Affordable and Mixed-Income Housing in Transit Oriented Development in Eastern Pima County, Arizona funded by the Arizona Department of Housing

Drachman Institute
August 2014
Drachman Institute
Community Outreach Partnership Center
College of Architecture, Planning, and Landscape Architecture
University of Arizona

University of Arizona Downtown - Roy Place Building
44 N Stone Ave
Tucson, AZ 85701

http://capla.arizona.edu/community-outreach-partnership-center-copc-0
Drachman Institute

• research-based outreach arm of the College of Architecture, Planning, and Landscape Architecture at the University of Arizona

• dedicated to environmentally-sensitive and resource-conscious planning and design

• focus on under-served and vulnerable communities

• interdisciplinary collaborative engaging students, staff, faculty, and citizens to work towards making our communities healthier, safer, more equitable, and more beautiful places to live

• a service-learning model of education serving the needs of communities while providing outreach experience for students
Agenda

1. Project Introduction
2. Study Area Overview
3. Project Jurisdictions
4. Community Employee Survey
5. Station Area Study of Existing Conditions (examples)
6. Housing Demand Market Study (bae)
Project Introduction
Project Introduction - scope

Explore opportunities and barriers to affordable and mixed-income housing in TOD:

• Compile existing conditions at selected station areas along High Capacity Transit corridors that link the five jurisdictions in Eastern Pima County

• Design and conduct a survey of community interests and needs related to housing and transit

• Contract for a market study of housing demand including best locations for affordable and mixed-income housing
Transit Adjacent Development (TAD)

- segregated land uses
- lower density
- limited pedestrian and cycling access
- dominance of surface parking
- mainly single family homes
Transit Oriented Development (TOD)

- horizontal and vertical mixed-use
- higher densities
- pedestrian and bicycle-oriented design
- limited surface parking and efficient parking management
- mixed housing types, including multi-family
Project Introduction - High Capacity Transit (HCT)

Express Bus

- commuter transportation that goes from suburbs (typically park and ride lots) to city center
- limited stops and more direct routes than typical city buses
- more comfort features than a typical city bus
- operate in mixed traffic
Express Bus

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**Project Introduction - High Capacity Transit (HCT)**

**Bus Rapid Transit**
- dedicated, car-free bus lanes
- prepaid, level boarding
- traffic signal prioritization
- center running (not curbside)
- improved shelters with transit information
- front and rear boarding
- designed to carry more riders than traditional buses

Project Introduction - High Capacity Transit (HCT)

Light Rail

- dedicated, car-free right-of-way
- prepaid, level boarding
- traffic signal prioritization
- center running (not curbside)
- improved shelters with transit information
- front and rear boarding
- designed to carry more riders than traditional buses
Project Introduction - High Capacity Transit (HCT)

Modern Streetcar
• shared auto and rail travel lanes
• level boarding
• improved shelters with transit information
• front and rear boarding
Project Introduction - High Capacity Transit (HCT)

Intericty/Commuter Rail

- city to city
- suburbs to city center
Study Area Overview
Study Area Overview - employment density

PAG Travel Reduction Program


Full Time Employees per square mile

- 0-250
- 251-1,000
- 1,001-3,000
- 3,001-5,000
- 5,001-7,000
- 7,001-7,816
Study Area Overview - PAG HCT corridors
High Capacity Transit (HCT) - PAG HCT System Plan 2009


Implementation Period
Near Term: 0-10 years
Mid Term: 10-20 years
Long Term: >20 years

express bus
BRT/light rail
streetcar
intercity rail
transit station
park & ride
Project Jurisdictions
Town of Oro Valley

Pop. 2010: 41,011
Pop. 2040: 54,271

Target Areas
ORACLE / RANCHO VISTOSO
ORACLE / TANGERINE
ORACLE / 1ST
TANGERINE / LA CHOLLA
TANGERINE / INNOVATION PARK
ORACLE / MAGEE
ORACLE / 1ST
City of South Tucson

