



MEMORANDUM

Public Works Administration



DATE: May 20, 2013

TO: C. H. Huckelberry
County Administrator

FROM: Nanette M. Slusser 
Assistant County Administrator for Policy

RE: Performance Audit on 1997 and 2004 Housing Reinvestment Projects

In addition to the 1997 and 2004 Parks and Neighborhood Reinvestment bond performance audit discussed in my May 15, 2013 memorandum, staff audited the attached 34 Housing Reinvestment Projects.

The housing project audit sheets follow a similar template as the Parks and Neighborhood Reinvestment projects. Analysis of the projects was completed through discussions with project staff or by review of photographic material. The conditions of the projects were deemed acceptable.

NMS:ism

Attachments

c: John M. Bernal, Deputy County Administrator, Public Works
Hank Atha, Deputy County Administrator, Community and Economic Development
Nicole Fyffe, Executive Assistant to the County Administrator

1997 General Obligation Bonds HR1603, Sunland Vista



Original Scope: Pima County's first affordable housing G.O. Bond issue made possible the construction of 30 new single family homes for purchase by low-income households, and was key in stimulating the building of an additional 35 market-rate single family homes. The bond funds provided for the installation of crucial offsite infrastructure, consisting of a new water main and storm drainage, as well as providing needed streets, sidewalks, lighting, landscaping, block walls, and generating alley ROW improvements.

Benefits: Preconstruction infrastructure financing is often viewed as one of the least attractive investments for private lenders because it offers a very limited guarantee for a return on their investment. But, when it is wisely applied, such funding is still valuable as a long-term safeguard for the availability of affordable housing. Additionally, a well-structured initial investment of bond funds has economic benefits for the entire community since it creates an incentive for private investors to climb on board into a new growth area with increasing land values. This occurred with the Sunland Vista Development which now has 35 occupied market-rate homes along with the 30 designated for low-income households. Also under development is the adjacent University of Arizona Bio Park. The enhanced property tax revenue on what was originally an undeveloped vacant in-fill property with limited assessment value has already generated \$1,149,503 in levied taxes through 2012.

Location: South Campbell Avenue and East Sunland Vista

Developer(s): United Housing & Educational Development Corporation

Approved Bond Funding: \$765,134

1997 General Obligation Bonds

HR1603, Sunland Vista



Project Outcome

Completion Date: September 2003

Total Affordable Housing Units: 30 homes (Overall 65 units)

Total Development Cost: \$1,743,925

Leverage: 2.30: 1 (For every \$1.00 bond allotted, \$2.30 in other public/private funding was spent)

Bond \$/Unit: \$25,504

Other Development Funding Sources:

- Local Initiatives Support Corporation
- HUD HOME Program (City of Tucson HCD)
- Federal Home Loan Bank of San Francisco
- Tucson Electric Power Rate Guarantee Program
- Private/Public Construction Financing

Performance Indicators: Since its completion, the Sunland Vista Development has generated property tax revenues of \$1,149,503. Housing construction impacts the local economy by creating additional jobs and through the purchase of major materials. Occupied housing units build equity for homeowners and increase local consumption of household services. New homes give rise to added investment and the sprucing up of existing properties in the neighboring area. Sunland Vista Estates was Tucson's first *Catch the Dream* development. Mel Martinez, U.S. Housing and Urban Development Secretary when the project commenced, praised the Sunland Vista Estates single-family housing development as "a sterling example of what the public and private sectors can do when they work together to build affordable housing for minority families."

Condition: The bond funded improvements appeared in good condition during the most recent site inspection visit in January, 2013 with two exceptions, some overgrowth of weeds in the storm water retention basin, and a damaged section of sidewalk caused by a Mesquite tree growing against the sidewalk's edge.

Applicable IGAs: None

1997 General Obligation Bonds

HR1604, Chantlalli Estates



Original Scope: The affordable housing G.O. Bond funds made possible the construction of 37 new single family homes for purchase by low-income households, and was key in stimulating the building of an additional 24 market-rate single family homes. The bond funds provided for essential engineering, underground utilities, storm drainage, streets, sidewalks, lighting, landscaping and block walls.

Benefits: Preconstruction infrastructure financing is often viewed as one of the least attractive investments for private lenders because it offers a very limited guarantee for a return on their investment. But, when it is wisely applied, such funding is still valuable as a long-term safeguard for the availability of affordable housing. Additionally, a well-structured initial investment of bond funds has economic benefits for the entire community since it creates an incentive for private investors to climb on board into a new growth area with increasing land values. This occurred with the Chantlalli Estates development which now has 24 occupied market-rate homes along with the 37 designated for low-income households. And, since the project's completion, new adjacent developments have taken place and are holding on well to their initial values. The enhanced property tax revenue on what was originally a bare property with limited assessment value has already generated \$652,185 in levied taxes through 2012.

Location: Southwest Corner of North Silverbell Road and North Introspect Drive

Developer(s): Chicanos Por La Causa/La Causa Construction

Approved Bond Funding: \$300,000

Project Outcome

Completion Date: June 2004

Total Affordable Housing Units: 37 (Overall 61 units)

Total Development Cost: \$6,669,540

Leverage: 22.2:1 (For every \$1.00 bond allotted, in other public/private funding was spent)

Bond \$/Unit: \$8,108

1997 General Obligation Bonds HR1604, Chantlalli Estates



Other Development Funding Sources:

- Land donation from Pima County and City of Tucson
- HUD HOME Program (City of Tucson HCD)
- Fannie Mae Foundation
- Tucson Electric Power Rate Guarantee Program
- Private/Public Construction Financing

Performance Indicators: Since its completion, the Chantlalli Estates development has generated property tax revenues of \$652,185. Housing construction impacts the local economy by creating additional jobs and through the purchase of major materials. Occupied housing units build equity for homeowners and increase local consumption of household services. New homes give rise to added investment and the sprucing up of existing properties in the neighboring area. Within a couple of years following its completion, new developments have begun adjacent and south of the Chantlalli Estates. That construction has been finalized and all those homes have sold.

