

*Housing Opportunities in  
Mentorship and Education (HOME)*

**Technical Assistance (TA)  
Program Summary Report**

Prepared for **Regional Community Partners,**  
a nonprofit agency within the  
**Maricopa Association of Governments (MAG)**



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## Introduction

The Housing Opportunities in Mentorship and Education (HOME) Technical Assistance (TA) Program delivered customized educational, technical assistance, and capacity building webinars with seven municipalities within the MAG region. The program has helped the municipalities with their needs for partnership development and funding mechanisms trainings, Housing Needs Assessments and Action Plans, housing dashboard creation, community engagement support, sociodemographic analysis, and Zoning Assessment and Model Ordinance recommendations.

The Technical Assistance aspect of the program allows participating municipalities to gain insight into affordable housing issues, initiatives, and successful case studies. There were nine Technical Assistance sessions in total, focusing on various partnership development and funding mechanism strategies. These sessions featured interactive presentations and facilitated discussions. The sessions were held every 3-4 weeks, from May 2025 to October 2025. The following table illustrates the assistance received by each municipality.

	Housing Study	SB 1162 Support	Generating Community Support	Zoning Assessment & Model Ordinances	Partnership: Technical Assistance	Funding Mechanisms: Technical Assistance
Buckeye, AZ	✓	✓			✓	
El Mirage, AZ					✓	✓
Goodyear, AZ				✓		
Phoenix, AZ	✓	✓	✓			
Scottsdale, AZ					✓	
Surprise, AZ	✓	✓				✓
Tolleson, AZ	✓				✓	✓

# Executive Summary

## Technical Assistance Overview

The Housing Opportunities in Mentorship and Education (HOME) Technical Assistance Program successfully delivered comprehensive educational and capacity-building support to seven MAG-region municipalities from May to October 2025, addressing critical affordable housing challenges through strategic technical assistance. This assistance focused on growing partnerships and innovative financing solutions, as well as understanding current and future housing challenges, opportunities, and solutions. The individualized technical assistance included the completion of three Housing Needs Assessments and Action Plans (including compliance with SB 1162), housing dashboard creation, community engagement support, sociodemographic analysis, and Zoning Assessment and Model Ordinance recommendations.

The program also involved the development and presentation of nine technical assistance sessions covering two primary focus areas: partnership development and funding mechanisms. Partnership development sessions addressed unsolicited housing proposals, general partnership tools, downtown revitalization, workforce housing attraction, and housing/human services coordination. Funding mechanism sessions explored affordable housing financing, workforce housing financing, and housing rehabilitation/retrofitting programs. Lastly, the closing session allowed municipal staff to explore other topics of interest not previously covered, including Industrial Development Authority (IDA) partnerships and next steps in implementation. This summary report aims to outline the key challenges, lessons learned, and next steps related to the broader HOME technical assistance effort and highlights a range of best practices and implementation considerations for the cities and tribal communities of the region.

## Key Lessons and Takeaways

**Partnership Development:** Information was shared with the municipalities regarding public-private partnerships for affordable housing development, with successful case studies including Denver's 1,000-unit mixed-income development, created through an unsolicited development proposal, and Tolleson School District's use of public land for affordable housing. Technical assistance sessions emphasized the importance of diverse stakeholder engagement across community organizations, nonprofits, employers, and resource partners to create comprehensive housing solutions.

**Financing Strategies:** The sessions on financing strategies explored affordable and workforce financing mechanisms and funding sources, as well as funding for housing rehabilitation and preservation, with a particular focus on best practices for program sustainability and guidance for navigating financing amidst federal funding uncertainties.

### **Affordable and Workforce Housing Solutions:**

The technical assistance sessions discussed a comprehensive range of affordable housing solutions, including regulatory tools and incentives, financing mechanisms and programs, and integration with comprehensive housing and human services. Workforce housing solutions focused on efforts to rehabilitate and preserve existing housing, updating regulations to allow for smaller and more diverse housing typologies, and partnering with employers, nonprofits, land trusts, and others to create new housing opportunities. The housing studies and assessments found that regional population growth is outpacing housing production, resulting in decreased affordability, especially for young families, seniors, and low-income households. Amending restrictive development standards, such as setbacks, parking requirements, and lot area requirements, as well as enabling diverse housing types such as duplexes, ADUs, and townhomes greatly increases housing attainability and supply. Encouraging the production of desired housing, such as affordable, workforce, and senior housing through streamlined permitting and review processes, density bonuses, and other development incentives further stimulates their much-needed construction.



### **Guidance for Local Governments in Building and Preserving Affordable Housing Options**

- **Reframe Housing Conversations and Generate Community Support:** Community opposition can be dispelled by reframing affordable housing as workforce housing and providing pathways to homeownership that make projects more palatable. Municipalities can further expand terminology to include "expanding housing opportunities" and "increasing housing diversity". Focus on nonpartisan wins, such as housing supporting the local workforce (including nurses, police, teachers, etc.) or seniors, and highlight quantifiable community savings when possible, such as savings from supportive housing developments due to decreased incarcerations and hospitalizations. Comprehensive campaigns, like MAG's "Home is Where It All Starts", can increase community support by offering housing data, success stories, and calls to action tailored to specific audiences. Interactive tools, like dashboards and infographics, can make housing data accessible and build transparency.
- **Examine and Modernize Zoning and Development Standards and Processes:** Local governments should regularly examine their zoning, development standards, and permitting and review processes to reduce barriers to the development of affordable and diverse housing. Restrictive zoning often excludes "missing middle" housing types like townhomes, duplexes, and ADUs altogether, and onerous development standards, like high parking minimums, required setbacks, and required lot areas, can exclude many forms of housing in practice. Finally, long permitting and review periods particularly reduce the viability of affordable housing developments, lengthening development timelines and adding costs. By assessing current strengths, challenges,

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and opportunities related to housing, as well as financial and staffing capacities, municipalities can better align their policies and procedures to meet evolving housing demands.

- **Track Housing Production and Modify Policies as Needed:** Implement frameworks for tracking development progress that received incentives, including the number and location of units built and preserved by level of affordability, incentives received, and the value of municipal investment. Performance metrics like average approval times, housing diversity percentages, and construction cost per unit can help discern what is and is not working, and to calibrate development standards and incentives to ensure the production of desired housing types. Continued communication with developers can further inform future policy and funding adjustments.
- **Collaboration and Resource Sharing:** Convene key housing stakeholders, including developers, major employers, financial institutions and private lenders, nonprofit housing advocates, and peer municipalities to explore current issues and opportunities, coordinate resources, monitor progress, and align policies. Establishing an ongoing channel of communication, such as a housing task force, can increase funding access and mutual capacities, and can foster partnerships across various bodies.
- **Integrate with Comprehensive Planning:** Recognize housing as a comprehensive issue requiring integration with transportation, economic and workforce development, and environmental sustainability. Involvement by not just a city's housing and planning staff, but other related departments can lead to more innovative solutions with wider community support and staff backing.

### Insights for Future Technical Assistance Organizers and Participants

- **Direct Input in Case Studies:** Each presentation cited various case studies posing solutions to the housing issues discussed in each TA session. Although each case study was researched to the fullest capability, future sessions could benefit from the direct input of those involved in the case studies. If resources allow, including the developers, housing organizations, and municipalities that made these solutions possible, would give participants full insight into the perspectives, challenges, and further possibilities that may not have been apparent from online research alone.
- **Facilitating Greater Participation:** Although the TA sessions generated substantive discussion with the participating municipalities, there could have been greater conversation with alternative methods. Most of the sessions ended with a discussion period, where the participants were posed several structured questions relating to the recommendations, noted housing issues, and case studies. In one session, however, the questions were spread throughout the presentation, which sparked conversation when the information presented was fresh in everyone's minds. This may have been the best approach, to gain the most insight, but was only tested once. For future sessions, trying out different discussion methods may result in better and more energetic conversations. Additionally, it may be beneficial to host a discussion forum between sessions, where

participants and organizers can keep in touch, answer previous questions, and do more research into the case studies participants found most interesting. This may also generate more excitement for the following TA sessions, and both participants and organizers may have more to speak on, or be more comfortable speaking, during future sessions.

- Broadening the Participation Pool:** Although there were great discussions between organizers and participants, it is worth recognizing that the issues, insights, and recommendations may not be representative of the community as a whole. The Maricopa Association of Governments includes 27 cities/towns, three Native nations, Maricopa County, portions of Pinal County, and the Arizona Department of Transportation, yet this technical assistance effort only included seven cities within Maricopa County. Furthermore, most of these cities were much larger than the nonparticipating communities, and so some of the issues studied may vary compared to the issues faced by smaller communities. Though the HOME-TA program was solely directed at municipality members, other MAG members could have found the TA sessions useful, and their input may have benefited the conversation as well. It is important to note the gaps in findings when not all the potential housing challenges in the community are captured. Though this is the fault of neither the organizer nor the participants, for future organizers, it is worth recognizing such gaps and making an effort to broaden the participant pool, to best support housing recommendations as they relate to partnerships and financial incentives and opportunities.

## Next Steps

The technical assistance sessions provided participating municipalities with practical tools and strategies to expand their housing pipelines through coordinated partnerships and innovative financing mechanisms. As cities begin to move into the implementation phase, it is crucial to maintain continued collaboration; in addition to regularly convening to discuss regional housing needs, challenges, and opportunities, communities should continue to share data and resources and should prioritize joint programs that maximize municipal capacities.

*This link directs to a dashboard with all work products produced throughout the entirety of this effort, including recordings and presentation materials for the nine technical assistance sessions.*

Collection

### HOME-TA Efforts

Housing Opportunities in Mentorship and Education Technical Assistance (HOME-TA) Program

Matrix Design Group

[Get started](#)

This story map contains a collection of efforts completed by [Matrix Design Group](#) as part of the Housing Opportunities in Mentorship and Education Technical Assistance Program (HOME-TA).

City of Phoenix

#### Demographics, Housing Conditions, and Affordability in Phoenix: Insights by AMI Level

Phoenix Demographic, Housing Condition, and Affordability Insights

HOUSING Phoenix Affordable Housing Video

What Does Affordable Rent Look Like for Phoenix Workers?

Phoenix Affordable Rent Infographic

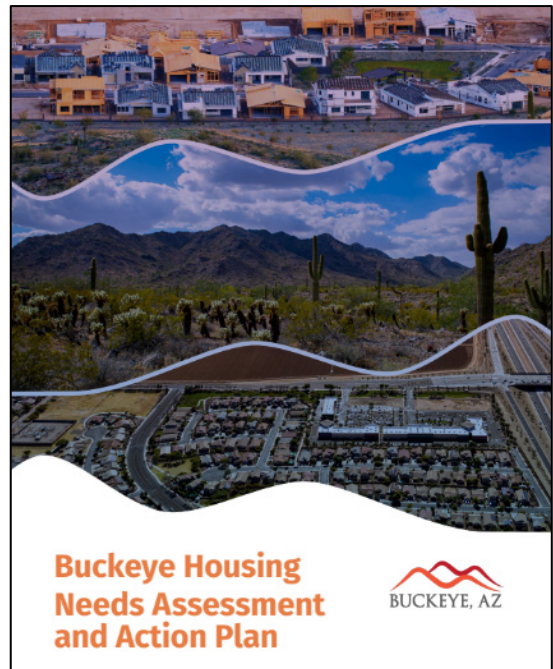
# Individualized Technical Assistance

## Buckeye, Arizona

As part of this effort, the City of Buckeye received technical assistance including the development of a Housing Needs Assessment and Housing Action Plan that is in compliance with the requirements of [ARS 9-469](#), as approved by [SB1162](#), as well as technical assistance related to the development of housing partnerships.

### Housing Needs Assessment

The Housing Needs Assessment provides an objective and data-driven foundation for decision-making, enabling city leaders and stakeholders to strategically address current and future housing needs, promote balanced community development, and create housing policies that are responsive to the evolving demands of Buckeye's residents.



### Key Data Findings

Like many municipalities within Maricopa County, Buckeye is experiencing rapid population growth and changing demographics; since 2010, the City's population has more than doubled, characterized by a relatively young population, larger-than-average household sizes that reflect its family-oriented character, and increasing racial and ethnic diversity. Median household incomes have also risen significantly, outpacing regional growth.

The City's housing stock is predominantly modern and in good condition, with most units built since 2000. However, the stock is heavily skewed toward larger, single-family homes (3+ bedrooms making up 83% of units in 2022), with limited availability of smaller units (0-1 bedrooms at 2%, 2 bedrooms at 15%). The City currently lacks other housing typologies such as duplexes, townhouses, and other "missing middle" density housing, or high-density housing.

The data revealed that Buckeye boasts an exceptionally high homeownership rate (85% in 2022), significantly above regional averages. However, rapid home value appreciation (with median prices exceeding \$400,000) and increased median monthly owner costs (rising to \$1,680 by 2022) throughout the County present substantial attainability and ownership barriers.

Though Buckeye remains relatively more affordable than core metro Phoenix, the rental market faces increasing pressure with rents rising, particularly for mid-tier units. A critical shortage of deeply affordable rentals (for <30% AMI households) exists, alongside growing shortages in the market-rate, luxury, and senior housing segments; Buckeye faces a projected shortage of 11,730 housing units by 2029, with the greatest need for market-rate housing (6,520 units) followed by substantial workforce housing gaps.



### Community Input

The community survey revealed significant insights from 617 residents who participated between February and May 2025. The survey provided valuable resident perspectives on housing challenges, preferences, and priorities for the city's future development. Respondents noted several pressing housing issues: 65% see inadequate senior housing as a major problem, 63% consider rent unaffordable, and 52% believe younger people cannot afford to buy homes. Utility costs emerged as an additional concern, with 59% worried about rising utility expenses. The strong emphasis on senior housing reflects both the survey's demographic composition and genuine community needs.

Housing diversity received strong support, with 61% considering it very important for Buckeye to offer a wider variety of housing options. Preferred locations for new development included downtown Buckeye (42%) and areas near schools or retail centers (45%). Missing middle housing received moderate support, with 34% wanting more apartments and 20% supporting duplexes, triplexes, or townhomes.

When asked about support for potential policy solutions, development incentives gained significant backing, with 62% supporting city incentives for developers to build affordable housing. Service expansion through the Human Services Department received overwhelming support at 87%, with 56% specifically wanting housing assistance programs.

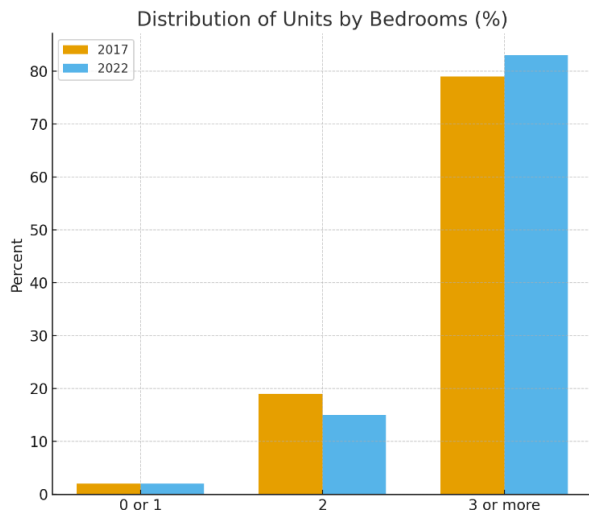




*Robust community engagement helped to identify key challenges and preferred solutions; residents expressed strong support for increased housing diversity including cottage courts, accessory dwelling units, and townhomes.*

## Unique Challenges

Buckeye’s core challenge is managing the tension between its successful growth and a deepening housing affordability crisis that impacts both renters and aspiring homeowners across various income levels. Key issues include a structural mismatch between the existing housing supply dominated by larger, expensive single-family homes and the growing population's diverse needs, including smaller housing units, units for lower/moderate incomes, and specific housing and accessibility needs for seniors.



*Much of Buckeye’s housing stock is comprised of large single-family homes, limiting housing choice and creating growing affordability and attainability challenges on the City’s rising population.*

## Housing Action Plan

Following the development of the Housing Needs Assessment, the Housing Action Plan offers strategic policy guidance to address current and future housing needs within the City, with a primary goal of promoting greater housing diversity, affordability, and attainability for Buckeye residents across all income levels. Potential opportunities and solutions include the following policy and programmatic recommendations:

### Development Incentives

As part of the Housing Action Plan, multiple development incentives were recommended to reduce barriers and encourage the production of needed housing types, including senior, mixed-use, and affordable housing. These incentives were included in the City's draft Housing Action Plan as recommended tools, pending future policy review, public outreach, and Council direction. They have not been formally adopted.

- Proposed density bonuses would allow 10-25% increases in unit counts for mixed-use projects that meet affordability requirements, with enhanced bonuses of 20-25% for developments including affordable units or community benefits. Density bonuses of up to 30% were recommended for age-restricted developments meeting Universal Design standards.
- In addition, the Plan recommended parking reductions of up to 15% to 25% for mixed-use, affordable, and senior developments.
- The Plan recommended the waiver or reduction of development-related fees and expedited review and permitting processes with target approval times of 10 days and total turnaround under 30 days for qualifying projects. The City is currently evaluating expedited permitting as a potential future tool but has not implemented a 10-day/30-day program as of December 2025.

