized resources while also increasing the number of housing units.

## 4. ENHANCE PUBLIC-PRIVATE PARTNERSHIPS AND INCREASE PUBLIC, PRIVATE AND PHILANTHROPIC FINANCING

*Short Term – 6 months or less*

Now more than ever, our community is aware of the effects an affordable housing deficit can have on our community. There is a growing interest among private and public partners to assist and help solve this affordable housing crisis. Through the creation of a taskforce, this interest can be harnessed to develop new funding and low-interest financing mechanisms for our community. The taskforce would include experienced developers, lenders, community leaders, architects and other community stakeholders.

Several efforts in recent years have blossomed from public-private partnerships. For example, the Arizona Housing Fund was established by nonprofit housing developers, the Home Builders Association of Central Arizona, financial institutions, the Arizona Association of Realtors, the Arizona Community Foundation, and many more. These organizations are coming together to create nonprofit grant opportunities to support and expand affordable housing and reduce homelessness. The Arizona Housing Fund is financed through voluntary donations and a voluntary \$25 real-estate transaction fee. Since its inception, the Arizona Housing Fund has raised \$270,000. Another public-private partnership includes the Home Matters Arizona Fund. This fund was spearheaded by United Healthcare and provides an opportunity to combine community funds from six AHCCCS-contracted managed care organizations (including Mercy Care). The fund has an anticipated value of approximately \$6,000,000.

## 5. BUILDING INNOVATIONS AND COST SAVING PRACTICES

Affordable housing development requires a significant amount of subsidy to ensure long term affordability and sustainability. This subsidy can be provided through direct subsidies such as grants, loans, and tax credit programs. Another way to reduce the amount of subsidy needed is through



reduction of other costs associated with development or operating affordable housing. A development project is most vulnerable during the predevelopment phase. Predevelopment costs, such as design costs and permitting costs, can be greatly reduced through the following cost saving practices:



### **Development Assistance Team Assigned to Affordable Housing Projects**

*Medium Term – 12 months or less*

A development assistance team, assigned to affordable housing projects, will create familiarity with the complex requirements, restrictive timelines, and limited resources involved in the affordable housing development process. As the development team becomes familiar with the unique requirements and restrictions of affordable housing development the process will become more streamlined.

### **Affordable Housing Advocate**

*Ongoing*

An Affordable Housing Advocate can advocate on behalf of developers, to educate the community on our city's housing needs and how the developer's project will address these needs and benefit the community. The Advocate will assist developers as they navigate the development process and intercede if projects are delayed or stalled.

### **Reduced Planning and Permitting Fees**

*Long Term – 18 months or more*

Expedited plan review for affordable housing projects, at no extra cost, will also help streamline the predevelopment process and result in a

reduced total development budget. The city may also provide reduction in plan review costs, impact fee, and permit fees for affordable housing projects. Implementation of this policy action should be made on a case by case basis as the fees would have to be paid from an alternative funding source to maintain the Planning & Development Department's operations.

### **Create Infrastructure Fund for Affordable Housing Developers**

*Long Term – 18 months or more*

The creation of a gap financing program, directed to infrastructure costs, will assist affordable housing developers with cost prohibitive infrastructure requirements. Federally funded entitlement dollars can be earmarked to assist with off-site infrastructure costs. This program can be targeted to areas that are subject to displacement, to help incentivize developers to create new affordable housing or preserve existing affordable housing in these areas.



### **Ongoing Research – Cost Saving Practices**

*Ongoing*

Continue researching ways to decrease development cost through innovative building techniques, streamlined processes, and city codes revisions. For example, some jurisdictions have revised their city's building code to increase stick-built height allowances. This revision will lead to the increase in the number of units produced at each applicable site and help get more units on the market at a faster rate.

## 6. INCREASE AFFORDABLE HOUSING DEVELOPER REPRESENTATION

*Short Term – 6 months or less*

Continue to increase affordable housing developer representation on Boards, Commissions and Committees. Affordable housing development has unique barriers and strict timelines. Through increased representation, the intricacies of affordable housing development can be communicated and contemplated as key development decisions are made. Potential boards, commissions and committees may include: Planning Commission and Village Planning Committee, Development Advisory Board, and Bond Committee.