Pop. 2010: 5,652
Pop. 2040: 5,601

Target Areas
- 6TH / 29TH
- 6TH / 39TH
- I-10 / INTERCITY RAIL

Pop. 2010: 5,652
Pop. 2040: 5,601
Target Areas
TRP employers
Town of Sahuarita

Pop. 2010: 25,259
Pop. 2040: 51,637

Target Areas

NOGALES / PIMA MINE
NOGALES / SAHUARITA
I-19 / DUVAL MINE
SAHUARITA / WILMOT

Pop. 2010: 25,259
Pop. 2040: 51,637
Target Areas
TRP employers
Community Survey
Community Survey

Employees’ Perceptions of:

• Housing
• Transportation
• Community
**Community Survey - methodology**

- Used PAG’s 2012 Travel Reduction Program to identify employers
- Purposive Sample
- Goal: all employees had the opportunity to fill out
- Paper and online versions

<table>
<thead>
<tr>
<th>Survey Method</th>
<th>Number of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper Version (English)</td>
<td>404</td>
</tr>
<tr>
<td>Paper Version (Spanish)</td>
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<tr>
<td>Online Survey</td>
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<td><strong>Total</strong></td>
<td><strong>1982</strong></td>
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<tr>
<td>Participating Employers by Jurisdiction</td>
<td>Number of Respondents</td>
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<td>----------------------------------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td><strong>Town of Oro Valley</strong></td>
<td></td>
</tr>
<tr>
<td>Canyon Del Oro High School</td>
<td>73</td>
</tr>
<tr>
<td>Cross/Harelson Schools</td>
<td>35</td>
</tr>
<tr>
<td>Ventana Medical Center</td>
<td>406</td>
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<tr>
<td><strong>Town of Marana</strong></td>
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<tr>
<td>Town of Marana</td>
<td>109</td>
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<tr>
<td>Marana Unified School District</td>
<td>144</td>
</tr>
<tr>
<td><strong>City of Tucson</strong></td>
<td></td>
</tr>
<tr>
<td>City of Tucson</td>
<td>430</td>
</tr>
<tr>
<td>4th Avenue Businesses</td>
<td>31</td>
</tr>
<tr>
<td>El Rio Health Center</td>
<td>54</td>
</tr>
<tr>
<td><strong>City of South Tucson</strong></td>
<td></td>
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<tr>
<td>City of South Tucson</td>
<td>15</td>
</tr>
<tr>
<td>La Frontera</td>
<td>81</td>
</tr>
<tr>
<td><strong>Town of Sahuarita</strong></td>
<td></td>
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<tr>
<td>Desert Diamond Casinos</td>
<td>317</td>
</tr>
<tr>
<td>La Posada</td>
<td>287</td>
</tr>
</tbody>
</table>
Community Survey - demographics

Where respondents live

- Town of Marana: 12.4%
- Town of Oro Valley: 8.7%
- Town of Sahuarita: 10.7%
- City of South Tucson: 10.0%
- City of Tucson: 6.5%
- Green Valley: 5.9%
- Unincorporated Pima County: 3.8%
- Other: 10.0%

Total n=1982
Community Survey - demographics

Household Income

- Less than $25,000: 14.4%
- $25,000 - $49,999: 22.6%
- $50,000 - $74,999: 9.9%
- $75,000 - $99,999: 10.4%
- $100,000+: 22.8%
- No Answer: 20.0%

Total n=1982
# Community Survey - Demographics

## Gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>N</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>835</td>
<td>40.6%</td>
</tr>
<tr>
<td>Female</td>
<td>1132</td>
<td>57.4%</td>
</tr>
<tr>
<td>No Answer</td>
<td>44</td>
<td>2.3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1982</td>
<td>100%</td>
</tr>
</tbody>
</table>

## Children Under 18 Living in Home

| Yes          | 835 | 42.5%   |
| No           | 1132| 57.5%   |
| **Total**    | 1967| 100%    |
Community Survey - demographics

Total n=1982

Age distribution:
- 18-24: 5.5%
- 25-29: 7.2%
- 30-39: 21.2%
- 40-49: 26.6%
- 50-64: 33.9%
- 65+: 4.0%
- No answer: 1.6%
Community Survey Results - work and transportation