Condition: All bond funded improvements (roads, sidewalks, curbs, storm drainage, underground utilities and common-area site improvements (landscapes and hardscapes) are complete and in satisfactory condition. All 37 affordable homes are completed and occupied by low income homebuyers and appear to be in good condition based on the most recent site inspection visit in January, 2013. Additionally, all of the non-bond funded market rate lots were sold, those homes are completed, occupied, and appear in good condition.

Applicable IGAs: None

1997 General Obligation Bonds

HR1605 Copper Vista I



Original Scope: The affordable housing G.O. Bond funds made possible the construction of 29 new single family home sites for purchase by low-income households. The bonds funded Phase I for the installation of crucial offsite infrastructure, consisting of new underground utilities and storm drainage, as well as providing needed streets, curbs and sidewalks.

Benefits: Preconstruction infrastructure financing is often viewed as one of the least attractive investments for private lenders because it offers a very limited guarantee for a return on their investment. But, when it is wisely applied, such funding is still valuable as a long-term safeguard for the availability of affordable housing. Additionally, a well-structured initial investment of bond funds has economic benefits for the entire community since it creates an incentive for private investors to climb on board into a new growth area with increasing land values. The enhanced property tax revenue on what was originally a bare property with limited assessment value has already generated \$112,072 in levied taxes through 2012.

Location: Northeast corner of East Alvord Road and South Randall Boulevard.

Developer(s): Chicanos Por La Causa/La Causa Construction and Habitat for Humanity Tucson/Doucette

Approved Bond Funding: Phase I, \$435,000

Project Outcome

Completion Date: Phase I, June 2006

Total Affordable Housing Units: 29 Units

Total Development Cost: Phase I, \$4,339,175

Leverage: 9.98: 1 (For every \$1.00 bond allotted, \$9.98 in other public/private funding was spent)

Bond \$/Unit: Phase I, \$15,000

1997 General Obligation Bonds HR1605 Copper Vista I



Other Development Funding Sources for Phase I:

- HUD HOME Program (City of Tucson HCD)
- Tucson Electric Power Rate Guarantee Program
- Federal Home Loan Bank of San Francisco
- Private/Public Construction Financing

Performance Indicators: Chicanos Por La Causa completed the necessary infrastructure work along with construction of the first two planned homes but then encountered financial difficulties resulting from the economic downturn with its accompanying housing crisis. In 2011 the project was transferred to a Habitat for Humanity Tucson in partnership with Doucette Builders, and since the completion of Copper Vista's Phase I, \$112,072 in property tax revenue has been generated. Housing construction impacts the local economy by creating additional jobs and through the purchase of major materials. Occupied housing units build equity for homeowners and increase local consumption of household services. New homes give rise to added investment and the sprucing up of existing properties in the neighboring area.

Condition: The bond funded improvements (roads, sidewalks, curbs, storm drainage, and underground utilities) were complete and appeared to be in satisfactory condition during the most recent site inspection visit in January, 2013. Of the 29 planned homes, four are now complete and occupied by low income homebuyers. An additional five homes were well under construction at the time of this inspection.

Applicable IGAs: None

1997 General Obligation Bonds

HR 1606, Balboa-Laguna



Original Scope: Because of the affordable housing G.O. Bond funds, the construction of 36 new single family homes for purchase by low-income households was made possible. The bond funds provided for the installation of crucial offsite infrastructure consisting new underground utilities and the provision for storm drainage, as well as providing needed streets, sidewalks, lighting, and a pocket park that will be maintained by the City of Tucson and available to all households in the surrounding neighborhood.

Benefits: Preconstruction infrastructure financing is often viewed as one of the least attractive investments for private lenders because it offers a very limited guarantee for a return on their investment. But, when it is wisely applied, such funding is still valuable as a long-term safeguard for the availability of affordable housing. Additionally, a well-structured initial investment of bond funds has economic benefits for the entire community since it creates an incentive for private investors to climb on board into a new growth area with increasing land values. The enhanced property tax revenue on what was originally an undeveloped vacant in-fill property with limited assessment value has already generated \$227,710 in levied taxes through 2012.

Location: Northeast corner of North Balboa Avenue and West Laguna Street.

Developer(s): Habitat for Humanity Tucson

Approved Bond Funding: \$821,000

Project Outcome

Completion Date: December 2008

Total Affordable Housing Units: 36 homes

Total Development Cost: \$4,336,397

Leverage: 5.3: 1 (For every \$1.00 bond allotted, \$5.30 in other public/private funding was spent)

Bond \$/Unit: \$22,805

1997 General Obligation Bonds HR 1606, Balboa-Laguna



Other Development Funding Sources:

- Land donated by City of Tucson
- HUD HOME Program (City of Tucson HCD)
- Pascua-Yaqui Tribe
- Federal Home Loan Bank of San Francisco
- Private/Public Construction Financing

Performance Indicators: Since its completion, Balboa-Laguna development has generated property tax revenues of \$227,710. Housing construction impacts the local economy by creating additional jobs and through the purchase of major materials. Occupied housing units build equity for homeowners and increase local consumption of household services. New homes give rise to added investment and the sprucing up of existing properties in the neighboring area. Additional parks, such as the one provided by these bond funds, will enhance the lives of all local community residents.

Condition: The bond funded improvements (roads, sidewalks, curbs, storm drainage, underground utilities and common-area site improvements (landscapes and hardscapes) are complete and appeared in good condition during the most recent site inspection visit in January, 2013 with the minor exception of some plant overgrowth in the storm water retention basin which appears to have spread from plant life in an adjacent property to the south. All 36 affordable homes are completed and occupied by low income homebuyers and appear to be in good condition.

Applicable IGAs: none

1997 General Obligation Bonds HR1607, High Sierra Estates



Original Scope: The affordable housing G.O. Bond funds made possible the construction of 15 new single family homes for purchase by low-income households, and was key in stimulating the building of an additional 6 market-rate single family homes. The bond funds provided for the installation of crucial offsite infrastructure, consisting of underground utilities and storm drainage, as well as providing needed streets, sidewalks, and landscaping.

