

Balanced Housing Plan Planning and Zoning Board

July 2024

Nana Appiah, PhD, AICP

Development Services
Director

Jeff Robbins, CEcD

Redevelopment Program
Administrator



Why a Balanced Housing Plan?

- Use data to help inform City policy
- Identify housing trends and gaps
- Create strategies to close housing gaps
- Foster public-private partnership for housing supply
- Element of the 2050 General Plan



The Plan Making Approach

- Public participation process
- Secondary data gathering
 - Population
 - Who lives in Mesa?
 - Who works in Mesa?
 - Income
 - Household income levels
 - Types of trades and incomes
 - Housing
 - Housing supply in Mesa
 - Housing trends in Mesa and Cost
 - Housing gap in Mesa
- Recommendations and strategies to meet housing needs

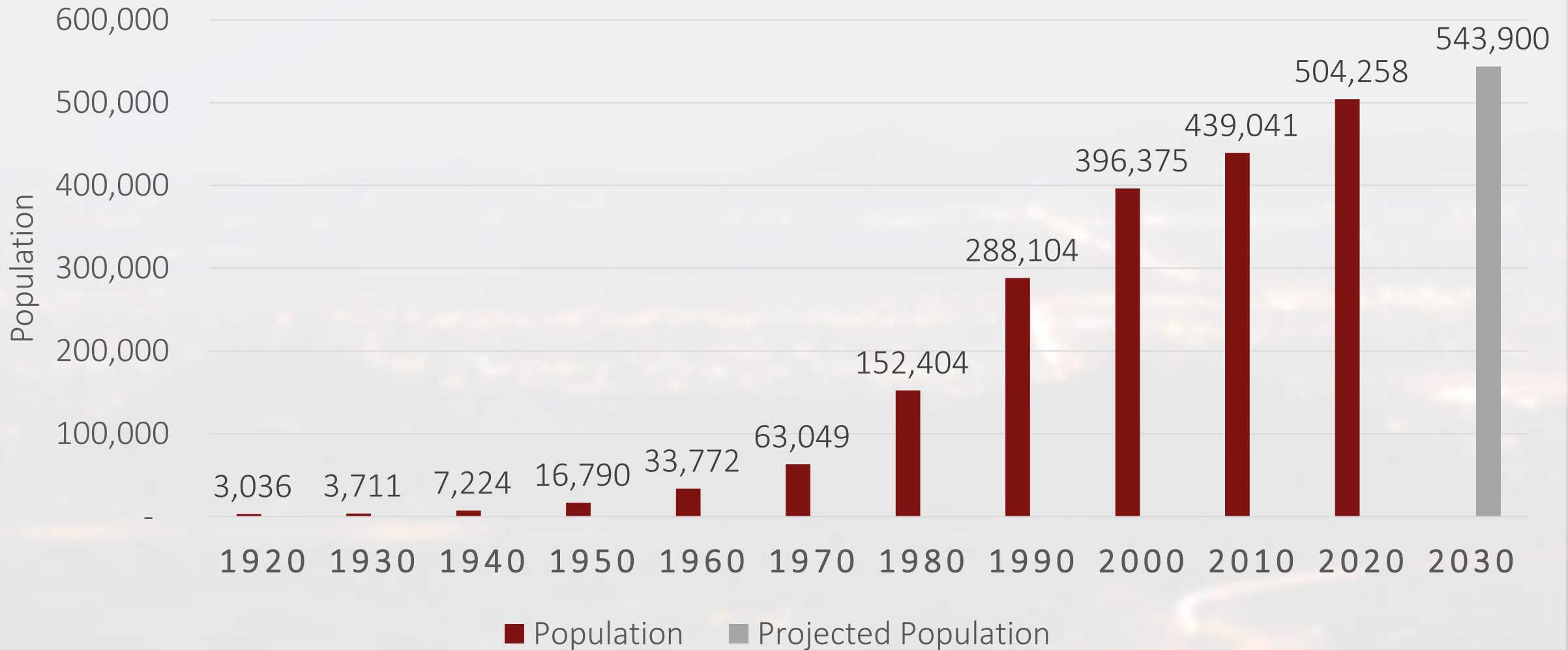


Public Participation and Input

- General Plan public participation (January 2023-March 2024)
 - Support diversity of housing
 - Support attainable housing
 - Minimize overconcentration of attainable housing
- Housing and Community Board (October, 2023)
 - Support attainable housing
 - Minimize overconcentration of attainable housing
- Realtors Focus Group (December, 2023)
 - Improve perceptions about living in Mesa
 - Encourage missing middle housing
- Non-Profit and Developers Focus Group (December, 2023)
 - Consider pre-approved starter home models
 - Difficulty in developing missing middle housing

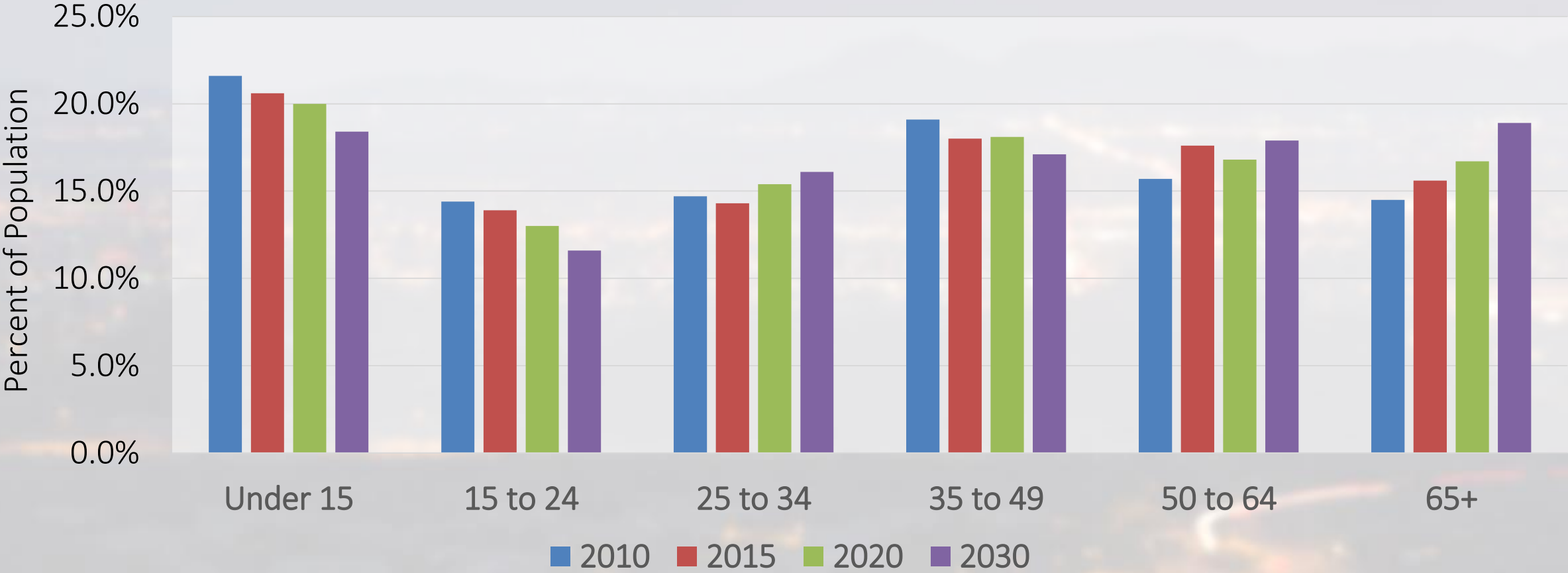


Historical and Projected Population Growth in Mesa



Source: United States Census, 1920-2020; Maricopa Association of Governments 2023 Socio-Economic Projections

