WHY AND HOW DID THE DEVELOPER ARRIVE AT THE DECISION TO BUILD A 44 UNIT BUILDING?

The most important factor in deciding to maximize the utilization of the site was the overwhelming need for Affordable Housing in the Tucson MSA. As reported in the Arizona Daily Star in August 2014, over 47% of households in the MSA pay more than 30% of their income towards housing. That indicates a serious need for many more units of affordable housing. Add to that the serious need to house Veterans in Tucson and it therefore was a socio-economic decision to maximize the available utilization of the site.

Current zoning laws allow the 44 unit density proposed and in fact, would have allowed the Developer to build up to 75 feet or five stories rather than the proposed four story configuration currently under discussion. The subject property is not located in the City of Tucson's Historic Preservation Zone. This allowed for a more expedited Development Review process by the municipality and enabled the Development to receive Site Plan approval of its four story design and proposed density

It is axiomatic that in the LIHTC industry, the smaller the project, the greater the propensity for failure. While 44 units (Downtown Motor Apartments) is smaller than all of the other projects developed by the Developer, it is of adequate size and scale to ensure success, especially as it has been designed with no long term amortizing debt. To put the project size in perspective, this year in Arizona, 31 applications for allocations of 2015 LIHTCs proposed 1688 units for an average project size of 54.45 units per project. . As to project size, the Developer has successfully developed over twenty (20) Low Income Housing Tax Credit ("LIHTC") developments in Arizona and New Mexico. The average size (number of units) per project is 76.125 units. This project is the smallest project ever undertaken by Bethel Development, Inc. Lenders and LIHTC syndicators tend to shy away from smaller projects. Better financing terms and addition equity can result from creating more affordable units per project versus fewer units. Therefore, as an industry standard, this project is already considered a small project.

Some fixed costs on both the development budget and operating budget drive up the per unit expense with smaller projects On the operating expense side, Management expenses and personnel costs are not size related. Advertising and Marketing costs are the same for smaller projects as for larger project, they just create a larger per unit expense. On the Development Budget, fixed costs such as legal costs, some loan fees and some contractor fees are the same for large and small projects alike. All in all, it is harder to get a smaller project financed and built than a larger project.

In summary, the downtown Motor Apartment project received City of Tucson zoning approval, parking approval, density approval site plan approval and as a result of those approvals, preliminary financing was obtained, pending receipt of an allocation of Low Income Housing Tax Credits. An application was made, an allocation was issued for the LIHTCs and construction loan and equity commitments were received. The Development Team now has an obligation to deliver to the Arizona Department of Housing and the construction lender and investor partner the completed project per the application.

While this project has generated a great deal of discussion in the community, one fact must be emphasized: the Armory Park Neighborhood Association has written a letter applauding the Developer's willingness to make changes to the building plans. The letter further states that the Association, whose boundaries include the Armory Park Historic District (the area of Adverse Effect) <u>is in favor of the project and recommends funding the project with $600,000 of HOME funds</u>.

Agenda Item #1

Armory Park Neighborhood Association

PO Box 2132, Tucson, AZ 85702
(520) 955-9424
armoryparktucson.org

December 10, 2014

Sally Stang, Director
Housing and Community Development Department
320 Commerce Park Loop
Tucson, AZ 85745

Dear Ms. Stang:

RE: Section 106 Process for Federal HOME Funding Grant for 383 S. Stone Ave., Downtown Motor Hotel Apartments

For nearly a year, the Armory Park Neighborhood Association (APNA) and the Armory Park Historic Zone Advisory Board (APHZAB) have been involved in the development process--or lack thereof--surrounding the demolition and redevelopment of the Downtown Motor Hotel property. We have opposed the demolition of this historic property. However, now that redevelopment is certain, we support the grant of HOME funding through the Section 106 Process to help improve the project's design and effectiveness.

APNA's bylaws require us to oppose the demolition of a listed contributing building in our National Register Historic District, such as this historic 1941 Josias Joesler designed building. We recognize that this site is a unique example of old "C3" zoning that is surrounded, adjacent to, but not within our HPZ. And we do recognize the Downtown Motor Hotel is currently in disrepair for several reasons and requires significant changes to reintegrate into the fabric of our community. Nevertheless, we were disappointed that SHPO determined this demolition was proper. Despite a call for other developers to restore the property, no white knight came forward with the money necessary to responsibly restore the property.

In addition to the proposed partial demolition, we were discouraged by the complete lack of due process for stakeholders like APNA. We had no standing to comment on the redevelopment proposal a year ago under the policies of the Planning and Development office of the City of Tucson. During the last year, therefore, APNA has worked to change that process so that, in the future, we are considered stakeholders for similar redevelopment proposals. Working with Office of Integrated Planning, Mayor & Council, and Planning & Development Services, the process has indeed changed. When the proposed and revised Infill Incentive District overlay is adopted and implemented, early next year, we believe historic neighborhoods and developers will be able to work for better and more appropriate infill development together.

Looking forward, Armory Park wishes to support the affordable housing proposed for the site. Armory Park has always supported affordable housing and a diverse community. We plan to work with Compass Affordable Housing to make sure the new residents are a part of our community and truly welcome here.

Moreover, we truly appreciate that Compass Affordable Housing and its partner, Bethel Development, have responded to our requests to improve the project's design heeding neighborhood concerns, and revised their design plans at least five times in an effort to respect the surviving Joesler modernist elements. By maintaining and restoring the street-face buildings, some historic continuity to the area will remain. Further refinements will make it a better project and we welcome, encourage and will participate in their realization. The developers have gone beyond the official requirements to work with us. We sincerely appreciate their willingness to do so.

We have reviewed their recent request for federal HOME funds through the Section 106 Process for approximately $600K for an approved $10.6 million budget project. The funding requirements and oversight tied to this funding will improve the project over time and, therefore we support their request. The funds will not only ensure the restoration of the street-scape historic buildings, and thus maintain the proposed helpful setbacks, but will also mandate the City's regulation of the property's management for the next twenty years.

APNA's supports the approval of federal HOME funding in the Section 106 process for this project. The project is within our neighborhood and, we believe, the additional funds will both help the project's design and help its residents become better integrated within our community.

This letter was approved by a unanimous vote of the Board of Directors of the Armory Park Neighborhood Association at its December 9, 2014 board meeting. It is reflected in the official minutes of that meeting. The signatories listed below represent the full intent of the APNA board.

Thank you, in advance for your consideration.

Sincerely,

10 Dec 14

Jack McLain, Vice President, APNA

John D. Burr, Development Chair, ex officio, APNA

Cc: APNA, APHZAB, PDSD, OIP, Ward VI

ATHENA
STUDIO, llc

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Phoenix, Arizona 85013
Athena@AthenaStudio.net
602.274.5000

March 16, 2015

Mark Shoemacher
Bethel Development, Inc.
201 Bradenton Avenue, Suite 120
Dublin, Ohio 43017

Mark,

It has come to my attention that questions have been raised concerning the Capital Needs Assessment (the "CNA") , which I prepared on February 21, 2014, for Bethel Development, Inc., the subject of which was the Downtown Motor Hotel located at 383 South Stone Avenue, Tucson, Arizona 85701 (the "DMH"). Reference was made to the removal and disposal of hazardous materials from the DMH, whether or not different alternatives were considered, and the use of RSMeans to estimate costs.

Since the enactment of Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") in the 1980s, the treatment, handling, and disposal of hazardous materials has been a key driver in the real estate development industry. Owners and prospective buyers of real estate now demand accountability for all present and past usages of real property as liability issues can be extremely costly and reach deep into the historical uses of real estate. Prior construction methods and materials were often comprised of what we now know to be hazardous materials, or made with hazardous components containing asbestos, lead, formaldehyde, benzene, and other toxic organic and inorganic compounds. The treatment, handling, and disposal of the materials have created an entire industry of hazardous materials, or "haz-mat," specialists. I have had numerous discussions with experts in this field, have attended various continuing education classes concerning the treatment of these materials, and read professional publications to remain current on the subject.

The DMH was constructed in the 1940s when informaiton on hazardous materials was not widely available. Plaster, floor tiles, roofing, and pipe wrapping materials contained asbestos; paint contained lead; and plumbing was cast iron with lead fittings. The Phase I Environmental Site Assessment of DMH confirms the presence of these hazardous materials. Today, best practices in the hazardous materials handling industry basically call for two distinct methods of dealing with these materials: 1) disposal, or removal from the real estate in a manner which minimizes the exposure of these materials to the occupants and environment, and 2) encapsulation, or covering and permanently sealing these materials so they cannot escape and cause further environmental damage. At DMH, due to the prevailing damage to the building through neglect and abandonment, the materials were already in a friable state. This means they had broken down and were crumbling or deteriorating to the point where encapsulation was no longer a viable option. Removal of the hazardous materials is the only safe and secure method to prevent any furthur damage.

The extent of the deterioration of the building at DMH is difficult to describe in print. The CNA includes photographic images to convey the severity of the condition. The building has

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weathered to the point beyond which a reasonable renovation could be undertaken. It is even more difficult to imagine a scenario in which an economically sound rehabilitation proposal could be put forth in today's market place. The scrutiny with which lenders, appraisers, and developers analyzing development proposals would, in this instance, regard the property as high risk, resulting in an economically infeasible project.