Benefits: Preconstruction infrastructure financing is often viewed as one of the least attractive investments for private lenders because it offers a very limited guarantee for a return on their investment. But, when it is wisely applied, such funding is still valuable as a long-term safeguard for the availability of affordable housing. Additionally, a well-structured initial investment of bond funds has economic benefits for the entire community since it creates an incentive for private investors to climb on board into a new growth area with increasing land values. This occurred with the High Sierra Estates development which now has 6 occupied market-rate homes along with the 15 designated for low-income households. The enhanced property tax revenue on what was originally an undeveloped bare property with limited assessment value has already generated \$178,607 in levied taxes through 2012.

Location: Elvira Neighborhood near South Clara Avenue and West Carolchristine Place.

Developer(s): Major Construction & Old Pueblo Community Foundation

Approved Bond Funding: \$434,743

Project Outcome

Completion Date: June 2005

Total Affordable Housing Units: 15 homes (Overall 21 units)

Total Development Cost: \$2,575,663

Leverage: 5.92: 1 (For every \$1.00 bond allotted, \$5.92 in other public/private funding was spent)

Bond \$/Unit: \$28,982

1997 General Obligation Bonds HR1607, High Sierra Estates



Other Development Funding Sources:

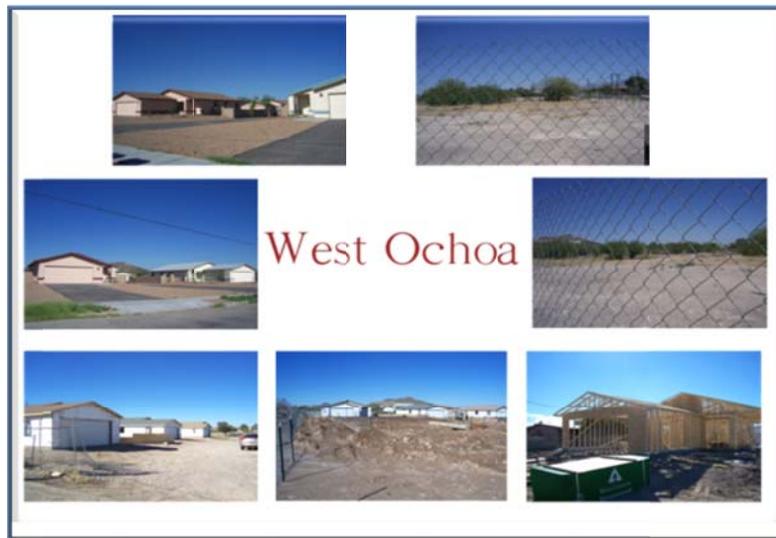
- HUD HOME Program (City of Tucson HCD)
- Federal Home Loan Bank of San Francisco
- Private/Public Construction Financing

Performance Indicators: Since its completion, the High Sierra Estates development has generated property tax revenues of \$178,607. Housing construction impacts the local economy by creating additional jobs and through the purchase of major materials. Occupied housing units build equity for homeowners and increase local consumption of household services. New homes give rise to added investment and the sprucing up of existing properties in the neighboring area.

Condition: All bond funded improvements (sidewalks, curbs, storm drainage, underground utilities and common-area site improvements (landscapes and hardscapes) are complete and in satisfactory condition with the exception of some overgrowth of weeds in the storm water retention basin. All 15 affordable homes are completed and occupied by low income homebuyers and appear to be in good condition based on the most recent site inspection visit in January, 2013. Additionally, all 6 of the non-bond funded market rate lots were sold; those homes are completed, occupied, and appear in good condition.

Applicable IGAs: None

1997 General Obligation Bonds HR1608, West Ochoa



Original Scope: The affordable housing G.O. Bond funds made possible the construction of 5 new single family homes for purchase by low-income households. The bond funds provided for the installation of crucial offsite infrastructure, consisting of storm drainage and underground utilities, as well as providing needed sidewalks and curbs.

Benefits: Preconstruction infrastructure financing is often viewed as one of the least attractive investments for private lenders because it offers a very limited guarantee for a return on their investment. But, when it is wisely applied, such funding is still valuable as a long-term safeguard for the availability of affordable housing. Additionally, a well-structured initial investment of bond funds has economic benefits for the entire community since it creates an incentive for private investors to climb on board into a new growth area with increasing land values. The West Ochoa development now has 5 new homes designated for low-income households. The enhanced property tax revenue on what was originally an undeveloped, blighted in-fill property with limited assessment value has already generated \$32,390 in levied taxes through 2012.

Location: Directly west of South 9th Avenue at West 25th Street and across the street from West Ochoa Neighborhood Park.

Developer(s): Originally Chicanos Por La Causa; currently Habitat for Humanity Tucson & Doucette Homes

Approved Bond Funding: \$ 120,000

Project Outcome

Completion Date: June 2008

Total Affordable Housing Units: 5 homes

Total Development Cost: \$631,956

Leverage: 5.3: 1 (For every \$1.00 bond allotted, \$5.30 in other public/private funding was spent)

Bond \$/Unit: \$24,000

1997 General Obligation Bonds HR1608, West Ochoa



Other Development Funding Sources:

- Land donated by the City of Tucson
- HUD HOME Program (City of Tucson HCD)
- Tucson Electric Power Rate Guarantee Program
- Private/Public Construction Financing

Performance Indicators: Since its completion, the West Ochoa development has generated property tax revenues of \$32,390. Housing construction impacts the local economy by creating additional jobs and through the purchase of major materials. Occupied housing units build equity for homeowners and increase local consumption of household services. New homes give rise to added investment and the sprucing up of existing properties in the neighboring area.

