



Copa Health

City of Mesa – Affordable Housing Presentation
May 2025

Copa Health

Healthcare Delivered Through Our Six Values:

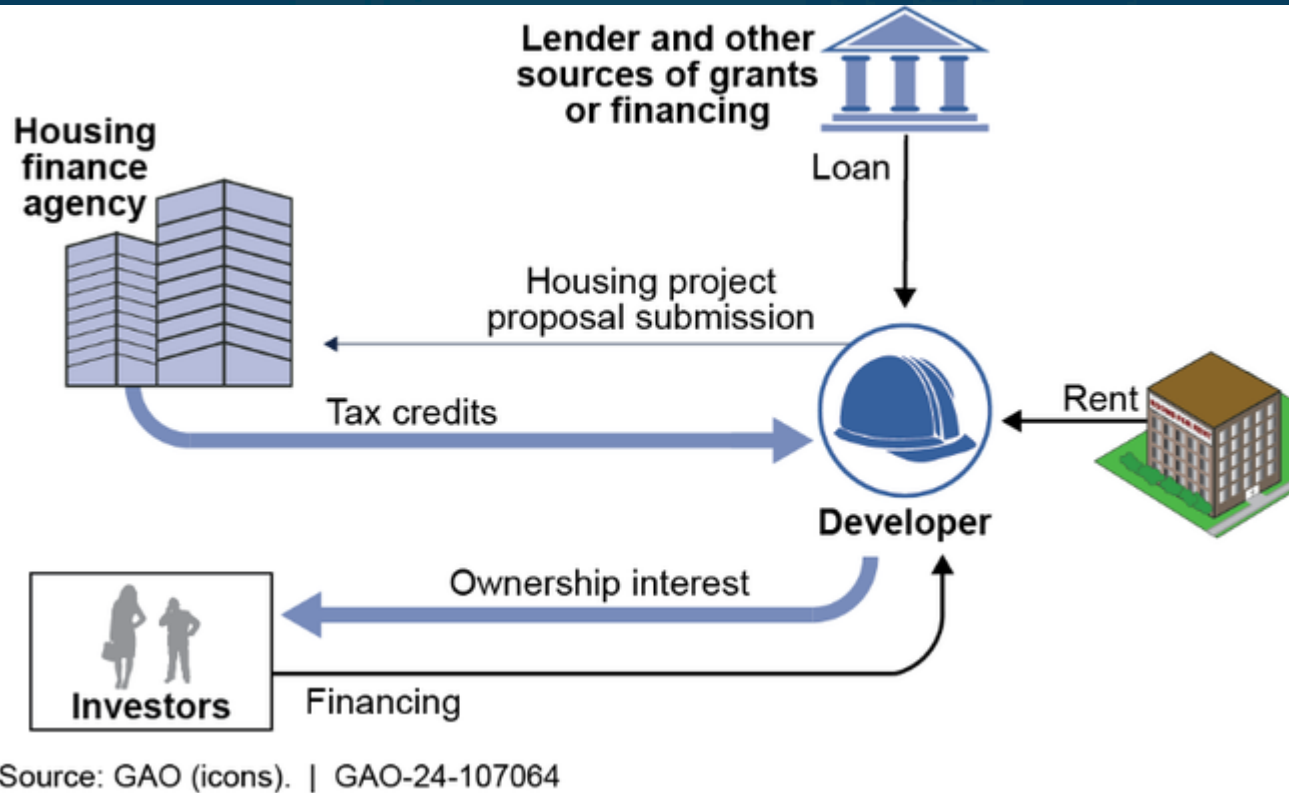
- People First
- Compassion
- Integrity
- Perseverance
- Accountability
- Innovation

Copa Health provides services and resources for individuals with developmental, intellectual, and behavioral health challenges. Those services include integrated health, affordable and transitional housing, employment and training, residential, in-home supports, day programs and so much more.