**Commute Mode**

- **Drive alone**: 85.1%
- **Carpool/vanpool**: 6.8%
- **Bus**: 2.8%
- **Other**: 1.9%
- **Bike**: 1.5%
- **Dropped off by someone**: 1.0%
- **Walk**: 0.9%

Total n=1977
Community Survey Results - work and transportation

Total n=1968

Mean = 22.79 minutes

- 93 commute more than 50 minutes
- 10 are “extreme commuters” = 90+ minutes

Commute Time

<table>
<thead>
<tr>
<th>Time Range</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Less than 10 minutes</td>
<td>12.2%</td>
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<tr>
<td>10-19 minutes</td>
<td>31.0%</td>
</tr>
<tr>
<td>20-29 minutes</td>
<td>25.5%</td>
</tr>
<tr>
<td>30-39 minutes</td>
<td>17.4%</td>
</tr>
<tr>
<td>40-49 minutes</td>
<td>9.1%</td>
</tr>
<tr>
<td>50-59 minutes</td>
<td>2.4%</td>
</tr>
<tr>
<td>60+ minutes</td>
<td>2.3%</td>
</tr>
</tbody>
</table>
Community Survey Results - work and transportation

I AM SATISFIED WITH MY COMMUTE TIME

- Yes: 81.7%
- No: 13.3%
- Unsure: 5.0%

OF THOSE NOT SATISFIED: Mean commute time is 35.71 minutes

Total n=1971
Community Survey Results - work and transportation

I am willing to change how I travel to work

- Strongly agree/Agree: 48.8%
- Disagree/Strongly disagree: 32.2%
- Unsure: 19.0%

Total n=1982
Community Survey Results - work and transportation

I WOULD LIKE TO SEE MORE PUBLIC TRANSPORTATION OPTIONS IN MY NEIGHBORHOOD

- Strongly agree/Agree: 62.7%
- Disagree/Strongly disagree: 22.8%
- Unsure: 14.5%

Total n=1981
Community Survey Results - work and transportation

I am aware of PAG’s transportation plans

- Yes: 26%
- No/Unsure: 74%

Total n=1981
Community Survey Results - work and transportation

How familiar are you with the concept of Transit Oriented Development?

- Not Familiar: 80.0%
- Heard of it: 6.6%
- Somewhat familiar: 4.2%
- Very familiar: 8.9%
- Expert: 0.3%

Total n=1978
Community Survey Results - work and transportation

How often do you ride the bus?

- Never: 75.4%
- Rarely: 15%
- Sometimes: 5.5%
- Often: 4%

Total n=1971
Community Survey Results - housing

Housing Tenure

- Own: 68.8%
- Rent: 28.1%
- Neither (e.g. live with parents): 3.1%

Total n=1974
What qualities would you look for in a new home? (Check all that apply)

- Walk/short drive to amenities: 50.7%
- Pedestrian friendly: 50.2%
- Shorter commute: 47.1%
- Walk/short drive to parks: 41.5%
- Larger home: 40.3%
- Better schools: 35.3%
- Acre lot or larger: 32.2%
- Public transportation is available: 25.7%
- Rural setting: 23.1%
- Smaller home: 14.8%
- Urban setting: 12.1%

Total n=1982
Community Survey Results - housing

Preferences for future home

Having children under age 18 is positively correlated with preferences for:

• better school quality

• a larger home on an acre or more

• a location away from an urban setting
Income is positively correlated with a preference for:

- better school quality
- a smaller home
- proximity to parks, shopping, and restaurants
- pedestrian-friendly neighborhood
- a home on an acre lot or more
Community Survey Results - housing

Preferences for future home

As income decreases people prefer:

• a shorter commute

• public transportation options
Community Survey Results - housing

Preferences for future home

As age increases, preferences increase for:

• a smaller home
• public transportation availability
• rural setting
Community Survey Results - conclusions

Need for education

• benefits of TOD
• PAG HCT plans
• impacts of long commute / location affordability
• SunTran system
Existing Conditions