Condition: The bond funded improvements (sidewalk, curbs, streets, underground utilities and storm water drainage) appeared in good condition during the most recent site inspection visit in January, 2013 with one minor exception of plant overgrowth at the south end of the development. All homes were occupied and none were listed for sale.

Applicable IGAs: none.

1997 General Obligation Bonds HR1609, Valley Del Sur Townhomes



Original Scope: The affordable housing G.O. Bond funds made possible the construction of 60 new single family townhomes for lease/purchase by low-income households. The bond funds provided for the installation of crucial offsite infrastructure, consisting of storm drainage and underground utilities, as well as providing needed sidewalks, curbs, and landscaping.

Benefits: Preconstruction infrastructure financing is often viewed as one of the least attractive investments for private lenders because it offers a very limited guarantee for a return on their investment. But, when it is wisely applied, such funding is still valuable as a long-term safeguard for the availability of affordable housing. Additionally, a well-structured initial investment of bond funds has economic benefits for the entire community since it creates an incentive for private investors to climb on board into a new growth area with increasing land values. The Valley Del Sur Townhomes development now has 60 occupied homes designated for low-income households. The enhanced property tax revenue on what was originally a bare property with limited assessment value has already generated \$165,878 in levied taxes through 2012.

Location: City of South Tucson at the southeast corner of W. 38th St. and So. 9th Avenue.

Developer(s): Development Design Group (Current Owner: Simpson Housing Corporation)

Approved Bond Funding: \$ 273,984

Project Outcome

Completion Date: February 2006

Total Affordable Housing Units: 60 townhomes

Total Development Cost: \$8,004,343

Leverage: 29.2: 1 (For every \$1.00 bond allotted, \$29.21 in other public/private funding was spent)

Bond \$/Unit: \$4,556

1997 General Obligation Bonds HR1609, Valley Del Sur Townhomes



Other Development Funding Sources:

- Low Income Housing Tax Credits
- HUD HOME Program (City of Tucson HCD)
- Federal Home Loan Bank of San Francisco
- Private/Public Construction Financing

Performance Indicators: Since its completion, the Valley Del Sur Townhomes development has generated property tax revenues of \$165,878. Housing construction impacts the local economy by creating additional jobs and through the purchase of major materials. Occupied housing units build equity for homeowners and increase local consumption of household services. New homes give rise to added investment and the sprucing up of existing properties in the neighboring area.

Condition: The bond funded improvements appeared in good condition during the most recent site inspection visit in January, 2013 with two exceptions, some overgrowth of weeds in both of the storm water retention basins need to be cleaned out, and the east retention basin occasionally fills to overflowing due to a chain link fence installed at the north side of that retention basin blocking the designed flow route. The Property Manager noted that they have been able to maintain 100% occupancy and estimates at least 25% of tenants are original tenants that have lived at property since the property opened.

Applicable IGAs: None

1997 General Obligation Bonds HR 1610, We Chij Estates



Original Scope: The affordable housing G.O. Bond funds made possible the construction of 21 new single family homes for purchase by low-income households, and was key in stimulating the building of an additional 7 market-rate single family home sites. The bond funds provided for the installation of crucial offsite infrastructure, consisting of storm drainage and underground utilities, as well as providing needed streets, sidewalks and landscaping.

Benefits: Preconstruction infrastructure financing is often viewed as one of the least attractive investments for private lenders because it offers a very limited guarantee for a return on their investment. But, when it is wisely applied, such funding is still valuable as a long-term safeguard for the availability of affordable housing. Additionally, a well-structured initial investment of bond funds has economic benefits for the entire community since it creates an incentive for private investors to climb on board into a new growth area with increasing land values. This occurred with the We Chij Estates development which now has 21 new single family homes occupied by low-income households. The enhanced property tax revenue on what was originally a bare property with limited assessment value has already generated \$158,477 in levied taxes through 2012.

Location: West Nebraska at South Fairland Park directly east of Apollo Middle School and northeast of Liberty Elementary School.

Developer(s): Pima Fairland, Inc. and Old Pueblo Community Services

Approved Bond Funding: \$444,580

Project Outcome

Completion Date: October 2007

Total Affordable Housing Units: 21 homes (Overall 28 units)

Total Development Cost: \$3,416,000

Leverage: 7.7: 1 (For every \$1.00 bond allotted, \$7.70 in other public/private funding was spent)

Bond \$/Unit: \$21,170

1997 General Obligation Bonds HR 1610, We Chij Estates



Other Development Funding Sources:

- HUD HOME Program (City of Tucson HCD)
- Federal Home Loan Bank of San Francisco
- Private/Public Construction Financing

Performance Indicators: Since its completion, the We Chij Estates development has generated property tax revenues of \$158,477. Housing construction impacts the local economy by creating additional jobs and through the purchase of major materials. Occupied housing units build equity for homeowners and increase local consumption of household services. New homes give rise to added investment and the sprucing up of existing properties in the neighboring area.

Condition: The bond funded improvements (streets, sidewalks, curbs underground utilities) appeared in good condition during the most recent site inspection visit in January, 2013 with the exception of some minor erosion of dirt at the east sidewalk. All the affordable housing designated homes were completed, sold, and appear to be in good condition with only one For Sale sign posted at the time of this inspection. The private, unrestricted market lots were not yet fully developed and have plant overgrowth that needs to be trimmed and removed.

Applicable IGAs: None.

1997 General Obligation Bonds

HR 1611, Copper Vista II



Original Scope: The affordable housing G.O. Bond funds made possible the construction of 29 new single family home sites for purchase by low-income households. The bond funds provided for the installation of crucial offsite infrastructure, consisting of new water and sewer mains, storm drainage and underground utilities, as well as providing needed sidewalks, and curbs.

Benefits: Preconstruction infrastructure financing is often viewed as one of the least attractive investments for private lenders because it offers a very limited guarantee for a return on their investment. But, when it is wisely applied, such funding is still valuable as a long-term safeguard for the availability of affordable housing. Additionally, a well-structured initial investment of bond funds has economic benefits for the entire community since it creates an incentive for private investors to climb on board into a new growth area with increasing land values. The Copper Vista II development already has completed 2 of the 29 homes designated for low-income households with more now under construction. The enhanced property tax revenue on what was originally a bare property with limited assessment value has already generated \$32,816 in levied taxes through 2012.

