Sunshine Mile

ROADWAY
- Mobility options
- Transit-oriented
- Solve legal nonconforming issues

CORRIDOR
- Adaptive reuse
- Economic vitality
- Design Standards

NEIGHBORHOODS
- Preserve historic structures
- Add affordable housing
- Enhance existing neighborhoods
Sunshine Mile

- Economic Vitality
- Affordable Housing
- Sustainability
- Historic Preservation
- Mobility
Sunshine Mile

Goal: incentivize mixed-income housing along Sunshine Mile

Analysis:
- Local developer put together sample pro forma
- Looked at case studies from other communities

Findings:
- Tucson market rents do not cover gap needed to make mixed-income housing feasible
- In other cities, affordable housing incentive has worked best on large-scale projects or for subsidized affordable housing

Saltillo, East Austin, TX – redevelopment of former rail yard with mixed-income housing and ground floor retail/office
<table>
<thead>
<tr>
<th>Comparison City</th>
<th>Percent Affordable Units</th>
<th>Affordability Term</th>
<th>Affordability Level</th>
<th>Bonus Density</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sacramento</td>
<td>10%</td>
<td>30 years with additional incentive; 10 years without</td>
<td>50% and 60%</td>
<td>20-35%</td>
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<tr>
<td>Austin</td>
<td>25% of bonus density area</td>
<td>Rental 40 years / Owner 99 years</td>
<td>80% for owners / 60% for rentals</td>
<td>Varied - 100% - 266% in height, established subdistricts with higher densities; as high as 160 feet</td>
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<tr>
<td>San Diego</td>
<td>10%</td>
<td>55 years/ Established in the agreement</td>
<td>65% AMI or less</td>
<td>20%</td>
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<tr>
<td>Atlanta</td>
<td>10% or 15%</td>
<td>20 years</td>
<td>60% or 80% AMI</td>
<td>15% FAR</td>
</tr>
<tr>
<td>Tucson – Sunshine Mile Proposal</td>
<td>15%</td>
<td>50 years rental/ 30 years condo</td>
<td>80% AMI</td>
<td>25 or 35% rental/ 15% condo</td>
</tr>
</tbody>
</table>
Sunshine Mile

Affordable units can be difficult to finance with current market rates in Tucson

High % of affordable units often fully subsidized

Downtown @ 700  Albuquerque, NM  2016
Workforce housing demonstration project, former city parking lot

72 total apts: micro-efficiency units
83% (60 units) affordable

Ground floor commercial space, café, on-site supportive services, community garden for resident use.

Sustainable design features.

Large project sites are needed to cover costs

The Railyards  Sacramento, CA  In Construction

220 acre site development includes 6,000 to 10,000 apts

20% affordable units: families earning 50% or less MHI

In addition to office buildings, ground-floor retail, restaurant space, hotel, medical campus
RECOMMENDATIONS

• Maintain incentives for projects with 15% affordable units at 80% AMI
  • Incentives: no limit on RAC, reduced parking

• Remove limit on maximum residences per acre (RAC) for projects that include affordable housing to allow for more units to help close financing gap

• Direct HCD, PDSD, DTM to work on a more detailed market assessment and comprehensive approach to affordable housing and transit corridors
  • Identify public financing options and other tools to provide financial incentives that support greater affordability
  • Return to M&C to make any recommended changes to the metrics in the SMD that result from their analysis