Collected at 24 Potential HCT stops
Examples - existing conditions

Aerial
Parcels
Building Footprints
Zoning Overlays
Zoning
Utilities
Land Use
Vacant Land + Parking
Parks + Open Space

Transportation
Floodplain + Environmental Ownership
Historic Districts + Properties
Neighborhood Associations
Political Boundaries
Events + Installations
Landmarks
Examples - existing conditions

Aerial Parcels
Building Footprints
Zoning Overlays
Zoning Utilities
Land Use
Vacant Land + Parking
Parks + Open Space

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Historic Districts + Properties
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Events + Installations
Landmarks

I-10 + W Marana Road
N Oracle Road + N 1st Avenue
S 6th Avenue + E Congress Street
Examples - existing conditions

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Examples - existing conditions

Schools
Businesses
Population Density
Demographics
Housing Characteristics
Location Affordability
Examples - existing conditions

- Schools
- Businesses
- Population Density
- Demographics
- Housing Characteristics
- Location Affordability
### Demographics by Target Area

<table>
<thead>
<tr>
<th></th>
<th>1/4 Mile Area</th>
<th>1 Mile Area</th>
<th>Town of Marana</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (2010)</td>
<td>14</td>
<td>657</td>
<td>34,961</td>
</tr>
<tr>
<td>Households (2010)</td>
<td>2</td>
<td>215</td>
<td>13,073</td>
</tr>
<tr>
<td>Hispanic (%)</td>
<td>21.4%</td>
<td>22.6%</td>
<td>22.1%</td>
</tr>
<tr>
<td>Median Income (2012)</td>
<td>$62,500</td>
<td>$60,818</td>
<td>$58,845</td>
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<tr>
<td>Projected Median Income 2017</td>
<td>$84,511</td>
<td>$71,466</td>
<td>$66,260</td>
</tr>
</tbody>
</table>

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Schools
Businesses
Population Density
Demographics
Housing Characteristics
Location Affordability
Examples - existing conditions

Age cohorts (2010), 1 mile area

- 0-19: 32%
- 20-29: 24%
- 30-44: 25%
- 45-64: 8%
- 65+: 10%

Median Age = 35.0

I-10 + W CORTARO ROAD

Schools
Businesses
Population Density
Demographics
Housing Characteristics
Location Affordability
Examples - existing conditions

Housing Tenure, 1 mile area

- Owner-Occupied: 77%
- Renter Occupied: 16%
- Vacant: 7%

Total Housing Units = 231
Median Home Value = $179,972

I-10 + W CORTARO ROAD

Schools
Businesses
Population Density
Demographics
Housing Characteristics
Location Affordability
<table>
<thead>
<tr>
<th>Demographics &amp; Housing Characteristics By Census Tract</th>
<th>Tract 44.26</th>
<th>Tract 44.27</th>
<th>Tract 46.39</th>
<th>Tract 46.46</th>
<th>Town of Marana</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Population</td>
<td>2,514</td>
<td>8,146</td>
<td>3,799</td>
<td>4,118</td>
<td>34,520</td>
</tr>
<tr>
<td>Total Housing Units</td>
<td>1,216</td>
<td>3,322</td>
<td>1,306</td>
<td>1,624</td>
<td>14,297</td>
</tr>
<tr>
<td>Homeowner Vacancy Rate</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.8%</td>
<td>3.2%</td>
</tr>
<tr>
<td>Rental Vacancy Rate</td>
<td>9.6%</td>
<td>6.2%</td>
<td>5.3%</td>
<td>0.0%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Single Family Detached (%)</td>
<td>73.8%</td>
<td>97.7%</td>
<td>92.6%</td>
<td>79.9%</td>
<td>87.1%</td>
</tr>
<tr>
<td>Median Home Value</td>
<td>$189,100</td>
<td>$204,700</td>
<td>$202,800</td>
<td>$170,500</td>
<td>$222,200</td>
</tr>
<tr>
<td>% of Families with Income Below Poverty Level</td>
<td>0.0%</td>
<td>2.5%</td>
<td>0.0%</td>
<td>13.4%</td>
<td>3.0%</td>
</tr>
<tr>
<td>% of Homeowners Paying 30% or More of their Income on Housing</td>
<td>32.1%</td>
<td>21.9%</td>
<td>32.1%</td>
<td>45.8%</td>
<td>30.3%</td>
</tr>
<tr>
<td>% of Renters Paying 30% or More on Rent</td>
<td>24.8%</td>
<td>46.4%</td>
<td>56.5%</td>
<td>68.9%</td>
<td>36.5%</td>
</tr>
</tbody>
</table>