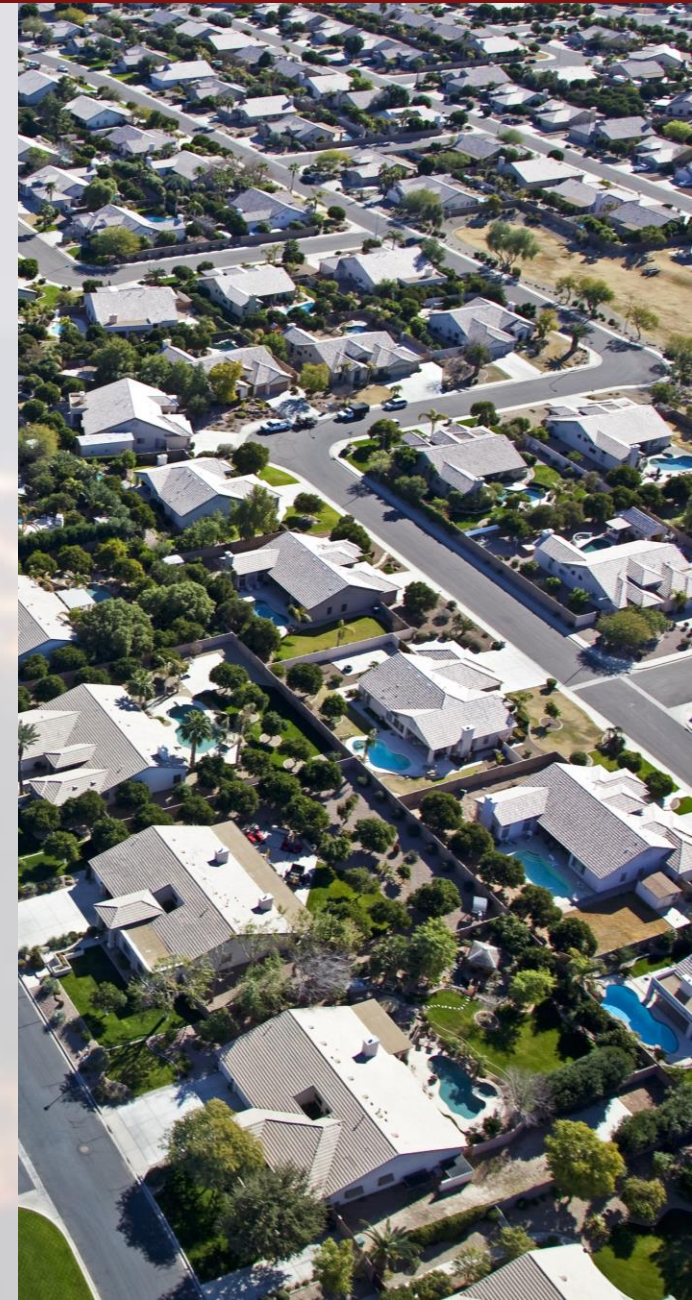
Percentage of Population in Mesa by Age Category: 2010, 2015, 2020, and 2030 Projected



Source: United States Census, 2010, 2015 and 2020 ACS 5-Year Estimates; ZPFI 2030 Projections

Summary & Highlights

- Used multiple data sources and public input for the plan making process
- City is projected to add 20,900 residents by 2030, reaching a population of 543,900
- The City's population is aging at a faster rate than the national rate¹
- Residents over the age of 65 are projected to be the largest age cohort by 2030



Income



Median Household Income in Mesa and Surrounding Cities

	Gilbert	Scottsdale	Mesa	Phoenix	Tempe	Glendale	Tucson	Maricopa County
Median Income	\$115,179	\$104,197	\$73,766	\$72,092	\$72,022	\$66,375	\$52,049	\$80,675

Source: US Census 2018-2022 ACS 5-Year Estimates

Affordable Housing Price Range in Mesa

Income Level	Income Range	Housing Price Range
30% AMI	\$0 - \$25,250	\$60,134
50% AMI	\$25,250 - \$42,100	\$60,134 - \$126,577
80% AMI	\$42,100 - \$67,350	\$126,577 - \$226,143
100% AMI	\$67,350 - \$84,187	\$226,143 - \$292,535
130% AMI	\$84,187 - \$109,443	\$292,535 - \$392,125
150% AMI	\$109,443 - \$126,280	\$392,125 - \$458,516
180% AMI	\$126,280 - \$151,536	\$458,516 - \$558,106
Workforce Plus (200%)	\$151,536 - \$168,374	\$558,106 - \$624,502
High Income Earner	\$168,374 - \$300,000+	\$624,502 - \$1,143,531+

*Workforce plus and high-income earner categories are not defined by HUD but are added to the analysis to better analyze higher income levels

Examples of Home Prices (For Sale)

\$25,450 - \$42,100
(50% AMI)



\$125,000 **Manufactured Home**
1,550 sq. ft. **3bds, 2 bath**

\$42,100 - \$67,350
(80% AMI)



\$224,900 **Townhome**
898 sq. ft. **2bds, 2 bath**

\$109,443 - \$126,280
(150% AMI)



\$434,999 **Single Family Home**
1,692 sq. ft. **3bds, 2 bath**

\$168,374+
(High-Income Earner)



\$1,295,000 **Single Family Home**
3,181 sq. ft. **3bds, 3 bath**

Affordable Rents by Household Income

Income Range	Maximum Affordable Rent
\$0 to \$9,999	\$0
\$0 to \$14,999	\$125
\$15,000 to \$19,999	\$125-\$250
\$20,000 to \$24,999	\$250-\$375
\$25,000 to \$34,999	\$375-\$625
\$35,000 to \$49,999	\$625-\$1,000
\$50,000 to \$74,999	\$1,000-\$1,625
\$75,000 to \$99,999	\$1,625-\$2,250
\$100,000 to \$149,999	\$2,250-\$3,500
\$150,000 or More	\$3,500 +

Source: US Census 2018-2022 ACS 5-Year Estimates; ZPFI

Examples of Home Prices (For Rent)

\$25,000 to \$34,999
(50% AMI)