What is the Low-Income Housing Tax Credit (IRC Section 42) and how does it work?

The Low-Income Housing Tax Credit provides a tax incentive to construct or rehabilitate affordable rental housing for low-income households.

The Low-Income Housing Tax Credit (LIHTC) subsidizes the acquisition, construction, and rehabilitation of affordable rental housing for low- and moderate-income tenants. The LIHTC was enacted as part of the 1986 Tax Reform Act and has been modified numerous times.



La Victoria Commons



SOUTH ELEVATION



La Victoria Commons

Location: 2320 E Apache Blvd; Tempe, AZ 85281 | approx. 1.82 Gross Acres – 1.50 Net Acres

Unit Mix: 104 Units | 100% Affordable TOD MultiFamily Service-Enriched Housing Community:

- 48 One Bedrooms / 1 Bath
- 32 Two Bedrooms / 2 Bath
- 24 Three Bedrooms / 2 Bath
- 26 Units @ 30% AMI
- 78 Units @ 50% AMI

City of Tempe RFQ #22-090: Copa Health & Newtown CDC jointly approved by the City of Tempe's RFQ for development of 4 vacant lots (Newtown to develop 19 townhome units under CLT on the north half of the property – not part of the tax credit financing or ownership structure). “Commercial” spaces along Apache Boulevard include a new integrated health clinic as well as a social micro-enterprise (Copa Heroes Sandwich Shop) owned and managed by Copa Health with our Members as future employees.



La Victoria Commons

La Victoria Commons				Total		4%	9%
	Sources & Uses Statement						
Lien Position	SOURCES						
1	CONSTRUCTION LOAN (not a permanent source)	Wells Fargo		31,099,909		12,461,783	18,638,126
2	Copa - GP Loan	Home Matters		500,000		500,000	-
1	PERMANENT LOAN	Wells Fargo		8,463,000		4,270,000	4,193,000
	Deferred Developer Fee	Copa Health		2,276,459		2,021,566	254,892
4	Copa - GP Loan	Foundations		702,069		702,069	-
3	Copa - GP Loan	FHLBSF AHP		2,080,000		1,040,000	1,040,000
	Copa - GP Equity	Copa Health		200		100	100
	TAX CREDIT EQUITY	NEF (LIHTC)	###	29,236,095		11,600,548	17,635,547
	TOTAL SOURCES			43,257,823		20,134,283	23,123,539
USES							
	ACQUISITION COST	long-term land lease w/ Tempe		-		-	-
	HARD CONSTRUCTION COSTS	C/SF	###	28,105,557		12,827,758	15,277,798
	Contingency (Owner)		###	3,055,560		1,527,780	1,527,780
	PROFESSIONAL FEES			1,887,500		858,000	1,029,500
	CONSTRUCTION LOAN COST		###	4,078,081		1,697,000	2,381,081
	PERMANENT FINANCING COST			444,705		347,775	96,930
	SYNDICATION COST			130,000		65,000	65,000
	MISCELLANEOUS SOFT COST			857,129		236,717	620,412
	DEVELOPER'S OVERHEAD & FEES			4,081,467		2,265,341	1,816,126
	PROJECT RESERVES			617,824		308,912	308,912
	TOTAL USES			43,257,823		20,134,283	23,123,539