### Housing Type Diversification

The Action Plan placed significant emphasis on missing middle housing as a bridge between single-family homes and large apartments. The Plan calls for pre-approved design guidelines and simplified permitting for duplexes, triplexes, townhomes, and accessory dwelling units (ADUs). For ADUs, such a comprehensive pre-approved program offering standardized architectural designs can eliminate up to \$15,000 in typical custom design fees.

#### **Tucson, Arizona's Pre-approved ADUs:**

*Tucson's "Casita Model Plan Library" currently offers homeowners six pre-approved ADU designs, with an additional three designs pending approval. The plans offer designs with a range of building footprints and bedroom counts, including one unit with accessibility features. All design concepts match Tucson's historic and contemporary architecture and allow for faster permitting and reduced design costs. The program streamlines the process of building casitas, helping to increase the city's housing options and expand affordability. Since its launch, the library has led to a rise in casita interest and permitting activity.*

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**Casa Mini**

- Graupman Soto, LLC
- Sofia Soto & Cameron Graupman
- Studio / 1 BA 390 SF
- 1 BA / 1 BA 557 SF

CASA MINI is a small-footprint casita designed for local Tucsonans. CASA MINI takes into account our desert climate by integrating the use of a Slump-Block Mass Wall with insulated wood-framed walls, a slab-on-grade, and an unvented insulated wood-framed roof. Choose between a Studio (390 SF) or 1-Bedroom (557 SF) Design.

Contact   Design Details




**Casita Sama**

- studioSAMA
- Stefan Mostert & Anneliza Jordaan
- Studio / 1 BA 400 SF
- 1 BD / 1 BA 543 SF
- 2 BD / 1 BA 662 SF

Casita Sama's design utilizes an innovative low-cost modular construction system which is ADA-compliant and fully adaptable, accommodating a phased construction process. A Studio (400 sf) can be developed into a 1-Bedroom (543 sf) and then a 2-Bedroom (662 sf) ADU, with no structural modifications by means of strategic placement of openings.

Contact   Design Details



**Desert Casita**

- Kelsi Montgomery
- Archilabworks, PLLC & Vector Progression PLLC
- 1 BD / 1 BA 786 SF
- 2 BD / 1 BA 944 SF

The Desert Casita one or two-bedroom options provide comfortable living spaces for multiple site circumstances. It aims to serve individuals, families, aging in place, those who need a fully wheelchair accessible home, and is designed for people to bring the things of their lives and stay a while.

Contact   Design Details

## Funding and Financial Mechanisms

The Plan identified numerous state and federal funding sources including Low-Income Housing Tax Credits (LIHTC), Community Development Block Grants (CDBG), HOME Investment Partnerships, and Private Activity Bonds. Arizona-specific programs include the Government Property Lease Excise Tax (GPLET) and American Rescue Plan Act funds. Furthermore, the Plan recommended the City establish a Workforce Housing Trust Fund using general funds, developer fees, grants, and philanthropic contributions. This recommended program could potentially provide gap financing, rental assistance, and emergency housing support while leveraging matching funds from higher government levels. However, it requires financial analysis and administrative review to determine feasibility.

## Catalytic Development Areas

The Plan identified Downtown Buckeye and The Landing as priority areas for mixed-use development. Downtown should emphasize adaptive reuse of historic buildings and live-work spaces, while The Landing should pursue renegotiation of Luke Air Force Base density restrictions to enable more housing units. Notably, development feasibility in these areas depends on infrastructure, market conditions, and coordination with Luke Air Force Base regarding Accident Potential Zone (AEZ) density restrictions.

## Tempe, Arizona's

### Homebuyer Assistance:

*The "Home in Five" program provides down payment and closing cost assistance of up to 6% of the home's purchase price, with an extra 1% available for teachers and first responders, making homeownership more attainable for these essential workers. These loans are funded through the state and administered through Maricopa County.*

*Eligible buyers must complete an approved homebuyer education course and meet credit and income requirements in order to qualify and be eligible for the loan to be forgiven.*

Senior Housing

Buckeye's aging population faces a critical housing shortage, with only 2.1% of current housing units meeting accessibility standards. The Plan proposed several incentives to encourage the creation of new senior housing (particularly units with accessibility features), such as density bonuses of up to 30% of base density, parking reductions, reduced fees, and expedited permitting.

**Goodyear, Arizona's Design Flexibility:**  
The City of Goodyear recently adopted design standards that include special exemptions aimed at increasing housing affordability. During the design review process, applicants seeking to enhance affordability can request exceptions to any "shall" guidelines, provided the project continues to align with the overarching design principles.  
  
These exceptions can be administratively approved by the Development Services Department director or a designee and may include additional conditions.



*Senior Bridge represents a City of Phoenix-backed project using repurposed shipping containers offers 40 transitional units and 65 permanent affordable apartments for low-income seniors (55+). It features universal design, 24-hour supervision, and easy access to transit, combining public resources and private partnership for accessible, affordable living.*

*Casa Azure in Phoenix provides 189 affordable, age-restricted senior apartments. The community is adjacent to family housing, supports mixed incomes, and demonstrates the use of LIHTC to create accessible units.*



### Community Services and Support

The Plan recommended expanding the City's [Human Services Division](#) to provide increased homelessness prevention, rental assistance, housing navigation services, and comprehensive case management. This includes workshops on tenant rights, fair housing, homeownership, and financial literacy. The division would serve as a coordinating hub connecting residents to housing opportunities and wraparound services.

### Homeowner's Association Barriers

The Plan recognized the impact of Homeowner's Associations on slowing or completely halting development, and recommended solutions including educational outreach to address misconceptions about housing diversity, technical assistance for amending covenants, conditions, and restrictions (CCR) that prohibit ADUs, duplexes, and missing middle housing, and recognition programs for HOAs that adopt pro-housing policies. While Buckeye can provide education, outreach, and technical assistance, the City does not have legal authority to amend or enforce HOA CC&Rs.

### Monitoring, Performance Metrics, and Enforcement Framework

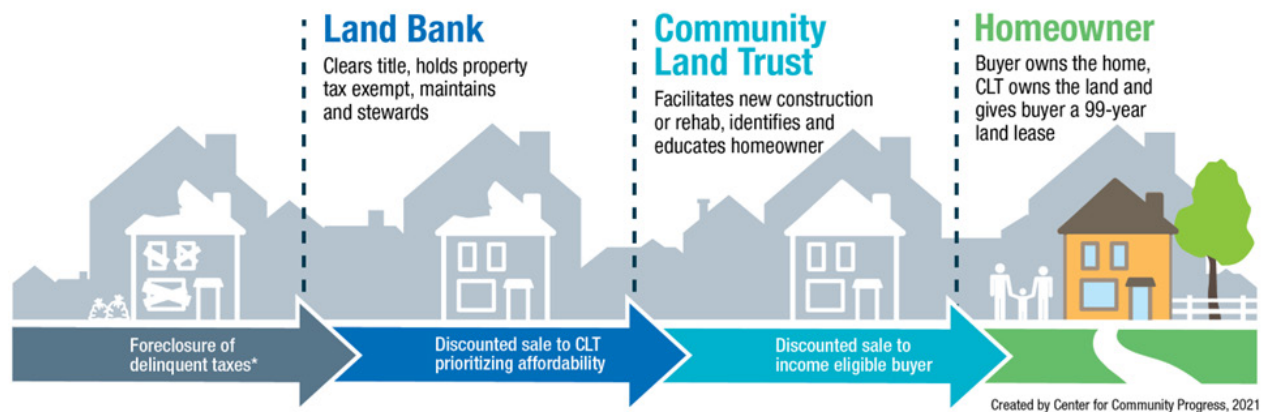
The Plan provided a framework for data-driven performance measurement, including a comprehensive tracking of housing stability outcomes, program effectiveness assessment, and identification of emerging needs through the Human Services Division. Performance metrics include numbers of projects using density bonuses, average approval times, residents served by expanded services, and housing diversity percentages. This evidence base supports future policy adjustments and continued funding justification.

Additionally, the Plan suggested accountability mechanisms to ensure development incentives achieve their intended goals through enforceable contract terms requiring maintained affordability for at least 20 years, clawback provisions to recover funds if requirements aren't met, and regular reporting for transparency. The City can explore using monitoring agents to verify designated units remain affordable, in good condition, and compliant with development agreement stipulations. Notably, monitoring and enforcement procedures were outlined conceptually; operational implementation would require additional staffing and interdepartmental coordination.

## Partnership Strategy

In addition to the guidance provided during the five [Partnership: Technical Assistance](#) sessions, the City received personalized recommendations related to the development and implementation of successful housing partnerships.

Recommended next steps for partnership development includes joining the [HOME Consortium](#) with Maricopa County and neighboring cities to access additional funding sources. Partnerships with regional agencies, neighboring cities, and service providers leverage existing Continuum of Care networks for improved service delivery, data collection, and federal funding access for homeless services. Additionally, Community Land Trusts (CLTs) were recommended as a tool for permanent affordability, separating land ownership from building ownership through 99-year ground leases. CLT feasibility depends on identifying a qualified nonprofit operator, as Buckeye does not intend to manage a CLT internally.



\* While property tax and lien enforcement processes are the most common method, dependent on state law, land banks may also acquire properties through a variety of mechanisms such as governmental transfer, donation, property swap, and private market purchase.

*This image illustrates the community land trust (CLT) model, in which a land bank purchases and maintains a property that a CLT builds or rehabilitates housing on. A homeowner can then buy the building at a discounted rate, while the CLT retains ownership of the land and offers the buyer an affordable 99-year land lease. This model enables the city to make one-time investments that continue paying dividends indefinitely.*

## Goodyear, Arizona

During the duration of this project, the City of Goodyear received technical assistance including a comprehensive Zoning Assessment to determine current strengths, weaknesses, opportunities, and challenges in the City’s zoning code as related to housing, as well as the formation of a Model Zoning Ordinance, with suggested qualifications, standards, and incentives to promote housing affordability and attainability throughout the City.

### Zoning Assessment

The City of Goodyear Zoning Ordinance Assessment represents a comprehensive analysis of housing challenges and zoning reform opportunities.

### Housing Market Context

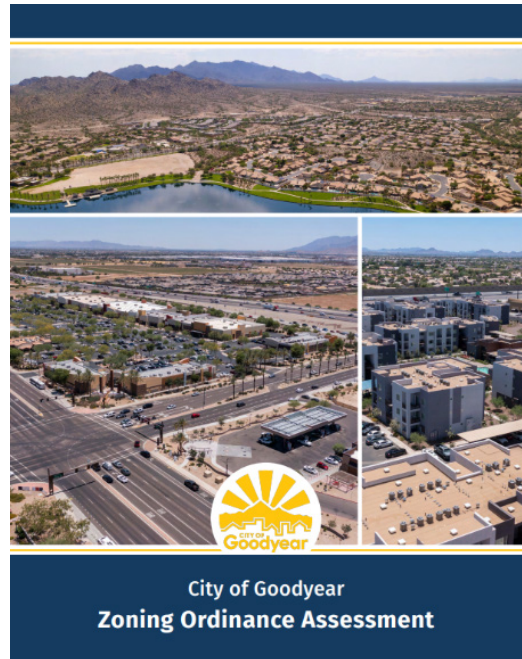
Goodyear's population of roughly 117k has grown by more than 45% in the past decade, making it one of Arizona's fastest-growing cities. However, this rapid growth has contributed to affordability challenges, with median home prices reaching \$481,000 as of April 2025 compared to the higher median household income of approximately \$102,000. The recently completed December 2024 Housing Assessment indicates no current shortfall in traditional single-family homes or multifamily developments, with an existing surplus of 963 units. However, to accommodate projected population growth, an additional 354 single-family units will be needed over the next five years.

Recently, the City has made great strides in expanding their housing diversity. As of June 2025, the City has an estimated 7,146 multifamily apartments and 2,530 “missing middle” housing units, with significant future development in the pipeline totaling 15,394 additional multifamily and missing middle units.



### Legislative Compliance

The assessment addresses three key 2024 Arizona legislative changes affecting housing, SB 1162, requiring cities to publish Housing Needs Assessments outlining growth projections, HB 2720, mandating that cities over 75,000 population permit ADUs on single-family lots without additional parking requirements, and HB 2721, requiring municipalities to permit duplexes, triplexes, fourplexes, and townhomes in specific locations by January 2026.



### Community Input

A comprehensive survey of 205 residents revealed mixed perspectives on housing development. While 82% expressed satisfaction with their current housing situations, concerns emerged about multifamily residential development and industrial/warehouse development. Support exists for ADUs (68% in some or all cases) but missing middle housing was divisive, with 39% supporting and 54% opposing such housing types.

### Key Challenges

The assessment identified several development barriers, including the following:

- **Impact Fees and Infrastructure Constraints:** Impact fees in southern Goodyear are roughly three times higher than northern areas, driving away development. Furthermore, limited infrastructure in vacant lands, particularly in the southern part of the City, pose a disincentive to future development.
- **Military Vicinity Regulations:** Density contours from the Luke Air Force Base influences and shapes residential density throughout much of the City.

### Key Recommendations

The assessment provided a range of recommendations to improve the City's zoning code to better accommodate a range of housing types to support the City's families, seniors, and

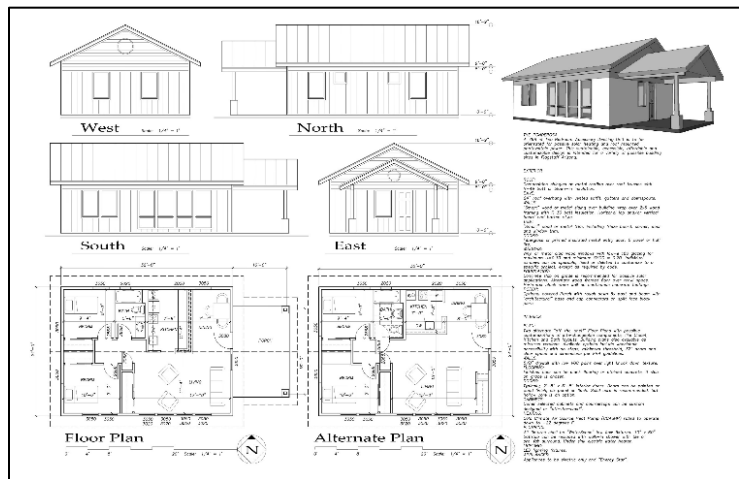
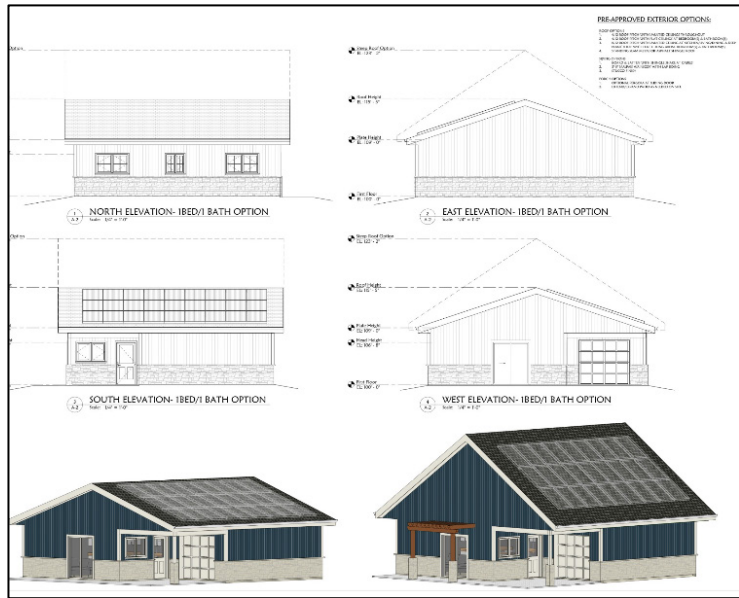
- **Missing Middle Housing Expansion:** The assessment recommends allowing lower-density missing middle housing (duplexes, triplexes, cottage courts) by-right in all Single Family Detached zones (R1-10, R1-7, R1-6, R1-4, R1-C). This would facilitate housing diversity while maintaining compatibility with existing neighborhood character through pre-approved design templates and streamlined permitting processes.
- **Accessory Dwelling Unit Support:** Recommendations include offering pre-approved ADU design templates with complete plan review, structural engineering analysis, and code compliance verification already completed. Financial incentives such as low-interest loans, tax abatements, and waived permitting fees for units under 750 square feet or deed-restricted affordable units would reduce barriers to construction.

## Flagstaff, Arizona's Pre-Approved ADU Program:

The City of Flagstaff's Community Development Division launched the Model ADU Plans Program in 2024 to expand affordable housing options by offering pre-approved ADU designs. Through an open call to local architects and designers, the city created a publicly accessible library of construction-ready ADU plans, reviewed for code compliance and adaptable to a range of lot types.

Selected designs are eligible for stipends and are featured online for homeowners to reuse at reduced permitting costs. This initiative aims to streamline the building process, lower design expenses, and encourage creative, community-driven housing solutions to support Flagstaff's goals for affordability, sustainability, and increased housing diversity.

The adoption of these ADU models is expected to be available to the public in 2025.