\$375-\$600 (not available)

\$50,000 to \$74,999
~(80% AMI)



\$1,150 Apartment
579 sq. ft. 1bd, 1 ba

\$100,000 to \$149,999
(150% AMI)



\$2,195 Townhome
1,692 sq. ft. 3bds, 2 ba

\$150,000+
~(High-Income Earner)



\$3,800 Single Family Home
2,475 sq. ft. 4bds, 3 ba

Acero Eastmark (Ellsworth and Ray Area)

1 bd /1 ba

\$1,505 - \$2,360 / Month

771 - 851 SF

Annual Household Income : \$70,000-\$102,000

2 bd /2 ba

\$1,845 - \$2,545/ Month

1,119 SF

Annual Household Income: \$80,000-\$115,000

3 bd /2 ba

\$2,445 - \$3,685/ Month

1,342 SF

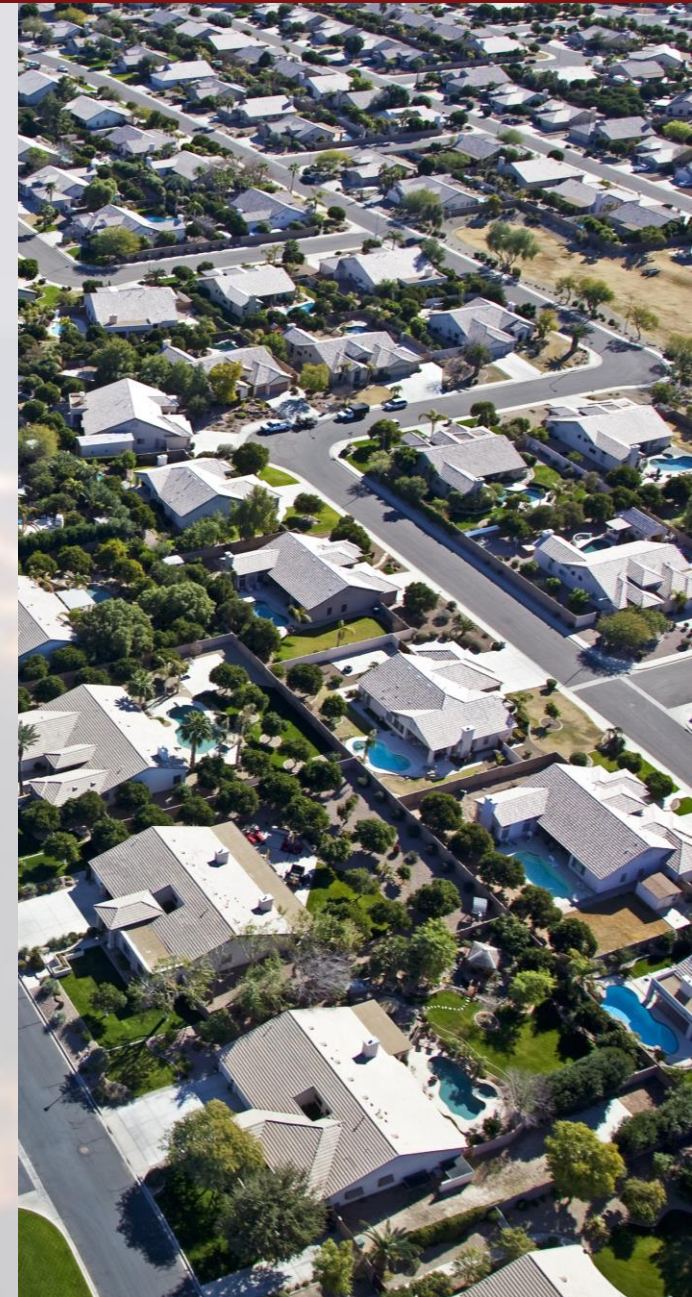
Annual Household Income: \$105,000-\$155,000



Source: www.aceroeastmark.com June 2024
Annual household incomes
are approximations

Summary & Highlights

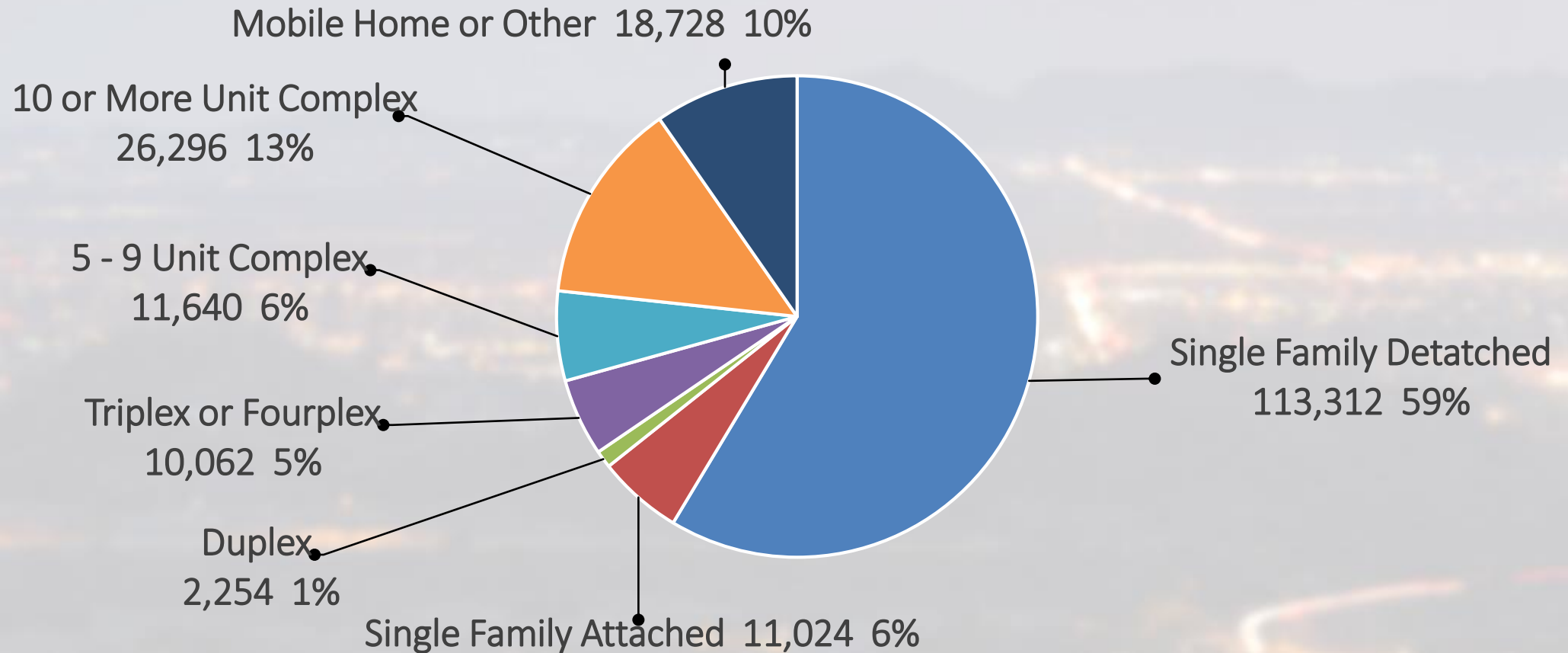
- The City's median household income (\$73,766) is lower than national (\$75,149) and County (\$80,675) median household income
- A resident generally has to make above 80% of AMI to afford middle housing, such as townhomes, duplexes or rent an ADU in Mesa
- Income influences type and cost of housing preference