## 7. EXPAND EFFORTS TO PRESERVE EXISTING AFFORDABLE HOUSING STOCK

The city has a variety of programs offered through the Neighborhood Services Department and Housing Department that preserve affordable housing for low-moderate income residents or census tracts. We recommend the continuation and expansion of these vital programs to create more preservation opportunities. The following preservation programs and incentives can be implemented to increase the number of affordable housing units preserved.

### Land Banking

*Long Term – 18 months or more*

The city will identify target areas that require housing preservation and procure vacant land or land with at-risk naturally occurring affordable housing. The Land can then be used to preserve existing housing stock through rehabilitation and banked for future redevelopment. This tool is an effective way for cities to combat or preempt the effects of displacement by preserving affordable housing in areas where housing has been historically affordable. The Neighborhood Services Department currently owns many parcels acquired through their land acquisition program. The city should continue to look for additional stock in areas of opportunity or as a preservation tool in areas subject to displacement.

### Implement Community Land Trust Program

*Medium Term – 12 months or less*

Establish a Community Land Trust within the City of Phoenix to increase homeownership opportunities through partnership with an existing Community Land Trust. This homeownership model helps low-income buyers reduce their purchase price by keeping the land in a trust and only requiring the buyer to mortgage the cost of the house. Homes remain in the trust into perpetuity and are re-sold to low-income homeowners.

The Housing Department is currently looking to initiate a pilot Community Land Trust program. This program would convert five single family homes that were previously part of the public housing scattered site portfolio into community land trust units. The city may also look to convert single family properties owned by the Neighborhood Services Department into a Community Land Trust.

### Implement Landlord Incentives and Resources

*Medium Term – 12 months or less*

Create a landlord incentive program that would provide benefits to landlords interested in participating in the Housing Choice Voucher Program. Potential landlord incentives could include a damage fund for units that are excessively damaged or a vacancy payment fund that would provide partial payments to landlords with units on hold during the Housing Choice Voucher lease-up process.

Create a Housing Navigator that can actively recruit landlords and act as the direct point of contact for landlords. Establish a one-stop shop for landlord resources where landlords can easily access information about the program, how to participate, and potential incentives.

Landlords who have participated in other city programs (i.e. code compliance rental repair or rental rehabilitation program) would be encouraged to participate in the city's Housing Choice Voucher program.

### Expand the Rental Rehabilitation Program

*Medium Term – 12 months or less*

Expand efforts and increase funding available on an annual basis (through an eligible federally funded entitlement program) to increase the number of landlords and property owners who utilize the existing rental rehabilitation program. This is a key tool used to preserve naturally occurring affordable rental housing. Landlords are provided low-interest or zero interest loans/grants to rehabilitate their property if they agree to restrict the rents at their property during the required affordability period.

## 8. SUPPORT AFFORDABLE HOUSING LEGISLATION

*Short Term and Long Term – Ongoing*

Support federal and state legislation that will increase the amount of funding available for the preservation and construction of affordable housing and result in an increase in the amount of affordable housing units developed on an annual basis. For example, two potential statewide legislative changes the city recently supported are the allocation of funding for the State Housing Trust fund and the creation of a State Low Income Housing Tax Credit Program.



## 9. EDUCATION CAMPAIGN

*Short Term – 6 months or less*

Develop marketing and educational materials that can be shared community-wide to tell our housing story and communicate housing need. These materials can be used to provide annual training and presentations to Committees, Commissions and other community stakeholders that are involved in decisions related to affordable housing development.

Marketing materials can help communicate need, establish a common language, debunk current myths about affordable housing and explain the benefits of utilizing a form-based code to create gentle density and a variety of development forms.



A key component in our education campaign will be the creation of a common language when discussing housing issues. The Glossary Project, completed by Kiterocket and the Phoenix Community Alliance, establishes a list of common housing and social service terms along with their associated definitions. We will draw from existing efforts and community-based resources, such as The Glossary Project when establishing our campaign and marketing materials. Please view *Attachment A*, for a full list of glossary terms.

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



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A L L I A N C E

**Phoenix Community Alliance  
Social & Housing Advancement Committee Communication Subcommittee  
Glossary Project, May 27, 2020**

**Overview:**

Glossaries are especially important when multiple organizations are involved in efforts as challenging as people experiencing homelessness. We are aware that, in various stages and settings, different vernacular may be used. By using this glossary, we attempt to align and ensure that our understanding of key terms is consistent, and content is translated to the highest quality and aligned.

