

INTRODUCTION

The State Low-Income Housing Tax Credit program (STC) is the transformative engine behind the creation of Arizona's newest multi-family affordable housing communities, delivering hundreds of below-market, income-restricted homes that were previously unattainable. Established by the landmark, bipartisan passage of S.B. 1124 in 2021, the STC closes a critical gap in financing, empowering Arizona developers to bridge the shortfall when federal Low-Income Housing Tax Credits (LIHTC) are insufficient to meet the state's soaring affordable housing demand.

INNOVATIVE

The STC is driving unprecedented innovation, exemplified by two pioneering developments. 'Centerline on Glendale,' a 368-unit community in Glendale, shattered historical barriers by becoming the *first* affordable housing apartment community in Arizona built utilizing State Housing Tax Credits. This flagship project secured a sophisticated financing stack, including \$40 million in federal LIHTC, \$20 million in State Housing Tax Credits, and \$7.5 million in additional financing.

Centerline on Glendale redefines affordable living by integrating modern amenities, social services, and a holistic focus on economic empowerment. Its most revolutionary element is the on-site commercial kitchen, managed by non-profit Local First Arizona, which not only offers residents free cooking and nutrition classes but also incubates food-based entrepreneurship for up to 50 local start-up businesses—a groundbreaking model for affordable housing developments. Further demonstrating ingenuity, 'Sycamore Vista' in Camp Verde, featuring 80 new LEED silver-standard townhomes, represents the first phase of an innovative partnership with the Town aimed at delivering 338 total housing units through an economic development program.

REPLICABLE

The Arizona STC is not just a local triumph; it is a scalable blueprint for national change. Mirroring successful programs in other states, the Arizona STC offers a compelling model for public and private entities advocating for similar programs where they do not yet exist. The STC has proven itself as the essential final piece of the financing puzzle, ensuring the completion of affordable housing projects when strategically deployed alongside robust public-private partnerships and innovative funding strategies.

RESPOND TO AN IMPORTANT STATE HOUSING NEED

The STC is the direct answer to Arizona's urgent housing crisis. By providing indispensable gap financing, the STC has decisively moved 'Centerline on Glendale,' 'Sycamore Vista,' and numerous other LIHTC communities from potential projects to operational reality, providing

hundreds of affordable rents that would otherwise not be available today. It is actively accelerating the delivery of shovel-ready projects, directly addressing the monumental need for affordable housing across the state.

MEASURABLE BENEFITS

The benefits of the STC are profound and quantified:

- **Economic Impact:** Centerline on Glendale is projected to inject approximately **\$30.1 million in new tax revenue** for the State of Arizona, Maricopa County, and the City of Glendale through construction and the first ten years of operations.
- **Housing Delivery:** It created **368 high-quality, affordable apartment homes** in Glendale's downtown redevelopment corridor, meeting critical needs for low-to-middle income residents. Additionally, it funded **80 new affordable rental townhomes at Sycamore Vista**, built to rigorous LEED silver standards in Camp Verde.
- **Sustainability:** Funding helped install a photovoltaic system and EV charging stations at Centerline on Glendale; the photovoltaic system alone will **offset 100% of the project's common-area electrical load**.

PROVEN TRACK RECORD OF SUCCESS

The STC program is the catalyst behind an unprecedented surge in affordable housing development, setting historic benchmarks for the Arizona Department of Housing (ADOH). From 2023 to 2025, the program was instrumental in ADOH breaking ground on more affordable housing units than any other three-year period in Arizona's history. This record-shattering achievement involved breaking ground on 4,155 units in 2023, 3,875 units in 2024, and 3,620 units in 2025.

BENEFITS OUTWEIGH COSTS

The STC is a superior investment model, yielding returns that far surpass costs. An economic impact statement commissioned by the developer of Centerline on Glendale, validated by the state's most well-respected economist, definitively proves that the \$20 million allocation in State Tax Credits is projected to generate \$30 million in new state and local tax revenues—a 150% return on investment.

EFFECTIVE USE OF RESOURCES

The STC represents a brilliant deployment of state resources, serving as powerful leverage against the limitations of traditional funding. As the *first of its kind* groundbreaking funding source in the state, the STC decisively overcame barriers to scale and affordability at Centerline

on Glendale. This flagship project, being the first in Arizona history to receive an allocation of State tax credits, successfully demonstrated the program's viability as a litmus test for driving critical private investment and producing new, high-quality, affordable housing.

EFFECTIVELY EMPLOY PARTNERSHIPS

The foundation of the STC's success is its deep and effective partnership strategy. The program's very existence is rooted in a substantial, historic partnership with the Arizona State Legislature, securing sweeping bipartisan support for its passage into law. The resulting affordable housing communities brilliantly showcase how creative, multi-tiered partnerships—involving state, local, and private entities—are the key to unlocking new and sustainable pathways for large-scale urban affordable housing developments.

ACHIEVE STRATEGIC OBJECTIVES

The STC program has not only met but *exceeded* its strategic objectives. As detailed under the 'Proven Track Record of Success' criteria, the program has been immensely successful in its core mission: accelerating the completion of shovel-ready affordable multi-family housing developments and setting new historical records for housing production in Arizona.

CONCLUSION

In summary, the Arizona State Tax Credit program represents a monumental achievement in public policy and housing development. Over the past three years, the STC has been the single most instrumental factor in enabling the Arizona Department of Housing to realize its greatest results for new affordable housing development in state history. By injecting crucial capital, the STC has decisively moved stalled or under-funded housing projects forward, ultimately delivering affordable apartment homes—and hope—that simply would not exist otherwise.



Exterior1 Centerline on Glendale in Glendale, AZ



Exterior2 Centerline on Glendale in Glendale, AZ



Sycamore Vista Location in Camp Verde, AZ



Sycamore Vista Rendering