I-10 + W Cortaro Road

Schools
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Examples - existing conditions

I-10 + W MARANA ROAD

N ORACLE ROAD + N 1ST AVENUE

S 6TH AVENUE + E CONGRESS STREET

Schools
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Population Density
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Housing Characteristics
Location Affordability
Market Study of Housing Demand
Award-winning urban economists & real estate development advisors
Focus on services for cities, counties, public agencies, and non-profits

20 person firm, founded in 1986
Offices in San Francisco, Los Angeles, Sacramento, NYC, and Washington DC

Core Services:
• Affordable & Workforce Housing
• Economic Development
• Market & Financial Feasibility
• Public-Private Transactions
• Public Financing Strategies
• Fiscal & Economic Impacts
Affordable Housing + TOD
Affordable Housing + TOD - key terms

Transit-Oriented Development

- Typically within ½-mile of transit
- Dense, often mixed-use
- Focuses development
- Value add

Affordable and Mixed-Income Housing

- Some or all units are income-restricted
- Senior affordable is common
Housing Market
Housing Market - population overview

• 650,000 residents in Eastern Pima County population centers
• Two-thirds of households are owner-occupied
• Median household income (County) is $44,000
• 30 percent of Eastern County workers commute between cities daily
Housing Market - trends

Population Growth (Pima County, 2000-2045)

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>843,746</td>
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<tr>
<td>2010</td>
<td>980,263</td>
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<tr>
<td>2015</td>
<td>1,022,079</td>
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<tr>
<td>2025</td>
<td>1,100,021</td>
</tr>
<tr>
<td>2035</td>
<td>1,243,099</td>
</tr>
<tr>
<td>2045</td>
<td>1,447,403</td>
</tr>
</tbody>
</table>

Projected after 2010

**Housing Market Trends**

**New Housing Starts (Pima County)**

Sources: US Census Bureau, Building Permit Trends; BAE, 2014.
Housing Market - rental

- Rents are stable and have risen since 2010
- Vacancy is high, but declining
- Positive absorption since 2010

Sources: RealFacts, 2013; BAE, 2014.
Housing Market - ownership

• Vacancy among owner-occupied units is relatively low

• More than 12,500 sales in 2013

• New homes are selling at a modest premium

Sources: Tucson Association of Realtors, 2013; DataQuick, BAE, 2014.
Housing Market - affordability

Housing Cost Burden (30% + of income on housing)

Sources: American Community Survey (ACS), 2008-2012; BAE, 2014.
Housing Market - key findings

• Growth has slowed since 2010, but is projected to regain pace by 2045.

• Owner households outnumber renter households, but multifamily units are making up a larger share of new housing production.

• A significant share of Pima County owner and renter households are cost-burdened.

• Three in ten Pima County workers has a regional commute; most commuters drive to work.
Affordable Housing Development Landscape
Affordable Housing - development landscape

Demand for affordable housing development is strong.

- Many low-wage workers
- Impacts of recession/foreclosures
- Aged and distressed housing stock

Strong demand
Mixed-income
Vertical mixed-use
Transit is a plus
Development constraints
Affordable Housing - development landscape

In most affordable housing developments, 100-percent of units are income-restricted.