*The Goodyear Civic Square aims to build a vibrant, walkable, mixed-use hub surrounding Goodyear's City Hall.*

- **Mixed-Use Development Continuation:** The assessment emphasizes continuing successful mixed-use projects like Goodyear Civic Square, Canyon Trails Towne Center, and the proposed Celebration Plaza. Recommendations include leveraging Community Facilities Districts (CFDs) and Opportunity Zones (Tracts 610.24 and 613) to provide financial incentives for developers.
- **Affordable Housing Incentives:** Strategic approaches include offering density bonuses on sliding scales (in which greater incentivization is provided to developments that provide more units, or units at lower levels of affordability), parking requirement reductions up to 25%, and permitting/impact fee waivers for developments with affordable housing set-asides. Arizona state law requires impact fee waivers to be proportionately offset by municipal funds, necessitating integration with federal and state funding sources.

### **Flagstaff, Arizona's Impact Fee Waivers:**

*Flagstaff's fee waiver policy for affordable housing has been successful in reducing development costs and encouraging affordable projects by certifying qualifying developments and offering waivers or reimbursements for permit and impact fees on a sliding scale based on income levels served. The city pays for these waivers and reimbursements through a combination of general fund allocations and dedicated local funding sources, such as voter-approved housing bonds. Funding availability is a key part of the policy, as waivers are only granted if there are sufficient resources at the time of project approval, ensuring fiscal responsibility.*

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- **Programmatic Recommendations:** The assessment outlined a dedicated fast-track permitting process would prioritize affordable housing, missing middle, and ADU projects over traditional market-rate development. The assessment also identified a number of financial mechanisms to support housing, including grants, low-interest loans, tax abatements, and reduced fees modeled after Flagstaff's successful approach. The assessment suggests linking impact fees to home size, offering reductions for smaller missing middle housing units with deed-restricted affordable components.

### Phoenix, Arizona's Approach to Housing Affordability:

*The City of Phoenix has implemented several measures to address housing affordability. It regularly assesses housing needs and supports affordable housing through development incentives, financing options, and public-private partnerships. The city imposes time-limited affordability requirements on affordable housing and launched the Housing Phoenix Plan, including nine initiatives to assist in the creation of additional affordable housing. This plan supported new text amendments to permit the use of accessory dwelling units (ADUs) throughout the city. As of 2024, 233 ADU permits had been issued.*

*In January 2024, Phoenix amended its zoning code to reduce parking requirements for multifamily housing, standardizing them to 1.5 spaces per unit and allowing further reductions for transit-oriented areas and special needs populations, recognizing the lower rates of car ownership amongst those groups. In Walkable Urban and Infill Development Districts, only 0.75 spaces per unit are required.*



### Avondale's Homeownership Partnerships:

*The City of Avondale partnered with a Community Land Trust (CLT) and Maricopa County to develop six permanently affordable energy efficient single-family homes, located at the northwest corner of Elwood Street and El Mirage Road named Legacy Avondale. Avondale donated city land and, together with the county and federal HOME funds, provided over \$3 million in support. The CLT holds the land in a 99-year renewable lease, ensuring homes remain affordable and are resold only to income-qualified buyers.*

- **Code-Related Recommendations:** The assessment recommends shifting focus from traditional dimensional standards (e.g., minimum lot sizes) to physical form considerations including building mass, design, and neighborhood compatibility. This enables greater development flexibility and diverse housing options at different price points. Proposed adjustments include promoting vertical and narrow configurations, downsizing or eliminating garage requirements for single-family dwellings, and encouraging shared parking in mixed-use areas. It was recommended that all design standards be consolidated into a single accessible document with clear administrative waiver procedures.

### **Fort Collins' Predictable Flexibility:**

*The City of Fort Collins' Housing Strategic Plan integrates flexibility through a structured two-year implementation cycle that involves regular progress reviews, reevaluation of priorities, and collaborative design summits. This cyclical process allows the city to remain responsive to changing housing conditions and new information, enabling timely adjustments to policies while maintaining overall strategic direction. At the same time, the plan establishes predictability by grounding decision-making in clear guiding principles that emphasize transparency, accountability, and measurable impact. These principles provide a consistent framework that helps stakeholders understand the reasoning behind policy shifts, ensuring that flexibility does not undermine clarity or trust.*

### **Tucson's Missing Middle Design Standards:**

*To meet Arizona HB2721 requirements and boost housing diversity, Tucson launched its Middle Housing Initiative to create clear, objective design standards for "missing middle" housing, including duplexes, triplexes, fourplexes, and townhomes near central business districts. The city's approach sets measurable criteria for height, setbacks, lot size, and parking to ensure projects fit neighborhood character while broadening housing choice. Public feedback shaped policy drafts throughout 2025, with adoption targeted for January 2026. Tucson's standards aim for predictable, equitable development that supports affordability and community stability through transparent zoning and streamlined approvals.*

### Model Zoning Ordinance

Goodyear is concurrently updating their zoning ordinance, and Matrix provided a Model Zoning Ordinance with a series of housing best practices. In addition to suggested zoning code language, the Model Ordinance contained background information and rationales for each suggestion, to increase transparency and political feasibility.

#### Housing Development Standards

The Model Ordinance contained housing development standards, including:

- Relevant definitions of various housing types, including missing middle housing, ADUs, affordable housing, workforce housing, and senior housing.
- Qualification and development standards for desired housing types to receive development incentives (i.e. minimum percentages of affordable units, minimum terms of affordability, levels of affordability based on income thresholds).
- Design standards to ensure neighborhood compatibility and move toward form-based regulation new housing types. Such recommended standards included things like height limits, modulation requirements, roof form standards, building orientation considerations, and privacy screening requirements.
- Suggested compliance, monitoring, and enforcement procedures.
- Suggested fast-track review and permitting procedures for incentivized housing types, and general processes to further streamline all types of housing development.



*By focusing on building form and massing, rather than strict residential zoning separation, several Goodyear neighborhoods seamlessly blend detached single-family housing with attached townhomes, increasing housing choice and neighborhood diversity.*

### Incentives for Desired Development

The Model Ordinance also offered incentives for desired housing types, including senior housing, affordable housing, workforce housing, and mixed-use development. Incentives were calibrated to local housing needs and market conditions, to ensure development would be adequately incentivized. Incentives included the following:

- Density bonuses
- Parking reductions
- Expedited review and permitting
- Reduced setbacks
- Lot area reductions
- Zero lot lines
- Building coverage increases

Multiple Family District Density Bonus				
District	Maximum Base Density (Du/Ac)	Recommended Density Bonus (30%)	Recommended Density Bonus (50%)	Maximum Height (ft.)
MF-12	Base 12	15.6 (30% bonus)	18 (50% bonus)	Base 25 to 35
MF-18	Base 18	23.4 (30% bonus)	27 (50% bonus)	Base 30 to 40
MF-24	Base 24	31.2 (30% bonus)	36 (50% bonus)	Base 40
MHS	Base 10	13 (30% bonus)	15 (50% bonus)	Base 20 to 30
MH / RVP	Base 10	13 (30% bonus)	15 (50% bonus)	Base 20 to 30

Sliding Scale Density Bonus Applicability 30% - 50%				
Level of Affordability	Affordable Units Provided	Density Bonus Permitted	Affordable Units Provided	Density Bonus Permitted
120% or less of AMI	20%	30%	40%	50%
At least half at 80% or less of AMI, the remainder at 120% or less of AMI	10%	30%	20%	50%
80% or less of AMI	7.5%	30%	15%	50%
60% or less of AMI	5%	30%	10%	50%

*A sliding scale density bonus offers increased levels of density in return for a development offering a greater number of affordable units, or units at deeper levels of affordability.*

### Supportive Housing Policies

In addition, the Model Ordinance provided suggested zoning code language for several other supportive housing policies, including language to support more missing middle housing types and ADUs by-right throughout the City, language to support senior housing and accessibility improvements, and language to support mixed-use development.

Table 3-2-2: Residential Districts Use Classifications										
P - Principal Permitted Use; U - Use Permit Use; C - Uses that are permitted if certain conditions are met; AC - Accessory Use that are permitted if certain conditions are met	Single Family					Multi-Family				
	AG	AU	R1-10, R1-7, R1-6	R1-4, R1-C	R1-A	R2	MF-12	MF-18/24	MHS	MH/RVP
Affordable Housing Development (2 – 3 units)					C	P				
Affordable Housing Development (at least four or more units)							P	P	P	P
Dwelling, one single family detached	P	P	P	P		P	P			
Dwelling, one single family attached			P	P	P	P	P			
Dwelling, two family (duplex)					P	P	P			
Dwelling, multiple					C		P	P		
Detached accessory building	AC	AC	AC	AC	AC	AC	AC			
Accessory Dwelling Unit (detached or attached)	P	P	P	P	P	P	P			

*Updating permitted uses to support more missing middle housing types and ADUs by-right helps lower barriers to development, encouraging diverse housing types.*

Lastly, suggested zoning code language was provided to encourage and enable residential development in commercial districts throughout the city, as well as language to encourage and enable small-scale neighborhood commercial uses in current residential districts.

### Phoenix, Arizona

#### Affordable Housing Video

As part of the City's effort to community engagement and support regarding affordable housing efforts, the team produced an affordable housing overview video, sharing key information such as what affordable housing is, who affordable housing benefits, and why affordable housing is needed as Phoenix continues to grow rapidly. The goal of this video is to improve community understanding of the Housing Phoenix Plan, its relevance to the community, current housing needs and goals, and how the Plan has improved housing availability and affordability so far.

The video addressed challenges related to housing affordability, such as households spending too much of their income on housing, leaving little left for savings and essential expenses. Additionally, the video discussed how affordable housing can benefit the community, by enabling workers to live near their places of employment, increasing neighborhood stability, and supporting health and wellbeing. Lastly, the video provided an overview of the City's bold goal to create or preserve 50,000 housing units by 2030, and how this goal was achieved ahead of time through actions such as updating zoning regulations to enable new housing options, increasing partnerships with local nonprofits and housing providers, and increasing housing preservation efforts through things like community land trusts and rehabilitation programs.



*By December 2024, Phoenix already exceeded its goal by producing over 50,000 new housing units, 21% of which are affordable for residents making <80% AMI, and 25% which are affordable for residents making between 80-120% of AMI.*

## Affordable Housing Infographics

The team produced two infographics as part of this effort to generate community understanding of key affordable housing indicators and metrics. Pictured to the left, the infographic titled “What Does Affordable Rent Look Like for Phoenix Workers?” illustrates the median salaries of a range of professions, along with what affordable rent would be using the typical affordability standard of housing costs not exceeding more than 30% of one’s gross income. Pictured on right, the infographic titled “Affordable Housing Demand Indicators in Phoenix” contains key metrics such as the rapid increase in home prices and rent, the City’s poverty rate and rates of housing cost burden, the estimated shortage of low-income rental units, and the City’s limited diversity of housing stock. The infographics are intended to be easily accessible to the public and can be published to the Housing Phoenix Plan website, social media pages, and shared across other public forums.

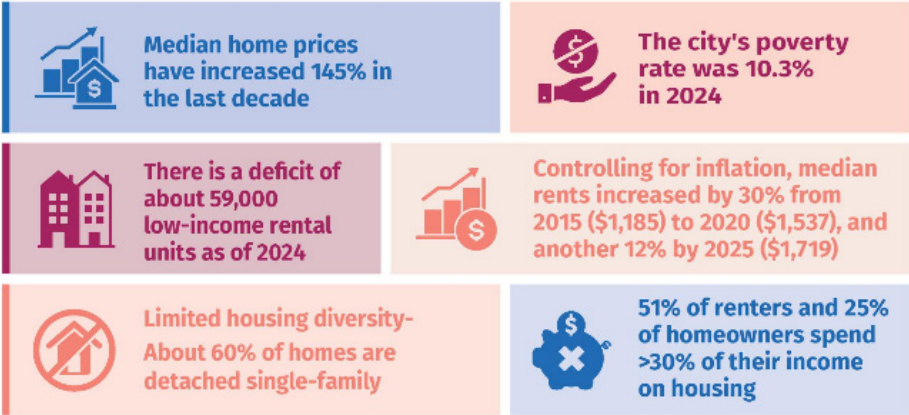
### What Does Affordable Rent Look Like for Phoenix Workers?



Affordable means your housing costs do not exceed 30% of your income  
 Average rent for a 1-bedroom apartment in Phoenix is \$1,250  
 Average rent for a 2-bedroom apartment in Phoenix is \$1,555

Source: U.S. Bureau of Labor Statistics, 2024; Zillow Rentals Data, 2025

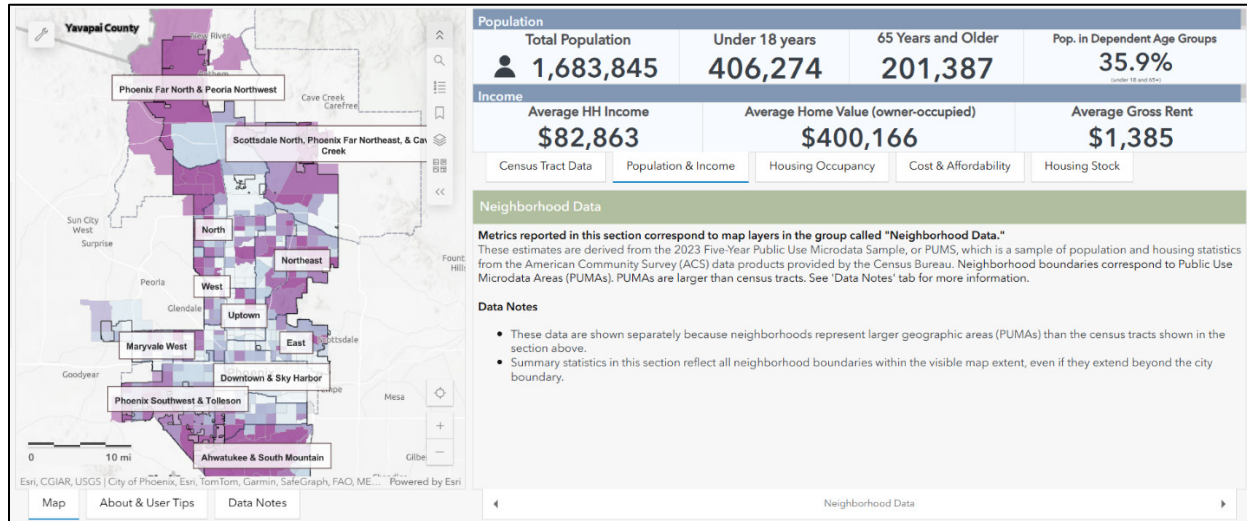
### Affordable Housing Demand Indicators in Phoenix



Sources: City of Phoenix; American Community Survey

## Affordable Housing Dashboard

The Affordable Housing Dashboard is an online, interactive interface that consolidates key housing-related metrics, such as American Community Survey (ACS) and Public Use Microdata Area (PUMA) household income and housing costs, to better engage the community and provide understanding of how such demographics are connected to housing availability and affordability. The dashboard contains neighborhood-level data on metrics including population & income, housing occupancy, cost & affordability, and housing stock.

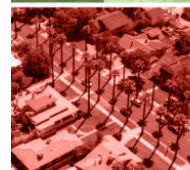


## Low-Income Demographic, Housing Conditions, and Affordability Analysis

A comprehensive sociodemographic analysis of sub 50% AMI households was created to compare the City's housing condition, distribution, and stock, as well as housing costs and stress indicators. With this study, Phoenix and its partners may further understand challenges facing the lowest-income households, expanding on the 2024 City of Phoenix Housing Needs Assessment. The analysis found that nearly one-in-four Phoenix households (23%) earned below 50% AMI in 2023, representing over 139,000 households facing the most severe affordability barriers, highest cost burdens, and inadequate housing conditions.



### Demographics, Housing Conditions, and Affordability in Phoenix: Insights by AMI Level



### Key Findings

- Geographic Distribution:** Incomes vary dramatically across Phoenix, with median household incomes ranging from over 170% AMI in northern areas like Scottsdale North, Phoenix Far Northeast, and Cave Creek to below 80% AMI in southern neighborhoods. The highest concentrations of below-50% AMI households are found in Maryvale East, Downtown and Sky Harbor, Maryvale West, West, and South.
- Homeownership Gaps:** There are notably disparities in homeownership across incomes—only 38% of below-50% AMI households owned homes compared to 63% of higher-income households citywide.
- Demographics:** 18% of individuals in below-50% AMI households reported disabilities, nearly twice the 10% rate among higher-income households. Phoenix's substantial Latino population is disproportionately represented among lower-income households, particularly in Maryvale and South Phoenix.
- Employment:** Unemployment among below-50% AMI residents (12%) is triple that of higher-income workers (4%).
- Housing Stock:** Housing form closely correlates with income, with 67% of households earning at least 50% AMI living in single-family detached homes, compared to just 44% of below-50% AMI households. Lower-income households rely more heavily on older housing stock, with the median unit occupied by below-50% AMI households built in 1979 versus 1985 for higher-income households.
- Housing Size:** Space disparities affect quality of life. Higher-income households occupied homes averaging 2.8 bedrooms compared to 2.2 bedrooms for lower-income households.

## HOME TA Summary Report

Relatedly, about 10% of lower-income households live in overcrowded conditions, double the rate of higher-income households.

