



# Arizona

## Low Income Housing Preservation in 2010

### Low Income Housing Tax Credits (9% Tax Credits)

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In Arizona's 2010 QAP, two of the general goals for allocating Tax Credits include: 1) to enable substantial rehabilitation of existing rental housing in order to prevent losses to the existing supply of affordable apartments, and 2) to prevent the loss from the existing stock of low-income rental housing of those units under expiring contracts with federal agencies or subject to prepayment which, without the allocation of tax credits, would be converted to market rate apartments. Properties containing acquisition/rehabilitation and new construction will be given up to 30 points if the rehabilitation apartments total 50% or more of the total property and the acquisition/rehabilitation is 100% of the acquired apartments. Points awarded are proportional to rehabilitation costs per apartment. These points are also available to projects proposing the acquisition of an existing building. The points available depends on the pro rata rehabilitation hard costs per unit including site and demolition costs less property costs, as follows: \$35,000+ earns 30 points; \$25,000 - \$35,999 earns 15 points; \$15,000 - \$24,999 earns 10 points.

In the 2010 QAP, up to 30 points are available to projects that preserve existing program or project-based rental assistance, such as project based Section 8 or other program-based rental assistance. The number of points available shall not exceed the product, rounded down to the next whole number, of 35 times the ratio of the number of section 8 or RD rental assistance units to the total number of units. Up to 30 points may be awarded for proposals to preserve historic properties. Projects are only eligible for one of the three perseveration incentives. Projects are only eligible for one of the three preservation incentives. Rehabilitation projects also receive 4 points (out of a possible 13) in the tie-breaker criteria.

#### **Allocations (2003-2009)**

*Properties Preserved:* 32

*Apartments Preserved:* 1,995

*Additional Info:* Arizona has consistently used 9% tax credits to preserve affordable housing in the state.

### Private Activity Bonds with 4% Tax Credits

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#### **Allocations (2003-2007)**

*Properties Preserved:* 12

*Apartments Preserved:* 2,381

*Additional Info:* Between 2003 and 2007, Arizona allocated 4% tax credits to preserve 12 affordable housing properties containing over 2,000 affordable units.

### Housing Trust Funds

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Arizona's State Housing Trust Fund was established in 1988 and is administered by the Department of Housing. It is funded through the state's unclaimed property fund.

In 2006 the Tuscon Mayor and Council established the Tuscon Housing Trust Fund. THTF's annual funding goal is \$3-5 million dollars. Initial funding sources include the sale of City-owned properties, a fee on the conversion of rental properties, and unexpended funds from the utility service low income assistance program. The THTF is devised to be sustaining within five years by recycling the majority of its funding. Approximately 2,100 families will be assisted for every million dollars dedicated to the THTF over the next 20 years. This breaks down to 900 families being helped with down payment assistance to get into their first home, 800 families with improvement loans to maintain their residences and 400 of the city's most vulnerable families with new or improved rentals.

Pima County established their own Housing Trust Fund in 1997 with an initial investment of \$5 million. The fund is administered by the Department of Community Development and Neighborhood Conservation. The Arizona Legislature provided specific authority in 2000 for counties to operate housing trust funds, patterned after the State of Arizona Trust Fund. The May 2004 Bond provided an additional \$10 million for affordable housing. The primary purpose of the Trust Fund will be to assist Pima County's low-income residents to purchase and improve housing.

**PLEASE NOTE: Some of the information on housing trust funds included in this report was generously provided by the Center for Community Change (Housing Trust Fund Project).**

## **Green Multifamily Preservation Initiatives**

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### ***Green Incentives in State Tax Credit Allocation Plan***

Arizona's 2010 QAP requires all projects to comply with the International Energy Conservation Code. Up to 20 points are available for incorporating green/healthy initiatives, including measures contributing to water efficiency, energy efficiency, and indoor air quality. These incentives do not distinguish between new construction and rehabilitation.

### ***Other Green Incentives Relevant to Preservation***

Incentives include sales tax exemptions on solar and wind system purchases, property tax exemptions and tax credits for renewable energy systems, and utility rebate programs.

*For additional information on green initiatives, visit [www.aceee.org](http://www.aceee.org) for more on policies related to energy efficiency or [www.dsireusa.org](http://www.dsireusa.org) for programs that may be available to developers to incentivize renewable energy or energy efficiency.*

## **Sustainable Communities & Transit-Oriented Development Incentives**

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Arizona's 2010 QAP awards 15 points for Community Revitalization Projects, including projects located in priority housing areas, Federal Empowerment Zones or Federal Enterprise Communities, established HUD Neighborhood Revitalization Strategy areas, Colonias as established by HUD or the Department of Agriculture, or are part of a comprehensive affordable housing plan. An additional 3 points are available for projects in qualified census tracts, difficult to develop areas, or outside a Metropolitan Statistical Area.

The 2010 QAP awards points for all projects are within 1/4 mile straight line radius of a bus stop, 1/2 mile straight line radius of a mixed-use center, and 1/2 mile straight line radius of a high capacity transit system.

Up to 20 points are available to projects incorporating TOD features as outlined below:

- \* 5 points for quality bus transit, defined as having a minimum 15 minute weekday headways between 6am and 6pm and a minimum of 30 minute headways between 6am and 6pm on weekends. Minimum of 18 hours of service on weekdays and 15 hours on weekend days. The bus route corridor should provide one or more bus stop within 1/4 mile straight line radius of the proposed site and no plans by the transit authority to move route(s) in the next 5 years.
- \* 5 points for mixed use, defined as a proposed site within 1/2 mile straight line radius of a mixed use center represented by at least 3 of the following elements: 25,000+ square feet of convenience retail or grocery; 25,000+ square feet other retail; 25,000+ square feet of commercial office or other employment other than retail; 25,000+ square feet of institutional and civic uses; 25,000+ square feet of restaurant, cafe, or coffee shop uses.
- \* 10 points for high capacity transit, which includes light-rail transit, commuter rail, intercity rail and streetcar. Proposed sites should be within 1/2 mile straight line radius of the system.