A capital needs assessment must consider various scenarios and provide a comparative analysis. To this end, the CNA for DMH includes an estimate of the cost to renovate the existing building into a habitable state. RSMeans Building Construction Cost Data is a publication widely used in the industry to estimate construction costs. The publication includes City Cost Indexes and Location Factors to adjust for regional variables, as well as Square Foot Project Size Modifier to adjust for project scale. The cost estimates in the CNA were based primarily on the architect's experience and familiarity in the multifamily construction industry, using RSMeans where appropriate as reference. As the CNA clearly states, it is beyond the scope of the report to obtain competitive quotes from contractors, therefore the actual cost to remedy the deficiencies and deferred maintenance items identified in the report may vary significantly from the estimate provided. Actual costs are influenced by labor and material availability, which may vary by season, contractor's level of experience, project timeline, and other factors. In addition to these variables applicable to all types of construciton, renovation projects contain many unknowable items that can only be assessed once the work begins.

The CNA was prepared when I was Architect and Vice President of Acanthus Architecture & Planning, PC. Acanthus has undergone a transition, and now all of its former key professionals continue their practice at Athena Studio, LLC. All statements in the CNA and in this clarification letter are made as a licensed professional experienced in the preparation of CNAs and construction industry and knowledgeable of the latest regulations and best practices for the handling of hazardous materials in buildings.

The CNA analyses the physical condition of the property, estimates the cost of renovation, and provides an economic comparason of renovation versus potential new construction. After taking into consideration multitudes of scenarios, it suggests that the best use of the site is demolition of the existing building and replacement with a high density multifamily project. I stand by that assessment as no new information has been presented since the preparation of the CNA that contradicts its conclusion.

Sincerely,

YSIshida

Yumiko A. Ishida, AIA, CSBA, LEED® AP
Architect

Downtown Motor Apartments
Evolution of Project Design

Due to the extreme need for affordable housing in the Tucson MSA and the downtown location of the proposed site for the project, the intention from the initial project meeting was to maximize the utilization of the site while maintaining the historic facade of the original structure. We have not wavered from that goal.

The Development Team, although with no requirement to do so, reached out to the neighborhood and invited members of the Armory Park Neighborhood Association Historic Committee to meet on-site and discuss the initial design. At that time it was suggested by members of the subcommittee that we forego a pitched roof and use a flat roof with a parapet. The members also requested that we use single hung rather than sliding windows. Both suggestions were immediately incorporated into our plans.

Other suggestions from the public and incorporated during the design process included the following:

1. Stepped back the west elevation for architectural interest, diversity and scale.
2. Re-designed the west facing balconies to eliminate elements projecting over the existing buildings single story fabric.
3. Added articulation to all elevations for architectural interest, diversity and scale.
4. Varied building materials to create architectural diversity.
5. Used a color palette to reflect existing Stone Avenue aesthetic.
6. Added pocket landscaping where there is none at the Stone Avenue frontage and to the interior of the site to enhance resident and pedestrian experience.
7. Increased side yard setbacks from 0' to 5'.
8. Repair and refurbish the two existing one-story buildings that will remain.
9. Repair and keep the iconic Downtown Motor Hotel sign.

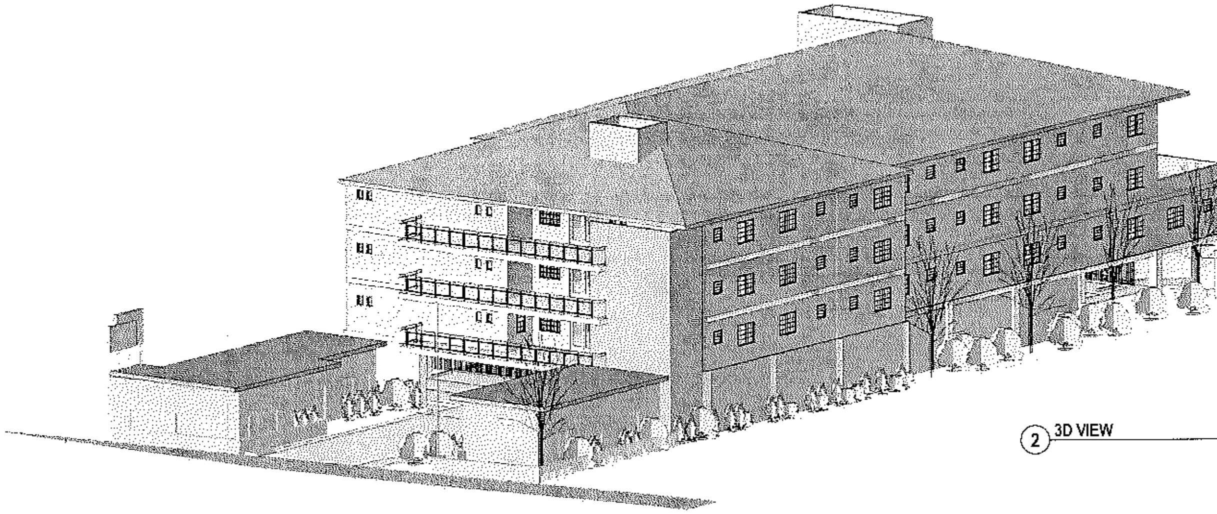
One should note that this site is excluded from the City of Tucson Historic Preservation Zone and as such has a zoning designation of C-3, rather than HC-3. As a result, the Development Team was not required to hold public meetings or receive approvals from any organization except the City of Tucson Development Services Department. The Development Team, of its own volition, participated in many meeting concerning the design of this development. The Courtesy Public Meetings outside of the Section 106 process included:

1. January 17, 2014 courtesy neighborhood meeting with representative of the Historic Committee from Armory Park Neighborhood Association and from the City Council's Ward 6.

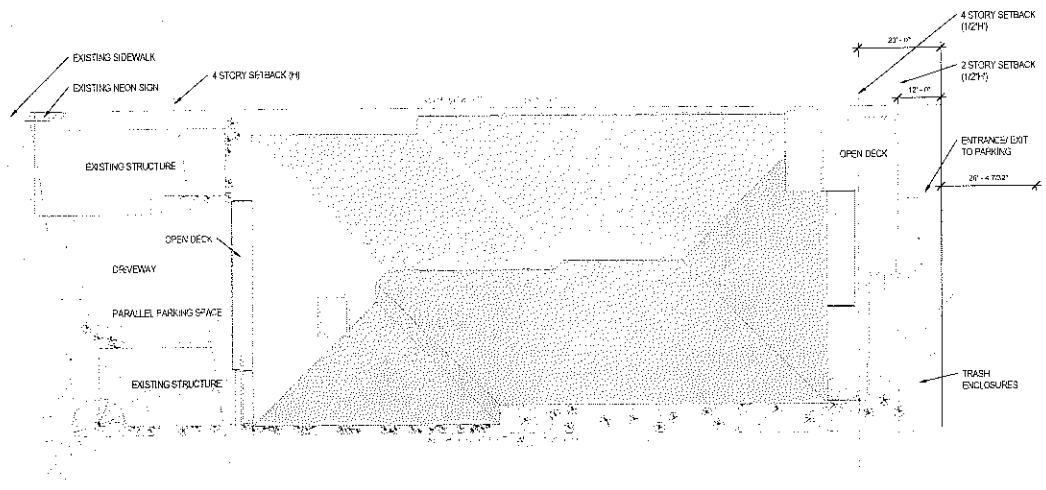
2. January 23, 2014 courtesy meeting and review of preliminary plans with the Tucson-Pima County Historical Commission Plans Review Subcommittee.
3. April 11, 2014 courtesy presentation to the City of Tucson Office of Integrated Planning, Armory Park Neighborhood Association, the City Councilman from Ward 6, Steve Kozachik, and many other interested citizens.
4. August 6, 2014 courtesy public presentation at the Tucson City Council Ward 6 offices.
5. August 24, 2014 courtesy public meeting with city of Tucson Barrio Historico Advisory Board
6. October 7, 2014 courtesy public meeting to present design changes to all interest parties.
7. October, 2014 courtesy meeting with Barrio Viejo Neighborhood Association.

While this project has generated a great deal of discussion in the community, one fact must be emphasized: the Armory Park Neighborhood Association has written a letter applauding the Developer's willingness to make changes to the building plans. The letter further states that the Association, whose boundaries include the Armory Park Historic District (the area of Adverse Effect) is in favor of the project and recommends funding the project with $600,000 of HOME funds.