Location: Northeast corner of East Alvord Road and South Randall Boulevard.

Developer(s): Chicanos Por La Causa/La Causa Construction; Habitat for Humanity Tucson & Doucette Builders

Approved Bond Funding: Phase II, \$595,467

Project Outcome

Completion Date: Phase 2, June 2011

Total Affordable Housing Units: 29 homes

Total Development Cost: Phase 2, \$4,049,567

Leverage: 6.8: 1 (For every \$1.00 bond allotted, \$6.80 in other public/private funding was spent)

1997 General Obligation Bonds HR 1611, Copper Vista II



Bond \$/Unit: Phase II, \$20,533

Other Development Funding Sources for Phase II:

- HUD HOME Program (City of Tucson HCD)
- Pima County Neighborhood Stabilization Program 2
- City of Tucson Water Equity Fees
- Tucson Electric Power Company
- La Causa Construction
- Private/Public Construction Financing

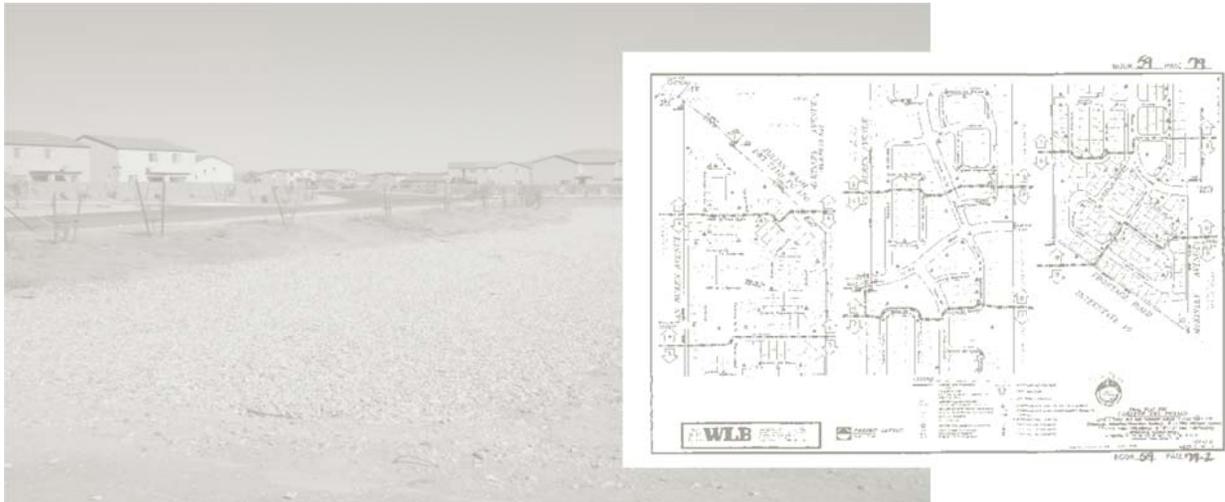
Performance Indicators: Chicanos Por La Causa completed the necessary infrastructure work but then encountered financial difficulties resulting from the economic downturn with its accompanying housing crisis. In 2011 the project was transferred to a Habitat for Humanity Tucson in partnership with Doucette Builders. Since its completion, the Copper Vista II development has generated property tax revenues of \$32,816. Housing construction impacts the local economy by creating additional jobs and through the purchase of major materials. Occupied housing units build equity for homeowners and increase local consumption of household services. New homes give rise to added investment and the sprucing up of existing properties in the neighboring area.

Condition: The bond funded improvements (roads, sidewalks, curbs, storm drainage and underground utilities) have been completed and appeared to be in good condition during the most recent site inspection visit in January, 2013. Two of the planned 29 homes are completed and occupied by low income homebuyers, and an additional two homes are already under construction.

Applicable IGAs: None.

2004 General Obligation Bonds

HR4008, HR4001, HR4013 Corazon del Pueblo Phases I, II & III



Original Scope: The affordable housing G.O. Bond funds made possible the construction of 60 new single family home sites for purchase by low-income households, and was key in stimulating the building of an additional 300 single family home sites for moderate income households. The bond funds provided for the installation of crucial offsite infrastructure, consisting of storm drainage and underground utilities, as well as providing needed sidewalks, curbs, and landscaping.

Benefits: Preconstruction infrastructure financing is often viewed as one of the least attractive investments for private lenders because it offers a very limited guarantee for a return on their investment. But when it is wisely applied, such funding is still valuable as a long-term safeguard for the availability of affordable housing. Additionally, a well-structured initial investment of bond funds has economic benefits for the entire community, creating an incentive for private investors to progress into a new area of increasing land values. Development of vacant, blighted and undeveloped land into a mixed income subdivision, serving low and moderate income households, arose with the Corazon del Pueblo development which will make 300 homes available to moderate income households along with the 60 homes designated for low-income households. The enhanced property tax revenue on what was originally bare, blighted property with limited assessment value is now delivering a substantial return on the bond expenditure.