Cedar Crossing

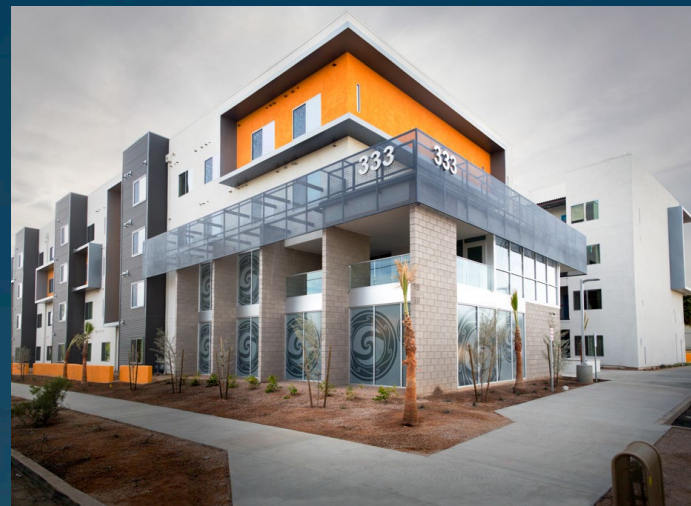


Cedar Crossing was completed in 2015 and serves low-income families with a mix of studio, one, two and three bedroom apartment homes. The community is in midtown Phoenix with a Walk Score of 71 (i.e. Very Walkable)

Total Lot Area – 99,487 SF / 2.28 Acres → 74 Units

Overall ~ 32 DUA / 125 Parking Spaces (w/ shared parking easement to adjacent NAC property)

** Cedar Crossing is part of the Virginia Campus that includes Patina Wellness Center, a 70-bed residential treatment center. The Campus was developed in partnership with ASU's Herberger Institute for Design and the Arts*



Lien Position	SOURCES	
1st	WELLS FARGO - CONSTRUCTION LOAN	7,100,000
1st	LISC - PERM LOAN	1,127,465
2nd	COP - HOME	1,942,000
3rd	NAC - FHLBSF AHP	723,200
	NEF - TAX CREDIT EQUITY	13,696,310
	NAC - DEFERRAL OF DEVELOPER FEE	84,059
TOTAL USES		17,573,034
USES		
	ACQUISITION COST	1,127,801
	HARD CONSTRUCTION COSTS	12,171,119
	PERMITS	256,054
	PROFESSIONAL FEES	924,816
	CONSTRUCTION LOAN COST	351,078
	PERMANENT FINANCING COST	38,217
	SYNDICATION COST	64,617
	MISCELLANEOUS SOFT COST	406,882
	DEVELOPER'S OVERHEAD & FEES	1,805,011
	PROJECT RESERVES	427,440
TOTAL USES		17,573,034

Cedar Crossing

NAC leveraged 9% LIHTCs awarded by ADOH to anchor the capital stack for this affordable housing community.

Stable construction costs at the time of this development permitted minimal deferred developer fee by NAC.