Housing Need and Supply

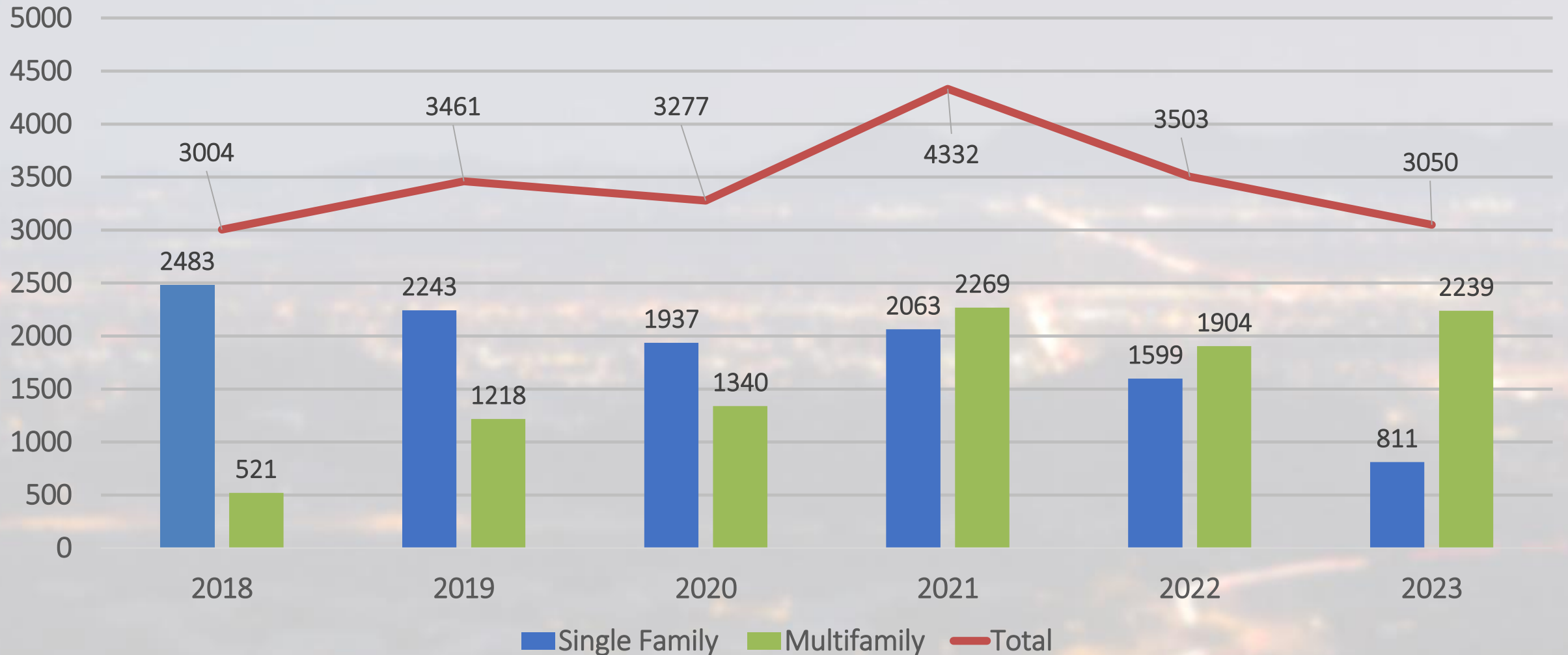


Households by Housing Type (2022)

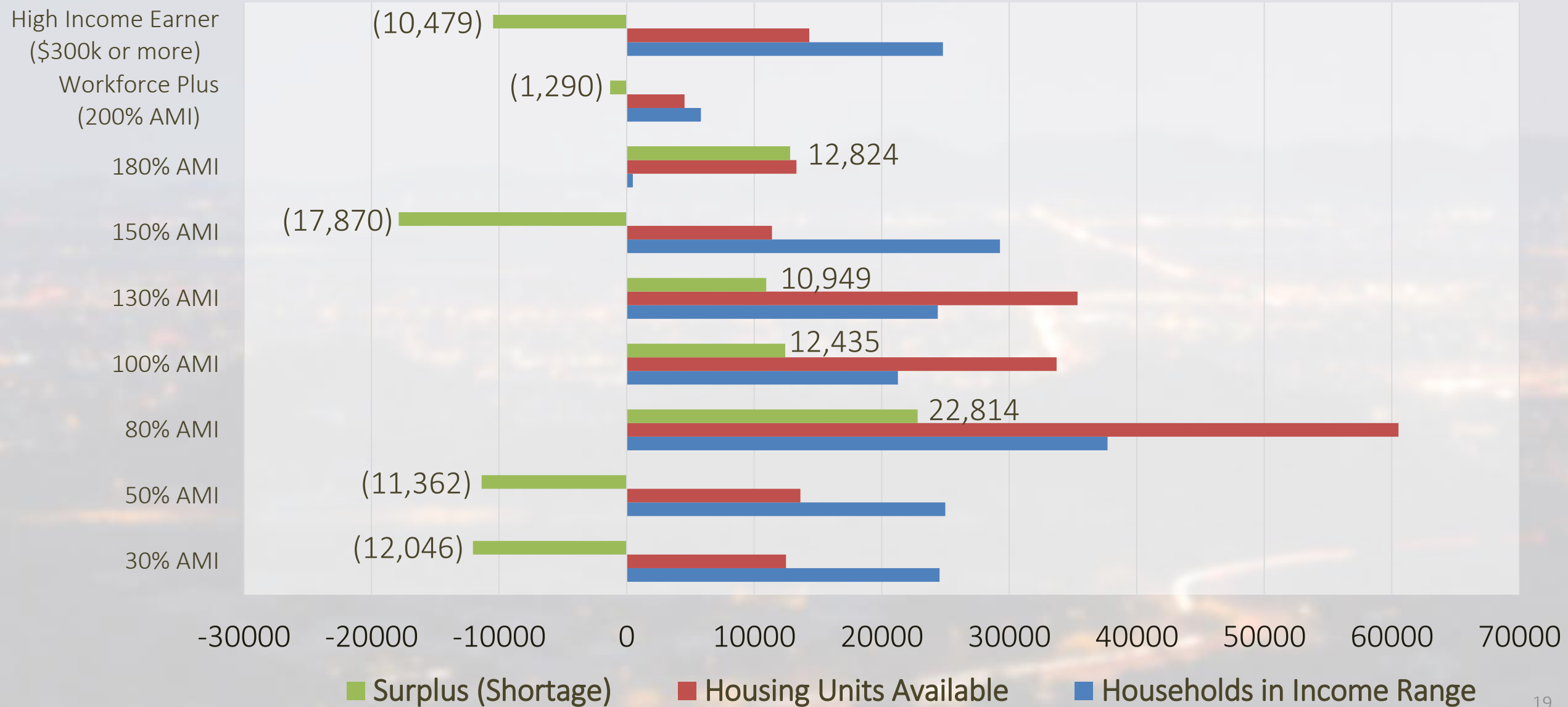


Source: United States Census 2022 ACS 5-Year Estimates

Chart Mesa Residential Building Permits Issued by Year (2018-2023)



