Tucson's Housing Problem Is Worse—and Different—Than We Think

While new construction often dominates the conversation, Tucson's biggest housing challenge is the condition of our **existing housing stock**. Consider:

- Tucson has nearly **40,000 vacant units**, and **200,000 pre-1980 homes** that were never properly insulated and now face failing infrastructure.
- Building more houses alone will not solve homelessness. New units may stay vacant, or be filled by households moving here, rather than ensuring that unhoused Tucsonans gain stable housing. In any case, adding additional homes means adding addition families.
- The current Housing Affordability Strategy for Tucson (HAST) does not prioritize Tucsonans for housing assistance and does not address the scale of the threat posed by our aging homes.

Three Distinct Housing Challenges

1. Hundreds of long-term Tucsonans experiencing homelessness.
2. Many hundreds more who have recently moved here and are unhoused.
3. The **200,000 aging, soon-to-fail homes** that will require tens of thousands of dollars of investment in upgrades per unit.

The Obstacles

- **Workforce gap**: We lack trained rehabilitation workers and facilities to train them.
- **Financing gap**: We lack accessible, low-interest financing options for homeowners and small landlords.

The Solution: Repair, Upgrade, and Stabilize Housing

We can address these gaps by combining two proven models:

1. Green Retrofit II (Workforce Training Program)

- Uses federally funded low-income home repair projects as **training facilities** to develop the specialty workforce Tucson needs (about 3,000 workers locally).

- Trainees gain hands-on skills repairing aging homes, supplemented by classroom training in safety, tools, and energy efficiency.

- Surrounding neighbors can form **buying co-ops** to access services more affordably, recognizing that entire subdivisions often face the same infrastructure failures simultaneously.

2. Tucson Home Repair Linked-Deposit Program (Financing Solution)

- Modeled after Cleveland Heights (OH) and Cuyahoga County's successful programs.

- The City (or County/IDA) would place time-limited deposits with local banks/credit unions at reduced yield; in return, lenders offer **below-market home-repair loans**.

- Loans would prioritize health and safety, weatherization, cooling, water harvesting, and resilience upgrades.

- **Rental properties** receiving assistance would commit to **rent controls or affordability covenants** for 5–10 years, ensuring public investment translates into stable, affordable housing for Tucsonans.

- **Private landlords** could also participate by agreeing to house **currently homeless Tucsonans** as part of the City's homeless program. In exchange for repair and upgrade financing, these units would be reserved for participants in the City's rehousing initiatives, helping stabilize vulnerable residents in safe, upgraded housing.

- The City's cost is limited to the foregone interest yield; principal remains intact and secured under Arizona Title 35.

Why This Fits Tucson

- Focuses on **repairing and upgrading** the homes we already have, rather than simply adding more supply that may not reach those most in need.

- Provides a path to **house currently homeless Tucsonans** by partnering with small landlords and tying repair assistance to program participation.

- Uses existing City cash, not new taxes.

- Preserves naturally affordable housing while preparing neighborhoods to withstand climate emergencies.

- Offers a path for both homeowners and landlords to fix critical problems without fueling displacement.

Next Steps

Tucson could launch a pilot within 6–9 months by:

1. Adopting an investment-policy addendum authorizing linked deposits under Title 35.

2. Issuing an RFP to participating lenders/CDFIs.

3. Partnering with Pima College to expand Green Retrofit II training sites.

4. Piloting in heat-vulnerable neighborhoods and tracking results publicly.

Councilmember Lee, this proposal is not about building more units—it's about ensuring that the homes Tucsonans already live in are safe, efficient, affordable, and resilient. And it's about providing and prioritizing help for our unhoused neighbors. By pairing workforce training with accessible financing, and by linking property repair assistance to affordability covenants and participation in the City's homeless housing program, Tucson can repair and stabilize its housing stock, preserve affordability, and bring more of our unhoused neighbors into permanent homes.