



# SENIOR AFFORDABLE HOUSING

Private/Public Partnership

City Council Study Session  
March 23, 2026

Candace Cannistraro, Deputy City Manager

# Background

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- **Seniors are one of the fastest growing populations entering homelessness**
- **“The City’s population is aging slightly faster than that of Maricopa County and nationwide. As the City population ages, the demand for senior-friendly housing with integrated support services will increase”\***
- **“Over time, the City can benefit from approximately 23,400+ total housing units at monthly payments affordable for households that make 50 percent or less of the AMI (\$42,000 or less)”\***

\*Source: City of Mesa Balanced Housing Master Plan 2024



# Partner Developer

## Commonwealth Development Company

“Since our founding in 2001, Commonwealth’s core focus has been to improve lives and enhance Communities by providing high-quality housing that is affordable.”

### WHO WE ARE - The Commonwealth Companies



Lynne Village - Phoenix



The Cove - Phoenix



The Abbott – Bullhead City

# Proposed Development – The Helix Apartments

## 62 Unit multi-family complex

- Combination of one- and two-bedroom units
- Common areas for exercise and programming
- Amenity roof deck
- Covered parking incorporated into first floor

\*Concept plans only. Final design will go through the standard city process



# Terms of Option to Lease

- **Grants developer option to enter into ground lease only if LIHTC awarded in 2026 or 2027 cycle**
  - If developer wants to use HOME funds, it cannot exercise the option until after environmental review completed
- **Sets forth key terms that must be in ground lease:**
  - **Initial term of 50 years**
    - Automatic extension of 25 years if requested by developer, with conversion to a market rate rent upon first day of extension
  - **50-year affordability period, which would be extended if lease is extended**
    - Standard is 15-year for LIHTC and 20-year for HOME

# Terms of Option to Lease

- **During construction phase, rent is \$100/month, increases to \$1,999.99/month once certificate of occupancy issued**
  - \$2,000 is maximum dollar amount allowed under LIHTC
  - LIHTC requires construction to begin by 12/31 of year following award
- **Option for developer to purchase land after year 25. Affordability requirement remains with the land for the full 50-year period**
  - Purchase price would be fair market value of land (developer already owns the improvements)
- **Partnership with non-profit for provision of support services and programming**
- **Remainder of lease terms to be negotiated upon exercise of option**

# Authority Requested

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- Asking for authority for City Manager to do the following:
    - Execute the Option to Lease and Option to Purchase Agreement
    - Negotiate remaining terms of Ground Lease and Option to Purchase Agreement and Purchase and Sale Agreement and enter into the agreements if required conditions met
    - If any of the key lease terms set forth in the Option were to change, would need Council authorization



**Thank You**