Location: Corazon Del Pueblo Subdivision (Lots 1 – 393 and Common Areas A – D) South Van Buren and East Elvira Road

Developer(s): Habitat for Humanity Tucson

Approved Bond Funding: Ph I \$352,694; Ph II \$395,466; Ph III \$408,197 (Total: \$1,133,160)

2004 General Obligation Bonds

HR4008, HR4001, HR4013 Corazon del Pueblo Phases I, II & III



Project Outcome

Completion Date: June 30, 2007; June 30, 2008; June 30, 2009

Total Affordable Housing Units: 60 (50 of which are completed; 393 units in total development)

Total Development Cost: Ph I \$2,969,635, Ph II \$2,969,635, Ph III \$2,703,120

Leverage: Ph 1, 8:1; Ph II, 7.5:1; Ph III, 6.6:1

(For every \$1.00 in bond allocation, approximately \$8.00 in Ph 1, \$7.50 in Ph 2, and \$6.60 in Ph 3, from additional public/private funding sources were invested)

Bond \$/Unit: \$ 17,648

Other Development Funding Sources:

- **HUD HOME Program (City of Tucson HCD)**
- **Federal Home Loan Bank of San Francisco**
- **Private/Public Construction Financing**

Performance Indicators: Housing construction impacts the local economy by creating additional jobs and through the purchase of major materials. Occupied housing units build equity for homeowners and increase local consumption of household services. New homes give rise to added investment and the sprucing up of existing properties in the neighboring area.

Condition: The bond funded improvements (roads, sidewalks, curbs, storm drainage, underground utilities, and site developments of landscapes and hardscapes) were completed and appeared in good condition during the most recent site inspection visit in February, 2013. All Phase I & II homes are complete, as are some in Phase III. That includes 50 (that are now occupied) of the 60 homes designated for low income homebuyers, with the remaining 10 under construction at the time of this inspection.

Applicable IGAs: None.

2004 General Obligation Bonds HR4002, Casa Bonita III, IV and V



Original Scope: The affordable housing G.O. Bond funds made possible the construction of 60 scattered-site, multi-family, affordable rental units for occupancy by very low-income, special need households. The bond funds provided for the installation of crucial offsite infrastructure, consisting of storm drainage and underground utilities, as well as providing needed sidewalks, curbs, lighting, and landscaping.

Benefits: Preconstruction infrastructure financing is often viewed as one of the least attractive investments for private lenders because it offers a very limited guarantee for a return on their investment. But, when it is wisely applied, such funding is still valuable as a long-term safeguard for the availability of affordable housing. Additionally, a well-structured initial investment of bond funds has economic benefits for the entire community since it creates an incentive for private investors to climb on board into a new growth area with increasing land values. The Casa Bonita, Phases III, IV and V development, now has 60 occupied apartments designated for low-income households. The enhanced property tax revenue on what originally were three bare parcels, with limited assessment value, is now delivering a substantial return on the bond through levied taxes.

Location: 1016 & 1050 East Milton Road, and 5720 South Randall Boulevard.

Developer(s): Development Design Group (ConAm, Management Company)

Approved Bond Funding: \$184,611

Project Outcome

Completion Date: June 2006

Total Affordable Housing Units: 60 Rental apartment homes

Total Development Cost: \$5,079, 843

Leverage: 28: 1 (for every \$1 bond funds spent, \$28 was invested by other public/private sources).

Bond \$/Unit: \$3,077

2004 General Obligation Bonds HR4002, Casa Bonita III, IV and V



Other Development Funding Sources:

- Low Income Housing Tax Credits
- HUD HOME Program (City of Tucson HCD and AZDOH)
- Federal Home Loan Bank of San Francisco
- Private/Public Construction Financing

Performance Indicators: Housing construction impacts the local economy by creating additional jobs and through the purchase of major materials. Rental housing units build equity for their owners and increase local consumption of household services. New development gives rise to added investment and the sprucing up of existing properties in the neighboring area.

Condition: The bond funded improvements (storm drainage, underground utilities, roads, sidewalks, curbs and landscaping/hardscaping) are complete and appeared in good condition during the most recent site inspection visit in January, 2013. All rental units are fully occupied and in satisfactory condition.

Applicable IGAs: None

2004 General Obligation Bonds HR4004, Sylvester Drive Estates



Original Scope: The affordable housing G.O. Bond funds made possible the rehabilitation of 13 single family homes for purchase by low-income households. The bond funds provided for the installation of crucial offsite infrastructure, consisting of storm drainage and underground utilities, as well as providing needed sidewalks, curbs, and landscaping.

Benefits: Infrastructure financing for rehabilitation is often viewed as one of the least attractive investments for private lenders because it offers a very limited guarantee for a return on their investment. But, when it is wisely applied, such funding is still valuable as a long-term safeguard for the availability of affordable housing. Additionally, a well-structured initial investment of bond funds has economic benefits for the entire community since it creates an incentive for private investors to climb on board into a new growth area with increasing land values. This occurred with the Sylvester Drive Estates development project, a formerly vacant/undeveloped in-fill parcel which now has 13 newly constructed homes designated for low-income. The enhanced property tax revenue on what was originally blighted-vacant property, with limited assessment value, is now delivering a substantial return on the bond expenditure.

Location: Intersection of West San Juan Trail Road and South Sylvester Drive

Developer(s): Sylvester Drive, LLC and Old Pueblo Community Services

Approved Bond Funding: \$ 485,000

Project Outcome

Completion Date: December 2008

Total Affordable Housing Units: 13 homes

Total Development Cost: \$2,025,500

Leverage: 4: 1 (For every \$1.00 bond allotted, \$4.00 in other public/private funding was spent)

Bond \$/Unit: \$ 37,308

2004 General Obligation Bonds HR4004, Sylvester Drive Estates



Other Development Funding Sources:

- Pima County Industrial Development Authority
- Federal Home Loan Bank of San Francisco
- Private Construction Financing

Performance Indicators: Housing construction impacts the local economy by creating additional jobs and through the purchase of major materials. Occupied housing units build equity for homeowners and increase local consumption of household services. Rehabilitated homes give rise to the sprucing up of existing properties in the neighboring area which, in turn, encourages private investment in the local community.

Condition: The bond funded improvements (sidewalks, curbs, streets, landscaping, underground utilities and storm water drainage) appeared in good condition during the most recent site inspection visit in January, 2013 with one minor exception of plant overgrowth that needs to be trimmed and removed in the storm water retention basins. All homes were occupied and none were listed for sale or rent.