Housing Gap by AMI Categories



Historical Housing Supply and Projected Need

Average number of building permits issued yearly (2018-2023) = 3,000 units

Projected yearly housing need: 2,165 units

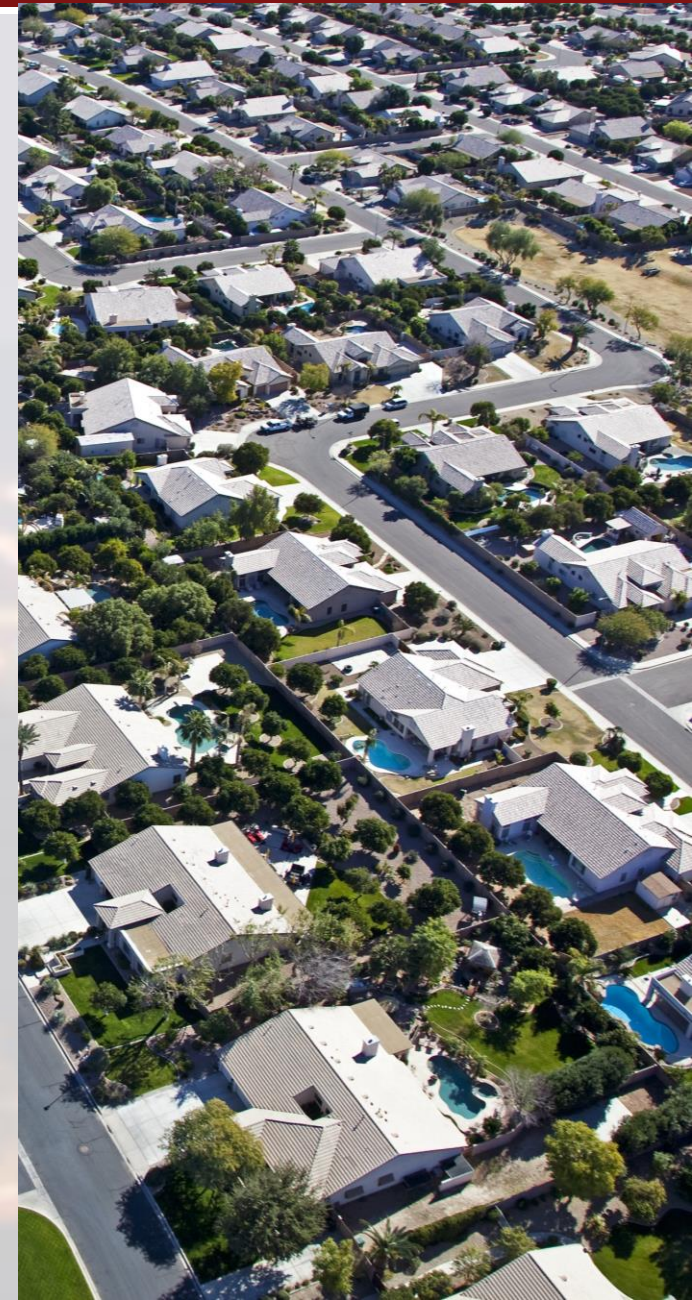


Housing Needs (2024-2030)

Year	Population	Households	Annual Citywide Single Residence New Housing Need	Annual Citywide Multiple Residence New Housing Need	Total Housing Need
2024	525,936	193,316	1,359	806	203,623
2025	528,888	195,416	1,359	806	205,788
2026	531,857	197,516	1,359	806	207,953
2027	534,842	199,616	1,359	806	210,118
2028	537,845	201,716	1,359	806	212,282
2029	540,864	203,816	1,359	806	214,448
2030	543,900	205,916	1,359	806	216,612

Summary & Highlights

- City has limited quantity of middle housing (i.e. townhomes, duplexes, etc)
- The predominant housing in type in Mesa is single family residence
- There is a housing supply shortage for residents making below 50% AMI, 150% AMI, and 200% AMI or more
- Since 2018, yearly building permits for housing has exceeded projected demand



