

ADOT: ECONOMIC DOWNTURN MEANS LOOP 202 HOME PURCHASES ON HOLD

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By Ari Cohn Ahwatukee Foothills News

If the Arizona Department of Transportation is buying up homes from people with financial problems living in the path of the planned Loop 202 extension through Ahwatukee Foothills, Jim Franchini wants in.

Franchini said his mortgage is upside down on his East Redwood Lane home just north of Pecos Road, where ADOT eventually plans to demolish more than 100 homes to make way for the future \$1.9 billion freeway extension.

"If they want to pay me what I owe on it, they can have it," Franchini said.

However, because of the economic recession, it's unlikely the agency will continue to buy up homes from hardship cases in the foreseeable future, according to Matt Burdick, ADOT's chief spokesman.

"In general, there is no funding available at this time for additional advance acquisitions," Burdick said.

ADOT spokesman Tim Tait said the purchases have been funded through a sales tax levy - initially approved by voters in 1985 and renewed and expanded in 2004 - that funds regional transportation improvements. The sales tax revenue, administered by the Maricopa Association of Governments, has dropped off sharply with the ongoing downturn, Tait said.

The planned 22-mile freeway extension has been in the works since the mid-1980s. Right now, the proposal calls for extending the Loop 202 South Mountain Freeway west from I-10 South along Pecos Road - which divides Ahwatukee Foothills from the Gila River Indian reservation - cutting through three ridges on the west side of South Mountain, and then shooting north to reconnect with I-10 near 59th Avenue on the west side of town.

Tait said that over the last few years, the agency has bought up 20 homes from financial hardship cases in Ahwatukee as part of its "advance acquisitions program" for a total of about \$8.7 million. All the homes have been leased out to tenants, who altogether pay about \$250,000 a year in rent, Tait said.

Burdick said he couldn't identify the homes' locations to protect tenants' privacy.

"Proceeds from the lease of these homes are returned to the regional freeway system budget," he said.

ADOT considers a number of factors when determining if someone is eligible as a financial hardship case to have their home purchased, such as advanced age, debilitating illness or major long-term disability; extraordinary conditions in the home that pose a significant threat to the health, safety or welfare of the owner or a member of the household; mandatory transfer of employment or loss of one's job; cases where an estate's debts are larger than the value of the estate's assets; a pending foreclosure, tax sale or bankruptcy; or the inability to sell the property for at least its assessed value because of its location within the corridor limits, according to Burdick.

"The hardship acquisition process is designed to respect the challenges property owners face when they reside within the right of way of a proposed freeway project," he said.

Franchini said he'd like to participate, but there has been a lack of communication from ADOT.

"This has just been a big mess up and down," he said.

Mike Lograsso, whose Redwood Lane home sits next door to a home purchased and leased out by ADOT, said the uncertainty over the freeway's proposed route has affected home values and the ability to attract potential buyers.

"No one wants to move into a neighborhood where your house may be taken from you in a few years," he said.

Burdick said that since the 1980s, MAG has spent a total of \$70.7 million in regional transportation funds to buy commercial and residential property along the planned freeway route.

"The advance acquisition program, including hardship and protective purchasing, have been part of the regional freeway program for decades," Burdick said "This not a new practice or something unique to the South Mountain Freeway."

The future freeway's route has not been finalized. Earlier this year, the Gila River Indian Community appeared to soften its historic opposition to any suggestion that the route be moved south of Pecos Road and onto reservation land. ADOT officials have said the agency is working on a 60-page preliminary evaluation of two new options.

The first would reroute the freeway's proposed route around the west side of South Mountain to eliminate the need to blast through three ridges while retaining the Pecos Road alignment, officials have said. The second option calls for constructing a completely new roadway south of Pecos Road on Indian reservation land, also skirting around the west side of South Mountain.

Burdick said that if ultimately another route is selected, ADOT would sell off the properties it has acquired along the Pecos Road alignment.

"Despite the recent discussions with (the Gila River tribe), we have an obligation to continue moving ahead with the study and addressing the needs of the community as best we can," he said.

In the meantime, state transportation officials are continuing to work on an environmental analysis of the original freeway route, which they hope to make the subject of public hearings in the first half of next year, officials have said. If that proposal goes forward, construction could begin by 2014 and take about five years to complete.

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