City of Tolleson Housing Needs Assessment & Action Plan

FUNDED BY: MARICOPA ASSOCIATION OF GOVERNMENTS GRANT

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Why This Study Matters

Provides data-driven assessment of Tolleson's housing market:

- Identifies affordability gaps
- Evaluates housing supply and future housing needs
- Guides policy decisions to ensure affordable housing
- Supports inclusive growth for residents of all ages and incomes

Key Findings

- Housing costs rising faster than incomes
- Renters face severe cost burdens
- Senior population growing and is most vulnerable
- Housing supply shortage exists, especially for lower-income households

Key Demographic Context

Population: 7,221 (as of 2022)

- 81% Hispanic or Latino
- 22% of residents are 65+
- Median household income: $47,875
- 18.9% poverty rate

Housing Stock

2,707 total housing units (as of 2022)

- 59% single-family detached
- 34% multifamily units
- Limited attached/missing-middle housing

(ADUs, duplexes, triplexes, townhomes, condos – in neighborhoods currently zoned for detached, single-family homes)

Moderate diversity, but insufficient affordable options

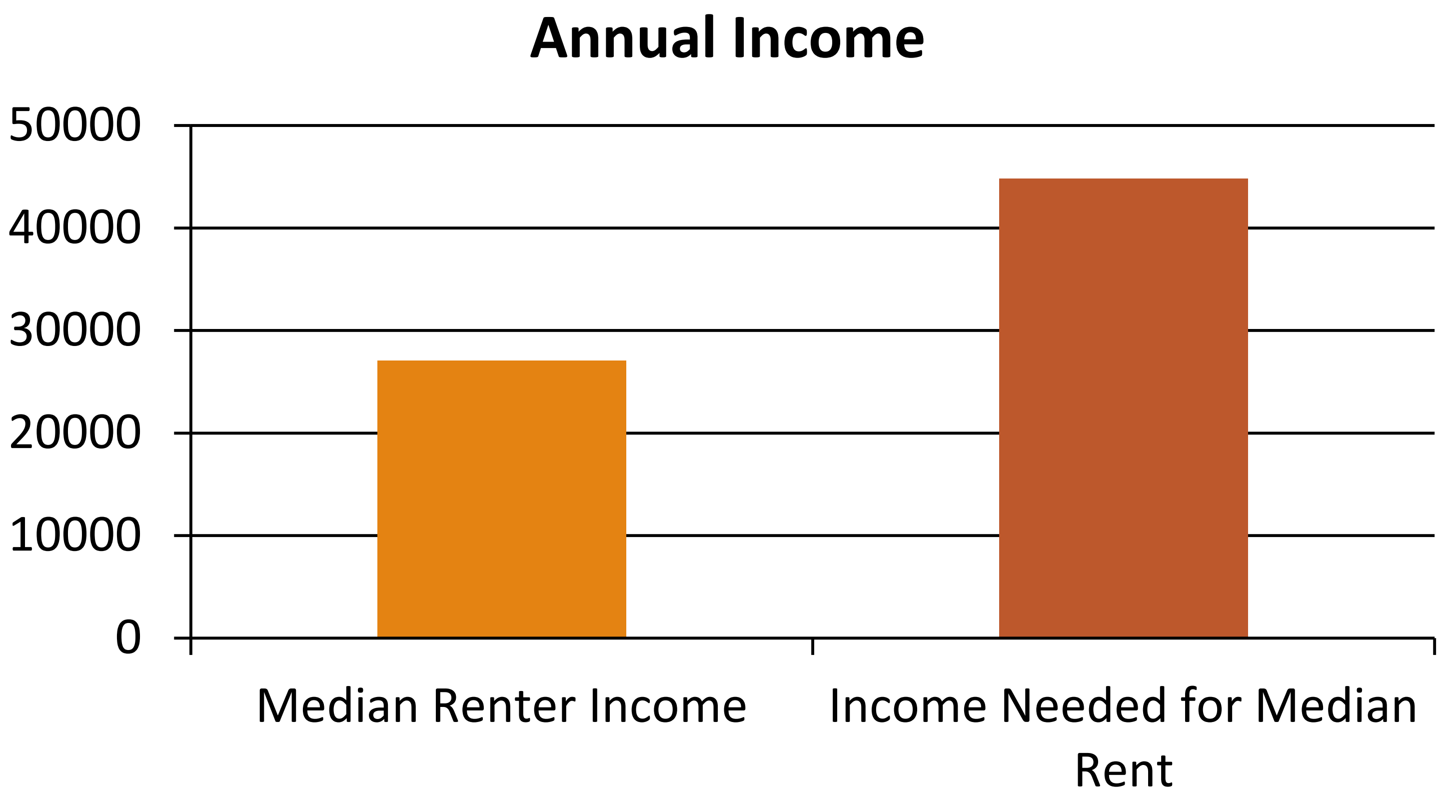
Rental Market Challenges

Median rent: $1,121 (2022)