Agenda Item # 3



2 3D VIEW

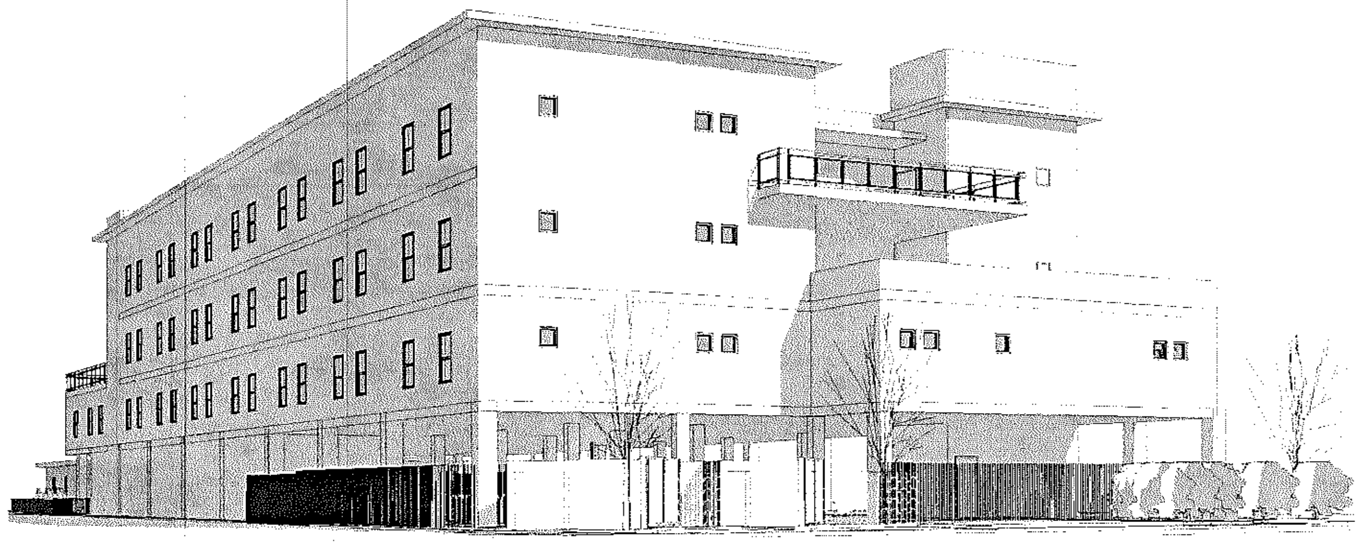


1 GROUND FLOOR, LEVEL 1

Downtown Motor Apartments

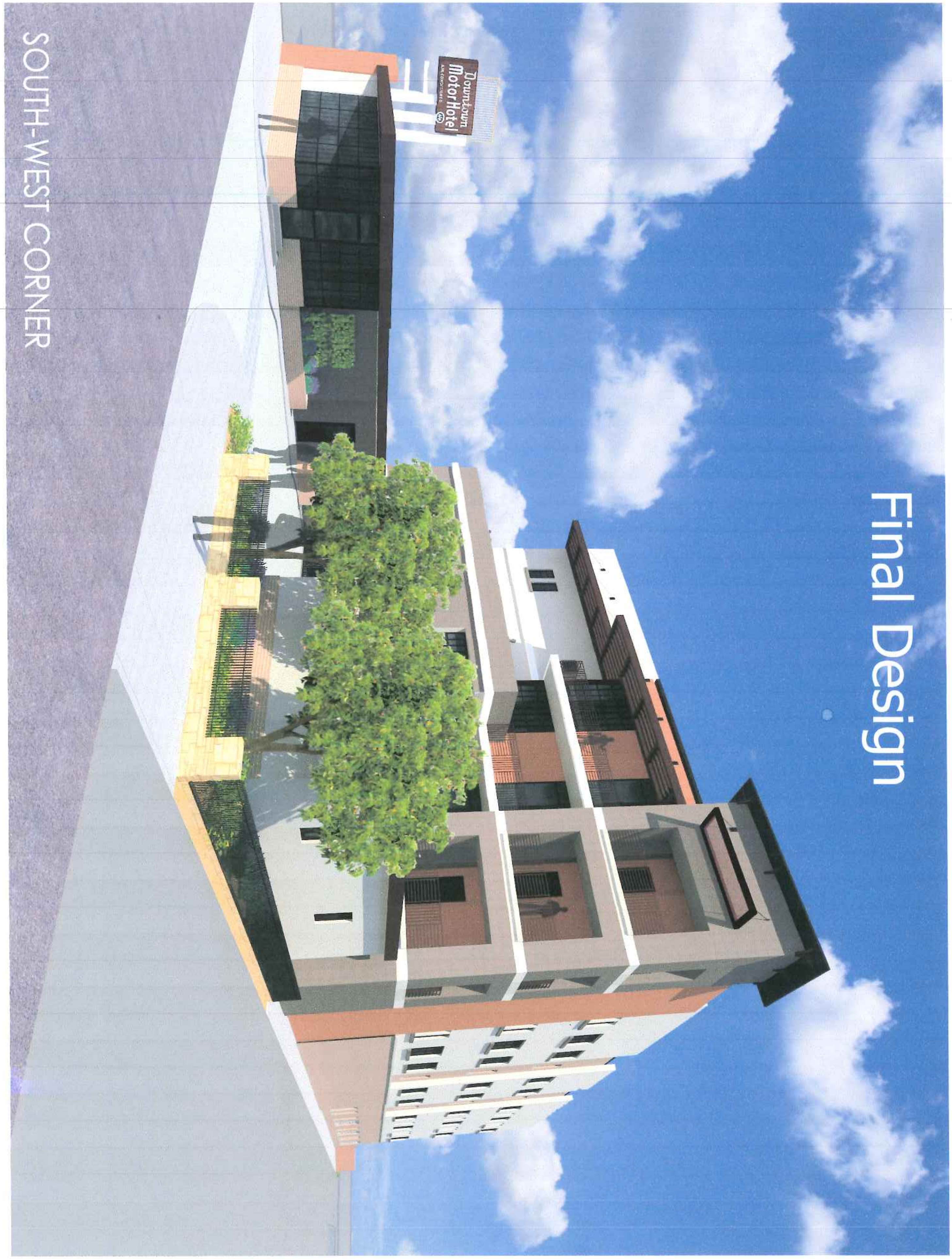
the architecture company

Proposed Design



Perspective from Russell Avenue

Perspective from Stone Avenue


Final Design
SOUTH-WEST CORNER
Downtown
Motor Hotel

Agenda Item #4

Agenda Item #4

Mark Shoemacher
520-906-3093
mshoemacher@gmail.com

Agenda Item #5

Downtown Motor Apartments Timeline
March 16, 2015

March 18, 2015—Final Contributing Party Conference Call

March 24, 2015—Draft MOA w/Stipulations

March 31, 2015—Final MOA w/ final comments

April 7, 2015—Begin first 30 day MOA & HUD EA comment period

May 7, 2015—Begin Second 30 day MOA & HUD EA comment period

June 7, 2015—End of MOA comment periods
End of HUD EA Comment period

June 10, 2015—Request Funds from HUD

July 1, 2015—Commence construction

CITY OF TUCSON
HOUSING & COMMUNITY DEVELOPMENT DEPARTMENT
ADMINISTRATION DIVISION

Fe 5/2

Feb 12, 2015

City of Tucson Responses to concerns raised regarding the Section 106 Process as it relates to the Downtown Motor Apartments application for federal HOME funds.

- Based on an assertion that development of 19 motel units with kitchens was economically feasible, an operational pro-forma (attached) was developed using the following optimistic assumptions revealed that such a development would operate at an annual loss of over $50,000 annually:
  - $1,310,425 for rehabilitation as asserted
  - $685,000 purchase price for the land
  - 100% HOME Investment Partnership loan funding
  - 2% Annual Interest
  - HOME rent limits of $507 for the 7 studio units and $633 for the twelve 1 bedroom units
  - Utility allowance in accordance with schedule
  - 3% Annual Vacancy Loss
  - Property Management and Administrative costs estimates using Public Housing Operating Statements for similar project
- Despite assertion to the contrary; staff has confirmed that the property located at 35 E 15th Street, which is directly behind the subject property, is in fact listed in Section 7 Page 18 of the National Register of Historic Places Continuation Sheet issued by the United States Department of the Interior National Park Service. (See attachment)
- A vote of the Barrio Historico Historic District Advisory Commission is received as input and opinion from a Consulting Party.

310 N. Commerce Park Loop - P. O. Box 27210 Tucson, AZ 85726-7210
(520) 791-4171 FAX (520) 791-5407 TDD (520) 791-5481
http://www.tucsonaz.gov/hcd HCDAdmin@tucsonaz.gov

HOME rent	$507	$633	
Utility Allowance			
Electric	$12	$17	
A/C	$13	$18	
Gas Heat	$10	$12	
Gas H/W	$4	$5	
Gas Cooking	$2	$2	
Water/Sewer	$45	$55	
Trash	$17	$17	
	$103	$126	
Net MonthlyRent	$404	$507	
# units	7	12	
Monthly	$2,828	$6,084	
Annual	$33,936	$73,008	
Total Annual Rent			$106,944
3% Vacancy Loss			$3,208
Net annual rent			$103,736
Annual Debt Service			$72,512
Property Management Salary			$30,255
Bad Debt			$1,069
R&M			$23,255
Taxes			$20,000
Insurance			$3,000
Admin			$3,990
annual expense			$154,081
Net loss			-$50,345

Agenda Item # 6

Loan Amortization Schedule

	Enter values
Loan amount	$ 1,995,425.00
Annual interest rate	2.00 %
Loan period in years	40
Number of payments per year	12
Start date of loan	1/1/2016
Optional extra payments	

	Loan summary
Scheduled payment	$ 6,042.66
Scheduled number of payments	480
Actual number of payments	480
Total early payments	$
Total interest	$ 905,051.08

Lender name:

