



ADAMS CONSTRUCTION & MANAGEMENT CO., INC.

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December 22, 2015

City Of Apache Junction

Attn: Larry Kirch – Development Services Director

300 E. Superstition Boulevard

Apache Junction, Arizona 85119

RE: City Participation – Apache Junction Villas

Dear Mr. Kirch

Thank you for meeting with Mr. Durr and myself two weeks ago to discuss our desire to make a second attempt to develop the Apache Junction Villas (A 52 unit project for seniors which will permit 10 of those units to be occupied by families.) on the corner of Plaza Drive & Tepee Street. We appreciate the city's willingness to consider our request for a "Local Government Participation" in the form of a cash-flow loan. We propose a loan of \$60,000 - \$70,000, the final amount to be determined once all our construction bids are received. We contemplate an interest rate of 2%, amortized over 30 years with a balloon payment due in 15 years.

We realize that the City has many demands on its funds and potentially other requests from developers also wanting to develop in Apache Junction. I am writing this letter to highlight many reasons why Adams Construction would be your best choice to allocate these city funds.

Second Submission – This will be our second application to the Arizona Department Of Housing for this same project. We spent over \$40,000 to apply two years ago and have kept the property under contract, hoping to apply in the future. We are expending significant funds to prepare our application again for this coming March.

Award-Winning Designs – Our Apache Junction Townhomes project was awarded the "Outstanding Rural Multifamily Project" at the annual 2013 Brian Mickelson Housing Hero Awards by the Arizona Department Of Housing for the entire State of Arizona.

Appealing Design – We compete with developers across the state for scarce funding. Our costs must be competitive with all these developers. However, our design and construction quality is unsurpassed by any other developer in the state. Most of the following features are found only in our projects:

- Low Density
- Attached garages
- Private rear yards

Utah GC
License # 244031-5501

Arizona GC
License # 297780



- Energy Star Rated
- Granite Counters
- Streets versus parking lots
- Single-Family feel

Quality Single-Source Development & Management - Over the last 20 years, we have stuck to our corporate philosophy of building only those projects which are in demand and that can be built to our high standards of quality, desirability, and liveability.....projects that we are willing to put our name on. We are the developer, general contractor, and property manager of all the projects we develop. We are hands-on with every aspect of our developments. Over the years, we have turned down projects that would have been financially rewarding, but which did not meet our corporate philosophy. Every one of our owners and executive team members and most of our on-site property managers have earned the housing industry's highest recognition – the HCCP designation governed by NAHMA and the National Association Of Home Builders. Our owners visit our properties monthly and often weekly. We are in this for the long haul.

High Expectations – We have very high expectations for ourselves and for our tenants. While complying with all fair housing guidelines, regulations, and standards, we screen all our tenants to ensure that they are not a threat to our communities. Once approved, we have a long list of rules that are strictly enforced. The vast majority of our tenants appreciate these rules that ensure a safe, high quality, well-maintained, and appealing property that is in very high demand. Last year, company-wide, we experienced less than 1% vacancy over nearly 1,000 units.

New Construction – For over 20 years, we have focused our efforts on new, multi-family construction. We would invite anyone, with or without prior notice, to visit any of our projects and speak with any of our tenants. Our properties that are 20 years old are better maintained and look better than any other affordable/low-income housing project that is 5 years or older. We have had other State Housing officials indicate that they will not consider allowing us to re-hab any of our projects because they are so well maintained and do not need it.

Thanks again for considering our request. Enclosed for your convenience, are two pages out of the Arizona Department Of Housing's Qualified Allocation Plan that deal with "Local Government Contributions". I would be happy to discuss our request with you at any time. Please let me know if you have any questions or concerns.

Sincerely,



Gregory A. Wagner
President

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Arizona Department of Housing

2016 Qualified Allocation Plan

<http://quickfacts.census.gov/qfd/states/04000.html> as of January 1, 2016. The Local Government contribution by a city, town or county, or an agency, department or similar sub-unit thereof, shall be in the form of a committed cash contribution, HOME contribution, CDBG contribution, loan, donation of land, or waiver of fees. A "loan" must be a cash flow loan or deferred for the duration of the fifteen (15) year Compliance Period.

Points will not be awarded for a Local Government contribution that:

- requires the Applicant to make improvements beyond the right of way that is adjacent and contiguous to the land upon which the Project will be built; or
- is a waiver of development fees that the Project would not otherwise incur, such as new construction development fees on a rehabilitation project.

Committed Local Government contributions towards the Development Budget are expected to include the following documents for the type of contribution listed but alternative documents may be submitted for ADOH evaluation. Any documents submitted must evidence a commitment for scoring purposes under this Tab 24 and all of which must indicate the amount and sources (i.e. 2016 HOME funds) of the contribution, and such commitment may only be contingent upon an allocation of 2016 Tax Credits:

- Donation of Land: Contract or award letter from the unit of Local Government with jurisdiction or ownership of the land contingent upon LIHTC award and a resolution from the unit of Local Government body that authorizes the donation.
- Cash Contribution or Non-Federal Cash Flow or Deferred Loan: Contract or award letter from the unit of Local Government contingent upon LIHTC award and a resolution from the unit of Local Government that authorizes the contribution or cash flow or deferred loan.
- HOME or CDBG Contribution: Contract or award letter from the unit of Local Government contingent upon LIHTC award and/or a resolution from the unit of local government that authorizes the contribution of HOME or CDBG. The award letter may also be contingent upon adherence to statutory requirements under the regulations that are applicable to the source of funding being provided.
- Development Fee Waivers: Letter from the unit of Local Government with jurisdiction to waive development fees and the resolution from the unit of Local Government that authorizes the development fee waivers.

Y. TAB 25: Affordable Housing Preservation, Historic Preservation and Capital Needs Assessments

1. Affordable Housing Preservation. Projects claiming points for the Project Readiness scoring category under Section 2.7(B) are not eligible for points in the Affordable Housing Preservation scoring category. The only Projects that shall qualify for points in this scoring category are those that include the Rehabilitation of residential housing (currently operational) that were last placed in service prior to 2001 and for which 1)

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