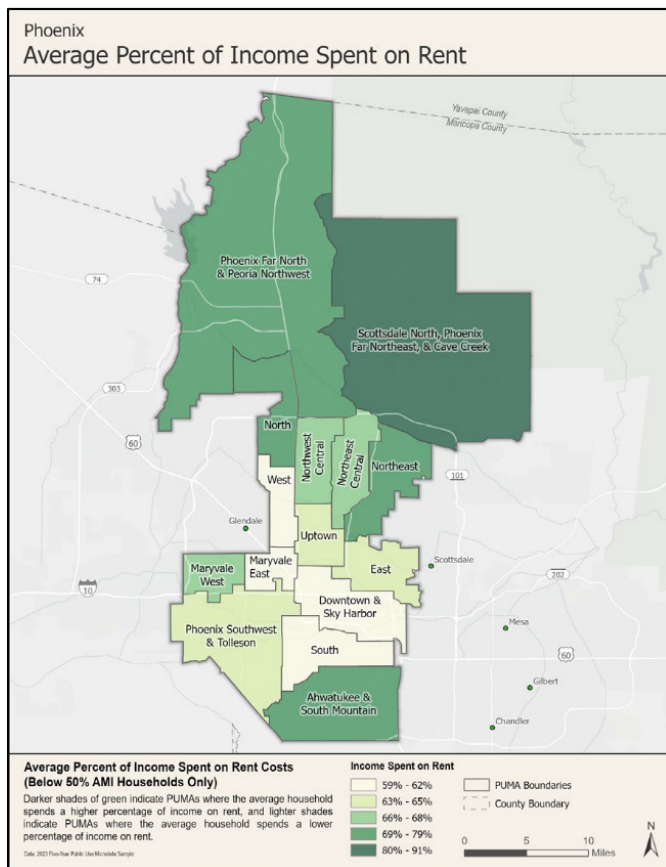
- Affordability Concerns:** Housing cost burden is pervasive among lower-income renters; citywide, 93% of below-50% AMI renters spent at least 30% of income on rent, with 66% classified as severely burdened (spending 50% or more).

Lower-income homeowners also struggle with affordability, as nearly 70% of below-50% AMI owner-occupied households allocated 30% or more of income to monthly housing costs.

### Policy Implications

The report highlights several critical needs for Phoenix's housing policy:

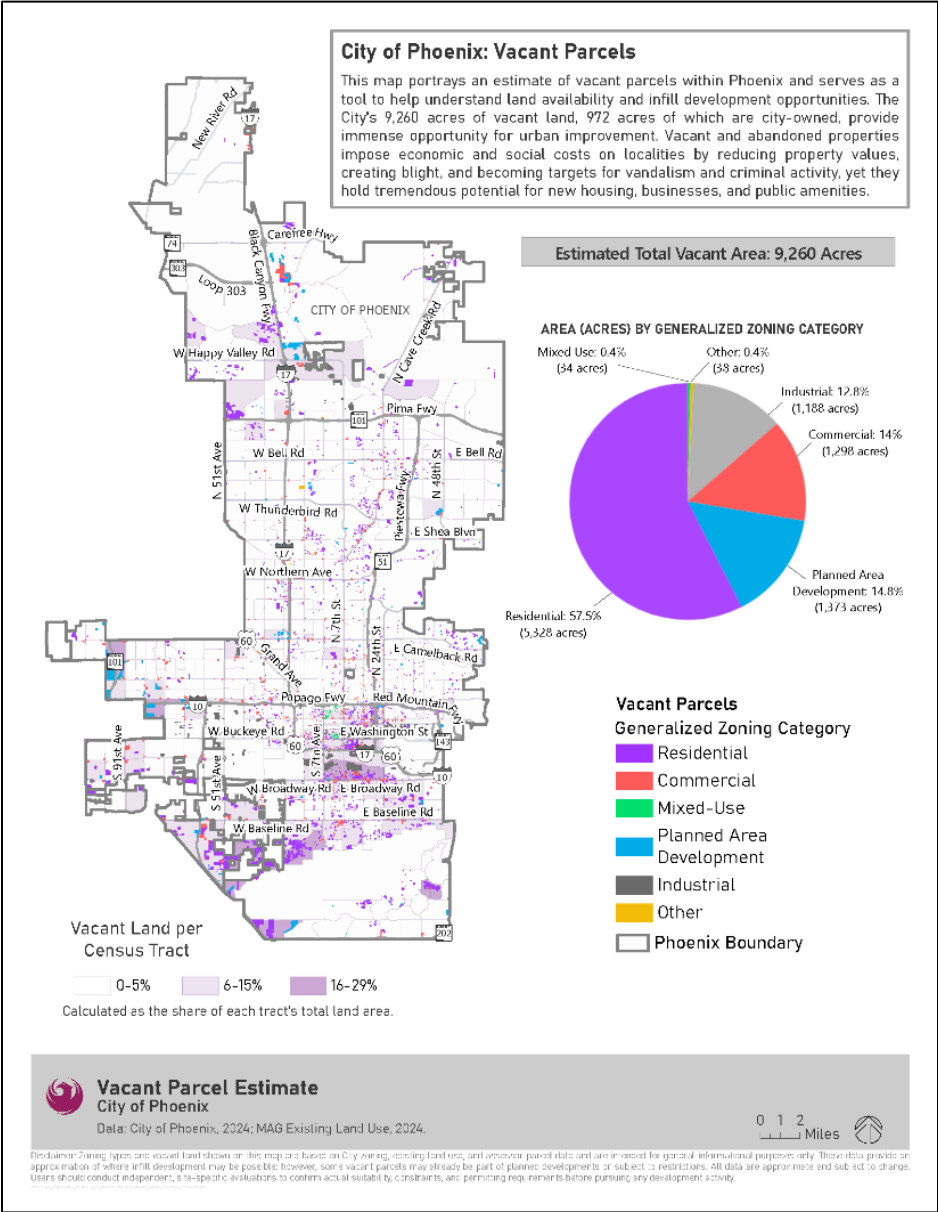
- Targeted Geographic Interventions:** The concentration of affordability challenges in specific neighborhoods warrants additional research.
- Preservation Priorities:** Though subsidized affordable housing remains a need, much of Phoenix's current affordable housing stock consists of naturally occurring affordable housing (NOAH) that requires ongoing preservation investment to prevent deterioration and displacement.
- Transportation-Housing Coordination:** With lower rates of car ownership among lower income households, improved transit connectivity is essential for connecting residents with employment opportunities and essential goods and services. The ongoing expansion of the light rail through Phoenix's South Central corridor presents the opportunity to expand affordable housing opportunities that are transit-served.
- Mixed-Income Development:** High levels of income disparity in areas like Uptown, East, and Downtown and Sky Harbor underscore the need for policies that preserve affordability while supporting mixed-income development. Such developments avoid concentrating poverty and ensure affordable options are distributed citywide.



*This map shows the average percent of income spent on rent costs by households making less than 50% AMI citywide. This analysis revealed stark affordability challenges citywide.*

# Vacant Parcel Analysis

Matrix conducted a vacant parcel analysis for the City of Phoenix, detailing the City's stock of vacant land by generalized zoning category and location. The analysis found that of the City's 9,260 acres of vacant land, 972 acres (10.5%) are owned by the City. Vacant parcels can depress surrounding property values and can create blight and safety concerns. Their redevelopment offers opportunities for urban improvement, helping to bring revitalization and improved aesthetics to a neighborhood, and creating support infill residential development.

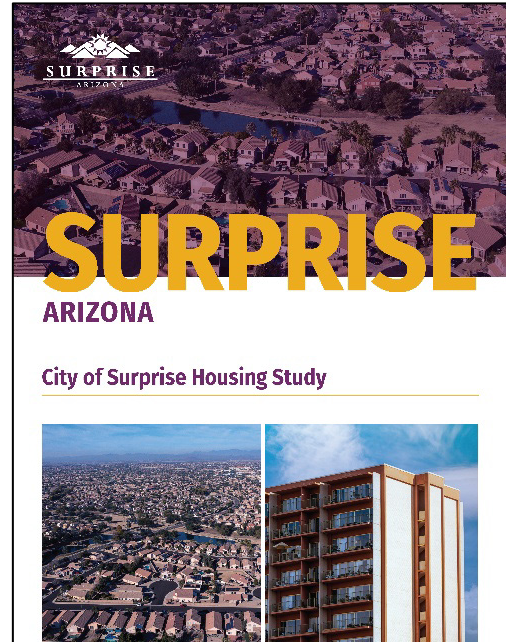


*Vacant and abandoned spaces mean fewer jobs, fewer services, and less consumer spending. Their redevelopment can add new housing and businesses while enriching areas of the city that have faced historic disinvestment.*

## Surprise, Arizona

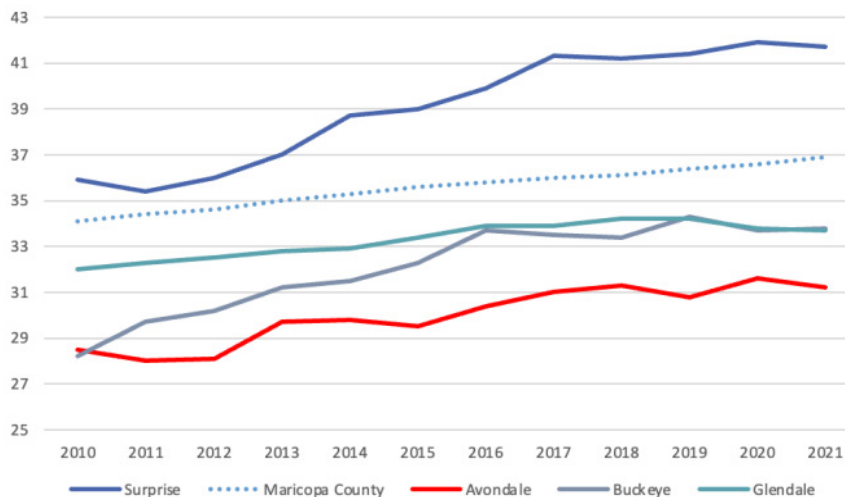
### Housing Study

In 2022, Matrix developed a Housing Study for the City of Surprise, which aimed to enhance policymakers', stakeholders', and the community's understanding of the housing challenges facing the city. This effort included robust data analysis and community engagement, including a community survey completed by 285 residents, and stakeholder interviews and focus groups with Ability360, Foundation for Senior Living, Newtown Community Land Trust and Community Development Corporation, Arizona Charter Academy, Dysart Unified School District, and WeSERV. Key demographic, economic, and housing market findings are detailed below, including updated finding to be compliant with SB 1162 requirements.



- Population and Demographics:** Surprise has experienced dramatic population growth, growing from roughly 33,000 residents to 118,000 residents between 2000 and 2010. Growth has continued, albeit at a slower rate, with projections showing continued expansion through 2040; The population hit roughly 144,000 by 2020, and the population is expected to reach over 307,000 by 2040. The median age is increasing as the city attracts more seniors, and the population is showing recent increases in racial and ethnic diversity, though Surprise remains less diverse than the region as a whole.

**Figure 9.** Median Age, 2010 to 2021



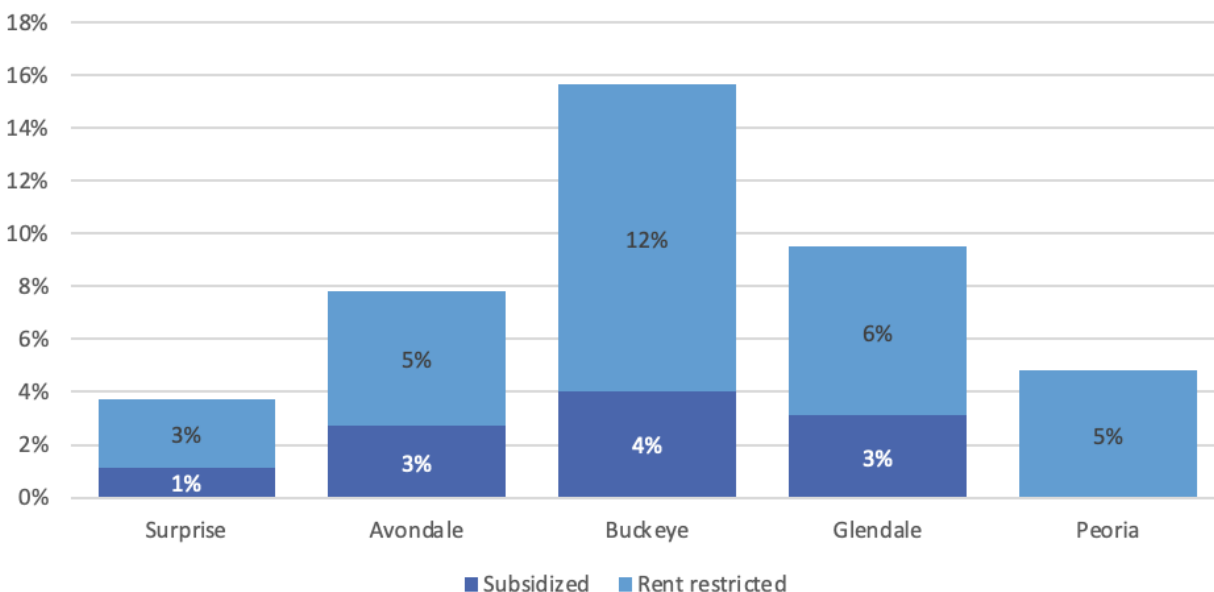
Source: Five-year American Community Survey (2010 to 2021)

*The City has a significantly older population than the rest of the county, signaling a future need for increased senior housing options.*

- **Economics:** Median household income reached roughly \$77,000 in 2021, but projections indicate it will remain relatively flat through 2032 when adjusted for inflation. Employment in the city has grown substantially, from 11,763 jobs in 2000 to 61,375 in 2022, with retail trade and healthcare being the largest industries. The unemployment rate hit a record low of 3.46% in 2022 and is projected to remain below historical averages for at least the next decade. However, 68% of residents commute outside the city for work, with average commute times of 30 minutes.
- **Homeownership and Tenure:** Surprise maintains a high homeownership rate of 76% as of 2021, though it declined nearly 10 percentage points between 2010-2015 before recovering. Homeownership varies significantly by age, with younger householders (under 45) seeing their ownership rate drop from 67% to 60% between 2011-2021. Homeownership also varies by race, with white homeownership rates at 77%, compared to 70% for Hispanic and 60% for Black households.
- **Housing Stock Characteristics:** The housing inventory is dominated by detached single-family homes, representing roughly 87% of the occupied stock. The housing stock is relatively new and in good condition, with most units built after 1990. Vacancy rates are unusually high, with roughly 11% of the city's units categorized as such; however, subsidized and rent-restricted apartments have limited availability as represented by their 2% vacancy rate.
- **Affordable Housing:** Subsidized housing represents just 1% of the city's apartments, and rent restricted housing represents just 3% of the city's housing. This combined stock of affordable housing is lower than that of Avondale, Buckeye, and Glendale.
- **Rental Market Analysis:** Between 2018 and 2021, median gross rent rose by 17% in Surprise to \$1,637, surpassing both the median rent and the rate of rent increases for Maricopa County, Avondale, Buckeye, and Glendale. From 2020 to 2021, Surprise renters became, on average, seven percentage points more likely to spend at least 30% of their incomes on rent – a remarkable increase not observed elsewhere in the West Valley. 53% of renter households are cost-burdened, with 40% severely cost-burdened (spending more than 50% of income on rent).
- **Owner Market Analysis:** The median home sale price has risen steeply even when adjusted for inflation, rising from roughly \$215,000 in 2013 (in 2022 dollars) to around \$449,000 in 2022. 25% of homeowners with mortgages are cost-burdened, while only 8% of homeowners without mortgages face housing cost burdens.
- **Rental Market Gaps:** The rental market shows severe mismatches between supply and demand across income levels. The analysis found a 1,432-unit shortage for households earning less than 50% AMI (\$39,500), whereas there was a 2,135 surplus of workforce housing units in the \$63,200-\$94,799 income range. Furthermore, there was a shortage of market rate and high-end rental options, which force high-income renters into moderate-income units.

## HOME TA Summary Report

- Owner Market Gaps:** Similarly, the owner market demonstrates severe mismatches, with an estimated 7,483-unit shortage across three affordable tiers (below \$63,200 income), and a surplus of nearly 10,000 units for households earning \$63,200-\$157,999. A 2,350-unit shortage of luxury housing for households earning \$158,000+ forces high-income earners into housing that would otherwise better suit lower income households.
- Senior Housing Gaps:** With Surprise's substantial senior population, housing affordability is particularly challenging, with an estimated 5,414-unit shortfall in affordable housing for seniors.
- Bedroom Size Mismatches:** Significant mismatches exist between housing supply and household size needs, with current housing often exceeding the size needed by Surprise's residents. For rentals, there is an estimated 356-unit deficit in studio apartments, and a 943-unit deficit in 1-bedroom units, whereas there is an estimated 2,700-unit surplus in 3-bedroom units. For the owner market, there is over a 2,700-unit surplus in 3-bedroom units.
- Projected Trends Through 2032:** The study projects that existing housing gaps will worsen significantly by 2032 without intervention. In the rental market, market rate surpluses are expected to grow to over 13,000 units, while extreme affordability deficits persist. In the owner market, the workforce/market rate surplus will reach an estimated 24,698 units, while affordable housing deficit will grow to 11,280 units. Such a mismatch between household incomes and housing prices will continue to deteriorate affordability.