Pmt. No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
1	2/1/2016	$ 1,995,425.00	$ 6,042.66	$ -	$ 6,042.66	$ 2,716.95	$ 3,325.71	$ 1,992,708.05	$ 3,325.71
2	3/1/2016	$ 1,992,708.05	$ 6,042.66	$ -	$ 6,042.66	$ 2,721.48	$ 3,321.18	$ 1,989,986.57	$ 6,646.89
3	4/1/2016	$ 1,989,986.57	$ 6,042.66	$ -	$ 6,042.66	$ 2,726.01	$ 3,316.64	$ 1,987,260.56	$ 9,963.53
4	5/1/2016	$ 1,987,260.56	$ 6,042.66	$ -	$ 6,042.66	$ 2,730.56	$ 3,312.10	$ 1,984,530.00	$ 13,275.63
5	6/1/2016	$ 1,984,530.00	$ 6,042.66	$ -	$ 6,042.66	$ 2,735.11	$ 3,307.55	$ 1,981,794.89	$ 16,583.18
6	7/1/2016	$ 1,981,794.89	$ 6,042.66	$ -	$ 6,042.66	$ 2,739.67	$ 3,302.99	$ 1,979,055.22	$ 19,886.18
7	8/1/2016	$ 1,979,055.22	$ 6,042.66	$ -	$ 6,042.66	$ 2,744.23	$ 3,298.43	$ 1,976,310.99	$ 23,184.60
8	9/1/2016	$ 1,976,310.99	$ 6,042.66	$ -	$ 6,042.66	$ 2,748.81	$ 3,293.85	$ 1,973,562.18	$ 26,478.45
9	10/1/2016	$ 1,973,562.18	$ 6,042.66	$ -	$ 6,042.66	$ 2,753.39	$ 3,289.27	$ 1,970,808.80	$ 29,767.72
10	11/1/2016	$ 1,970,808.80	$ 6,042.66	$ -	$ 6,042.66	$ 2,757.98	$ 3,284.68	$ 1,968,050.82	$ 33,052.40
11	12/1/2016	$ 1,968,050.82	$ 6,042.66	$ -	$ 6,042.66	$ 2,762.57	$ 3,280.08	$ 1,965,288.24	$ 36,332.49
12	1/1/2017	$ 1,965,288.24	$ 6,042.66	$ -	$ 6,042.66	$ 2,767.18	$ 3,275.48	$ 1,962,521.07	$ 39,607.97
13	2/1/2017	$ 1,962,521.07	$ 6,042.66	$ -	$ 6,042.66	$ 2,771.79	$ 3,270.87	$ 1,959,749.28	$ 42,878.84
14	3/1/2017	$ 1,959,749.28	$ 6,042.66	$ -	$ 6,042.66	$ 2,776.41	$ 3,266.25	$ 1,956,972.87	$ 46,145.09
15	4/1/2017	$ 1,956,972.87	$ 6,042.66	$ -	$ 6,042.66	$ 2,781.04	$ 3,261.62	$ 1,954,191.83	$ 49,406.71
16	5/1/2017	$ 1,954,191.83	$ 6,042.66	$ -	$ 6,042.66	$ 2,785.67	$ 3,256.99	$ 1,951,406.16	$ 52,663.69
17	6/1/2017	$ 1,951,406.16	$ 6,042.66	$ -	$ 6,042.66	$ 2,790.31	$ 3,252.34	$ 1,948,615.84	$ 55,916.04
18	7/1/2017	$ 1,948,615.84	$ 6,042.66	$ -	$ 6,042.66	$ 2,794.97	$ 3,247.69	$ 1,945,820.88	$ 59,163.73
19	8/1/2017	$ 1,945,820.88	$ 6,042.66	$ -	$ 6,042.66	$ 2,799.62	$ 3,243.03	$ 1,943,021.25	$ 62,406.77
20	9/1/2017	$ 1,943,021.25	$ 6,042.66	$ -	$ 6,042.66	$ 2,804.29	$ 3,238.37	$ 1,940,216.96	$ 65,645.13
21	10/1/2017	$ 1,940,216.96	$ 6,042.66	$ -	$ 6,042.66	$ 2,808.96	$ 3,233.69	$ 1,937,408.00	$ 68,878.83
22	11/1/2017	$ 1,937,408.00	$ 6,042.66	$ -	$ 6,042.66	$ 2,813.65	$ 3,229.01	$ 1,934,594.36	$ 72,107.84
23	12/1/2017	$ 1,934,594.36	$ 6,042.66	$ -	$ 6,042.66	$ 2,818.33	$ 3,224.32	$ 1,931,776.02	$ 75,332.17
24	1/1/2018	$ 1,931,776.02	$ 6,042.66	$ -	$ 6,042.66	$ 2,823.03	$ 3,219.63	$ 1,928,952.99	$ 78,551.79
25	2/1/2018	$ 1,928,952.99	$ 6,042.66	$ -	$ 6,042.66	$ 2,827.74	$ 3,214.92	$ 1,926,125.25	$ 81,766.71
26	3/1/2018	$ 1,926,125.25	$ 6,042.66	$ -	$ 6,042.66	$ 2,832.45	$ 3,210.21	$ 1,923,292.80	$ 84,976.92
27	4/1/2018	$ 1,923,292.80	$ 6,042.66	$ -	$ 6,042.66	$ 2,837.17	$ 3,205.49	$ 1,920,455.63	$ 88,182.41
28	5/1/2018	$ 1,920,455.63	$ 6,042.66	$ -	$ 6,042.66	$ 2,841.90	$ 3,200.76	$ 1,917,613.73	$ 91,383.17
29	6/1/2018	$ 1,917,613.73	$ 6,042.66	$ -	$ 6,042.66	$ 2,846.64	$ 3,196.02	$ 1,914,767.10	$ 94,579.19
30	7/1/2018	$ 1,914,767.10	$ 6,042.66	$ -	$ 6,042.66	$ 2,851.38	$ 3,191.28	$ 1,911,915.72	$ 97,770.47
31	8/1/2018	$ 1,911,915.72	$ 6,042.66	$ -	$ 6,042.66	$ 2,856.13	$ 3,186.53	$ 1,909,059.58	$ 100,957.00
32	9/1/2018	$ 1,909,059.58	$ 6,042.66	$ -	$ 6,042.66	$ 2,860.89	$ 3,181.77	$ 1,906,198.69	$ 104,138.76
33	10/1/2018	$ 1,906,198.69	$ 6,042.66	$ -	$ 6,042.66	$ 2,865.66	$ 3,177.00	$ 1,903,333.03	$ 107,315.76

HOME PROGRAM RENT LIMITS

2014 RENT LIMITS
City of Tucson / Pima County
Effective 05/01/2014 (Revised)

Table 1

	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
LOW Home	$507	$566	$680	$785	$876	$966	$1057
HIGH Home	$507	$633	$852	$987	$1081	$1175	$1268

All rents must be adjusted for utility allowances established locally (see Table 2). The allowable rent is the applicable high or low rent less the utility allowance for those utilities paid by the tenant.

UTILITY ALLOWANCES
City of Tucson / Pima County
Effective 02/01/2014

Table 2

SINGLE FAMILY/PATIO/MANUFACTURED HOMES

TYPE OF UTILITIES	DOLLARS PER MONTH					
BEDROOM SIZE	0	1	2	3	4	5
ELECTRICITY	$13	19	24	29	37	42
ELECTRIC HEAT	24	34	44	53	68	77
ELECTRIC HOT WATER	12	16	21	25	32	37
ELECTRIC COOKING	4	5	7	8	10	12
EVAP. COOLING	8	10	13	16	21	24
A/C	18	25	32	39	49	56
GAS HEAT	10	13	15	17	20	23
GAS HOT WATER	4	5	6	7	9	10
GAS COOKING	2	2	2	3	3	4
WATER/SEWER (City)	48	58	70	83	112	132
TRASH (CITY ONLY)	17	17	17	17	17	17
TRASH (COUNTY ONLY)	20	20	20	20	20	20
REFRIGERATOR	4	4	4	4	4	4
RANGE	3	3	3	3	3	3
PROPANE HEAT	20	28	36	44	56	64
PROPANE HOT WATER	9	12	15	19	24	28
PROPANE COOKING	3	4	6	7	9	10

APARTMENT/CONDO/TOWNHOUSE/DUPLEX/TRIPLEX

TYPE OF UTILITIES	DOLLARS PER MONTH					
BEDROOM SIZE	0	1	2	3	4	5
ELECTRICITY	$12	17	22	27	34	38
ELECTRIC HEAT	22	31	40	49	62	71
ELECTRIC HOT WATER	11	15	19	23	30	34
ELECTRIC COOKING	3	5	6	7	9	11
EVAP. COOLING	6	8	10	12	15	18
A/C	13	18	24	29	37	42
GAS HEAT	10	12	15	17	20	22
GAS HOT WATER	4	5	6	7	9	10
GAS COOKING	2	2	2	3	3	4
WATER/SEWER	45	55	65	76	98	116
TRASH (CITY ONLY)	17	17	17	17	17	17
TRASH (COUNTY ONLY)	20	20	20	20	20	20
REFRIGERATOR	4	4	4	4	4	4
RANGE	3	3	3	3	3	3
Propane Heat	20	28	36	44	56	64
Propane Hot Water	9	12	15	19	24	28
Propane Cooking	3	4	6	7	9	10

APPLYING RENT AND INCOME LIMITS TO YOUR PROJECT

Annually, HUD publishes Fair Market Rents and calculations of rents affordable to families earning 65 percent and 50 percent of median income (see Table 1). Low and High HOME rents are determined based on these figures. (See the HOME regulations for a detailed explanation of how these are determined.) Following is a step-by-step guide to applying the High and Low HOME rent limits to your project. Note that the requirements vary depending on the number of HOME-assisted units.

1 TO 4 HOME-ASSISTED UNITS:

For projects with 1 to 4 HOME-assisted rental units, the following requirements apply:

Rent Limits:

- All HOME-assisted units must have rents at or less than the High HOME Rent (see Table 3), adjusted for utility allowances.

Table 3

HIGH HOME	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
RENT	$507	$633	$852	$987	$1081	$1175	$1268

Income Limits:

- All HOME-assisted units must be rented to families at or less than 80% of median income.
  1 Person family $31,950
  2 Person family $36,500
  3 Person family $41,050
  4 Person family $45,600
  5 Person family $49,250
  6 Person family $52,900
  7 Person family $56,550
  8 Person family $60,200

5 OR MORE HOME-ASSISTED UNITS:

For projects with 5 or more HOME-assisted rental units, the following requirements apply:

Rent Limits:

- 20% of the HOME-assisted units must have rents at or less than the Low HOME Rent (see Table 4), adjusted for utility allowances.

