



# SENIOR AFFORDABLE HOUSING

Opportunity for Development

City Council Study Session  
October 31, 2024

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# Background

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- **Seniors are one of the fastest growing populations entering homelessness**
- **“The City’s population is aging slightly faster than that of Maricopa County and nationwide. As the City population ages, the demand for senior-friendly housing with integrated support services will increase”\***
- **“Over time, the City can benefit from approximately 23,400+ total housing units at monthly payments affordable for households that make 50 percent or less of the AMI (\$42,000 or less)”\***

\*Source: City of Mesa Balanced Housing Master Plan 2024



# Opportunity

Available parcel of land adjacent to the Senior Center in downtown Mesa

- 17, 31, and 37 W. University Drive
- 0.92 acres total
- Appraisal value \$2.1M

Feasible for multi-family senior affordable housing

- From the appraisal “the highest and best use of the subject property is for commercial/multi-family development”

# Funding Availability - NSP

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The City received Neighborhood Stabilization Program (NSP) funds in 2009 and 2011

- The program was developed to address the negative impact of foreclosure and vacant properties
- The City purchased and renovated multiple properties, and then resold them to low-income eligible individuals
- The program has not been active in many years. Remaining funds include \$536,000 in original funds and \$1,390,000 in program income. For a total of \$1,926,000.

# Eligible Activities for NSP Funds

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- Acquisition and rehabilitation of housing for purposed of selling under market-value (low-income eligible requirements)
- Down-payment assistance for home buyers of the rehabilitated housing
- Acquisition of vacant land for development now or in the future (land banking)
- Demolition of blighted structures for future development
- Foreclosure prevention through counseling services and financial assistance

# Other Options Considered

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- NSP program income can be converted to CDBG (Community Development Block Grant) funds. \$1,390,000
  - All funds would need to be converted at one time, no phasing
  - Only 15% could be used for services
  - 85% would need to be used for development project(s). Development projects have been historically difficult to complete
  - \$536,000 in remaining funds need to be used on an eligible NSP project or be returned to the federal government

# Development of Property

- Request for Proposals (RFP) to be released for development of the property for senior affordable housing
- Selected developer will receive a land-lease for the property and \$500,000 in HOME funds towards the construction
- Final award is contingent on selected developer receiving State low-income housing tax credits (LIHTC) in the upcoming LIHTC process
- If LIHTC is not awarded for the development of the selected project, the City will reissue the RFP the following year

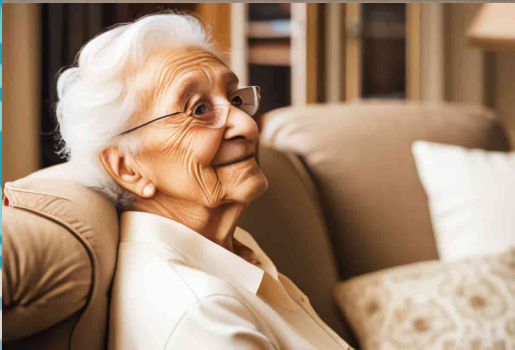
**Staff feel the best and most impactful use of the available NSP funding is the purchase of the property as outlined**

Contingent on updated appraisal, and completion and clearance of HUD (Housing and Urban Development) environmental study

**Staff  
Recommendation**

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**Thank You**

