MAYOR & COUNCIL MEMORANDUM

April 4, 2023

Issue – This item is to provide an update on the Prosperity Initiative, an intergovernmental effort to develop wealthier communities across Pima County through policies that reduce generational poverty and improve opportunity, and to review and discuss two initial policy options brought forward for Mayor and Council consideration by the working group:

1. Increasing Access to Affordable High Quality Early Childhood Care and Education
2. Affordable Housing to Reduce Geographic Concentrations of Poverty

City Manager's Office Recommendation – The City Manager recommends that Mayor and Council adopt the two policies described in this Memorandum and provide direction for the ongoing work of the Prosperity Initiative.

Background – In 2022, Tucson's Mayor and Council and the Pima County Board of Supervisors voted in support of creating a City/County working group to develop long-term strategies to reduce poverty, as well as short-term actions to address immediate needs. The working group that formed also includes staff representation from each of the incorporated municipalities and the Tucson Indian Center and provides input and guidance into what is now referred to as the "Prosperity Initiative."

The first phase of the Prosperity Initiative is focused on developing a set of evidence-based policy options that can be adopted or adapted at the local government level, to reduce generational poverty and improve individual and community wealth. This policy development phase is estimated to conclude this summer with a full set of policies. The second phase will focus on aligning local government operations and investments to best implement the policies.

Two researchers have been retained to assist with developing recommendations based on research from credible and recognized sources. Over 70 meetings have been held so far with individuals or small groups to share information about the initiative and solicit ideas.

Two initial policies have been developed for consideration, that would also be applicable to Pima County and other participating governments:

1. Increasing Access to Affordable High Quality Early Childhood Care and Education
2. Affordable Housing to Reduce Geographic Concentrations of Poverty

These two policies were selected first because both are:
- Frequently cited strategies for addressing generational poverty,
- Timely because of current housing crisis and the challenges of finding adequate childcare as a result of the pandemic,
- Designed to intentionally address different causes of poverty,
- Already addressed in some variation in existing City of Tucson and County planning documents,

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- Able to be implemented at both the city/town and county level, whereas other promising policies in the areas of health and workforce development, for example, are almost solely the purview of the County.

Present Consideration(s) – The text for the two proposed policy options are included below, along with a short summary of the research findings supporting their consideration. Full policy briefs which detail the research findings as well as low and high-cost implementation ideas are included as attachments. In addition to these two policies, a list of other policy options under review for future consideration is included.

Policy Option #1
Full text: Increase access to affordable high quality early childcare and education for children from low-income families, ages birth to five.

Numerous longitudinal studies show that investing in high-quality early childcare and education is especially beneficial for children who are from economically disadvantaged/low-income families, minority and dual language learners. Children attending high quality early childcare and education programs are more likely to graduate from high school, have higher incomes, be healthier, and be less involved in the criminal justice system. These successes provide lasting benefits to parents, families, schools, employers, taxpayers and the community. Children are better prepared for Kindergarten, health concerns and developmental delays are caught and addressed earlier, parents and other caregivers have the ability to work or further their education and training, and employers can count on more reliable and productive employees.

Preschool Promise, an active advocacy group, reviewed and provided input into this policy. It is also consistent with Mayor and Council's funding of the Pima Early Education Program scholarships and direction given to develop a childcare center for City public safety employees.

Policy Option #2
Full text: Efforts to increase the supply of affordable housing[1] should prioritize practices and investments that reduce the geographic concentration of poverty and increase the number of mixed-income neighborhoods. In higher opportunity areas the availability of affordable housing should be increased and households with young children living in high poverty areas should be prioritized for access to these opportunities.

Children participating in such housing mobility programs were found to have substantially higher lifetime earnings and college attendance rates, while adults experienced improvements in both physical and mental health. Households currently residing in high poverty areas who take advantage of affordable housing opportunities in low poverty areas may experience an immediate improvement in their quality of life, mental health, educational and employment opportunities, and their degree of safety.

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[1] Affordable Housing: Housing that a household can pay for, while still having money left over for other necessities like food, transportation, and health care. An affordability metric often used is 'Housing Cost Burden' or housing in which the occupant(s) is/are paying more than 30% of their income on housing.

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This policy is consistent with the Housing Affordability Strategy for Tucson, adopted by Mayor and Council in 2021. HAST Policy #3 is to "Prioritize and facilitate affordable housing in areas of opportunity" and includes a strategy to create a tool to prioritize locations for acquisition and funding allocations that are located near high-quality services. The City's Commission on Equitable Housing and Development (CEHD) also reviewed and discussed this policy on March 2, 2023. Discussion with CEHD included broad overall support for the policy, which is consistent with municipalities' obligations under the Fair Housing Act to affirmatively further fair housing (AFFH) and the new AFFH rule currently proposed by the U.S. Department of Housing and Urban Development.

Discussion with CEHD also included the need for policies to address housing quality in high poverty neighborhoods and to maintain affordability in areas experiencing gentrification pressures. While this policy option currently focuses on housing mobility to low-poverty areas, research is underway that could result in additional housing-focused policies with an emphasis on the need to reinvest in areas of high poverty and prevent displacement of households in high poverty areas experiencing investment, as well as homeownership for intergenerational wealth building.

Other Policy Areas Under Consideration
The Prosperity Initiative working group is reviewing and researching additional policies for future consideration this summer. Note that all policies must be research and evidence based to show that they can reduce generational poverty, have both short and long term benefits, be applicable at the local government level, informed by local service providers, experts, committees and commissions, and those with lived experience, and target populations experiencing the highest rates of poverty in Pima County. These additional topics include:

1. Transportation
2. Digital Inclusion
3. Health/ Mental Health
    a. Access to resources, services, and benefits
4. Workforce development
5. Economic development
6. Environmental Justice
7. Asset and Wealth Building
    a. Improving access to post-secondary education and training, including child saving accounts
    b. Small business development including commercial property ownership

Plan Tucson Consideration(s) – This item relates to multiple goals, focus areas, and policies including but not limited to:

E1 Support lifelong learning, including early childhood education, community education, literacy, after school and continuing education programs.

JW7 Contribute to workforce stability and advancement through support of ancillary services, such as transportation, childcare, nutrition, and healthcare.

H1 Evaluate the social, physical, and spatial needs related to housing program design and location, including neighborhood conditions and access to basic goods and services.

H2 Focus public and private investment on documented housing needs and priorities considering the long-term housing supply and demand.

H6 Take multiple approaches to reduce housing costs and increase affordability

H7 Increase access to safe, healthy, and affordable housing choices, including mitigating

the impacts of foreclosure.

H8 Address the housing needs of the most vulnerable populations in the community, including those at risk of homelessness.

H9 Promote safe, decent, and affordable housing and neighborhoods that support
aging in place

Financial Considerations – None.

Legal Considerations – None at this time. The City Attorney's Office has reviewed this Memorandum.

Respectfully submitted,

Timothy M. Thomure, PE, ENV SP
Deputy City Manager

TT: lm
Housing and Community Development

Attachments:
  A. Prosperity Initiative Overview
  B. Prosperity Initiative Meetings Summary
  C. Policy Option 1 – Early Childhood Education
  D. Policy Option 2 – Housing Mobility