Table 4

LOW HOME	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
RENT	$507	$566	$680	$785	$876	$966	$1057

- The remaining 80% of HOME-assisted units must have rents at or less than the High HOME Rent (see Table 5), adjusted for utility allowances.

Table 5

HIGH HOME	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
RENT	$507	$633	$852	$987	$1081	$1175	$1268

Income Limits:

- All HOME-assisted units must be rented to families at or below 80% of median income:
  1 Person family $31,950
  2 Person family $36,500
  3 Person family $41,050
  4 Person family $45,600
  5 Person family $49,250
  6 Person family $52,900
  7 Person family $56,550
  8 Person family $60,200

- 90% of the total number of HOME-assisted units must be rented to families at or below 60% of median income:
  1 Person family $23,940
  2 Person family $27,360
  3 Person family $30,780
  4 Person family $34,200
  5 Person family $36,960
  6 Person family $39,720
  7 Person family $42,420
  8 Person family $45,180

- 20% of the total number of HOME-assisted units must be rented to families at or below 50% of median income. These same units must have rents at or less than the Low HOME Rent (see table 4), adjusted for utility allowances. These units can be the same units that count toward the 90% requirement above.
  1 Person family $19,950
  2 Person family $22,800
  3 Person family $25,650
  4 Person family $28,500
  5 Person family $30,800
  6 Person family $33,100
  7 Person family $35,350
  8 Person family $37,650

Book-Map-Parcel: 117-14-093A

Oblique Image Tax Year: Tax Area:0150

Property Address:

Street No	Street Direction	Street Name	Location
383	S	STONE AV	Tucson

Taxpayer Information:

DOWNTOWN MOTOR LODGE LLC
ATTN: COMPASS AFFORDABLE HOUSING INC
2835 N STONE AVE
TUCSON AZ

85705- 4538

Property Description:

TUCSON LOT 7 & PTN ABANDON RD BLK 232

Valuation Data:

	LEGAL CLASS	VALUE	2015 ASMT RATIO	ASSESSED VALUE
LAND FCV	MIXED	$226,460	M	$26,496
IMPR FCV	MIXED	$100,210	M	$11,725
TOTAL FCV	MIXED	$326,670	M	$38,221
LIMITED VALUE	MIXED	$309,879	M	$36,256

Property Information:

Section:	13
Town:	14.0
Range:	13.0E
Map & Plat:	3/70
Block:	232
Tract:	
Rule B District:	13
Land Measure:	22646.00F
Group Code:	000
Census Tract:	900
Use Code:	0510 (MOTEL)
File Id:	1
Date of Last Change:	12/3/2014

Commercial Characteristics:

SEQ-SECT	Contruct. Year	Model	IPR	Sqft.	RCN	RCNLD	Model Description
001-001	1941	051 2	0000000	11161	$809,496	$304,370	MOTEL

Valuation Area:

Condo Market:	100
DOR Market:	31
MFR Neighborhood:	CB_ARMORY_PARK
SFR Neighborhood:	01020201
SFR District:	30

Sales Information:

Affidavit of Fee No.	Parcel Count	Sale Date	Property Type	Sale	Time Adjusted Sale	Cash
20140550229	1	02/2014	Commercial/Industrial	685000	685000	N

Recording Information:

Sequence No.	Docket	Page	Date Recorded	Type
20140700517	0	0	2014-03-11	DEED
20140550229	0	0	2014-02-24	WARRANTY DEED
20110040609	13970	1190	2011-01-06	DEED
19991150793	11069	2264	1999-06-16	WARRANTY DEED
92039739	9254	1065	1992-03-24	DEED

Agenda Item #6

CITY OF TUCSON
HOUSING & COMMUNITY DEVELOPMENT DEPARTMENT
ADMINISTRATION DIVISION

City of Tucson Responses to concerns raised regarding the Section 106 Process as it relates to the Downtown Motor Apartments application for federal HOME funds.

3/13/15

- An additional assertion that application for and receipt of historic preservation tax credits for the development of 19 motel units with kitchens was economically feasible, an additional operational pro-forma (attached) was developed using the following optimistic assumptions revealed that such a development would operate at an annual loss of over $40,000 annually:
    - $1,310,425 for rehabilitation as asserted
    - 20% of eligible rehabilitation expenses funded by historic preservation tax credits ($262,085)
    - $685,000 purchase price for the land
    - HOME Investment Partnership loan funding for remainder of rehabilitation expense and all of the acquisition expense
    - 2% Annual Interest
    - HOME rent limits of $507 for the 7 studio units and $633 for the twelve 1 bedroom units
    - Utility allowance in accordance with schedule
    - 3% Annual Vacancy Loss
    - Property Management and Administrative costs estimates using Public Housing Operating Statements for similar project

310 N. Commerce Park Loop - P. O. Box 27210 Tucson, AZ 85726-7210
(520) 791-4171 FAX (520) 791-5407 TDD (520) 791-5481
http://www.tucsonaz.gov/hcd HCDAdmin@tucsonaz.gov

HOME rent	$507	$633	
Utility Allowance			
Electric	$12	$17	
A/C	$13	$18	
Gas Heat	$10	$12	
Gas H/W	$4	$5	
Gas Cooking	$2	$2	
Water/Sewer	$45	$55	
Trash	$17	$17	
	$103	$126	
Net MonthlyRent	$404	$507	
# units	7	12	
Monthly	$2,828	$6,084	
Annual	$33,936	$73,008	
Total Annual Rent			$106,944
3% Vacancy Loss			$3,208
Net annual rent			$103,736
Annual Debt Service			$62,988
Property Management Salary			$30,255
Bad Debt			$1,069
R&M			$23,255
Taxes			$20,000
Insurance			$3,000
Admin			$3,990
annual expense			$144,557
Net loss			-$40,821

Agenda Item #6

Loan Amortization Schedule

	Enter values
Loan amount	$ 1,733,340.00
Annual interest rate	2.00 %
Loan period in years	40
Number of payments per year	12
Start date of loan	1/1/2016
Optional extra payments	

	Loan summary
Scheduled payment	$ 5,249.00
Scheduled number of payments	480
Actual number of payments	480
Total early payments	$ -
Total interest	$ 786,179.01

Lender name:

Pmt. No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
1	2/1/2016	$ 1,733,340.00	$ 5,249.00	$ -	$ 5,249.00	$ 2,360.10	$ 2,888.90	$ 1,730,979.90	$ 2,888.90
2	3/1/2016	$ 1,730,979.90	$ 5,249.00	$ -	$ 5,249.00	$ 2,364.03	$ 2,884.97	$ 1,728,615.87	$ 5,773.87
3	4/1/2016	$ 1,728,615.87	$ 5,249.00	$ -	$ 5,249.00	$ 2,367.97	$ 2,881.03	$ 1,726,247.90	$ 8,654.89
4	5/1/2016	$ 1,726,247.90	$ 5,249.00	$ -	$ 5,249.00	$ 2,371.92	$ 2,877.08	$ 1,723,875.98	$ 11,531.97
5	6/1/2016	$ 1,723,875.98	$ 5,249.00	$ -	$ 5,249.00	$ 2,375.87	$ 2,873.13	$ 1,721,500.11	$ 14,405.10
6	7/1/2016	$ 1,721,500.11	$ 5,249.00	$ -	$ 5,249.00	$ 2,379.83	$ 2,869.17	$ 1,719,120.28	$ 17,274.27
7	8/1/2016	$ 1,719,120.28	$ 5,249.00	$ -	$ 5,249.00	$ 2,383.80	$ 2,865.20	$ 1,716,736.48	$ 20,139.47
8	9/1/2016	$ 1,716,736.48	$ 5,249.00	$ -	$ 5,249.00	$ 2,387.77	$ 2,861.23	$ 1,714,348.71	$ 23,000.69
9	10/1/2016	$ 1,714,348.71	$ 5,249.00	$ -	$ 5,249.00	$ 2,391.75	$ 2,857.25	$ 1,711,956.96	$ 25,857.94
10	11/1/2016	$ 1,711,956.96	$ 5,249.00	$ -	$ 5,249.00	$ 2,395.74	$ 2,853.26	$ 1,709,561.22	$ 28,711.20
11	12/1/2016	$ 1,709,561.22	$ 5,249.00	$ -	$ 5,249.00	$ 2,399.73	$ 2,849.27	$ 1,707,161.50	$ 31,560.47
12	1/1/2017	$ 1,707,161.50	$ 5,249.00	$ -	$ 5,249.00	$ 2,403.73	$ 2,845.27	$ 1,704,757.77	$ 34,405.74
13	2/1/2017	$ 1,704,757.77	$ 5,249.00	$ -	$ 5,249.00	$ 2,407.73	$ 2,841.26	$ 1,702,350.03	$ 37,247.00
14	3/1/2017	$ 1,702,350.03	$ 5,249.00	$ -	$ 5,249.00	$ 2,411.75	$ 2,837.25	$ 1,699,938.28	$ 40,084.25
15	4/1/2017	$ 1,699,938.28	$ 5,249.00	$ -	$ 5,249.00	$ 2,415.77	$ 2,833.23	$ 1,697,522.52	$ 42,917.48
16	5/1/2017	$ 1,697,522.52	$ 5,249.00	$ -	$ 5,249.00	$ 2,419.79	$ 2,829.20	$ 1,695,102.72	$ 45,746.69
17	6/1/2017	$ 1,695,102.72	$ 5,249.00	$ -	$ 5,249.00	$ 2,423.83	$ 2,825.17	$ 1,692,678.90	$ 48,571.86
18	7/1/2017	$ 1,692,678.90	$ 5,249.00	$ -	$ 5,249.00	$ 2,427.87	$ 2,821.13	$ 1,690,251.03	$ 51,392.99
19	8/1/2017	$ 1,690,251.03	$ 5,249.00	$ -	$ 5,249.00	$ 2,431.91	$ 2,817.09	$ 1,687,819.12	$ 54,210.08
20	9/1/2017	$ 1,687,819.12	$ 5,249.00	$ -	$ 5,249.00	$ 2,435.97	$ 2,813.03	$ 1,685,383.15	$ 57,023.11
21	10/1/2017	$ 1,685,383.15	$ 5,249.00	$ -	$ 5,249.00	$ 2,440.03	$ 2,808.97	$ 1,682,943.12	$ 59,832.08
22	11/1/2017	$ 1,682,943.12	$ 5,249.00	$ -	$ 5,249.00	$ 2,444.09	$ 2,804.91	$ 1,680,499.03	$ 62,636.99
23	12/1/2017	$ 1,680,499.03	$ 5,249.00	$ -	$ 5,249.00	$ 2,448.17	$ 2,800.83	$ 1,678,050.87	$ 65,437.82
24	1/1/2018	$ 1,678,050.87	$ 5,249.00	$ -	$ 5,249.00	$ 2,452.25	$ 2,796.75	$ 1,675,598.62	$ 68,234.57
25	2/1/2018	$ 1,675,598.62	$ 5,249.00	$ -	$ 5,249.00	$ 2,456.33	$ 2,792.66	$ 1,673,142.29	$ 71,027.23
26	3/1/2018	$ 1,673,142.29	$ 5,249.00	$ -	$ 5,249.00	$ 2,460.43	$ 2,788.57	$ 1,670,681.86	$ 73,815.80
27	4/1/2018	$ 1,670,681.86	$ 5,249.00	$ -	$ 5,249.00	$ 2,464.53	$ 2,784.47	$ 1,668,217.33	$ 76,600.27
28	5/1/2018	$ 1,668,217.33	$ 5,249.00	$ -	$ 5,249.00	$ 2,468.64	$ 2,780.36	$ 1,665,748.69	$ 79,380.64
29	6/1/2018	$ 1,665,748.69	$ 5,249.00	$ -	$ 5,249.00	$ 2,472.75	$ 2,776.25	$ 1,663,275.94	$ 82,156.88
30	7/1/2018	$ 1,663,275.94	$ 5,249.00	$ -	$ 5,249.00	$ 2,476.87	$ 2,772.13	$ 1,660,799.07	$ 84,929.01
31	8/1/2018	$ 1,660,799.07	$ 5,249.00	$ -	$ 5,249.00	$ 2,481.00	$ 2,768.00	$ 1,658,318.07	$ 87,697.01
32	9/1/2018	$ 1,658,318.07	$ 5,249.00	$ -	$ 5,249.00	$ 2,485.13	$ 2,763.86	$ 1,655,832.94	$ 90,460.87
33	10/1/2018	$ 1,655,832.94	$ 5,249.00	$ -	$ 5,249.00	$ 2,489.28	$ 2,759.72	$ 1,653,343.66	$ 93,220.59