- Median renter income: $27,083
- Income needed to afford rent: $44,840
- Affordability gap: $17,757 annually

Real renter income fell 31% (2017-2022) – renter income declined while rents increased

Rental Affordability Gap



Rental Cost Burden

68% of renters are cost burdened (spend >30% income on rent)

- 42% severely cost burdened (>50% income on rent)
- 93% of senior renters cost burdened
- Nearly all renters under $50,000 income are cost burdened

- *Severe rent burden was 75% more prevalent in Tolleson than in the County and Arizona overall*

Homeownership Challenges

Median home price (2023): ~$400,000

- Home values increased 43% (2017-2022)
- Income needed to afford median home: $91,666
- Median household income: $47,875
- Affordability gap: ~$43,800

= First-time buyers are locked out

Housing Units Needed

Current shortage: 417 units (249 rentals, and 168 ownership units)

- Projected need by 2030: 468 units
- Strongest demand among low-income households;

83% of units must be affordable at ≤80% AMI

- 80% of Area Median Income for a 2-person household is $72K/year; to be affordable housing costs should not exceed $1795/mo
- 50% of AMI is $45,000/year (for 2 people); to be affordable, housing costs should be no more than $1125/mo

Primary Areas of Need

- Affordable rentals
- Workforce housing
- Senior housing
- Smaller units
- First-time buyer options

Key Strategic Principles

- Focus on <80% AMI production
- Address severe rent burden first
- Target Seniors and smaller households
- Increase supply while reducing cost
- Use local leverage to attract outside capital

Targeted Strategies

1. Workforce Housing Trust Fund
2. Expand Missing Middle housing
3. Reduce Development Barriers
4. Senior-focused Housing and Aging-in-place Programs
5. Pursue Partnerships and Federal/State Funding

Strategy 1:
Workforce Housing Trust Fund

Purpose: Local flexible funding tool

Can Support:

- Affordable rental development
- First-time homebuyer assistance
- Gap financing for tax credit projects
- Preservation of affordable units

Why It Matters:
Local leverage attracts LIHTC and state/federal investment.
The private market alone will not produce affordable units.

Strategy 2:
Expand Missing Middle Housing

- Allow ADUs citywide
- Permit duplexes/triplexes in appropriate zones
- Reduce lot size minimums
- Offer pre-approved ADU designs

Benefits:

- Supports seniors aging in place and multigenerational living
- Expands naturally affordable units
- Aligns with 1-2 person household demand

Strategy 3:
Reduce Development Barriers

- Waive or defer impact fees for affordable housing
- Reduce parking requirements
- Offer density bonuses for income-restricted units

Impact: Lowers construction cost and improves feasibility. This is especially important if Tolleson wants to compete for tax credit projects.

Strategy 4:
Senior Housing & Aging in Place

- Offer fee relief for senior housing
- Encourage ADUs for caregiver housing
- Continue/expand home modification programs
- Pursue Section 202 & 811 funding

Impact: Without senior housing expansion, overcrowding may increase and housing instability may worsen.

(Senior homelessness is on the rise).

Strategy 5: Partnerships/Funding

- Collaborate with non-profit housing providers, mission-driven private developers, regional and public agencies
- HUD, ADOH, Maricopa County
- LIHTC (Low-Income Housing Tax Credit) and CDBG funds
- Leverage the City's Housing Trust Fund dollars to match grants

Tolleson cannot solve this alone without state and federal resources

Key Takeaways

- Tolleson's challenge is primarily affordability, not growth
- Rental burden is severe and widespread
- Seniors are uniquely vulnerable
- Homeownership entry barriers are growing
- Council controls critical levers – zoning, fees, local funding, partnerships