Recommendations

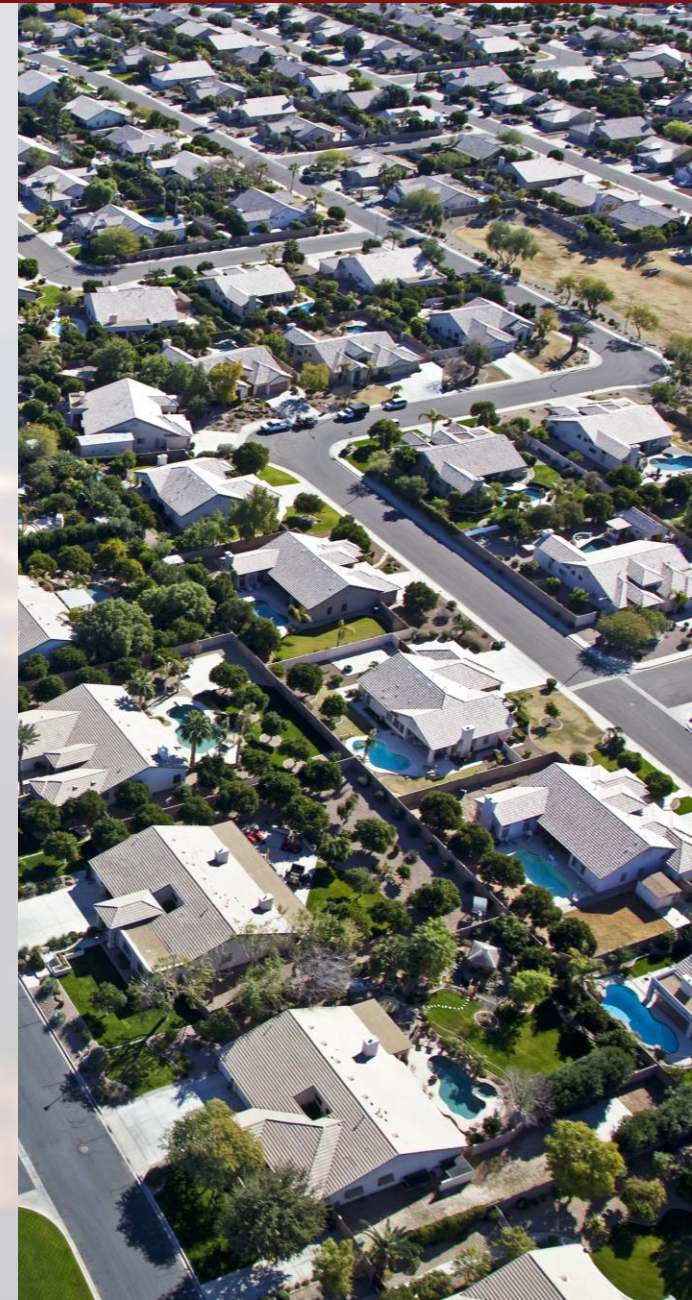


Evaluate Development Requirements

- Review current parking standards to ensure appropriate and suited standards
- Review and reduce setbacks standards to make infill more feasible
- Encourage use of form-based codes in appropriate areas
- Encourage affordable housing as appropriate through reduced development fees
- Increase administrative approval processes to reduce review timeframe
- Continue to improve efficient and streamlined review and approval process
- Review zoning districts to allow
 - Diversification of permissible housing types
 - **Middle housing types**
- Promote the use of ADUs
- Review density regulations
- Encourage mixed use developments

Expand Successful, Existing Programs

- Consider expansion of down payment assistance programs where allowed by HUD
- Consider expansion or revisions to City's existing HVC assistance programs when market conditions and HUD program requirements allow
- Support programs to rehabilitate older neighborhoods
- Provide supportive programs for the aging and elderly



Care for the Homeless

- Continue to support Mesa's Housing Path
- Consider expansion of or revisions to the City's existing programs or create new programs
- Facilitate co-location of essential services to support housing



Attract and Provide Housing for Higher-Wage Earners

- Attract, retain and grow employment opportunities for high-wage earners
- Continue to support current workforce development programs
- Encourage development of higher-priced homes and high-end middle housing types





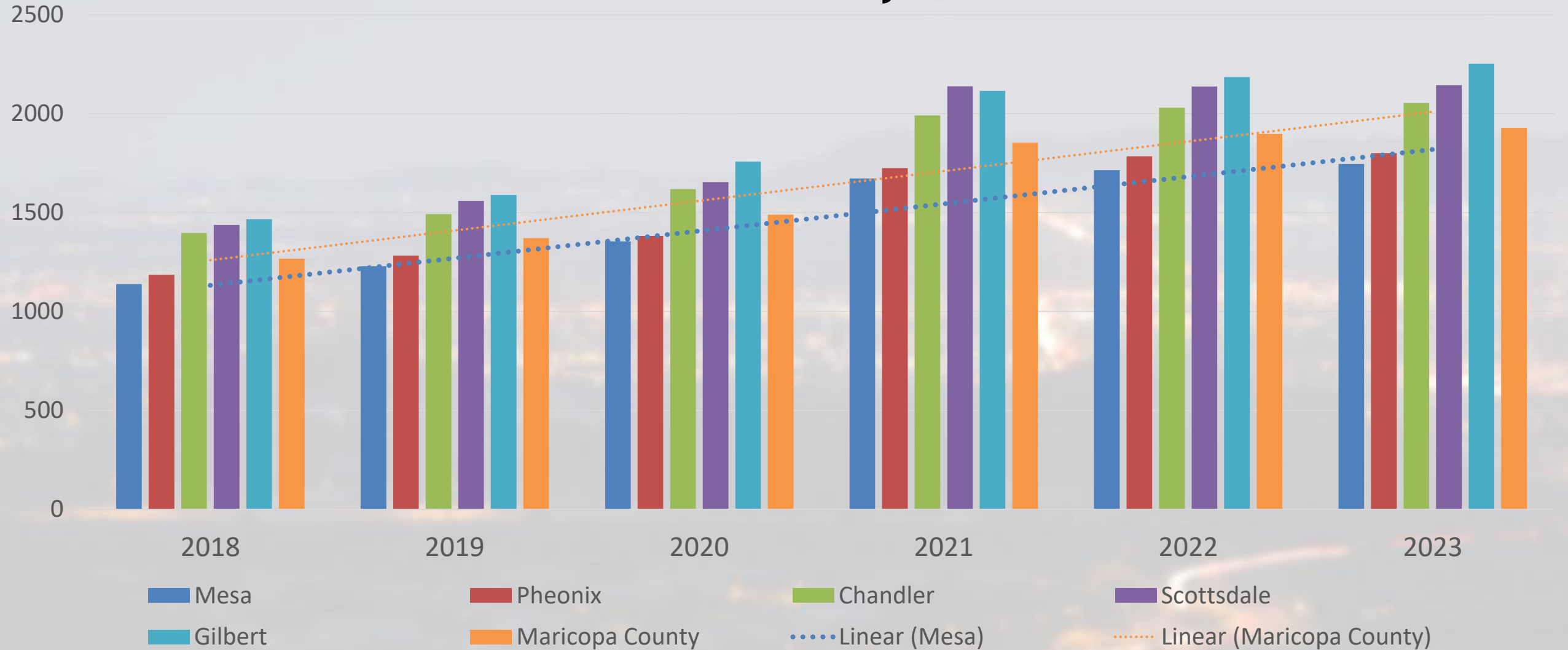
Next Steps

- City Council is currently reviewing the Plan
 - City Council Study Session discussion on August 22, 2024
 - City Council adoption on September 23, 2024
-

Questions?