*Compared to many peer cities, Surprise has significantly less subsidized and rent restricted affordable housing options.*

### Key Challenges

The quantitative findings of the Housing Study, validated by community in stakeholder and resident input, identified several key challenges:

- **Residential Deed Restrictions:** Mixed-use development faces constraints from residential exclusions in most commercial districts including the Central Business District. Eliminating these deed restrictions is extremely costly and drive away potential residential and mixed-use development; potential solutions discussed with the City included land swaps and offering fee offsets as an incentive for desired development type (e.g., residential development with an affordable housing set aside).
- **Density Constraints from Luke Air Force Base:** The City faces significant density and development constraints due to its proximity to the Luke Air Force Base (Luke AFB). Graduated density requirements and airport noise contours limit where residential development can go and reduced allowable density, directing residential growth to other parts of the City.
- **Population Growth Outpacing Housing Supply:** The City is continuing to experience rapid population growth and an increasingly aging population, and population growth is outpacing growth in the city's housing supply, particularly for affordable and senior housing.
- **Undiversified Housing Stock:** Single-family detached homes represent around 87% of the city's housing stock. Many of these units are also very large, further representing a supply side mismatch in which there is a shortage of studio and one-bedroom units, but a surplus of 3+ bedroom units. Such a mismatch has affordability implications as individuals and families are forced to live beyond their means, with an estimated 53% of renter households and 25% of homeowners with mortgages suffering from housing cost burdens.

#### **Dallas, Texas's Solution to Deed Restrictions:**

*Dallas faced significant barriers to residential development on parcels acquired from neighboring municipalities and school districts, as these lands carried deed restrictions requiring continued public or recreational use. To overcome this, Dallas engaged in transparent and collaborative negotiations with the original grantors. The City most often provided replacement parkland of equal or greater value, and in some cases paid a fee, to secure the release of these restrictions. This approach allowed Dallas to proceed with much-needed housing projects while ensuring the community retained access to recreational space, maintaining both public support and legal compliance.*

### Housing Action Plan

Matrix developed a Housing Action Plan for the City, focused on expanding and incentivizing affordable housing, workforce housing, and improving housing diversity by enabling and promoting missing middle housing and ADUs. Furthermore, the Plan outlined monitoring and compliance procedures for affordable housing developers, including a framework for tracking progress, and provided implementation assistance including a framework for a collaborative Housing Task Force and objectives and strategies to improve community engagement.

#### Key Takeaways

- **Affordable Housing Regulatory Incentives:** The Plan outlined regulatory incentives in accordance with state law to encourage developers to include affordable housing allocations to developments that may otherwise not be financially viable. Incentives included density bonuses that can be applied to areas without significant Luke AFB graduated density constraints, reduced parking requirements, and streamlined permitting to lower development costs and increase project feasibility. Each incentive included proposed benefits for Surprise, as well as implementation considerations.
- **Affordable Housing Financing:** The Plan identified federal, state, and local funding and tax credit opportunities for affordable housing, and outlined several financial incentives for housing development, including grants, low-interest loans, and tax credits or deferrals, as well as below-market sales/donations of publicly owned land for affordable housing, and waiving or reducing permit and deed restriction fees. As deed restriction fees present a significant barrier to development in Surprise, it was recommended that the City explore land swaps with the City of Phoenix as a strategy to remove or reduce these fees.

#### **Tolleson, Arizona's Use of School District Land for Affordable Housing:**

*Tolleson advanced affordable housing by leasing 12 acres of school district land to a developer through a 99-year agreement with a \$4 million upfront payment and \$250,000 annual rent after three years. Approved by the school board, this project allows the district to retain land ownership while incentivizing long term affordability and generating steady revenue. Construction is set to begin in summer 2026 and finish by spring 2028, illustrating how public land can be leveraged for community benefit and sustainable housing solutions.*

**Table 23.** Parking Reduction by Set-Aside and Income Level

Sliding-Scale Parking Policy (Affordable Housing)				
<30% AMI	30–50% AMI	50–80% AMI	80–120% AMI	Parking Requirement Reduction
10% of units	20% of units	30% of units	40% of units	20% reduction
15% of units	30% of units	45% of units	60% of units	30% reduction
20% of units	40% of units	60% of units	80% of units	40% reduction
25% of units or more	50% of units or more	75% of units or more	100% of units	50% reduction

**Table 24.** Parking Reduction for Senior Housing

Parking Reduction for Age-Restricted Housing	
Percentage of Age-restricted Units in Development	Parking Requirement Reduction
80% or more Aged 55 and up	20% reduction
100% Aged 62 and up	25% reduction

*The proposed sliding scale parking reduction provides increased reductions for projects with increased affordable units or units at increased levels of affordability. By allowing an additional stackable reduction for senior housing, projects can be further incentivized for addressing several community needs at once. These bonuses would be compatible together, given the lower rates of car ownership among seniors and lower-income households.*

- Modified Development Standards:** The Plan proposed updating several development standards, including reduced setbacks, smaller minimum lot areas, zero lot lines, and increased lot coverage, in order to create more flexibility for housing development. Ultimately, these adjustments allow for more efficient use of land, enable a greater variety of housing types, and help lower overall development costs.
- Workforce Housing Incentives:** The Plan identified incentives and strategies for workforce housing, including financial incentives such as fee waivers and infrastructure reimbursement to help accommodate the added costs of deed restrictions. Furthermore, workforce housing partnership opportunities were identified, including employer-assisted housing programming, student housing opportunities, and collaborations with nonprofits and other local governments.



### **Tempe, Arizona's Senior, Mixed-use Housing:**

*The Mirabella at ASU in Tempe is a senior living development built on university land, providing residents with direct access to campus amenities, including lifelong learning opportunities, and fostering daily interaction with students and faculty. This integration encourages walkability and reduces the need for parking, demonstrating how senior housing in a mixed-use, campus setting can thrive with less reliance on cars and stronger community ties. The project has received national recognition including being named "Senior Project of the Year" in the 2021 Real Estate & Development (RED) Awards.*

### **Flagstaff, Arizona's Employer Assisted Housing Program:**

*The City of Flagstaff's Employer Assisted Housing Program provides up to \$20,000 in down payment and closing cost assistance to eligible City employees purchasing homes within the Flagstaff Metropolitan Planning Organization boundary. This interest-free, deferred payment loan is structured as a 2-to-1 matching program, where the City matches the employee's contribution up to \$10,000 with up to \$20,000 in assistance. The loan is secured by a promissory note and deed of trust, with up to \$10,000 forgiven on a pro rata basis over ten years of continued employment and owner occupancy. The remaining balance is repaid if the home is sold, refinanced for cash out, employment with the City ends, or owner occupancy ceases. This initiative helps Flagstaff retain employees and improve housing affordability by reducing upfront homebuying costs for City staff. The partially forgivable loan encourages long-term employment and residency, supporting community stability and lowering turnover.*

- **Accountability and Monitoring:** A framework was developed to monitor projects that have received development incentives for compliance with the agreed upon terms and conditions of affordability, construction, and maintenance. This included establishing a 20 year minimum term of affordability and explored the use of on-site monitoring and letters of compliance to ensure the designated units are affordable, in good condition, and otherwise in compliance with the stipulations of the development agreement. In cases of noncompliance, it is recommended the City require developers to pay a fee-in-lieu to the City until the unit(s) are compliant, set to the current rent level of an equivalent market-rate unit in the same development.
- **Tracking Progress:** A framework was developed for tracking the progress of developments that have received incentives. Recommended information includes the number and location of units built and preserved (by level of affordability), the incentives received, and the value of the City's investment, among other key metrics.
- **ADU Policies:** Several accessory dwelling unit (ADU) policies that go beyond state requirements were recommended, including launching a pre-approved ADU program with a range of standardized designs, to streamline development and reduce permitting costs and timelines. Furthermore, policies included recommended zoning amendments, including expanding ADU allowances across the City and enabling administrative approval for pre-approved designs.

### **Tempe, Arizona's ADU Design Challenge:**

*The City of Tempe's Community Development Department, with support from AARP's Community Challenge Grant, launched the ADU Design Challenge to promote affordable and sustainable housing options. The competition invites designers to submit construction-ready plans for Accessory Dwelling Units (ADUs), with winning entries receiving up to \$2,000 and featured as standard plans on the City's website. This initiative aims to expand housing choices, streamline the permitting process, and reduce costs for residents by offering preapproved, code-compliant ADU designs, ultimately supporting Tempe's goals for affordability, innovation, and community engagement.*

- **Missing Middle Policies:** The Plan also outlined missing middle policies beyond state requirements, including the use of pre-approved missing middle designs for common housing types including duplexes, triplexes, and townhomes, as well as updating design guidelines to ensure middle housing complements existing neighborhood character while avoiding overly restrictive requirements prohibited by state law.
- **Community Engagement Plan:** The Plan outlined a set of engagement objectives and recommended engagement strategies, including convening at community workshops and stakeholder roundtables, partnering with existing community-based organizations, utilizing digital engagement platforms (including online dashboards, interactive mapping tools, and social media outreach), and publishing educational resources on topics such as housing needs, opportunities, and solutions.
- **Interagency Collaboration Framework:** The Plan recommended creating a Housing Task Force to future explore current issues and opportunities, resource coordination, progress monitoring, and policy alignment. Essential partners included Maricopa County, the Housing Authority of Maricopa County (HAMC), and neighboring jurisdictions such as Glendale, Goodyear, Peoria, and El Mirage. Other potential partners included the City of Phoenix Housing Department, to share technical expertise and regional best practices, major regional employers, financial institutions, and nonprofit housing developers such as Trellis and Habitat for Humanity of Central Arizona, and state-level partners such as the Arizona Department of Housing (ADOH), the Arizona Industrial Development Authority (AzIDA), and the Arizona Health Care Cost Containment System (AHCCCS), with their focus on supportive housing.

**Home is Where It All Starts:**  
*Home is Where It All Starts is a comprehensive statewide campaign addressing Arizona's housing crisis, created by the Maricopa Association of Governments (MAG). The initiative was a strategy from Pathways Home, the Regional Homelessness Action Plan for Local and Tribal Governments developed by MAG, and focuses on transforming how communities discuss housing. The campaign offers housing data, success stories, among other resources.*

## Sample Social Posts

Below are four sample social posts you can send out to your audiences. The content of the posts is as follows:

1. Introducing the campaign
2. Educational
3. Sharing piece of data
4. Specific ask/action

**Post Copy #1**

Home is where it all starts\* is working to put a home within reach for every member of our communities, so that we are all able to live stable and purposeful lives. Learn more about our collective of champions for housing and discover how you can help at:

[LINK TO [homeiswhereitallstarts.org](http://homeiswhereitallstarts.org)]



The image shows a sample social media post. At the top left is the logo for 'Home is where it all starts' which features a stylized house icon with a sun and a person. To the right of the logo is the text 'Home is where it all starts.' Below the logo is a photograph of a diverse group of people, including men, women, and children, gathered around a table. Overlaid on the right side of the photo is the text 'A home within reach for every member of our communities.' At the bottom of the photo is a call to action: 'Visit [www.homeiswhereitallstarts.org](http://www.homeiswhereitallstarts.org) to learn more'.

*The toolkit contains calls to action tailored to specific audiences, email outreach templates, and sample social media posts, fliers, and digital ads to help generate support for housing solutions.*

## Tolleson, Arizona

### Housing Needs Assessment

The Housing Needs Assessment provides an objective and data-driven foundation for decision-making, enabling city leaders and stakeholders to strategically address current and future housing needs, promote balanced community development, and create housing policies that are responsive to the evolving demands of Tolleson’s residents.

#### Key Takeaways

- **Population and Demographics:** Tolleson grew in population by about 10% from 2012 to 2022, yet recent growth has lagged since 2017, compared to neighboring cities which maintained a constant increase. This may indicate a reduction in local housing stock pressures, but as neighboring cities become more expensive and saturated, there could be future demand in Tolleson. Additionally, there may be a higher demand for senior housing in the future, as the demographic of residents aged 65 and older nearly doubled from 2017 to 2022. That said, Tolleson may need to consider strategies for retaining and attracting younger adults, in addition to accommodating the housing needs of the growing senior population, as the demographic of residents aged 25 to 34 declined from 19% to 13% in recent years.
- **Income, Poverty, and Wages:** The median household income in 2022 was \$47,875, which is substantially lower than the county and state figures. The median renter income, however, lags sharply behind the homeowner income, at about \$27,083. Lower-income households are overwhelmingly concentrated in the rental markets, as about 95% of Tolleson households earning less than \$15,000 were renters, while about 19% of Tolleson households live in poverty. However, a large percentage of even the highest earners (earning more than \$150,000) are also renters. This indicates not only varying lifestyle preferences, and housing supply limitations, but also major barriers to homeownership in Tolleson.
- **Housing Turnover and Tenure:** Although homeownership has increased from 40% in 2017 to 54% in 2022, which is around the regional average, the housing turnover is above average. Nearly 80% of residents moved into their homes since 2010, indicating low housing stability and potential barriers to long-term tenure. Additionally, Younger homeowners face greater cost burdens than older owners, who often own their homes outright or bought them when prices were lower decades ago.



- **Housing Stock Characteristics:** The city has just over 2,700 housing units, only a third of which are multi-family housing units, with about 59% of units being single-family detached homes. Most housing was built after 1990, but there is a significant concentration of older homes requiring maintenance, and about 6.4% of homes are overcrowded. Although 52% of households are one or two people, three-bedroom or more units are still the predominant housing type in Tolleson. This indicates that larger housing may be needed for some, but there is a clear need for attainable one-bedroom and two-bedroom units.
- **Current Affordable Housing:** Although subsidized housing is above the regional average (over 9% of renter households), there is a current shortage of 417 housing units (168 owner, 259 renter) with most needed units being for families earning 80% of the AMI or below.
- **Rental Market Analysis and Gaps:** The median rent in 2022 was \$1,121, which means a household needs to make at least \$44,840 to afford this, yet the median renter income is \$27,083. Most renters (70%) are cost-burdened, spending 30% or more of their income on rent. Many are even severely cost burdened, spending more than 50% of their income on rent, especially seniors and lower-income households. Additionally, vacancy rates of rental units are below a balanced market threshold, signaling a tight housing market. Most rental need (48%) is for households earning less than 30% of AMI, which reflects a critical gap in affordable rental units.
- **Owner Market Analysis and Gaps:** Home prices in Tolleson surged between 2017 and 2022, increasing by 43%. This far outpaces the local income growth, which remained primarily flat over the same period. In 2023, the median home sale price was \$399,900, with buyers needing double the actual local median income to afford the median home. About 28% of homeowners in Tolleson with a mortgage, and 19% without, are cost burdened. There is a significantly higher strain on first-time and younger buyers due to price spikes and higher interest rates, yet existing homeowners are mostly stable in their affordability. The largest ownership challenge appears to be access for new buyers, not current cost burden, while the income level with the largest need for ownership is among households earning 50% to 80% AMI.

## HOME TA Summary Report

- Projected Trends by 2030:** The housing deficit is expected to increase to 468 units by the year 2030, if trends persist, with low- and moderate-income households facing the greatest challenges. Without new policy interventions to boost production, lower barriers, and diverse housing types, the challenges of overcrowding, cost burdens, and both renter and household instability will worsen.

**Table 10. Projected Housing Needs in Tolleson by AMI Level, 2030**

AMI level	Total Units		Owner Units		Renter Units	
<30% AMI	168	36%	33	18%	135	48%
30-50% AMI	100	21%	36	19%	64	23%
50-80% AMI	120	26%	84	45%	36	13%
80-100% AMI	14	3%	14	7%	0	0%
100+% AMI	66	14%	21	11%	45	16%
<b>Total</b>	<b>468</b>	<b>100%</b>	<b>188</b>	<b>100%</b>	<b>280</b>	<b>100%</b>

**Source:** Five-Year American Community Survey; Department of Housing and Urban Development; Matrix Design Group, Inc.

**Note:** Totals may not sum precisely due to rounding. Projected housing needs for 2030 were calculated by scaling 2022 estimates based on the ratio of Tolleson's projected 2030 population to its 2022 population.

*Of the anticipated 468 additional units, the majority (280) are needed for renters. The highest need is for low- and moderate-income households, indicating the need for policy interventions to spur the creation and preservation of affordable housing.*

## Housing Action Plan

As housing challenges progress in Tolleson, the city will need to prepare for managing future population growth, especially for seniors, while maintaining and improving the housing attainability for younger workers and families. It is important to then not only implement housing strategies, policies, and initiatives that may positively impact Tolleson housing needs, but to foster local partnerships and take advantage of existing solutions and funding opportunities. The Housing Action Plan addresses action items for implementation and recommended strategies curated to the specific needs of the City of Tolleson.

### Key Takeaways

- **Incentivizing Diverse, Affordable Housing Development:** To create opportunities for diverse and new housing types, Tolleson must implement a variety of housing strategies that incentivize affordable housing. These including establishing a Workforce Housing Trust Fund, promoting ADUs, encouraging and facilitating processes for missing middle housing and mixed-use development types, and supporting and implementing policies like parking reductions, modifications in development standards, and fee relief for affordable, senior, and disabled housing.



