CURRENT OWNER: CITY OF TUCSON

GROUND LEASE: 99 Years, $1

LOT SIZE: 2.96 ACRES

TOTAL UNITS: 81 UNITS - 74,410 SF

1-BEDROOMS: 20 (595SF)
2-BEDROOMS: 32 (875 SF)
3-BEDROOMS: 29 (1,190 SF)

RESIDENTIAL/COMMUNITY SERVICES: 5,800 SF

PARKING:

87 RESIDENTIAL
22 FRONTAGE
FINANCES OVERVIEW

Gross Construction Budget: $29.8m
Net Construction Budget: $27.8m

LIHTC:
- $3.2m at closing
- $17.8m at conversion
- $500k at 8609

Cost Per. Square Foot: $401.32 /SF
Cost Per. Unit: $368,671

99-Year Ground Lease, $1 per year
The City of Tucson; Waived Permit and Impact Fees

DEVELOPMENTAL TIMELINE

May 2024   April 2026
Closing Date  Conversion
TUCSON

SONORAN DESERT ECOLOGY

UNIVERSITY OF ARIZONA

CONNECTED CULTURAL AREAS
TUCSON’S MARKET

1,043,433
TUCSON MSA POPULATION (2023)

$64,323
TUCSON MEDIAN HOUSEHOLD INCOME (2023)

14.9%
TUCSON POVERTY RATE (2023)
TUCSON'S MARKET

PERCENT OF TOTAL HOUSING STOCK

Built by Decade in Tucson

SOURCE : CoSTAR.
1.9%
% Tucson Growth Surpasses Housing By

Over $1,200
Average Median Rent

Around 67,000
Tucson’s Cost-Burdened Households

2,125
Projected Rental Unit Demand
PROJECT DEMOGRAPHIC

>40% Increase
Rental rates in Tucson since 2017 and have reached a record high in 2024

43% of all Low-income Households in Tucson are Families

<15,000 Families in Tucson on the Section 8 Housing Wait List

1 in 3 Children Families in Tucson on the Section 8 Housing Wait List

~2 Out of 3 Children From low-income families in Tucson live in homes that cost more than 30% of the family’s monthly income.
### PROJECT DEMOGRAPHIC

#### UNIT TYPE DISTRIBUTION

<table>
<thead>
<tr>
<th>UNIT TYPE</th>
<th>AMOUNT OF UNITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Bedroom Units</td>
<td>20</td>
</tr>
<tr>
<td>2 Bedroom Units</td>
<td>32</td>
</tr>
<tr>
<td>3 Bedroom Units</td>
<td>29</td>
</tr>
<tr>
<td>TOTAL UNITS</td>
<td>81</td>
</tr>
</tbody>
</table>

#### AMI DISTRIBUTION

<table>
<thead>
<tr>
<th>AMI</th>
<th>PERCENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>20% AMI</td>
<td>39.5% of units</td>
</tr>
<tr>
<td>40% AMI</td>
<td>22.2% of units</td>
</tr>
<tr>
<td>60% AMI</td>
<td>37.0% of units</td>
</tr>
<tr>
<td>AVERAGE AMI</td>
<td>31.1% AMI</td>
</tr>
</tbody>
</table>

---

**20-60% AMI**
Income Range for Allocated Households

**45,000**
Tucson Households Fall Within That Range

**3-bedroom Units**
Appeal to Families

---

**LIHTC HOUSING STOCK**

73 Projects Awarded LIHTC units

**69 Units** Average Project Size

47 Projects that Target Families

16 Target the Elderly

10 Target Special Populations
PROJECT DEMOGRAPHIC

One-Bedroom Unit
- Couple
- Single-Parent

Two-Bedroom Unit
- Single-Parent
- Family with 1-2 Children

Three-Bedroom Unit
- Large Family with 3+ Dependents
FACTORS CONSIDERED BY CITY IN SELECTING AFFORDABLE HOUSING