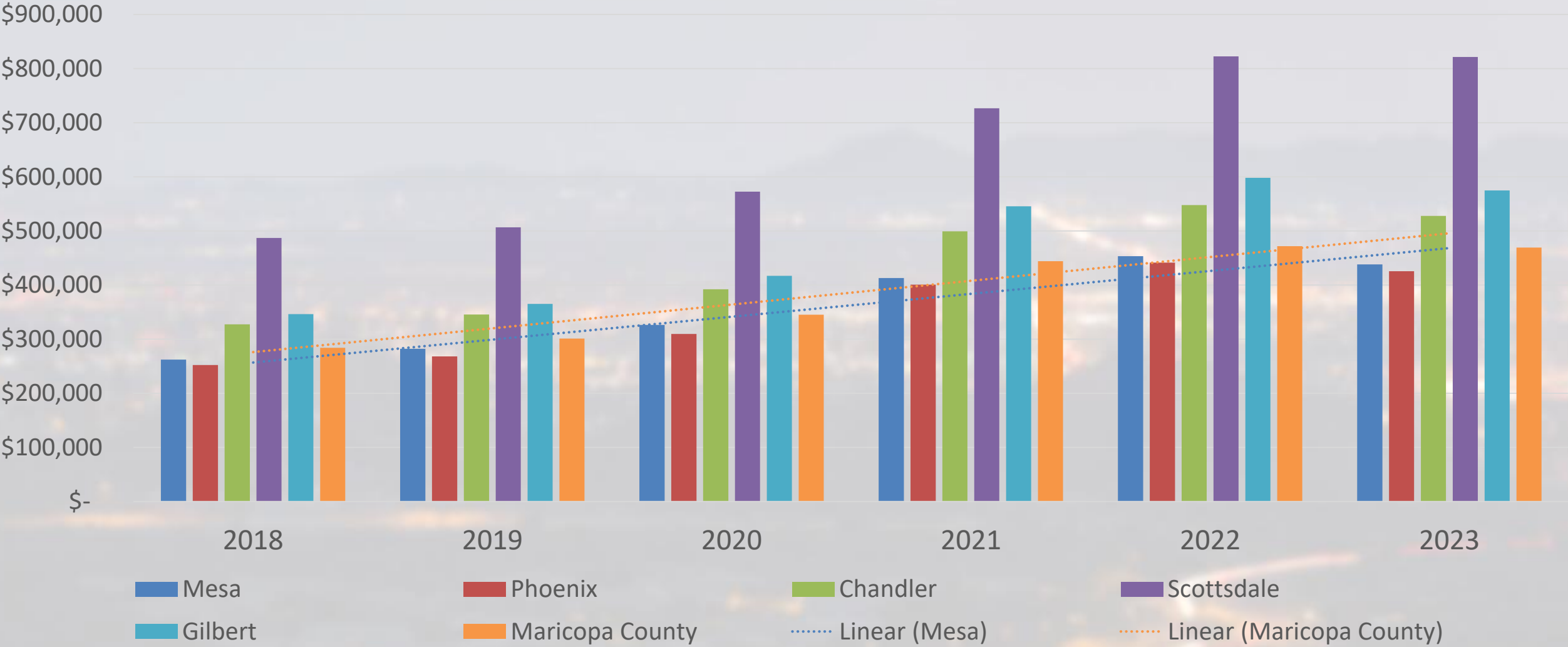


Observed Price of Monthly Rent 2018 - 2023



Source: Zillow, 2023

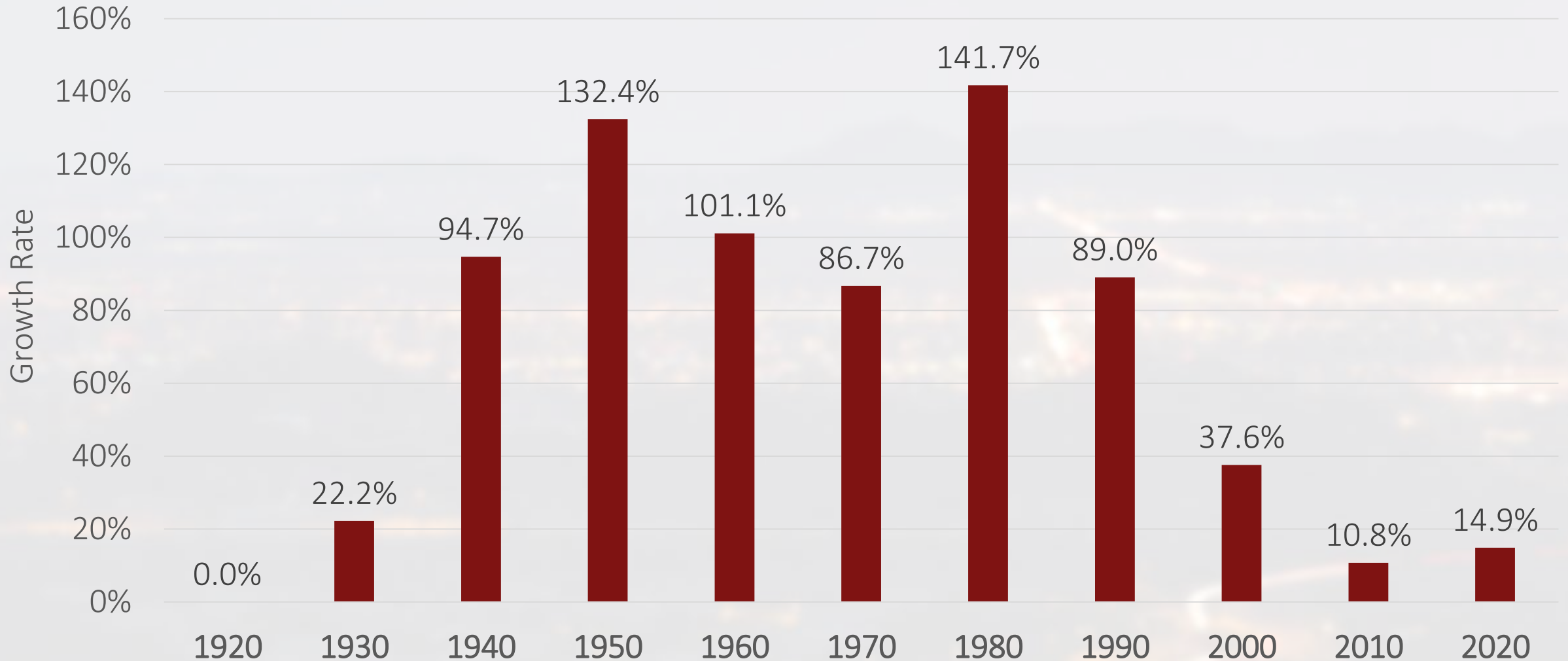
Median Home Price 2018 - 2023



Source: Zillow 2023

Population Growth

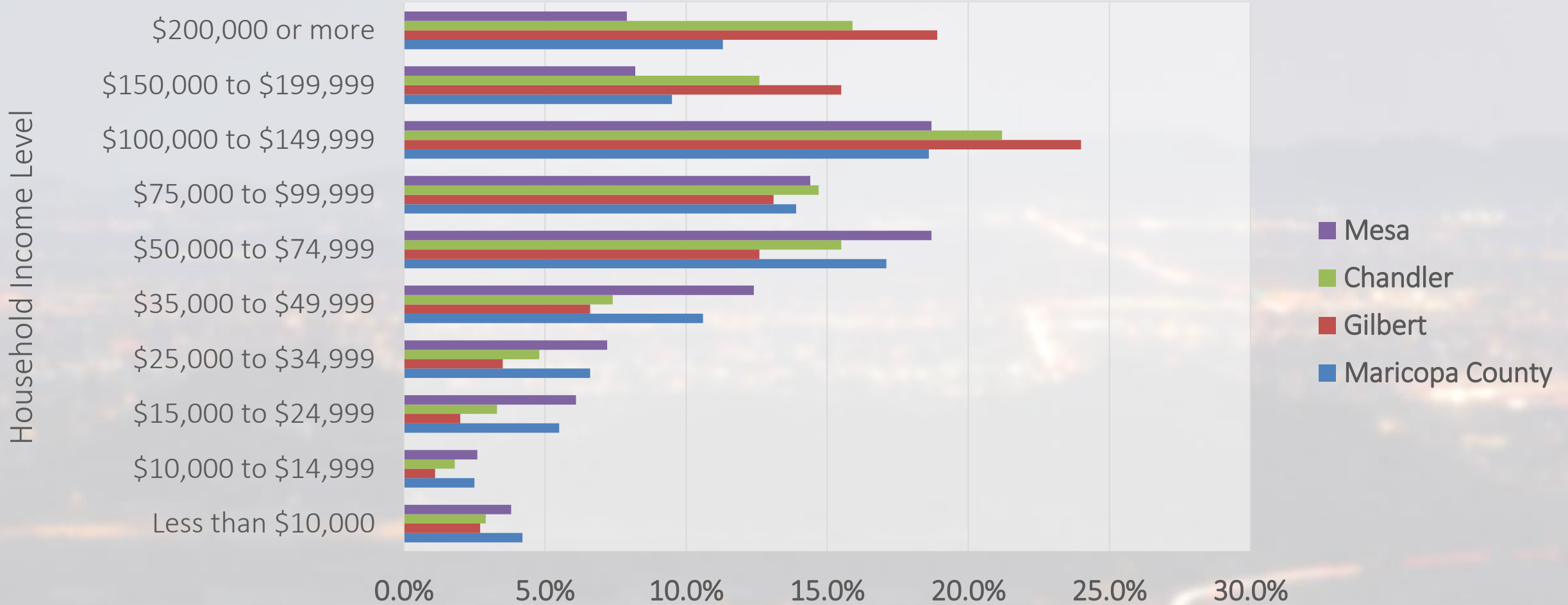
Population Growth by Decade in Mesa



Source: United States Census, 1920-2020; Maricopa Association of Governments 2023 Socio-Economic Projections

Household Income

Household Income Distribution for Mesa, East Valley Cities, and Maricopa County



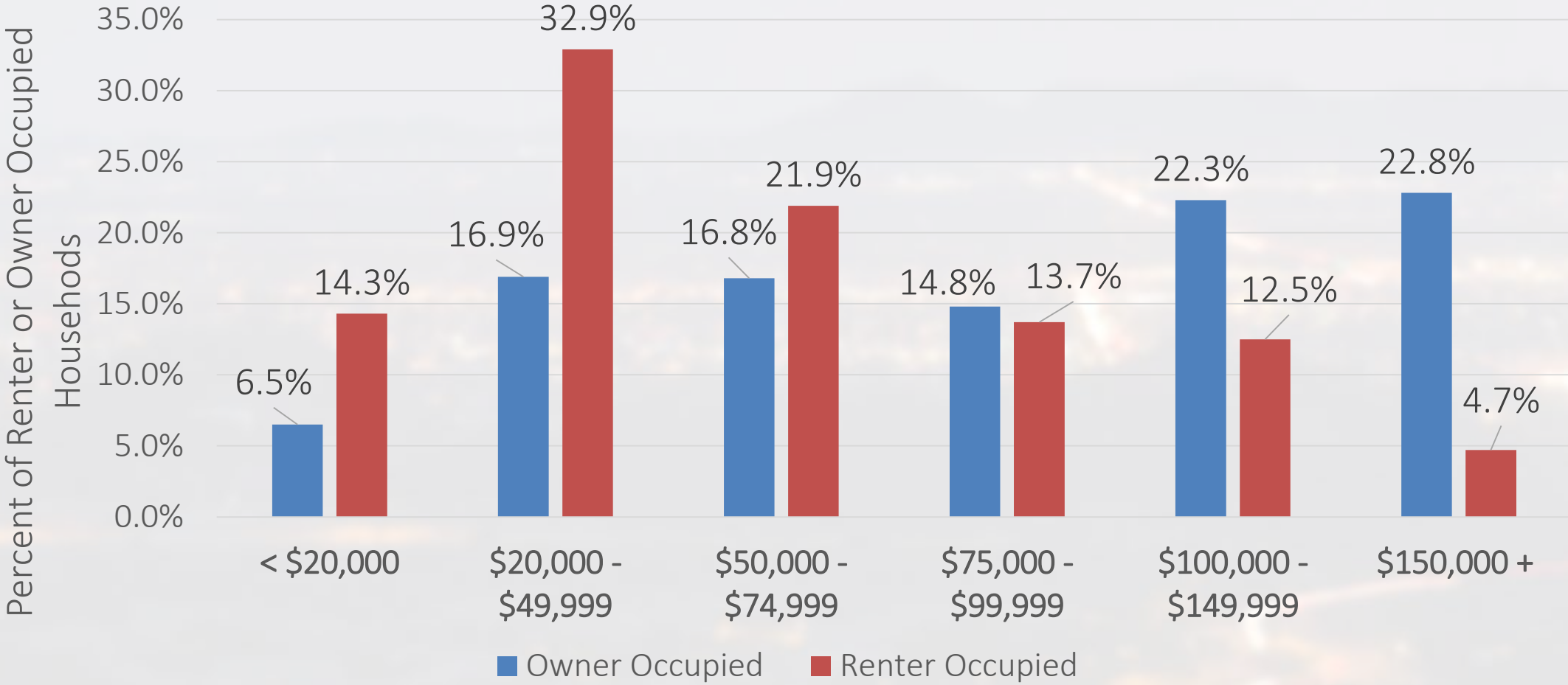
Source: United States Census, 2018-2022; ACS 5-Year Estimates

Home Affordability by Industry and Income

Industry Cluster	Annual Employment Change	Annual Wage	1.5 Worker Household Wage Adjustment	Maximum Affordable Home Price
Management	222	\$94,949	\$148,292	\$648,506
Business and Finance Operations	170	\$68,100	\$106,359	\$458,210
Computer and Financial Operations	113	\$87,302	\$136,349	\$594,307
Legal	24	\$74,675	\$116,628	\$504,811
Educational Instruction and Library	96	\$47,625	\$74,807	\$315,026
Healthcare Support	398	\$28,868	\$45,086	\$180,149
Protective Services	49	\$48,324	\$75,472	\$318,045
Food Preparation and Serving Related	403	\$27,288	\$42,524	\$168,525
Building and Grounds Cleaning and Maintenance	95	\$31,565	\$49,298	\$199,264
Personal Care and Service	120	\$32,402	\$50,605	\$205,196
Office Administrative Support	174	\$39,519	\$61,719	\$255,632
Construction and Extraction	175	\$47,677	\$74,462	\$313,460
Installation, Maintenance, and Repair	149	\$48,076	\$75,085	\$316,288

Source: City of Mesa, Lightcast 2023, US Census 2017-2021 ACS 5-Year Estimates

Share of Renter or Owner Households by Income



Source: United States Census 2022 ACS 5-Year Estimates