#### City of Tolleson Casa de Merced Project:

*Casa de Merced is a 41-unit affordable senior housing community in Tolleson, Arizona. The project is managed by Mercy Housing and was funded through HUD Section 202 subsidies, which provide capital and operating support to nonprofit developers, allowing eligible seniors to pay reduced rents based on their income. Partnering with Mercy Housing allowed Tolleson to facilitate site selection, support infrastructure improvements, and address local needs for affordable senior housing, while securing proper management of the site for decades.*

- **Providing and Supporting Senior Housing Options:** In addition to fee relief for senior housing, Tolleson could allow developers to build more units than normally permitted by zoning if they dedicate a certain portion of the project to senior housing or include Universal Design features, which make homes accessible and safe for people of all ages and abilities. This could be implemented through density bonuses and parking reduction incentives, for example. Other ways to provide and support senior housing options include partnerships with local organizations and agencies and promoting ADUs and alternative multi-generation living arrangements.
- **Continued Preservation and Rehabilitation of Existing Affordable Housing:** While much of the city's housing stock is newer and in great condition, other older homes could benefit from targeted, incremental improvements. Continued participation in rehabilitation programs, like the City's Owner-Occupied Housing Rehabilitation program and the Maricopa County Home Improvement Program (MCHIP) can help homeowners with cost-effective maintenance and enhancements, decreasing the likelihood of displacement.

### Phoenix, Arizona's Affordable Rental Housing Loan Program:

*The Affordable Rental Housing Loan Program is one of the City of Phoenix's earliest and most successful affordable housing efforts. It offers housing developers low-cost loans in order to fill financing gaps in affordable rental development. Combined with the City's "Open Doors" initiative, which provides limited forgivable loans for down-payment and closing costs, the City can address financing gaps and target resources to various affordable housing projects.*

- **Updating Land Use and Redevelopment Standards and Regulations:** To build public-private partnerships, Tolleson should consider the creation of a comprehensive vacant and city-owned parcel inventory, especially documenting such parcels that could be suitable for new housing development as well as could use support with public-private partnerships. It is also recommended that Tolleson supports adaptive reuse efforts through financial incentives like grants, low-interest loans, and tax abatements/deferrals, which could increase the amount of affordable homes for both seniors and young families. Other recommendations include issuing Requests for Proposals (RFPs) to attract affordable housing developers or simply leasing city-owned land to the developers long-term at below market rates, to ensure the long-term affordability commitment is passed along to the buyer.

- **Pursuing Federal and State Funding Opportunities and Partnerships:** The U.S. Department of Housing and Urban Development (HUD) and the Arizona Department of Housing (ADOH) provide several funding sources that offer promising solutions for Tolleson to tackle its housing challenges. The Community Development Block Grant (CDBG) program, the Self-Help Homeownership Opportunity program, the HOME Investment Partnerships program, and the Section 811 Supportive Housing for Persons with Disabilities program are all resources that Tolleson may best use to reach their specific housing goals. Additionally, ADOA's Residential Loan Servicing resource offers secure funding to assist homeowners across the state.



### **Phoenix, Arizona's Acacia Heights II Project:**

*The Acacia Heights II project illustrates how cities can create affordable workforce and family housing through partnerships and layered funding. Maricopa County, Catholic Charities, the City of Phoenix, and the Arizona Department of Housing built 66 affordable units for families earning 40 to 60 percent of area median income. The \$26 million project combined Low Income Housing Tax Credits (LIHTC), federal ARPA funds, City of Phoenix HOME funds, and other financing to keep rents well below market rates.*

# Technical Assistance Sessions

## Partnership Development

### Session #1: Unsolicited Housing Proposals

#### Key Takeaways

- Unsolicited proposals offer creative pathways for affordable housing development where private developers, nonprofits, or entities submit housing concepts without formal bidding processes, typically utilizing public land and public-private partnerships to create affordable and workforce housing through innovative financing, construction, and land use strategies.
- Evaluation requires balancing community benefit with fiscal responsibility by assessing project feasibility, public benefit value (such as affordable unit subsidies), and determining appropriate government contributions like land donations, tax abatements, grants, or low-interest loans.
- Implementation success depends on structured processes and strategic facilitation including establishing policy frameworks, review committees, and intake processes, while municipalities can proactively identify and publish available public/underdeveloped land, provide technical assistance for site planning and funding alignment, and focus on nonpartisan wins like workforce or senior housing that demonstrate fiscal responsibility and quantifiable community savings.

#### Background

Unsolicited housing proposals involve a private developer, nonprofit, or other entity submitting a project or development concept to a local government without a formal request or bidding process. These proposals often utilize creative financing, construction, and land use strategies to create new affordable and workforce housing.

Such proposals typically involve the use of public land and some degree of public-private partnerships. Common evaluation processes include reviewing proposals for feasibility and public benefit, initiating a competitive process to accept competing proposals, negotiating and executing a development agreement with conditions for approval.

As part of evaluation, cities should determine the value of community benefit a proposed project will bring (such as the amount of subsidy for designated affordable units), to determine the value of a local government's contribution, which might encompass land donations, tax abatements or deferrals, grants, low-interest loans, or other quantifiable development incentives. Recent examples from around Arizona found an average of roughly \$104k total redevelopment costs per unit in hotel to residential conversions, and an average of roughly \$412k in total development costs per unit for new residential construction, demonstrating the high cost of development and the need for a city to offer enough subsidy to achieve initial development and ongoing operational viability, while remaining fiscally responsible.

### Case Studies

[Phoenix, AZ](#): The Foundation for Senior Living and Housing for Hope worked with the City of Phoenix and Maricopa County to create Acacia Heights, a housing community with low-income, workforce, and senior housing. To achieve development feasibility, the project utilized Low Income Housing Tax Credits (LIHTC) funds, Arizona Department of Housing funds, American Rescue Plan Act (ARPA) funds, HOME Investment Partnership (HOME) funds, and received permanent loan and deferred developer fees. This project illustrates how partnerships and flexible and diverse funding are necessary for large-scale housing projects that offer large amounts of community benefit.

[Hampton, VA](#): The City of Hampton accepts unsolicited proposals for the purchase, lease, or development of publicly owned land for non-public use, based on criteria including financial feasibility, design concept quality, and alignment with City goals and development objectives. In 2023, a local developer worked with the city's Redevelopment and Housing Authority to purchase 23 acres that once held public housing, which has been vacant since 2016. The site proposal includes over 500 new units, including senior and income-restricted housing.

[Denver, CO](#): The Denver Housing Authority (DHA) and the Regional Transportation District (RTD) accept [unsolicited proposals](#) for various development and housing initiatives; if selected based off proposal criteria including location, financial viability, and community benefit, developers can receive tax credits, tax abatement, and sub-market rate leases and land sales.

### Follow Up Discussion & Action Items

The group discussed the immediate next steps for establishing an unsolicited housing proposal process, including policy and legal review, developing a framework for accepting and evaluating proposals, and establishing a review committee and proposal intake process. We also discussed ways a local government can help facilitate these proposals, including identifying and publishing public, institutional, and underdeveloped land that could support residential development, providing technical assistance such as site planning, funding alignment, and pre-development support, and by reaching out to potential housing partners to discuss opportunities. Lastly, a number of local nonprofits and affordable housing developers were identified as potential future partners.

One participant expressed concern with navigating unsolicited housing proposals politically, and the group discussed the need to focus on nonpartisan wins (such as developing new housing that supports the local workforce or seniors), and the opportunity to illustrate the fiscal responsibility of projects (such as community savings from supportive housing development due to decreased incarcerations and hospitalizations). Another participant was interested in hearing more about setting terms and conditions for such proposals, to which the team [showed Denver's Department of Housing Stability \(HOST\) borrowers term sheet](#) as an example.

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*An unsolicited housing proposal in Denver resulted in the development of a vacant downtown parking lot into over 1,000 mixed-income housing units.*

## Session #2: General Partnership Tools and Opportunities

### Key Takeaways

- Local governments can expand their housing pipelines by weaving together a “toolbox” of funding mechanisms and a wide network of partners. When those relationships are organized through clear processes – regular convenings, detailed RFIs/RFPs, shared data hubs, and ongoing technical assistance – cities of any size can deliver affordable and workforce units faster and at lower cost.
- Successful housing partnerships require diverse stakeholder engagement across community-focused organizations (nonprofits, foundations, CBOs, employers/anchor institutions) and resource/implementation partners (federal agencies, public-private ventures, community land trusts, private lenders, cross-jurisdictional alliances) to leverage complementary strengths and resources for comprehensive housing solutions.
- Innovative land and financing strategies unlock project viability as demonstrated by Tolleson School District's 99-year land lease generating \$4 million upfront plus \$250k annually, Maricopa County's \$10 million workforce housing investment with employer alignment, and Seattle's coordinated approach combining city land acquisition, expedited permitting, and corporate partnerships to achieve both affordability and enhanced resident services.

### Background

We discussed a variety of partnership types and opportunities, including the following:

- Community-focused: nonprofits, foundations, community-based organizations (CBOs), urban & economic-development corporations, and employers/anchor institutions
- Resource/Implementation: federal agencies, public-private joint ventures, community land trusts, private lenders, cross-jurisdictional alliances

The group discussed what makes a strong partnership, noting the need to regularly convene with potential partners around shared goals, to issue detailed RFIs/RFPs so partners fully understand objectives, to provide a resource hub for tools, data, and best practices, and to utilize technical assistance and funding support to build local capacity.

### Case Studies

[Maricopa County & Wickenburg, AZ](#): The County allocated \$10 million to a 208-unit workforce project (30-80% AMI) while the town engaged employers to align the development's design with workforce needs. Nonprofits were engaged to provide financial and digital literacy programs, job placement support, and other essential services.

[Seattle, WA](#): Mercy Housing, a non-profit housing developer, created a 106-unit development by working with the City for land acquisition and expedited permitting. Coordination with healthcare providers and corporate donors helped to provide enhanced resident services and long-term affordability.

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[Glendale, AZ](#): The Tolleson Union High School District created a Land Lease Initiative, in which 12 acres of school district land were leased to a private developer for affordable housing. The developer provided an up-front payment of \$4 million and leases the land on a 99-year lease for \$250k annually. By reducing land acquisition costs and ongoing lease costs, the developer was able to achieve project viability.



*The City of Glendale partnered with a private developer to convert excess public land into new affordable housing opportunities.*

### Follow Up Discussion & Action Items

A series of best practices were outlined, including the following:

- Build broad partnerships and a housing task force, including connecting with neighboring municipalities.
- Support local nonprofit and CBO capacity.
- Identify sites and funding for development.
- Prepare public land for affordable housing.
- Ensure long-term affordability using tools like deed restrictions and land trusts.
- Track outcomes with metrics, such as units created by level of affordability, and publish these metrics.

One participant noted the success of a partnership with All Thrive 365 to help preserve and maintain housing in their downtown area.

## Session #3: Housing and Downtown Revitalization

### Key Takeaways

- Downtown revitalization faces multifaceted infrastructure and development challenges including rapid population growth outpacing infrastructure upgrades, widespread vacant/blighted properties and underutilized sites like aging strip malls and oversized parking lots, economic struggles with empty storefronts and workforce retention, and the delicate balance between preserving historic character while accommodating necessary growth.
- When properly utilized, partnerships can be leveraged to improve community infrastructure, create new affordable and mixed-income housing options, provide economic and social amenities, and encourage historic preservation and adaptive reuse.
- Financial incentives and public-private partnerships drive successful downtown transformation as demonstrated by Goodyear's infrastructure reimbursement program and Gilbert's Heritage District opportunity zone.

### Background

Common challenges related to downtown revitalization were discussed, including the following:

- Rapid population increases outpacing infrastructure and transportation system upgrades.
- A prevalence of vacant and/or blighted properties, as well as underutilized properties such as aging strip malls, industrial sites, and parking lots with excessive capacities
- Economic development concerns, such as empty storefronts and challenges with workforce retraction and attention
- Challenges balancing the preservation of historic and community character, alongside the need for growth to support new and existing residents.

Potential partnerships were discussed with organizations including business and property owners, local chambers of commerce, financial institutions, local media, historic preservation organizations, and community development corporations (CDCs). Particularly, three local CDCs ([Newtown CDC](#), [Chicanos Por La Causa](#), and the [Phoenix Community Development & Investment Corporation](#)) were highlighted due to their ability to offer opportunities to create and preserve new affordable housing, commercial spaces, and public amenities, as well as their ability to provide community services like job training, healthcare support, and youth programming.

The group further discussed how to formulate public-private partnerships with development agreement, and how such partnerships allow for shared construction, infrastructure, and maintenance costs and risks; one such example highlighted Business Improvement Districts (BIDs) as a way for local businesses to promote increased maintenance, marketing, and community events, helping to revitalize downtowns while sharing costs and responsibilities.

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Lastly, the group discussed how incentives can be used to promote downtown revitalization, including federal, state, local, and private grants, tax credit partnerships, shared infrastructure costs, and streamlined processes for partners helping to meet community goals.

### Case Studies

[Goodyear, AZ](#): The City of Goodyear offers up to \$30 million in reimbursements for developers who provide public infrastructure improvements, including transportation, utility, and drainage infrastructure, and common space improvements. This program is funded by the local construction sales tax and is intended to encourage downtown development through local streetscape and site improvements; utilizing a public-private partnership model, the City shares development, land acquisition, and infrastructure costs with developers.

[Gilbert, AZ](#): The City of Gilbert established an opportunity zone in its downtown Heritage District, which uses public funding, adaptive reuse, and other growth incentives to increase growth and investment downtown. Since 1995, this District has had more than \$89 million in public investment and attracted over \$76 million in private investment and has led to the establishment of over 150 businesses. Since 2008, this strategy has resulted in a 512% increase in annual sales tax revenue, attracting new industrial, office, housing, and retail uses.

### Follow Up Discussion & Action Items

The group discussed the integration of neighborhood commercial uses in residential districts, as well as the importance in aligning housing goals with economic development and downtown revitalization strategies. Lastly, the group discussed ways local businesses and organizations can get involved with downtown revitalization efforts.



*Goodyear's infrastructure reimbursement program builds upon the recent completion of Phase One of Goodyear Civic Square, aiming to create a vibrant, mixed-use downtown.*

## Session #4: Attracting Workforce Housing

### Key Takeaways

- Workforce housing serves the "missing middle" earning 60-120% AMI (such as teachers, police, and hospital staff) who make too much for traditional affordable housing programs but too little for market-rate homes, creating essential worker housing challenges that impact local economies, employee retention, and community quality due to limited subsidies and public misconceptions.
- Language and framing matter for community acceptance with participants recommending "expanding housing opportunities" or "middle-income housing" over "workforce housing" to avoid stigmatizing lower-income workers, while acknowledging that preservation of Naturally Occurring Affordable Housing (NOAH) and rehabilitation programs are crucial for economical solutions alongside new construction.
- Successful partnerships require coordinated public-private collaboration combining developers, nonprofits, employers, and municipal support through land acquisition assistance, streamlined approvals, by-right ADU/missing middle designs, employer-assisted programs like Flagstaff's \$20,000 employee loans, and strategic use of zoning tools like Phoenix's Walkable Urban Code for transit-oriented workforce housing development.

### Background

This session primarily focused on the definitions of Workforce Housing, also known as middle-income housing, and its relationship to and differences with affordable housing. Participants learned of several potential partnership opportunities, such as through public-private partnership examples, and discussed ways those partnerships have and have not worked for them in the past.

Workforce housing was described in this session as housing set aside for those that make 60%-120% Area Median Income (AMI), such as teachers, police officers, hospital staff, etc. They are essential workers that would value living in the areas in which they work but make too much to qualify for many benefits and loans traditionally reserved for low-income recipients, yet not enough to afford most market-rate homes.

With the misconceptions of affordable housing and workforce housing, this poses a challenge to public support and advance funding opportunities for both types of housing, and subsequently there are less subsidies for developers to construct workforce housing. This has major impacts on the local economy, employee retention rates, and overall community quality.

One area for improving the overall workforce housing stock is to take advantage of Naturally Occurring Affordable Housing (NOAH) properties, which often include older homes that may need minor improvements, as well as smaller housing units, including townhomes, duplexes, and ADUs. This could help not only the attainability of these homes for workforce households, but they can help to prevent displacement and create long-term affordability. The participants and speakers engaged in conversation to discuss such homes and rehabilitation and preservation

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programs and initiatives, as rehabilitation and preservation is essential in creating economical solutions to this problem.

It was stressed that some municipalities must be mindful of the language they use to describe these efforts and types of housing. Many felt that the term “workforce housing” is appropriate in discussing housing initiatives with local leaders and city council members, but one of the best phrases used is “expanding housing opportunities”. This suggests that all related types of housing are part of the discussion, and the goal is to expand on that. Not only about building housing but preserving housing is an important concept for the goal of expansion.

Participants also noted that calling some affordable housing “workforce housing” implies that those that make less than 60% AMI are not working. This can be a harmful stigma, so some municipalities prefer to call these housing types “middle income” or “mixed income” housing, which correctly describes the key households in need.

Regarding the potential partnerships outlined in the presentation, one of the most noteworthy was public-private partnerships. Promoting the collaboration between developers, non-profits, and local and potential employers can all help to engage communities and catalyze the growth of necessary housing stock. With the addition of municipal support, such as through land acquisition allowances, unsolicited housing projects, approval and entitlements process streamlining, and promoting by-right and pre-approved designs for Accessory Dwelling Units (ADUs) and Missing Middle housing, the workforce housing stock could grow.

To close out this session, participants and the guest panelist, Dan Richards with local housing developer Greenlight Communities, discussed the most significant barriers to workforce housing development they have seen, as well as which groups need the most support, and what zoning and land use policies may help or hinder workforce housing efforts. One participating municipality acknowledged how community resistance impacts their housing growth, especially regarding density and rental vs. ownership properties. To resolve these issues, it was suggested that programs that promote pathways to ownership may be more palatable to this type of community. Other topics also discussed related to employer-assisted development projects, and ways in which municipalities could incentivize developers, such as through gap financing, to create permanently affordable units.