- Access to public transportation
- Community assets (employment, healthcare etc.)
- De-concentration of low-income households and subsidized housing
- Permanent / Supportive housing
- Persons with disabilities
- Tenants with low AMI
- Longer affordability period

1 OF 4 SITES
PRIORITIZED BY COT FOR LOW-INCOME HOUSING

TUCSON'S STRATEGIES
STRATEGIC LOCATION

50 FEET
From the Tucson Streetcar

400 FEET
From “The Loop” Bike Path

½ MILE
From Sentinel Peak
ABOUT THE COMMUNITY

HEALTH
2- EL RIO HEALTH CENTER CONGRESS

OUTREACH + CIVIL
5- PIMA COUNTY HOUSING CENTER + PIMA COUNTY CLT + COMMUNITY FOOD BANK

EDUCATION
11- MENLO PARK ELEMENTARY
12- EARLY LEARNING CENTER

COMMUNITY
28- MSA ANNEX
29- CATERPILLAR HEADQUARTERS
PROJECT ZONING

Existing site zoning conditions

No Maximum Lot Coverage

35' Maximum Height

1/Unit Parking Spot

Proposed site zoning conditions.
DESIGN OVERVIEW

LOT SIZE: 2.96 ACRES

TOTAL UNITS: 81 UNITS - 74,410 SF

1-BEDROOMS: 20 (595SF)
2-BEDROOMS: 32 (875 SF)
3-BEDROOMS: 29 (1,190 SF)

RESIDENTIAL/COMMUNITY SERVICES: 5,800 SF

PARKING:
87 RESIDENTIAL
22 FRONTAGE
DESIGN GOALS

COMMUNITY  AFFORDABILITY  RESILIENCE  INDEPENDENCE
COMMUNITY FIRST APPROACH

- Multi-modal development
- Medium-density design
- Maintain cultural character
- Green infrastructure
- Solar energy
- Attract family demographics
SITE DESIGN, CIRCULATION, & AMENITIES

RIVER-LIKE
LINEAR SITE CIRCULATION

CENTRAL COURTYARD
“ALL-EYES-ON-THE-STREET:

GATHERING
SPACES FOR ENGAGEMENT, PLAY, & ECOLOGY
UNIT & SERVICES INTEGRATION

MIXED-USE BUFFER ZONE

INTEGRATED UNITS TO BLEND FAMILY TYPES
COMMUNITY COURTYARD

- COMMUNITY GARDEN
- PLAY FIELD
- AUDITORIUM & SEATING AREA
- EVENT PAVILION
- PLAY AREA
- NATURE WALK
- CENTRAL BIKE LOCKERS
- BIOSWALES & WATER RETENTION
APPROACH
DESIGN GOALS

COMMUNITY  AFFORDABILITY  RESILIENCE  INDEPENDENCE
UNIT LAYOUTS

1-BEDROOM (595SF)  
2-BEDROOM (875 SF)  
3-BEDROOM (1,190 SF)
UNIT STACKING

Third Floor

Second Floor

Ground Floor
DESIGN GOALS

COMMUNITY

AFFORDABILITY

RESILIENCE

INDEPENDENCE
PASSIVE DESIGN

SINGLE LOADED CORRIDORS
REDUCE CONDITIONED AREA +

SOLAR SHADING
REDUCES SUN EXPOSURE

N/W AXIS UNITS
ALLOW FOR PASSIVE COOLING
PHIUS CERTIFICATION

SOURCE: PHIUS
PHIUS PROJECTS

SOURCE: PHIUS
PHIUS BENEFITS

- Year-Round Thermal Comfort
- Sound Insulation
- High Indoor Air Quality
- 50%+ energy use reduction
- AZ QAP Point Allocation
RESIDENT & COMMUNITY SERVICES
COMPARISON OF MATERIALS / LABOR COSTS