Applicable IGAs: None

2004 General Obligation Bonds HR4005, MLK Revitalization



Original Scope: The affordable housing G.O. Bond funds made possible the construction of 68, energy efficient, fully accessible and affordable public housing rental units for occupancy by low-income, elderly and special need households. The bond funds provided for the installation of crucial public amenities, including a community room, lobby, computer lab, library, recreation room and rooftop terrace/courtyard and garden.

Benefits: Financing for new affordable public housing is often viewed as one of the least attractive investments for private lenders because it offers a very limited guarantee for a return on their investment. But, when it is wisely applied, such funding is still valuable for the preservation and enhancement of affordable urban housing. Additionally, a well-structured initial investment of bond funds has economic benefits for the entire community since it creates an incentive for private investors to climb on board into a renewed area of growth with increasing land values; especially when it includes USGB certified GOLD LEED design features resulting in energy efficiencies.

Location: 55 North Stone; conveniently located adjacent to the Ronstadt Public Transit Center, the central hub for bus travel throughout Tucson and the surrounding Pima County area.

Developer/Owner(s): City of Tucson Public Housing Authority

Approved Bond Funding: \$ 1,272,678

Project Outcome

Completion Date: December 2010

Total Affordable Housing Units: 68 Apartments

Total Development Cost: \$18,067,009

Leverage: 14.2: 1 (For every \$1.00 bond allotted, \$14.20 in other public/private funding spent)

Bond \$/Unit: \$18,716

2004 General Obligation Bonds HR4005, MLK Revitalization



Other Development Funding Sources:

- HUD HOPE VI Program
- Low Income Housing Tax Credits
- HOME Program (City of Tucson HCD and AZDOH)
- Federal Home Loan Bank of San Francisco
- CDBG Program (City of Tucson)
- General Funds, City of Tucson
- Land Sales Proceeds

Performance Indicators: Housing construction impacts the local economy by creating additional jobs and through the purchase of major materials. Occupied housing units create stability for renters and increase local consumption of household goods and services. Rehabilitated homes give rise to the sprucing up of existing properties in the neighboring area which, in turn, encourages private investment in the local community.

Condition: The bond funded improvements (community room, lobby, computer lab, library, recreation room, rooftop terrace and garden) appeared in good condition during the most recent site inspection visit in January, 2013. While walking through the building, the inspector noted the computer lab, library, and rooftop garden/sitting areas were in good condition. Viewing through the glass doors of the community room and recreation room verified both areas were also in good condition. The overall condition of the interior and exterior was clean and well-maintained.

Applicable IGAs: City of Tucson

2004 General Obligation Bonds HR4006, Ghost Ranch Lodge



Original Scope: The affordable housing G.O. Bond funds made possible the rehabilitation and adaptive reuse of 30 existing units in a historic motel, along with the addition of 30 new units, for a total of 60 affordable rental homes for low-income, elderly and special need households. The bond funds provided for part of the acquisition costs as well as the installation of new interior amenities, consisting of carpentry, cabinets, appliances and flooring.

Benefits: The preservation of historic buildings is essential to understanding our local heritage. Essentially, it is a recycling program on a grand scale since reusing existing buildings is an environmentally responsible practice. The rehabilitation of this historic motel through the conversion of 30 existing rooms into affordable rental units, along with the construction of an additional 30 new units, provides an economic stimulus for the revitalization of the entire Miracle Mile corridor with the subsequent increasing of land values.

Location: 801 West Miracle Mile, Tucson

Developer(s): Atlantic Development & Investments

Approved Bond Funding: \$ 1,100,000

Project Outcome

Completion Date: September 2010

Total Affordable Housing Units: 60 Apartments

Total Development Cost: \$12,685,022

Leverage: 11.5: 1 (For every \$1.00 bond allotted, \$11.50 in other public/private funding was spent.)

Bond \$/Unit: \$ 18,333

2004 General Obligation Bonds HR4006, Ghost Ranch Lodge



Other Development Funding Sources:

- Low Income Housing Tax Credits
- HOME Program (City of Tucson HCD)
- Private/Public Construction Financing

Performance Indicators: Housing construction impacts the local economy by creating additional jobs and through the purchase of major materials. Occupied housing units create stability for renters and increase local consumption of household goods and services. Rehabilitated homes give rise to the sprucing up of existing properties in the neighboring area which, in turn, encourages private investment in the local community.

Condition: During the most recent site inspection visit in January, 2013, the common areas (streets, structures and landscaping) all appeared in good condition.

Applicable IGAs: None

2004 General Obligation Bonds HR4007, Curley School Apartments



Original Scope: The affordable housing G.O. Bond funds made possible the rehabilitation and adaptive re-use of the Ajo Curley School into 30 multi-family, affordable live/work artisan rental units for occupancy by low-income working households. The bond funds provided for the installation of crucial offsite infrastructure, consisting of storm drainage and sewer along with new underground utilities, as well as providing needed sidewalks, curbs, lighting, landscaping and block walls.

Benefits: Preconstruction infrastructure financing is often viewed as one of the least attractive investments for private lenders because it offers a very limited guarantee for a return on their investment. But, when it is wisely applied, such funding is still valuable as a long-term safeguard for the availability of affordable housing. Additionally, a well-structured initial investment of bond funds has economic benefits for the entire community since it creates an incentive for private investors to climb on board into a new growth area with increasing land values. Renovation and adaptive reuse into live-work, affordable, artisan apartments has generated 30 live/work artisan rental unit designated for low-income households. The enhanced property tax revenue on what had become a shell of a building, with limited assessment value, will now be in a position to deliver a substantial return on the bond outlay through levied taxes.

Location: 201 Esperanza Avenue, Ajo, Arizona

Developer(s): International Sonoran Desert Alliance (Vantage, Property Management Co.)

Approved Bond Funding: \$ 350,000

2004 General Obligation Bonds HR4007, Curley School Apartments



Project Outcome

Completion Date: June 2007

Total Affordable Housing Units: 30 live/work artisan rental homes

Total Development Cost: \$ 9,373,915

Leverage: 27: 1 (For every \$1 bond funds spent, \$27 was invested by other public/private funding sources.)