### Case Studies

[Sonoma County, CA](#): The Santa Rosa Metro Chamber of Commerce partnered with Housing Trust Silicon Valley, a non-profit Community Development Financial Institution (CDFI), to create a housing fund that supports multi-family workforce housing and in-fill development. The Chamber secures and deploys local investments to assist in targeted housing development, while the Trust underwrites, approves, and administers loans.

[Brooklyn Park, MN](#): Where they created a city-wide NOAH Preservation Program to preserve units through developer and property owner loans. Since 2017, they have helped in preserving over one-third of all NOAH properties within the city. Developers must adhere to strict regulations and requirements to make the housing decent quality, safe, and affordable for no less than 30 years after completion.

[Flagstaff, AZ](#): The City of Flagstaff offers up to \$20,000 in loans for city employees. Not only does the city match the buyer two-to-one, but the loan is also an interest-free, deferred payment loan, that may have up to \$10,000 forgiven on a pro rata basis after 10 years of employment. To take part in this employment benefit, buyers must complete a housing solutions homebuyer education course and mandatory counseling sessions to ensure knowledgeable and responsible home purchases.

[Phoenix, AZ](#): Trellis, a local non-profit developer partnered with a local brokerage firm, ROI Properties, to construct 3-story, 2-bedroom townhomes right off the light rail line in Phoenix, Arizona. They utilized the city's Walkable Urban Code to create workforce units along public transit, which allows certain developer incentives such as for building setbacks and parking minimums.



*"Missing middle" housing types, such as these recently constructed townhomes in uptown Phoenix, can offer smaller, more naturally affordable housing options.*

### Follow Up Discussion & Action Items

Participants discussed community opposition to rental housing, as well as potential solutions such as reframing affordable housing as workforce housing and providing pathways to homeownership that make projects more palatable. In addition, the group discussed opposition to increased residential density. Potential solutions the group discussed included promoting more medium-density housing, increasing housing opportunities in a more gradual manner, as well as regulating housing in a more form-based approach, using height limits, modulation requirements, roof form standards, and building orientation considerations. This can help to enable diverse housing types that may have been excluded by traditional zoning standards, like townhomes and multiplexes, increasing the supply of housing that is often more affordable than detached single family housing due to smaller unit sizes and shared construction costs.

Lastly, one participant discussed a previous program that offered assistance to city employees in buying homes. Though this program has since been disbanded, the group discussed how such programs are essential in attracting and retaining a city's workforce, who may otherwise locate themselves in more affordable communities.

### Session #5: Housing, Human Services, & Downpayment Assistance

#### Key Takeaways

- Housing stability requires comprehensive wraparound services beyond just shelter, including emergency assistance, rental support, counseling, advocacy, food assistance, and case management that address the interconnected needs of vulnerable populations.
- Strategic partnerships amplify program impact and sustainability through regional coordination, cross-sector collaboration with employers, alignment with existing social services, and nonprofit partnerships that leverage diverse expertise and funding sources to serve more residents effectively.
- Successful homeownership programs combine financial assistance with requirements for buyer education, counseling, and minimum contributions to ensure participants are prepared for sustainable homeownership and can build long-term wealth and community stability.

#### Background

Housing and Human Services provide support to individuals and families that want to obtain and maintain safe, stable housing access. Services can include emergency shelter, rental support programs, counseling, advocacy programs, food assistance, and other community resources. Downpayment Assistance programs help homebuyers, especially first-time home buyers or low-to-moderate income families, cover initial costs of purchasing a home. Such programs often include grants, forgivable loans, and deferred payment loans.

Funding for both services and downpayment assistance programs is often limited, and NOAH properties are increasing in price due to high demand for affordable housing. Municipalities can increase the success and expansion of services and programs by creating regional and cross-sector partnerships, such as coordinating regional housing strategies, aligning housing and social service efforts with existing programs, and expanding employer-assisted homebuying programs to partner with large local employers. Additionally, it is in the best interest of the municipality to promote buyer education which ensures eligible residents are aware of available assistance and are prepared for successful homeownership. Municipalities should also share expertise, data, and resources with one another to increase effective technical assistance.

#### Case Studies

[Tucson, AZ](#): Tucson's Housing First Program offers case management, healthcare, life skills, and basic needs support through outreach efforts in homeless encampments. Sobriety is not a precondition to receiving assistance, as the priority is to house the individuals first and support second. The city partners with Pima County, as well as local health providers and nonprofit organizations to sustain the goal of building long-term stability and health for the community's vulnerable populations.

[Avondale, AZ](#): Through the Avondale First-Time Homebuyer Program, the city partners with the non-profit developer Trellis to assist income-qualified individuals and families in becoming first-time homebuyers. The city provides up to \$40,000 shared equity loan to cover the costs of the

down payment, closing costs, and principal reduction assistance. Buyers must use a private lender and complete homebuyer counseling, but the program makes buying a home more affordable and helps families build lasting wealth and increase housing stabilization for the community.

[Phoenix, AZ](#): The City of Phoenix offers a down payment assistance program which provides a fully forgivable loan equal to 10% of the home's purchase price. The Open Doors Down Payment Assistance Program assists income eligible homebuyers earning at or below 80% of the Area Median Income (AMI). This can be combined with the Home in Five and Home Plus assistance programs, and aims to lower common financial barriers to homeownership, while supporting first-time homebuyers and leveraging local and federal funds to positively impact the local economy and community as a whole.

[Baltimore, MD](#): In order to help Baltimore's growing workforce live near their places of employment, the city partners with the employers to match their contributions to the "Live Near Your Work" Program. This program encourages employees to buy homes in the area through downpayment and close-cost assistance. Over 100 local employers contribute to the program, making the program accessible to many residents.

[Carrboro, NC](#): The city actively partners with a nonprofit community center, Club Nova Community, with the goal of assisting people with serious mental illness in finding employment, education, and social opportunities. They are focused on recovery and stability, with low costs for members.



*Club Nova in Carrboro, NC provides supportive housing and services to its members, saving the community an estimated \$1.35 million annually due to decreased hospitalizations and incarcerations.*

## HOME TA Summary Report

### Follow Up Discussion & Action Items

The group discussed multiple issues pertaining to their municipalities, specifically:

- Growing funding resources and potential partnerships for their development services departments.
- How to incentivize landlords to utilize affordability resources and keep units attainable for low-income and middle-income families.
- The funding resources municipalities can use after COVID-19 funds have diminished.
- The best approaches to creating a database of underserved areas, especially mobile home and rental apartment areas.
- Connecting under-served areas of the community to housing assistance programs and how to partner with organizations to address specific neighborhoods' issues.
- The lack of senior housing assistance and on-site social services, especially in affordable senior housing communities.



*Esperanza Village is Tucson's newest transitional housing site, offering transitional housing and support services for people experiencing homelessness. The project currently offers ten tiny homes on land owned by the Southern Arizona Land Trust.*

## Funding Mechanisms

### Session #6: Financing Affordable Housing

#### Key Takeaways

- Single-family financing tools typically focus on homeownership barriers through programming such as below-market mortgage loans, 0% interest downpayment assistance, rehabilitation/retrofitting assistance, and mortgage credit certificates to make homeownership accessible to lower-income and first-time buyers.
- Multifamily financing tools typically focus on low-income rental properties through programming such as private activity bonds enabling 4% LIHTC (covering ~30% of costs), competitive 9% LIHTC (covering ~70% of costs), Arizona state tax credits, gap loans/grants from CDBG/HOME funds, and public land programs.
- Program sustainability requires strategic design including structuring loans for repayment to recycle funds, requiring co-investment/matching provisions to reduce risk and stretch resources, charging administrative fees for fiscal responsibility, ensuring public benefits exceed costs, and focusing efficiency on the most impactful development challenges like developer fees and operating costs.

#### Background

This session provides an overview of single-family financing tools, generally focused on homeownership, such as mortgage loans and credits, downpayment assistance, and rehabilitation/retrofitting assistance. Mortgage loans typically provide mortgages to lower-income (often first-time) homebuyers at below-market interest rates. Whereas Industrial Development Authorities (IDAs) can offer mortgages significantly below-market rates, virtually any local government can create a first-mortgage program providing competitive mortgage rates. Similarly, downpayment assistance typically includes 0% interest loans for mortgage downpayments, and is funded through a range of sources, including federal programs like CDBG or Hardest Hit Fund grants, as well as local funds such as sales taxes, short-term rental taxes, linkage fees, and general obligation bonds.

Rehabilitation assistance (typically funding things like roof repair, lead abatement, and window replacement) and retrofitting assistance (typically funding solar power systems and other green features) are funded with similar sources, but state law limits the types of entities that can fund such programs with tax-exempt bonds. Lastly, mortgage credit certificates are typically offered by IDAs, and can allow participants to claim a dollar-for-dollar federal tax credit for a portion of mortgage interest they pay each year, up to \$2,000.

The session also provided an overview of multifamily financing tools, such as private activity bonds, low-income housing tax credits (LIHTC), state tax credits, gap loans and grants, subsidies, public land programs, and tax abatement programs. These programs generally focus on the development of rental housing that serves lower-income households, with their primary goal being to provide gap financing to subsidize projects charging below market-rate rents.

## HOME TA Summary Report

Private activity bonds can be issued by IDAs, which enable a project to access 4% LIHTC. In exchange for these tax-exempt bonds and tax credit equity, a developer must provide an affordable housing set-aside of at least 20% of units at 50% of AMI or 40% of units at 60% of AMI. Such credits can typically fund around 30% of development costs. In contrast, 9% LIHTC covers around 70% of the cost of development but are competitively allocated and typically favor deeper affordability requirements.

Arizona state tax credits are frequently paired with LIHTC and must be worth at least 50% of the federal LIHTC amount. While these credits are allocated directly to a project, local governments can further act as gap lenders; gap financing often takes the form of low-interest loans or grants, frequently funded by federal sources such as CDBG or HOME, or with local trust funds. Operating subsidies are typically reserved for projects with the deepest affordability (such as transitional housing or <30% AMI housing) and frequently take the form of Housing Choice Vouchers as administered by local housing authorities.

Public land programs (allowing the donation, sale, or ground lease of local government land for affordable housing) are another way to directly lower land acquisition costs and offer redevelopment potential for underutilized or vacant parking lots, school district sites, maintenance yards, or other surplus land. Tax abatement programs are another frequently utilized tool through government property lease excise tax (GPLET) program, which can lower a project's immediate tax burden. These programs are particularly useful for projects with some affordable units, but not enough to qualify for Arizona's tax exemption for affordable housing projects. Tax-exempt bonds offer another funding stream, allowing IDAs and other local issuers to lower the cost of capital for various projects not utilizing LIHTC, such as mixed-income or workforce housing projects.

Lastly, we discussed transit-oriented financing programs and green lending/investment programs, which offer targeted financing for projects planned around transportation infrastructure or incorporating sustainable design, respectively.

### Case Studies

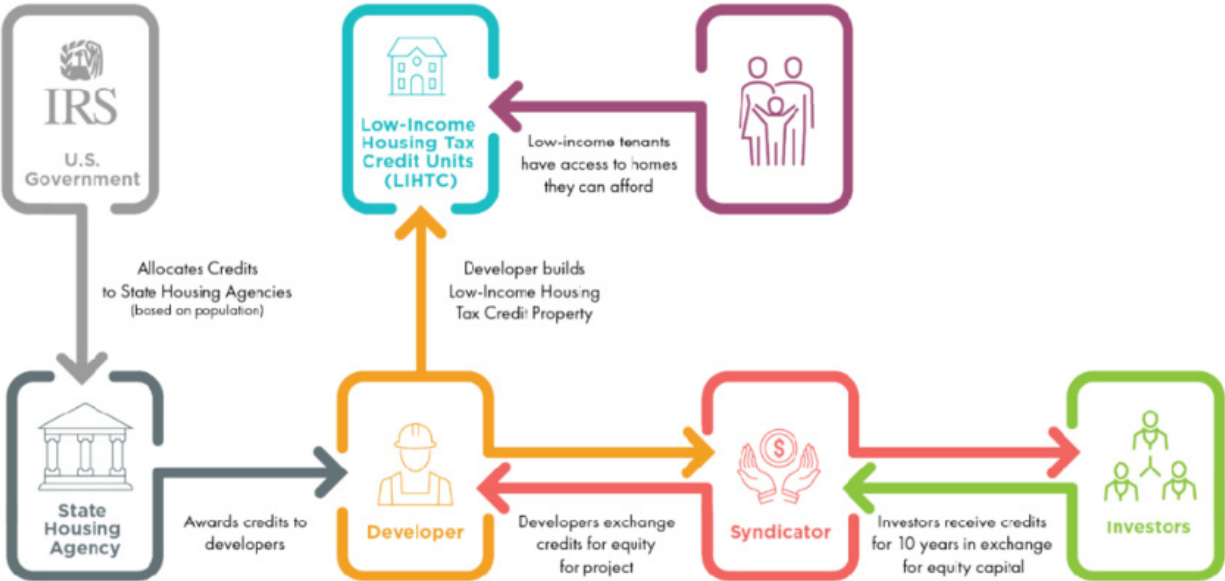
[Home in Five](#): The Phoenix and Maricopa IDAs have provided down payment assistance since 2012 through the Home in Five Advantage Program, which has served over 25,000 homebuyers. In 2023, a second program, Home in Five Platinum, was added. As of September 2024, the Home in Five initiatives have provided \$196 million in down payment assistance and facilitated over \$5 billion in total home loans. Many of these loans are provided with below-market interest rates, greatly benefiting qualified applicants and lowering financial barriers to homeownership. Additional down payment assistance is offered to qualified military personnel, veterans, first responders, and K-12 teachers.

### Follow Up Discussion & Action Items

The group discussed a series of best practices for housing financing, including the following:

- Structuring loans or investments to ensure repayment, when possible, to help recycle funds for future assistance.

- Encouraging or requiring co-investment with a matching provision or minimum equity requirement, to lower default risks, ensure buy-in, and stretch scarce public resources.
- Charging fees that cover administrative costs to help maintain fiscal responsibility.
- Including criteria that ensure the costs of providing public benefits are outweighed by benefits to the community.
- Focusing on financing efficiency, ensuring that funding focuses on the development challenges that are most impactful to project viability, such as developer fees and operating costs.



*This flowchart illustrates the typical LIHTC transaction structure.*

### Session #7: Financing Workforce Housing

#### Key Takeaways

- Workforce housing serves middle-income residents who earn too much for subsidized housing but too little for market-rate units, addressing a critical gap as rents outpace income growth.
- Successful financing requires a multi-pronged approach combining increased funding sources (subordinate loans, grants, equity), reduced project costs (fee waivers, tax exemptions, public land programs), and enhanced operating income through cross-subsidization, rental assistance, property tax abatements, and debt guarantees.
- Implementation success depends on systematic planning including conducting resource inventories of agency capabilities, defining clear goals and risk tolerance, creating draft term sheets for stakeholder engagement, prioritizing programs based on cost-benefit analysis, and finalizing terms with all partners before launch.

#### Background

Workforce housing typically refers to housing affordable to households earning between 60% and 120% of area median income (AMI), or up to 140% in some high-cost areas (e.g., resort areas and city centers). These projects often target middle-income workers who make too much to qualify for subsidized housing, but too little to afford market rate housing. This demographic faces an ever-growing need for affordable options, as rents have risen at a faster rate ubiquitously.

Workforce housing programs typically seek to fill financing gaps by increasing project funding sources, decreasing uses of funds, and by increasing senior debt. Increasing project funding sources includes providing upfront funding beyond first-mortgage debt, such as must-pay subordinate loans, equity investments, soft loans, grants, and fund matching programs. Decreasing uses of funds helps to lower upfront project costs and includes things like waivers of development and transfer-related fees, development-related tax exemptions (such as sales tax exemptions on construction supplies for affordable housing), and public land programs, involving the donation, sub-market rate sale, or lease of government land for housing purposes.

Increasing senior debt refers to increasing operating income, and includes cross-subsidization, in which the market-rate units are properly calibrated in a development to adequately subsidize affordable units in a project, helping to maintain operational viability. Similar, operating subsidy programs, often administered by local public housing authorities in the form of rental assistance, can help to close operational financing gaps for projects with units at deeper levels of affordability (e.g., in the 50-60% AMI range). Similarly, property tax abatements can reduce operating costs by replacing the real property tax with an excise tax, lowering a development's tax burden over a set period, and tax-exempt bonds can decrease the cost of capital, lessening ongoing tax burdens. Lastly, local governments can significantly reduce the cost of capital for a project, and in turn lower or eliminate any financing gaps, by providing debt guarantees to backstop the senior debt (e.g., a debt service reserve fund guarantee).

### Case Studies

[Bellevue, WA](#): As of 2024, The City of Bellevue's Affordable Housing Permit Review and Inspection Fee Reduction Program provides significant financial incentives for qualifying affordable housing developments by offering 100% waivers of all permit review and inspection fees. To qualify for the fee waivers, developers must set aside all housing units in a development as affordable to those at or below 80% of AMI. Projects providing long-term or permanent supportive housing, certain types of emergency shelters, or services to people experiencing homelessness may also qualify.