**HOUSING**

*These terms reference types of housing that are central to the dialogue surrounding the shelter to vulnerable populations (see definition of "vulnerable populations" on page 3).*

**Affordable Dwelling/Housing:** "Affordable dwelling" is housing for which the occupant(s) is/are paying no more than 30% of his/her income for gross housing costs, including utilities. (Source: U.S. Department of Housing and Urban Development)

**Permanent Supportive Housing:** An intervention that combines affordable housing assistance with voluntary support services to address the needs of the chronically homeless. The services are designed to build independent living and tenancy skills, and connect people with community-based health care, treatment and employment services. (Source: National Alliance to End Homelessness)

**Subsidies:** Housing subsidies come in many forms, but the main objective is to supplement or offset monthly housing costs for individuals or families to remain in housing. Forms of subsidies include direct housing subsidies, public housing, rent supplements and some types of cooperative housing.

**Workforce Housing:** Housing that's affordable (30% or less of gross income) to households earning between 60% and 120% of area median income. Workforce housing targets middle

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income workers including police officers, firefighters, teachers, health care workers, retail clerks, etc. (Source: Urban Land Institute)

## PEOPLE

*These terms reference the people and populations central and most relevant to the challenge of homelessness.*

**Chronically Homeless:** An unaccompanied individual with a disabling condition who has either been continuously homeless for one year or more OR has had at least four episodes of homelessness in the past three years, where the combined occasions total a length of time of at least 12 months. (Source: U.S. Department of Housing and Urban Development)

**Experiencing Homelessness:** An individual or family that lacks a fixed, regular and adequate nighttime residence, such as those living in emergency shelters, transitional housing or places not meant for human habitation.

**First-Time Homelessness:** People experiencing homelessness for the first time. Possible causes include job loss, increased rent or domestic/family issues.

**Previously Homeless:** An individual or family that has advanced into housing or a sustainable living situation. Although no longer experiencing homelessness, they are vulnerable to becoming homeless again.

**Severe Mental Illness (SMI):** Approximately 6% of Americans are severely mentally ill, compared to the 20-25% of the homeless population that suffer from mental illness. Furthermore, 45% of the homeless population show history of mental illness. Due to the increase in factors such as substance abuse, individuals experiencing both mental illness and homelessness are more likely to be incarcerated. (Source: National Institute of Mental Health)

**Vulnerable Population:** Vulnerable populations include the economically disadvantaged, the uninsured, low-income children, the elderly, individuals experiencing homelessness and

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those with chronic health conditions, including severe mental illness. Their health and health care problems intersect with social factors, including housing, poverty and inadequate education.

## SERVICES

*These terms reference the services common to organizations and agencies working on solutions for individuals and families seeking and/or maintaining shelter or affordable housing.*

**Coordinated Entry:** Coordinated entry processes, deployed across an entire community, make it possible for people experiencing or at risk of experiencing homelessness to have their strengths and needs quickly assessed (triage), and to be swiftly connected to appropriate, tailored housing and services within the community. People with the greatest needs receive priority for any type of housing and homeless assistance available, including permanent supportive housing, rapid rehousing and other interventions.

**Domestic Violence Priority:** The population of individuals with limited economic resources is at increased vulnerability to homelessness. Priority for services is given due to the direct correlation between intimate partner violence and housing instability.

**Eviction Prevention:** Efforts to prevent the dispossession of a tenant of leased property by force or especially by legal process.

**Family Reunification:** One-way, one-time transportation assistance to individuals experiencing homelessness (or at imminent risk) who wish to return to their family or other support system in another part of the U.S. Individuals must have family or support systems in place when the relocation occurs.

**Triage:** As an entry point to resources, a program or caseworker must assess the specific needs of an individual or family in crisis and direct those in need to the appropriate resources.

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## TERMS TO AVOID

PCA's SHA Committee recognizes there are terms in the common diction of our social environment, but also recognizes these very terms (below) provide little clarity, or that there are subtle connotations that remove the human element from a very human challenge. The SHA Committee prefers to avoid the following terms:

- "the homeless"
- homeless person
- vagrancy
- transient
- underserved
- attainable housing

*If you have questions or a new term you would like clarified, contact Leah Tan at 602-682-6612 (extension 109) or [ltan@dtphx.org](mailto:ltan@dtphx.org).*

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