HOME PROGRAM RENT LIMITS

2014 RENT LIMITS
City of Tucson / Pima County
Effective 05/01/2014 (Revised)

Table 1

	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
LOW Home	$507	$566	$680	$785	$876	$966	$1057
HIGH Home	$507	$633	$852	$987	$1081	$1175	$1268

All rents must be adjusted for utility allowances established locally (see Table 2). The allowable rent is the applicable high or low rent less the utility allowance for those utilities paid by the tenant.

UTILITY ALLOWANCES
City of Tucson / Pima County
Effective 02/01/2014

Table 2

SINGLE FAMILY/PATIO/MANUFACTURED HOMES

TYPE OF UTILITIES	DOLLARS PER MONTH					
BEDROOM SIZE	0	1	2	3	4	5
ELECTRICITY	$13	19	24	29	37	42
ELECTRIC HEAT	24	34	44	53	68	77
ELECTRIC HOT WATER	12	16	21	25	32	37
ELECTRIC COOKING	4	5	7	8	10	12
EVAP. COOLING	8	10	13	16	21	24
A/C	18	25	32	39	49	56
GAS HEAT	10	13	15	17	20	23
GAS HOT WATER	4	5	6	7	9	10
GAS COOKING	2	2	2	3	3	4
WATER/SEWER (City)	48	58	70	83	112	132
TRASH (CITY ONLY)	17	17	17	17	17	17
TRASH (COUNTY ONLY)	20	20	20	20	20	20
REFRIGERATOR	4	4	4	4	4	4
RANGE	3	3	3	3	3	3
PROPANE HEAT	20	28	36	44	56	64
PROPANE HOT WATER	9	12	15	19	24	28
PROPANE COOKING	3	4	6	7	9	10

APARTMENT/CONDO/TOWNHOUSE/DUPLEX/TRIPLEX

TYPE OF UTILITIES	DOLLARS PER MONTH					
BEDROOM SIZE	0	1	2	3	4	5
ELECTRICITY	$12	17	22	27	34	38
ELECTRIC HEAT	22	31	40	49	62	71
ELECTRIC HOT WATER	11	15	19	23	30	34
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APPLYING RENT AND INCOME LIMITS TO YOUR PROJECT

Annually, HUD publishes Fair Market Rents and calculations of rents affordable to families earning 65 percent and 50 percent of median income (see Table 1). Low and High HOME rents are determined based on these figures. (See the HOME regulations for a detailed explanation of how these are determined.) Following is a step-by-step guide to applying the High and Low HOME rent limits to your project. Note that the requirements vary depending on the number of HOME-assisted units.

1 TO 4 HOME-ASSISTED UNITS:

For projects with 1 to 4 HOME-assisted rental units, the following requirements apply:

Rent Limits:

- All HOME-assisted units must have rents at or less than the High HOME Rent (see Table 3), adjusted for utility allowances.

Table 3

HIGH HOME	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
RENT	$507	$633	$852	$987	$1081	$1175	$1268

Income Limits:

- All HOME-assisted units must be rented to families at or less than 80% of median income.

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For projects with 5 or more HOME-assisted rental units, the following requirements apply:

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Table 4

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Income Limits:

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2 Person family $27,360	5 Person family $36,960	8 Person family $45,180
3 Person family $30,780	6 Person family $39,720	

- 20% of the total number of HOME-assisted units must be rented to families at or below 50% of median income. These same units must have rents at or less than the Low HOME Rent (see table 4), adjusted for utility allowances. These units can be the same units that count toward the 90% requirement above.

1 Person family $19,950	4 Person family $28,500	7 Person family $35,350
2 Person family $22,800	5 Person family $30,800	8 Person family $37,650
3 Person family $25,650	6 Person family $33,100	

Agenda Item #6

Book-Map-Parcel: 117-14-093A

Oblique Image | Tax Year: | Tax Area:0150

Property Address:

Street No	Street Direction	Street Name	Location
383	S	STONE AV	Tucson

Taxpayer Information:

DOWNTOWN MOTOR LODGE LLC
ATTN: COMPASS AFFORDABLE HOUSING INC
2835 N STONE AVE
TUCSON AZ

85705- 4538

Property Description:

TUCSON LOT 7 & PTN ABANDON RD BLK 232

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	LEGAL CLASS	VALUE	2015 ASMT RATIO	ASSESSED VALUE
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TOTAL FCV	MIXED	$326,670	M	$38,221
LIMITED VALUE	MIXED	$309,879	M	$36,256

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Block:	232
Tract:	
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File Id:	1
Date of Last Change:	12/3/2014

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Valuation Area:

Condo Market:	100
DOR Market:	31
MFR Neighborhood:	CB_ARMORY_PARK
SFR Neighborhood:	01020201
SFR District:	30

Sales Information:

Affidavit of Fee No.	Parcel Count	Sale Date	Property Type	Sale	Time Adjusted Sale	Cash
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Recording Information:

Sequence No.	Docket	Page	Date Recorded	Type
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20140550229	0	0	2014-02-24	WARRANTY DEED
20110040609	13970	1190	2011-01-06	DEED
19991150793	11069	2264	1999-06-16	WARRANTY DEED
92039739	9254	1065	1992-03-24	DEED

Agenda Item #7

MEMORANDUM

DATE: March 18, 2015

To: Sally Stang
Director, Housing & Community
Development, City of Tucson

FROM Jonathan Mabry
Historic Preservation
Officer, City of Tucson

SUBJECT: **Evaluation of Adverse Effects of HUD-funded Project at 383 South Stone Avenue, Tucson, Arizona**

It is the finding of the City that the planned project will adversely affect the contributing property at 383 South Stone Avenue because it will involve demolition of the majority of the existing 1941 early modern building.

It is the revised finding of the City that there is a direct adverse effect upon the Armory Park Residential Historic District because of the loss of a historic property contributing to the district; and there is a contribution to cumulative adverse effects to the Armory Park district because of this loss of historic fabric. For the purpose of this analysis, cumulative effect is considered to be the product of adding the direct and indirect effects of the project to the effects of all other past, present, and reasonably foreseeable future actions.

The Armory Park Historic Residential District was listed in the National Register in 1976, and an amendment expanded the district boundary in 1996; at the time of the expansion it included 688 contributing properties and 109 non-contributing properties. Since the original listing and the expansion, the district has lost a total of 21 contributing properties to demolitions.