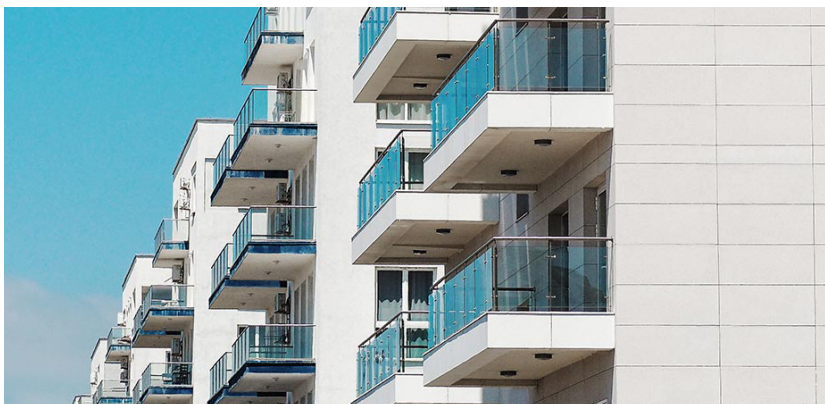
[Denton, TX - Bonnie Brae](#): Bonnie Brae is a 461-unit workforce housing community which was financed through an innovative structure in which the Denton Housing Authority serves as the owner, with funding secured through tax-exempt bonds.

[NorCal Mixed-Income Financing Program](#): This 50-unit, mixed-income acquisition/rehabilitation project utilized a range of unique financing and operating procedures including tax-exempt bonds, agency subordinate bonds, property tax abatement, volume cap recycling, and marketing assistance.

### Follow Up Discussion & Action Items

The group discussed a series of next steps and best practices for workforce housing financing, including the following:

- Creating an inventory of existing and potential agency resources to operate financing programs, including cash and staff resources, authorities to issue certain obligations and provide guarantees, and legal authorities to confer tax benefits.
- Defining goals, metrics, and risk tolerance to help project prioritization.
- Creating draft term sheets and engaging with key stakeholders to gauge program feasibility and efficacy.
- Determining program implementation priorities based on criteria including implantation costs, potential benefits for projects and for the agency, and time sensitivity.
- Finalizing program terms and documents with agency partners, beneficiaries, legal counsel, and other stakeholders.



*Bonnie Brae was a collaboration with the development firm JPI, the Denton Housing Authority, and financier Berkadia Affordable Housing to develop 461 new units, half of which are set aside for families earning <80% AMI.*

### Session #8: Financing Housing Rehabilitation and Retrofitting

#### Key Takeaways

- Rehabilitation programs address critical housing preservation needs by financing repairs to roofing, plumbing, electrical, HVAC, foundations, and accessibility improvements through grants and low-interest loans targeted to income-qualified households, seniors, people with disabilities, and families, helping remedy health/safety hazards while improving energy efficiency and code compliance.
- Federal funding provides the foundation but faces uncertainty with programs from USDA (Single-Family Housing Repair), DOE (weatherization and rebates), HUD (CDBG, HOME, GRRP), Treasury (energy credits), and EPA (greenhouse gas reduction) currently supporting state and local implementation, though recent funding cuts and freezes create concerns about program continuity.
- Federal funding provides the foundation but faces uncertainty with programs from USDA (Single-Family Housing Repair), DOE (weatherization and rebates), HUD (CDBG, HOME, GRRP), Treasury (energy credits), and EPA (greenhouse gas reduction) currently supporting state and local implementation, though recent funding cuts and freezes create concerns about program continuity.

#### Background

Rehabilitation and retrofitting programs typically refer to programs that finance the repair, improvement, and modernization of residential buildings, including both single-family and multi-family properties. They aim to remedy health and safety hazards, increase energy efficiency, improve accessibility and code compliance, and weatherize homes, among other goals. Typical types of work covered includes repairs to roofing, plumbing systems, heating/cooling systems, electrical systems, gas systems, security systems, foundations, and public sidewalks. These programs typically provide assistance in the form of grants or low-interest loans, which are frequently targeted based on recipient income levels or membership in a targeted group (e.g., seniors, people with disabilities, or families with children).

Most of the funding for these programs comes from the federal government, including the Department of Agriculture's [Single-Family Housing Repair Loans & Grants](#), the Department of Energy's [Home Upgrade Rebates](#) (High-Efficiency Electric Home Rebates, Home Energy Performance-Based, and Whole-House Rebates) and [Weatherization Assistance Program](#), the Department of Health and Human Services' [Low-Income Home Energy Assistance Program \(LIHEAP\)](#), the Department of Housing and Urban Development's [Community Development Block Grant \(CDBG\) Programs](#); [HOME Investment Partnerships Program \(HOME\)](#); and [Green and Resilient Retrofit Program \(GRRP\)](#), the Department of the Treasury's [New Energy Efficient Home Credits](#), and the Environmental Protection Agency's Greenhouse Gas Reduction Fund Programs, including the [National Clean Investment Fund](#); [Clean Communities Investment Accelerator](#); and [Solar For All](#). Such funding often disseminates down to the state and local government level through appropriations, and there is currently some concern over the future of these programs due to federal funding cuts and freezes.

### Case Studies

Additional capital can come from state and local budgets, general obligation bonds, and housing trust funds. There are a few notable statewide programs in Arizona, including the following:

- Arizona Community Action Association/Wildfire's [Home Energy Assistance Fund](#), which helps low-income households to pay for heating, cooling, and appliance repair costs.
- Arizona Department of Housing's [Owner-Occupied Housing Rehabilitation \(OOHR\) Program](#), which helps income-qualifying homeowners to pay for housing repair needs—including roofing, plumbing systems, heating/cooling systems, electrical systems, and foundations—to meet building and zoning codes, weatherization, and energy efficiency standards.
- Arizona Department of Housing's [Weatherization Assistance Program](#), which helps implement weatherization improvements.

Additionally, there are a number of successful programs at the local government level in Arizona, including the following:

- City of Chandler's [Emergency Repair Program](#), which provides grants of up to \$10,000 to households earning up to 80% of AMI for minor home improvements that pose a serious and immediate threat to the health, safety, or welfare of the household as determined by city staff.
- City of Phoenix's [Owner-Occupied Housing Rehabilitation Program](#), which provides interest-free, forgivable deferred loans to finance repairs to electrical panels, broken air conditioners, defective plumbing, and/or damaged structures.
- City of Tucson's [Housing Repair Program](#), which provides grants of up to \$15,000 (or up to \$25,000 with a 5-year lien) to eligible households (at or below 50% of AMI) for qualifying necessary home repairs, including structural, electrical, heating/cooling systems, security, sewer systems, and gas piping repairs.

### Follow Up Discussion & Action Items

The group discussed concerns about the future of federal funding due to recent funding cuts and uncertainty and noted the need to “carry on” and continue pursuing funding despite these challenges. The group discussed a series of best practices for local government agencies looking to finance rehabilitation and retrofitting, including the following:

- Taking full advantage of remaining programs (particularly those that are on solid footing), including USDA's Single-Family Housing Repair Loans & Grants, DOE's Home Upgrade Rebates and Weatherization Assistance Program, HHS' Low-Income Home Energy Assistance Program, the Treasury's New Energy Efficient Home Credit, and other state and local programs funded with non-federal sources.
- Advocating for imperiled programs, particularly those with broad stakeholder support, such as CDBG and HOME.

## HOME TA Summary Report

- Continuing to monitor the future of funding by keeping an eye on federal actions and court cases and having a plan to quickly act to allocate funds or secure unfrozen funds when the opportunity arises.
- Creating an inventory of other existing and potential resources available to operate programs in the absence of previous funding. In addition to cash and staff resources, this includes authority to issue certain obligations and provide guarantees, legal authority to confer tax benefits, and relationships with other public entities. It is important to have a contingency plan to deploy a new strategy as soon as previous funding is eliminated.
- Restructuring existing programs to deal with new scarcity, including making grants and forgivable loans repayable and focusing on program models that quickly revolve funds (e.g., bridging a federal rebate).



*Programs such as Chandler's Emergency Repair Program can help improve the safety and quality of local housing.*

## Session #9: Closing Session

### Key Takeaways

- Partnering with industrial development authorities (IDAs) can be beneficial for cities, as such partnerships enable tax-exempt bond issuances that, when paired with city funding and regulatory relief, can close gaps and help get deals done.
- Partnering with health and human services agencies and developing service standards or requirements can help integrate essential supportive services, such as childcare or healthcare, within affordable housing development. Cities should help create a trusted provider network and offer regulatory relief, gap financing, and ongoing subsidy to support projects with integrated services that benefit residents.

### Background

This session provided an overview of the individualized technical assistance provided as part of the HOME-TA program, including the following:

- City of Buckeye: Housing Needs Assessment & Housing Action Plan
- City of Goodyear: Zoning Assessment & Model Zoning Ordinance
- City of Phoenix: General Support (including developing community engagement materials, an affordable housing dashboard, demographic analysis, and a vacant parcel analysis)
- City of Surprise: Housing Study & Housing Action Plan
- City of Tolleson: Housing Needs Assessment & Housing Strategies

The session then covered several topics that various cities have requested, starting with guidance on partnering with local industrial development authorities (IDAs). This included an overview of resources and constraints for both Arizona cities and Arizona IDAs, as outlined below:

- Arizona City Resources: Grant funds, general funds and balance sheets, G.O. housing bond capacity, tax abatements, zoning and density bonuses, entitlement assistance and fee waivers, and land and staff availability.
- Arizona City Constraints: Lack of authority to issue certain tax-exempt bonds (like PABs), lack of experience in structuring and underwriting housing bonds, and potentially limited infrastructure and staff capacity to monitor for compliance.
- Arizona IDA Resources: Tax-exempt bonds for affordable housing, experience in structuring and underwriting housing bonds, and experience monitoring for compliance.
- Arizona IDA Constraints: Limited access to grant funds without city assistance, limited revenues and capacities, no land or infrastructure resources, and no authority to confer tax abatements, zoning assistance, density bonuses, and entitlement/fee waivers.

## HOME TA Summary Report

The group discussed the various types of tax-exempt multifamily housing bonds that IDAs can issue, including the following:

- 501(c)(3) Bonds, for nonprofits for affordable housing projects.
- Exempt-Facility Bonds, including volume cap allocations that can be used for 4% LIHTC projects, and recycled volume cap allocations, which cannot.
- Government Purpose Bonds, for projects owned by a government entity, offering the highest flexibility in minimum income set-asides.

Importantly, IDAs can also issue tax-exempt issuance to secure 4% LIHTC funds or to save on financing costs. The group then discussed potential scenarios in which a city and IDA partnership would make the most sense, including projects where the owner is eligible for and would benefit from tax-exempt bond issuance.

Next, the group discussed ways of integrating supportive services, such as childcare, healthcare, job training, and mental health counseling with housing. Strategies discussed include partnering with health and human service agencies, such as the Maricopa County Department of Human Services, Maricopa County Department of Public Health, and the Arizona Department of Health Services, as well as developing a series of service standards. For example, Escambia County (FL) Housing Finance Authority requires all applicants for tax-exempt conduit debt to select from a wide range of required services as a condition of bond inducement. Types of services include health care, financial counseling, computer training, health and nutrition classes, first-time homebuyer seminars, literacy training, and job training, among others. Additionally, it was suggested that cities build a trusted provider network to help pair qualified providers with housing developers as part of city-mandated service standards. Finally, it was suggested cities develop financing tools to contribute funds to projects that provide supportive services, including regulatory concessions (like bonus density and fee waivers), gap funding, and providing ongoing subsidy.

### Case Studies

**Proposed City and Housing Authority Partnership in Idaho:** The City had some funds for gap lending and had the ability to grant property tax abatements and zoning/entitlement concessions but did not have the authority to issue tax-exempt bonds for housing without a referendum. Inversely, the Housing Authority is authorized to issue tax-exempt housing bonds but has limited gap funds and cannot grant abatements, density bonuses, or waive entitlement-related costs. By combining their abilities, the City and the Housing Authority were able to completely fill the gap financing needed for a 45-unit, \$13.5 million development with income-restricted units.



*A partnership between affordable developer Dominion, the Arizona Department of Housing, and the Arizona IDA will create 304 affordable 3- and 4-bedroom units at Allasso Ranch in Surprise, AZ.*

## Implementation Matrix

The Implementation Matrix outlines action items that municipalities may take to achieve the goals and objectives of their housing needs, along with suggested timelines, performance metrics, intended impacts, and responsible parties. The actions should be addressed within specific timeframes to continue improvements and advancements in the community’s goals. Longer-term (3+ years) actions are often dependent on the completion of ongoing and shorter-term (0-3 years) actions, and completion of all actions is dependent on available municipality resources, such as staffing capacity and budget. The following Implementation Action Items are listed in no particular order.

Strategy	Timeline	Performance Metrics	Intended Impact	Responsible Parties
Housing Needs Assessments (HNAs) & Housing Action Plans (HAPs).	0-3 years	Completion of assessments for all participating cities, adoption of action plans. HNAs/HAPs must be updated every five years.	Establish data-driven foundation for housing policy, ensure compliance with SB 1162.	Individual Cities, MAG
Zoning Assessment & Model Zoning Ordinances	0-3 years	Adoption of model zoning codes, number of cities updating codes.	Determine current zoning strengths and shortfalls. Modernize zoning to support diverse housing and streamline development.	City Council, Planning Dept, Zoning
Partnership Development (Public-Private)	0-3 years	Number of partnerships formed, units created through partnerships.	Increase affordable housing supply, leverage resources.	Planning Dept, Economic Development Dept

Strategy	Timeline	Performance Metrics	Intended Impact	Responsible Parties
Funding Mechanisms Technical Assistance	0-3 years	Grants awarded, funding secured, number of projects financed.	Maximize resources for affordable housing, support program sustainability.	Finance Dept, City Manager, Housing/Planning Dept
Housing Rehabilitation & Retrofitting Programs	0-3 years	Number of units rehabilitated, cost savings, energy efficiency gains	Preserve existing affordable housing, improve safety and efficiency	Housing/Planning Dept.
Workforce Housing Incentives	3-5 years	Units created partnerships with employers, funding leveraged.	Address workforce housing gap, support middle-income households.	Economic Development, Planning Dept
Missing Middle Housing Policies (Beyond State Requirements)	3-5 years	Units created, policy adoption, design standards implemented	Increase housing diversity, provide attainable options for families	Planning Dept, Zoning, Development Services
Accessory Dwelling Unit (ADU) Programs (Beyond State Requirements)	3-5 years	ADUs permitted, design standard adoption, permitting time	Expand affordable options, increase density in existing neighborhoods	Planning Dept, Zoning, Development Services

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Strategy	Timeline	Performance Metrics	Intended Impact	Responsible Parties
Senior Housing Incentives & Accessibility	3-5 years	Senior units created, accessibility features adopted	Address senior housing shortage, improve accessibility	Human Services, Planning Dept, Zoning
Community Land Trust Establishment	3-5 years	Properties established, homes preserved, affordability maintained	Ensure long-term affordability, community control	Housing Dept, Finance, Local Nonprofits
Employer-Assisted Housing Programs	3-5 years	Employees assisted, partnerships formed	Increase affordable options for working families	Economic Development Dept, HR
Fee Transparency & Waiver Programs	Ongoing	Fee schedules published, waivers granted	Increase predictability, reduce development costs	Finance, Development Services, Planning Dept
Housing Trust Fund Creation	Ongoing	Funds raised/distributed, units assisted	Dedicate funding for affordable housing, leverage matching funds	Finance, Housing Dept
Expansion of Supportive Housing Services	Ongoing	Residents served, reduction in housing instability	Connect residents to assistance, reduce homelessness	Human Services, Housing Dept
State/Federal Funding Applications	Ongoing	Grants awarded, funding obtained	Maximize resources for local housing initiatives	City Manager, Finance, Housing Dept

Strategy	Timeline	Performance Metrics	Intended Impact	Responsible Parties
Interagency Collaboration Framework	Ongoing	Task force meetings, joint programs launched	Coordinate regional efforts, maximize municipal capacities	Housing Dept, County, Other Partners (developers, nonprofits, banks, etc.)
Community Engagement & Support	Ongoing	Number of workshops, participation rates, survey responses	Build public support, inform residents, gather input for policy	Planning Dept, Communications

### Next Steps

Throughout this program, the goal of the individual and group technical assistance was to equip participating municipalities with tools for improving the development and preservation of housing. While the individualized technical assistance focused on housing studies in compliance with SB 1162, developing community engagement tools and materials, and assessing housing code language, the group technical assistance focused on partnership development and funding mechanisms. Along with key takeaways and lessons learned throughout the project, this report contains numerous case studies with identified best practices to better support the recommended initiatives and strategies. Although continuous coordination with the project team and the participating municipalities is highly encouraged, it is important for municipalities to first assess current housing strengths, challenges, and opportunities, as well as financial and staffing capacities. Municipalities should then explore and prioritize action items with elected and appointed officials and other key stakeholders.

The MAG region contains a vibrant, diverse collection of municipalities that care about their residents, businesses, and neighbors. To not only catalyze future affordable housing development, but to increase the overall quality of life for all, it became imperative to take action and educate the community on housing needs and all available resources and partnerships. Through collaboration, innovation, and shared commitment, the region can build a more inclusive and sustainable housing future for everyone.

*For more information, contact:*

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We extend our sincere gratitude to these funders for their dedication to fostering sustainable and affordable housing opportunities in the MAG region and beyond.