Bond \$/Unit: \$11,677

Other Development Funding Sources:

- Low Income Housing Tax Credits
- HUD HOME Program (City of Tucson HCD, Pima County and AZDOH)
- Federal Home Loan Bank of San Francisco
- CDBG Program (Pima County)
- Private/Public Construction Financing

Performance Indicators: Curley School Apartments is a unique live-work configuration, the project supports artists who create and sell art. Ajo is a winter visitor destination as well as a major thoroughfare to Mexico. As artists and tenants, they support the local economy. Housing construction impacts the local economy by creating additional jobs and through the purchase of major materials. Occupied housing units increase local consumption of household services. Renovated buildings give rise to added investment and the sprucing up of existing properties in the neighboring area.

Current Condition: During a walk through the common areas and first floor hallways in December of 2012, everything appeared to be in good condition and operating properly.

Applicable IGAs: None.

2004 General Obligation Bonds HR 4012, Westmoreland



Original Scope: The affordable housing G.O. Bond funds will support the construction of 14 new single family homes for purchase by low-income households. The bond funds provided for the installation of crucial offsite infrastructure, consisting of grading, storm drainage and underground utilities, as well as providing needed sidewalks, paving, curbs and curb cuts.

Benefits: Preconstruction infrastructure financing is often viewed as one of the least attractive investments for private lenders because it offers a very limited guarantee for a return on their investment. But, when it is wisely applied, such funding is still valuable as a long-term safeguard for the availability of affordable housing. Additionally, a well-structured initial investment of bond funds has economic benefits for the entire community since it creates an incentive for private investors to climb on board into a new growth area with increasing land values. The enhanced property tax revenue on what is now a vacant parcel of land with limited assessment value is expected to deliver a substantial return on the bond expenditure; particularly since solar water heaters, grey water systems, rainwater harvesting and county green building standards are designed as features to be incorporated into these new homes.

Location: Menlo Park Neighborhood at North Westmoreland Avenue across from West Placita Cobre

Developer(s): Chicanos Por La Causa

Approved Bond Funding: \$ 407,000

Project Outcome

Completion Date: June 2010

Total Affordable Housing Units: 11 homes (Overall 14 units)

Total Development Cost: \$ 3,042,403

Leverage: 7.5:1 (For every \$1.00 bond spent an additional \$7.50 in other public/private funding sources invested).

Bond \$/Unit: \$37,000

2004 General Obligation Bonds

HR 4012, Westmoreland



Other Development Funding Sources:

- City of Tucson Land Grant
- HUD HOME Program (City of Tucson HCD)
- Tucson Electric Power Grant
- Private/Public Construction Financing

Performance Indicators: Housing construction impacts the local economy by creating additional jobs and through the purchase of major materials. Occupied housing units build equity for homeowners and increase local consumption of household services. New homes give rise to added investment and the sprucing up of existing properties in the neighboring area. Chicanos Por La Causa completed the necessary infrastructure work, but then encountered financial difficulties resulting from the economic downturn with its accompanying housing crisis. The process for selecting a new developer and homebuilder has been initiated to move forward with this essential economic development project.

Condition: All bond funded improvements (streets, curbs, sidewalks, underground utilities) are complete and appeared to be in good condition during the most recent site inspection visit in January, 2013. Construction of new affordable townhomes has been delayed by the economic downturn in the housing market with its accompanying depression in sales. The City of Tucson maintains ownership of the site and is in the process of selecting a new developer and homebuilder.

Applicable IGAs: None.

2004 General Obligation Bonds HR 4017, Sunnyside Pointe



Original Scope: The affordable housing G.O. Bond funds will make possible the construction of 90 new single family homes for purchase by low-income households. The bond funds provided for the site survey and testing, grading, underground utilities, storm water drainage, street paving, sidewalks, curbs, curb cuts, landscaping, irrigation and permits.

Benefits: Preconstruction infrastructure financing, often viewed as an unattractive investment for private lenders offering a very limited guarantee for a return on their investment, is still valuable as a long-term safeguard for the availability of affordable housing if wisely applied. Additionally, a well-structured investment of bond funds has economic benefits for the entire community by creating an incentive for private investors to follow it into new growth areas with increasing land values. Sunnyside Pointe is such a development that now has 30 newly constructed homes occupied by low and moderate income homebuyers, with 60 more homes planned or already under construction. The enhanced property tax revenue on what was originally a blighted and undeveloped parcel of land with limited assessment value is already delivering a substantial return on the bond expenditure.

Location: Sunnyside Pointe Subdivision (Lots 1 – 267 and Common Areas A – C) South Park Avenue, East Robert Hanson Drive, and Sylvester Drive

Developer(s): Sunnyside Pointe Development, LLC

Approved Bond Funding: \$1,464,218

Project Outcome

Completion Date: June 30, 2010

Total Affordable Housing Units: 90 homes (30 Units constructed and occupied)

Total Development Cost: \$14,497,350

Leverage: 9.9: 1 (For every \$1.00 bond allotted, \$9.90 in other public/private funding was invested)

Bond \$/Unit: \$ 37,308

2004 General Obligation Bonds HR 4017, Sunnyside Pointe



Other Development Funding Sources:

- Federal Home Loan Bank of San Francisco
- Neighborhood Stabilization Program 2
- Private/Public Construction Financing

Performance Indicators: Housing construction impacts the local economy by creating additional jobs and through the purchase of major materials. Occupied housing units build equity for homeowners and increase local consumption of household services. New homes give rise to added investment and the sprucing up of existing properties in the neighboring area.

Condition: All bond funded improvements (roads, sidewalks, curbs, storm drainage, underground utilities and site improvements (landscapes and hardscapes) are complete and appeared to be in good condition during the most recent site inspection visit in January, 2013. Of the 90 planned homes, 30 are now complete and occupied by low income homebuyers. An additional 3 homes were under construction at the time of this inspection.

Applicable IGAs: None.