AVERAGE TOTAL CONSTRUCTION COSTS PER SQUARE FOOT

<table>
<thead>
<tr>
<th>Location</th>
<th>Labor Costs</th>
<th>Material Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tucson</td>
<td>$40-90/HR</td>
<td>$450-750</td>
</tr>
<tr>
<td>New York City</td>
<td>$50-100/HR</td>
<td>$900-1500</td>
</tr>
<tr>
<td>San Francisco</td>
<td>$50-100/SF</td>
<td>$370-750</td>
</tr>
<tr>
<td>Tucson</td>
<td>$120-250/SF</td>
<td></td>
</tr>
<tr>
<td>New York</td>
<td>$150-300/HR</td>
<td></td>
</tr>
<tr>
<td>San Francisco</td>
<td>$150-300/HR</td>
<td></td>
</tr>
</tbody>
</table>
FINANCE; Project Overview

SOURCES

9% LIHTC Equity
Investment Tax Credits (ITC)
Arizona Community Foundation (AFC)
State of Arizona Housing Trust Fund
Bank Of America
FINANCE; Project Overview

$29.8M
TOTAL COSTS

$401.32 /SF
Cost Per. Square Foot

$368,671
Cost Per. Unit

$330,000 and $380,000 per unit
LIHTC Projects in Tucson Cost Range
FINANCE; Capital Stack

$0.87
Agreed Purchase Price on the Dollar

$21.5M
Secured Equity Financing From The Sale of LIHTC.

$264,045
Secured Equity Financing From The Sale of Solar ITC.
FINANCE; Construction Financing

- **$3.2M**
  - 15% of LIHTC Equity Proceeds At Closing

- **$500,000**
  - Grant From The City of Tucson HOME Grant Program.

- **$21.8M**
  - Conventional Construction Loan of At a 8.81% Interest Rate,
    Interest Only, 28-month term.
FINANCE, Permanent Financing

$18.3M
82% of LIHTC Equity due at Conversion and Remaining After 8609

$4.2M
Bank of America Loan at a 7.08% interest rate, 35-year amortization and 18-year term

$1.2M
Community Impact Loan from the Arizona Community Foundation at a 3.40% interest rate

$2M
State of Arizona Housing Trust Fund Gap Financing, 30-year term.
FINANCE, Permanent Financing

1.16
Year-One DSCR

1.39
Cumulative DSCR for the Bank of America Loan

1.17
Cumulative DSCR for the Community Impact Loan
**FINANCE, Affordability**

### LIHTC-ONLY UNIT COMPOSITION

<table>
<thead>
<tr>
<th>UNIT TYPE</th>
<th>AMI %</th>
<th># OF UNITS</th>
<th>DISCOUNT TO MARKET</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 BD</td>
<td>40%</td>
<td>4</td>
<td>51%</td>
</tr>
<tr>
<td>2 BD</td>
<td>60%</td>
<td>15</td>
<td>22%</td>
</tr>
<tr>
<td>3 BD</td>
<td>40%</td>
<td>14</td>
<td>58%</td>
</tr>
<tr>
<td>3 BD</td>
<td>60%</td>
<td>15</td>
<td>34%</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td></td>
<td><strong>48</strong></td>
<td></td>
</tr>
</tbody>
</table>

*One 1-BD manager unit, free to manager*

### SECTION 8 + LIHTC UNIT COMPOSITION

<table>
<thead>
<tr>
<th>UNIT TYPE</th>
<th>AMI %</th>
<th># OF UNITS</th>
<th>TOTAL ANNUAL SUBSIDY</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 BD</td>
<td>20%</td>
<td>19</td>
<td>$189,012</td>
</tr>
<tr>
<td>2 BD</td>
<td>20%</td>
<td>13</td>
<td>$158,652</td>
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<tr>
<td><strong>TOTAL:</strong></td>
<td></td>
<td><strong>32</strong></td>
<td></td>
</tr>
</tbody>
</table>
FINANCE, Operation Stage

$15,500
Budgeted within Utilities to Reflect the Efficiency of Solar

5% Vacancy
For both Restricted Rent and Rent Subsidy

~$50,000
Net rent increase due to reduced utility allowances

$30,000
Social Service Budgeting
Here is where your presentation begins.