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500 affordable rentals under construction in Phoenix, Scottsdale

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Much needed affordable housing is going up in the midst of a pandemic, eviction crisis and nonstop trend of rapidly rising home and rent prices in metro Phoenix.

More than 500 affordable homes are under construction in metro Phoenix, at a time they are needed most.

The projects launched during the uncertain times of COVID-19 include a new home community in Phoenix's Sunnyslope neighborhood where tenants can build equity through paying rent.

An "attainable" rental cabana project in south Scottsdale for people who don't qualify for low-income housing help but can't afford the Valley's many new upscale apartments will open in March.

And in central Phoenix's Eastlake Edison Choice neighborhood, a new complex with rents 30% below the average for nearby downtown Phoenix is under construction.

Private developers, groups and start-up funds are behind this latest round of affordable housing. That is a strong sign Valley businesses, community leaders and residents understand the incredible need for the homes.

New affordable housing projects

New Sunnyslope homes: Nonprofit Trellis is developing 43 new homes in Sunnyslope to help low-income families buy a home, a key way to build stability for a family and savings through equity.

Residents of the community at Sixth Avenue and Mission Lane can accumulate value by paying rent through an equity/rental credit arrangement, so they can buy their homes later on. Rents are still being finalized for the townhomes.

Home Matters to Arizona, a new fund that aims to grow to \$100 million to help build 200,000 affordable homes across the state, is helping to finance the Sunnyslope project. The fund, launched with the help of health care firms in Arizona, aims to reduce homelessness, address racial inequities in housing, lower medical costs for residents and advocate for affordable housing and renters' rights.

Workforce housing in Scottsdale: Scottsdale-based Greenlight Communities plans to open its Cabana Hayden project with 89 rentals in March. The housing development, at Hayden Road and Oak Street, is one of seven new affordable apartment projects the developer is working on in metro Phoenix that are priced to be “attainable” for the area’s workforce.

The developer defines attainable as rents priced to fill the void between affordable and luxury apartments. Rents at its Cabana projects range from \$919 for a one-bedroom in central Phoenix to \$1,500 for a two-bedroom in south Scottsdale. Cabana Hayden has studios, one-bedroom and two-bedroom apartments.

Apartments near downtown Phoenix, rents 30% lower: Construction on the St. Ambrose apartments at the southwest corner of 12th and Van Buren streets in Phoenix’s Eastlake area started a few months ago.

Rents at the 235-unit complex start at about \$1,050, at least 30% below the average rent for downtown Phoenix, said developer Michael Lafferty, partner at Scottsdale-based Defer Gain.

The complex will have 44 studios, 162 one-bedroom apartments and 35 two-bedroom units.

Homebuyers, sellers give to build affordable housing

The Arizona Housing Fund, financed primarily from \$25 contributions made by individuals buying or selling a home, has raised almost a half-million dollars to help build more affordable homes across the state.

More than 1,150 volunteer donors have stepped up to help people who can’t afford a home since the fund was launched in August 2019. The fund is currently working on helping finance its first projects.

Need for housing grows

Before the pandemic, the shortage of affordable housing was a rapidly growing problem in metro Phoenix because rising rents and home prices was far outpacing increases in incomes.

The problem is now much worse, say housing advocates, and the numbers show why.

Median home prices in metro Phoenix have climbed 200% to a record \$332,000 during the past decade.

The average monthly rent in metro Phoenix has climbed more than 60%, to \$1,200, since 2010.

The Valley's median income has climbed 16% in the past 10 years.

Tens of thousands of new apartments have gone up in the Phoenix area during the past few years. But almost 90% of the area's new rentals have been in luxury complexes with rents far above what people making the area's median income can afford.