



**OVERLAY
DISTRICT**

Proposal update

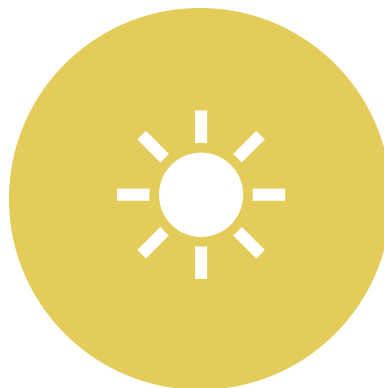
July 2021

Sunshine Mile



ROADWAY

Mobility options
Transit-oriented
Solve legal nonconforming
issues



CORRIDOR

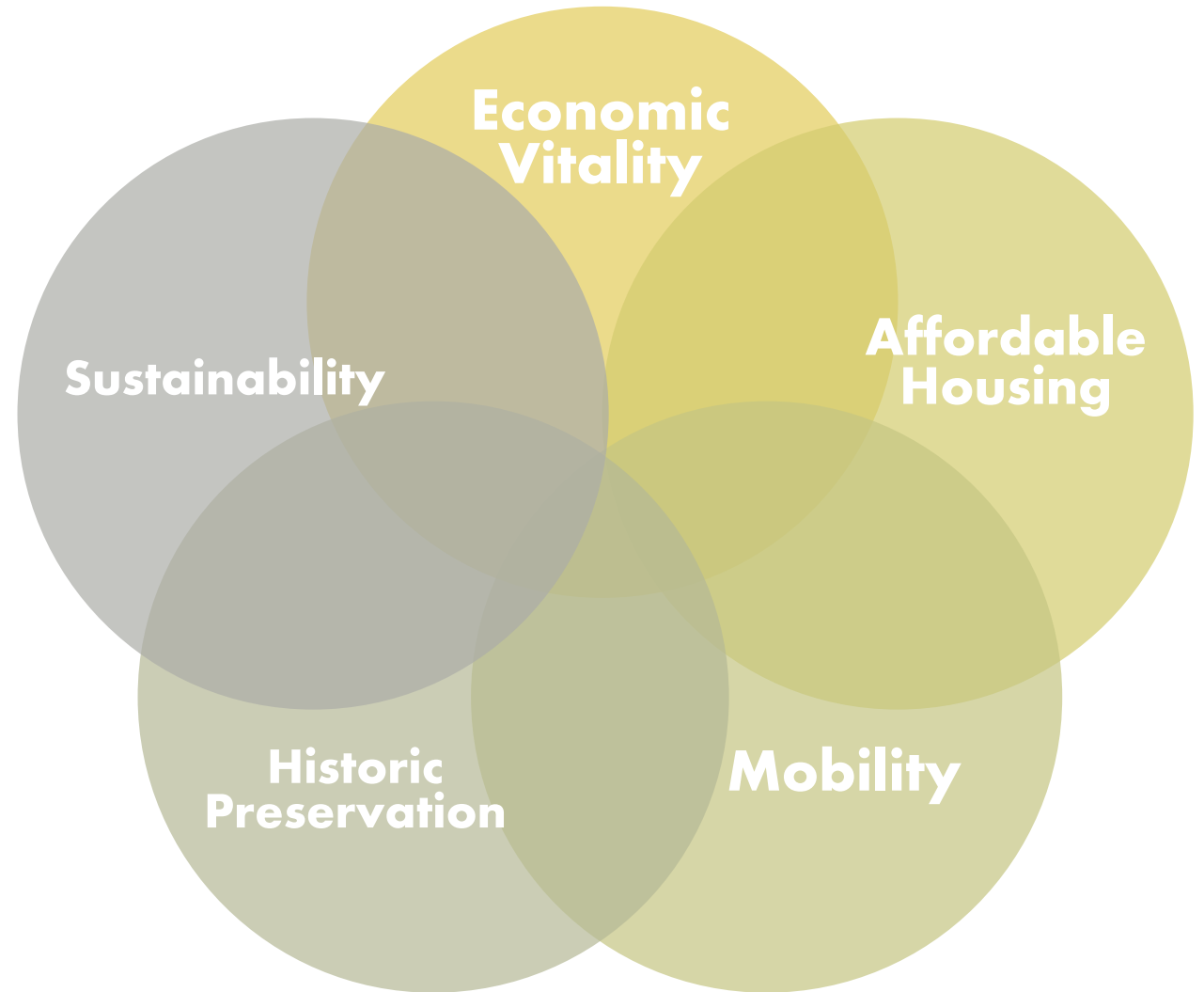
Adaptive reuse
Economic vitality
Design Standards



NEIGHBORHOODS

Preserve historic structures
Add affordable housing
Enhance existing
neighborhoods

Sunshine Mile



Sunshine Mile



Affordable Housing

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

Affordable Housing Incentive

Comparison research

Comparison City	Percent Affordable Units	Affordability Term	Affordability Level	Bonus Density
Sacramento	10%	30 years with additional incentive; 10 years without	50% and 60%	20- 35%
Austin	25% of bonus density area	Rental 40 years / Owner 99 years	80% for owners / 60% for rentals	Varied - 100% - 266% in height, established subdistricts with higher densities ; as high as 160 feet
San Diego	10%	55 years/ Established in the agreement	65% AMI or less	20%
Atlanta	10% or 15%	20 years	60% or 80% AMI	15% FAR
Tucson – Sunshine Mile Proposal	15%	50 years rental/ 30 years condo	80% AMI	25 or 35% rental/ 15% condo

Sunshine Mile



Affordable Housing

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





RECOMENDATIONS

- **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**