Of this total of 21 demolished contributing properties, 12 were located within the boundaries of the National Register District, but outside of the boundaries of the City Historic Preservation Zone (HPZ) overlay. For those 12 demolitions there was no legal requirement for review by the Tucson-Pima County Historical Commission, or for approval by the Mayor & Council. All of those properties were turned into surface parking lots.

The other 9 demolished contributing properties were located within the HPZ, and their demolition permits were issued after Historical Commission and Council reviews, or after administrative reviews (for example, for structures that burned). Only one of those demolished historic contributing properties within the HPZ was replaced with a new building; the rest are vacant or are being used as parking lots.

In summary, although there is not an imminent threat of delisting of the district from the National Register of Historic Places, there has been a cumulative adverse effect of demolitions in the Armory Park Residential Historic District since its original listing in 1976 and expansion in 1996. In total, these demolitions represent a two-percent decrease since 1996—from 87 to 85 percent—of contributing properties within the district boundaries. To-date, there has been no additional contribution to cumulative adverse effects by incompatible new construction. Only one of the demolished contributing properties was replaced with new construction, which was approved as compatible infill after going through the HPZ design review process. In addition to the partial demolition of a contributing property during this undertaking, there are no other reasonably foreseeable adverse effects on the district.

A recent City action incentivizes avoidance of additional cumulative adverse effects on the historic district. On 18 February 2015 the Mayor & Council passed an ordinance revising the Infill Incentive District (IID) optional zoning overlay. This zoning overlay includes the western edge of the Armory Park Residential Historic District, where contributing properties lie outside of the protective Historic Preservation Zone. The ordinance includes a stipulation that property owners who choose to opt into the IID to obtain flexibility in parking requirements and other important benefits that facilitate redevelopment are precluded from any action that would cause delisting from, or loss of eligibility for listing in, the National Register of Historic Places.

The project is designed to minimize indirect adverse effects to the Armory Park Residential Historic District by retaining and rehabilitating the street-facing portions of the historic building, restoring its original sign, and having the height of the new building not exceed the height of the tallest adjacent historic building in the district.

It is the City's finding that there are no direct, indirect, or cumulative adverse effects on the Barrio Libre Historic District because the project does not result in loss of historic fabric in that district, does not alter the characteristics that make it eligible for listing in the National Register, and views of the project from the district are not considered an indirect visual adverse effect.

A Memorandum of Agreement (MOA) will be developed in consultation with the AZ SHPO and other consulting parties to stipulate how the direct, indirect, and cumulative adverse effects of the project will be resolved through mitigation measures.

Agenda Item
#7 (partial)

CITY OF TUCSON GIS

Map Title

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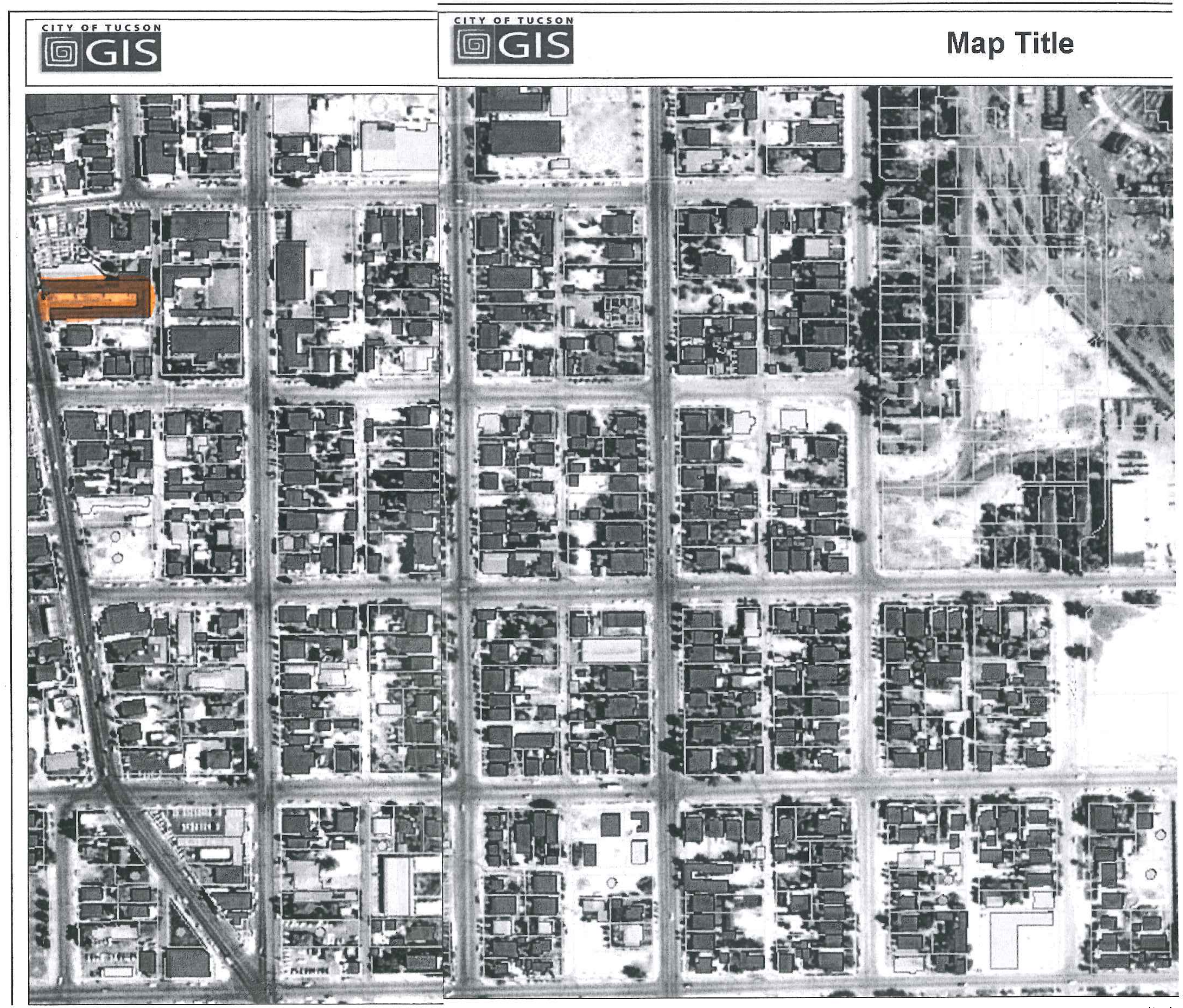
Agenda Item #7 (partial)



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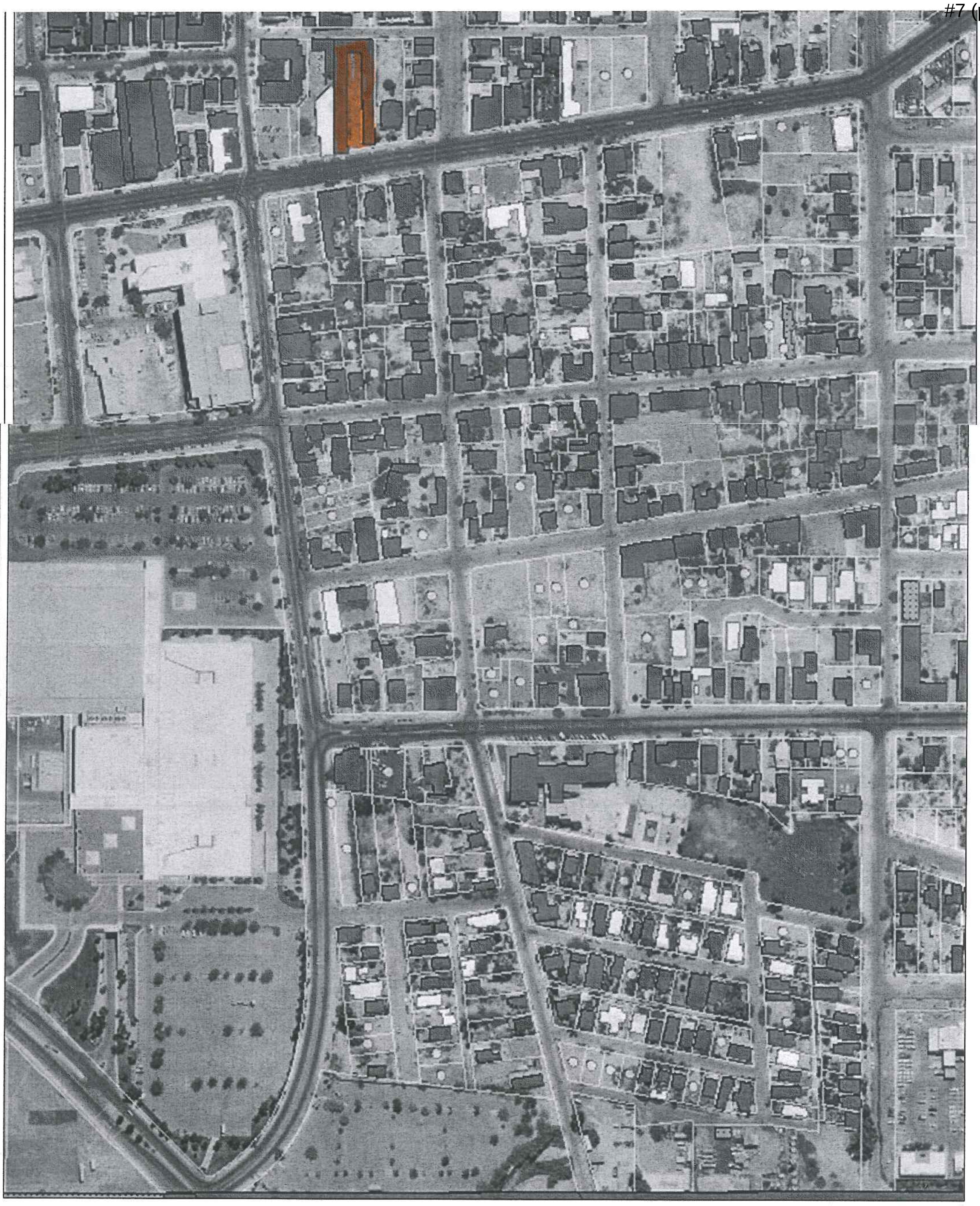