- Most developments target 40 to 60% AMI levels
- Affordable senior housing is especially prevalent
Affordable Housing - development landscape

Limited vertical mixed-use development

- Increasing interest in pursuing this type of development

strong demand
mixed-income
vertical mixed-use
transit is a plus
development constraints
Affordable Housing - development landscape

Transit accessibility is seen as an advantage by housing developers

- Access to jobs, neighborhood amenities, and services
- Transit access especially important for affordable housing

Strong demand for mixed-income vertical mixed-use transit development constraints
Affordable Housing - Development Landscape

Primary constraints for affordable housing development:

- Availability of funding sources
- High land costs
- Unfavorable zoning regulations
  - Density and height limits
  - Parking requirements

Strong demand for mixed-income vertical mixed-use development.
Transit is a plus.
Transit Oriented Housing Demand
TOD Housing Demand - methodology

Baseline Estimates
• Current estimates of households by tenure, type, and income level based on Census Data (PUMS)

• TOD Demand Households (at least one of the following):
  - No car in household
  - Someone in the household takes transit to work
  - Household with more workers than cars

Projection
• Current estimates are projected based on published ADOA 2015 – 2045 population projections
TOD Housing Demand - 2045

30-year Demand:

- 96,000 households
  - 65,000 today
  - +31,000 by 2045

- Mostly renters

- 23,000 elderly
Housing Cost Burden (30% + of income on housing)

- All TOD HHs: 49% cost burdened, 51% not cost burdened
- Owner HHs: 32% cost burdened, 68% not cost burdened
- Renter HHs: 57% cost burdened, 43% not cost burdened

TOD Housing Demand - income profile

TOD Demand Household Income Levels - percent of Area Median Income (AMI)

- Low income (below 80% AMI): 67.8%
- Moderate Income (10-120% AMI): 14.4%
- Above Moderate (above 120% AMI): 17.8%

TOD Housing Demand - market affordability (rental)

• Average rents from $437 (studio) to $1,310 (4-bedrm.)

• Low income households can afford $299 to $1,320, depending on household size

• 60 to 80% of TOD renter households cannot afford apartments at the market rate
Low income households can afford $50,000 to $190,000 for a home, depending on household size.

One-third of market rate homes are not affordable to a low-income family of four.

Nearly half of all new affordable homes sold over 30 years would have to be built at TOD sites to meet demand.
96,000 households will seek TOD housing by 2045
Renters account for two-thirds of TOD demand households
Elderly households account for 25% of TOD housing demand
Low-income households account for 75% of renter TOD demand and nearly half of owner TOD demand households
60 to 80% of renter households cannot afford to rent at or above the market rate
Opportunity Sites
Opportunity Sites

• 24 proposed HCT Station Areas considered

• Priority ranking criteria:
  - housing cost burden
  - rental market availability
  - employment access
  - transit options
  - existing ridership
Opportunity Sites

- Score: 6
- Served by 5 HCT lines
- Access to 64,000 + jobs

- Score: 6
- 5.7% rental vacancy rate
- 45% of households are cost burdened
- (note adjacency to Univ. of Arizona)
Opportunity Sites

- **Score:** 7
- **Access to 40,000 jobs**
- 42% of households are cost burdened

- **Score:** 7
- **Access to 40,000 jobs**
- Served by 2 HCT lines
- 11% of residents use transit

- **Score:** 7
- **Served by 3 HCT lines**
- **Access to 50,000 jobs**
- 13% of residents use transit
Opportunity Sites

- Score: 8
- Served by 2 HCT lines
- 46% of households are cost burdened
- 11% of residents use transit

- More than 50% of households are cost burdened
- Access to 40,000 jobs
Recommendations
Recommendations

Focus housing resources to support affordable rental housing.
**Recommendations**

Assess the availability of publicly owned land to support affordable housing development.
Recommendations

Review zoning, parking, and other regulations for opportunities to support affordable housing development.

affordable rental housing
publicly-owned land
regulate for housing
near-term TOD sites
development strategy
Recommendations

Prioritize “near-term” TOD development sites for dense, multifamily affordable housing.
Recommendations

Evaluate development potential for specific sites to develop an affordable TOD housing development strategy.

affordable rental housing
publicly-owned land
regulate for housing near-term TOD sites
development strategy