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Agenda Item
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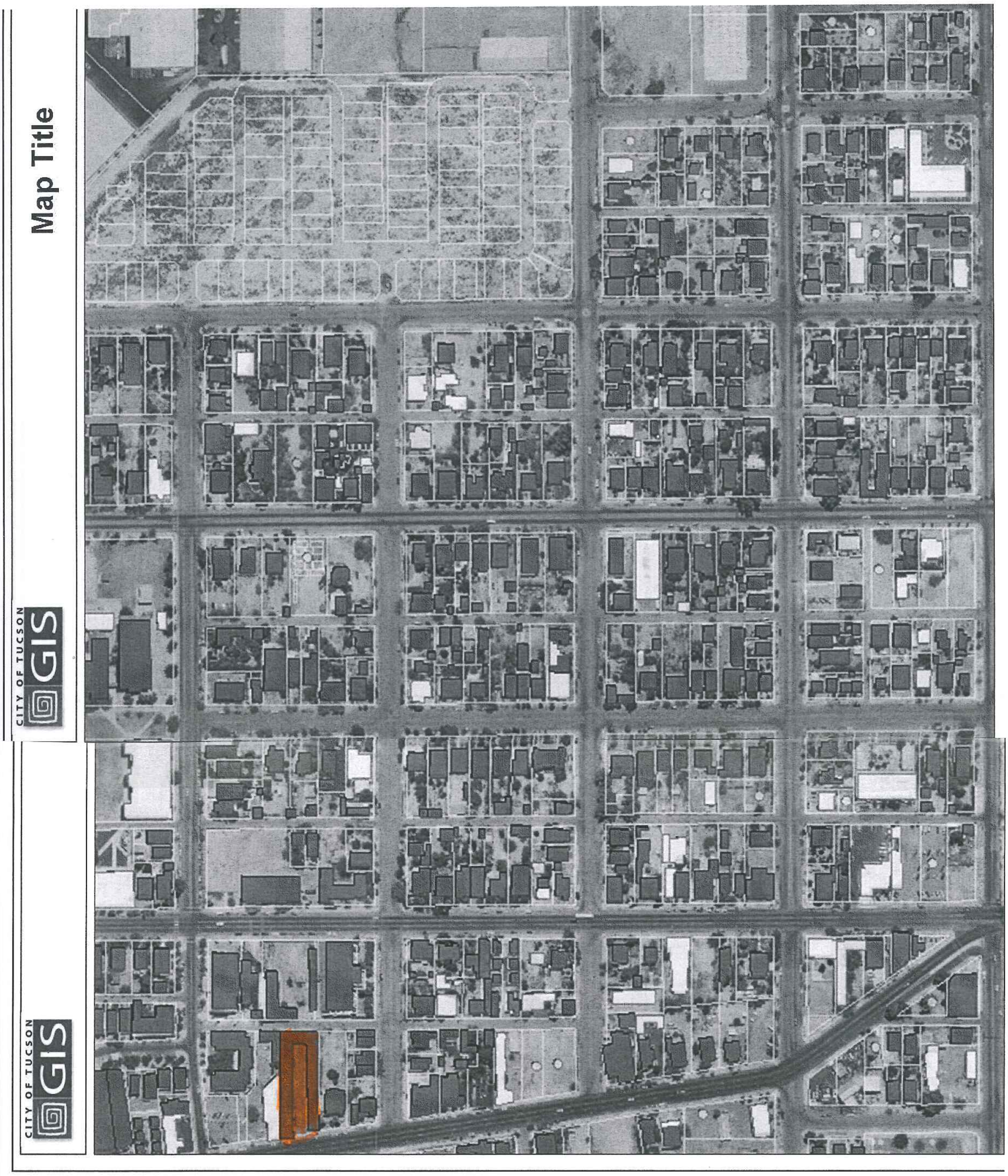

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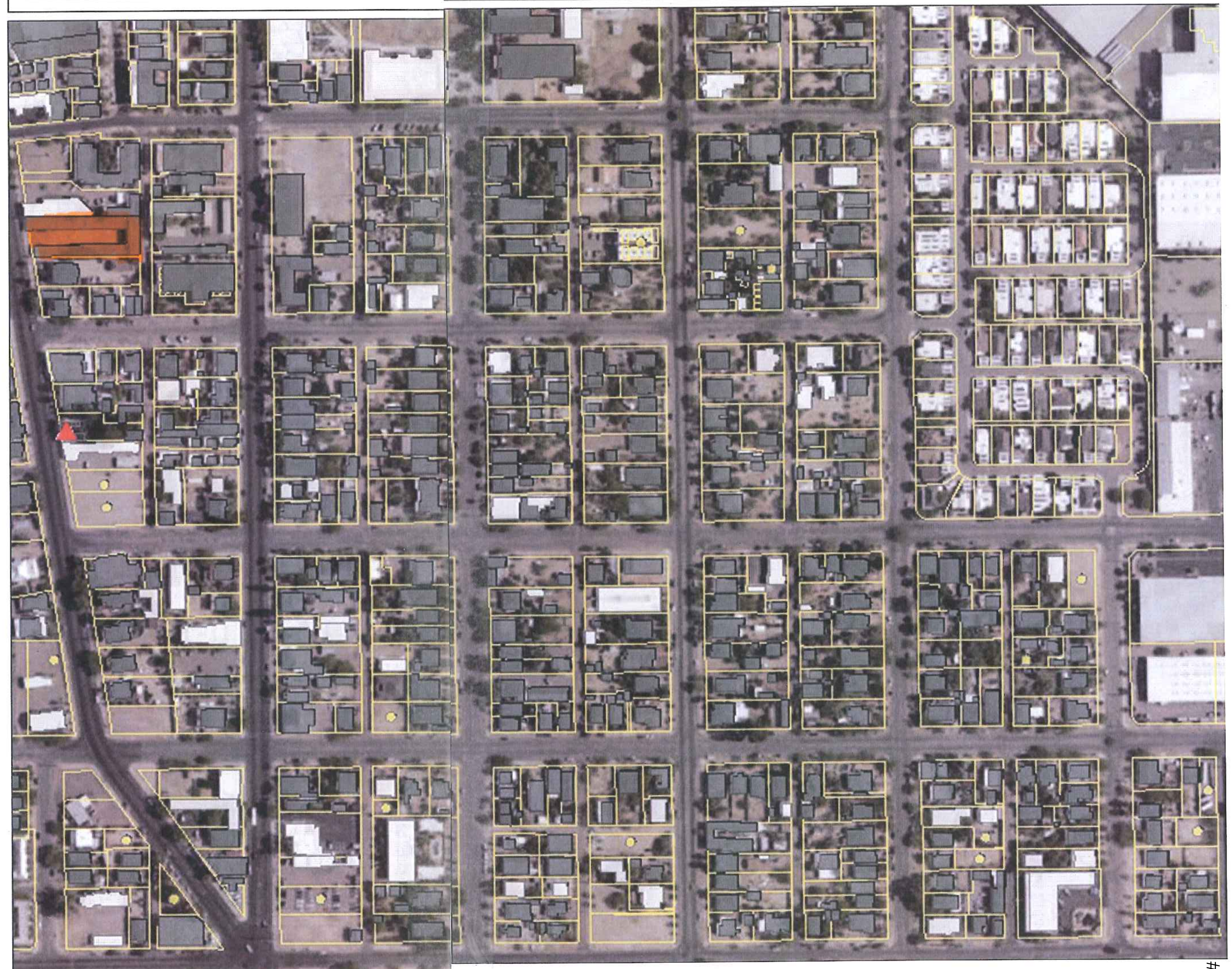

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Agenda Item #8
(from developer)

Mitigation Stipulations - Compass Affordable Housing and Bethel Development, Inc. (the "Developer") for the Downtown Motor Hotel (the "Property")

1. Developer will allow certain interested parties the right to salvage building materials, ornamentation and architectural remains from the Property prior to demolition. Liability waivers will be required.
2. Developer will work with the Armory Park Neighborhood Association on building colors with an emphasis on masses of strong shades and horizontal colorization.
3. Developer will financially support interested parties to create an on-site exhibit/display that will interpret the historic building on the property or to create a plaque/memorial to Josias Joesler, Architect, at a location to be determined by those parties and Developer.
4. Developer has provided Architectural Documentation of the Property to SHPO standards.
5. Compass Affordable Housing and City of Tucson Housing Department will meet with the Armory Park and Barrio Viejo Neighborhood Associations and instruct on how to apply for rehab and other available City funding opportunities for their historic properties.
6. Developer will make a $1000 donation to the Feed Your Neighbors Programs for residents living in the historic districts surrounding the property.
7. Developer will purchase trees through Trees for Tucson and work with volunteers and neighbors to plant them at their historic homes.
8. Developer will save and restore the project sign. Developer will work with the City Historic Preservation Office to attempt to obtain "Historic Sign Designation".
9. Developer will retain approximately 47' of the westernmost portion of the north building on the property and approximately 36' of the westernmost portion of the south building on the property. These spaces will be used as offices and community space.