Project Name:		Cedar Crossing										
Operating Pro-Forma		Average Monthly Rent Per Unit -->		\$568.74	\$580.12	\$591.72	\$603.55	\$615.63	\$627.94	\$640.50	\$653.31	
Total Units:		74		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	
Income Assumptions		Rate of Increase		2.0%								
Gross Residential Rents-Restricted Income Units				505,044	515,145	525,448	535,957	546,676	557,609	568,762	580,137	
Gross Residential Rents-Non-restricted Income Units				-	-	-	-	-	-	-	-	
Less: Vacancy		% of Gross Rents=	8.0%	(40,759)	(41,574)	(42,405)	(43,253)	(44,119)	(45,001)	(45,901)	(46,819)	
Scheduled Commercial Rents				-	-	-	-	-	-	-	-	
Less: Vacancy		% of Gross Rents=		-	-	-	-	-	-	-	-	
Laundry, Parking				4,440	4,529	4,619	4,712	4,806	4,902	5,000	5,100	
Other:				-	-	-	-	-	-	-	-	
Total Effective Gross Income				468,725	478,100	487,662	497,415	507,363	517,511	527,861	538,418	
Expense Assumptions		Rate of Increase		3.0%								
Management Fee: (Payable to NAC)		Dollars per Unit/Mo. =		\$ 36.95	32,811	33,467	34,136	34,819	35,515	36,226	36,950	37,689
Legal & Audit				19,500	20,085	20,688	21,308	21,947	22,606	23,284	23,983	
Advertising				5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	
Gas & Electric (Tenant pays unit utilities)				33,000	33,990	35,010	36,060	37,142	38,256	39,404	40,586	
Water, Sewer, Waste Removal				12,000	12,360	12,731	13,113	13,506	13,911	14,329	14,758	
Supplies				7,500	7,725	7,957	8,195	8,441	8,695	8,955	9,224	
Payroll				108,000	111,240	114,577	118,015	121,555	125,202	128,958	132,826	
Insurance				29,600	30,488	31,403	32,345	33,315	34,315	35,344	36,404	
Pest Control				8,880	9,146	9,421	9,703	9,995	10,294	10,603	10,921	
Maintenance / Repair				43,620	44,929	46,276	47,665	49,095	50,568	52,085	53,647	
Operating Reserves		Dollars per Unit=			-	-	-	-	-	-	-	
Replacement Reserves		% of Hard Costs=		\$350.00	25,900	26,677	27,477	28,302	29,151	30,025	30,926	31,854
Real Estate Taxes (exempt if in CA)				-	-	-	-	-	-	-	-	
Local & State Assessments (ADOH Compliance Fees)				4,810	4,810	4,810	4,810	4,810	4,810	4,810	4,810	
Partnership Management Fee (tax credits only)				-	-	-	-	-	-	-	-	
Other:		Telephone		3,500	3,605	3,713	3,825	3,939	4,057	4,179	4,305	
Other:				-	-	-	-	-	-	-	-	
Other:		Security		10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	
Other:				-	-	-	-	-	-	-	-	
Total Expenses		Operating Cost/Unit:		\$ 4,650	344,121	353,972	364,112	374,550	385,294	396,353	407,737	419,456
Net Operating Income				124,605	124,128	123,550	122,865	122,069	121,157	120,124	118,962	
Debt Service (Perm Loan Hard Debt Only)				81,909	81,909	81,909	81,909	81,909	81,909	81,909	81,909	
Debt Service Coverage Ratio (Perm Loan Debt Only)				1.52	1.52	1.51	1.50	1.49	1.48	1.47	1.45	
Debt Service (City of Phoenix Hard Debt Only)				18,169	18,169	18,169	18,169	18,169	18,169	18,169	18,169	
Debt Service Coverage Ration (ALL HARD DEBT)				1.25	1.24	1.23	1.23	1.22	1.21	1.20	1.19	
Cash Flow				24,526	24,049	23,471	22,787	21,991	21,079	20,045	18,884	
Residual Receipts Payment to		NAC Supportive Services		12,263	12,025	11,736	11,393	10,995	10,539	10,022	9,442	
Residual Receipts Payment to		City of Phoenix		12,263	12,025	11,736	11,393	10,995	10,539	10,022	9,442	
Net Cash Flow				-	-	-	-	-	-	-	-	

Cedar Crossing

Deep rent skewing permits households to be served at 30%-40% Area Median Income which permits monthly rent as low as approx. \$400/month for Studio units up to \$600/month for Three Bedroom units.

City of Phoenix HOME Loan is structured as both a “hard” and “soft” loan payment.

Dunlap Pointe & Patina Mountain Preserve (Native American Connections)



Dunlap Pointe (Native American Connections)



NAC developed Dunlap Pointe in 2021 as part of Dunlap Campus that includes Patina Wellness Center, a 55-bed residential treatment center. Dunlap Pointe serves chronically homeless individuals, with a special focus on serving homeless veterans.

Total Lot Area – 73,617 SF / 1.69 Acres →
55 Units

Overall ~ 32 DUA / 55 Parking Spaces





Dunlap Pointe**Sources & Uses Statement****SOURCES**

Construction Loan (Wells Fargo - not a permanent source)	8,200,000
NAC - Equity (via grants to NAC)	425,000
ADOH - State Housing Fund	2,000,000
FHLBSF AHP	463,735
National Equity Fund (LIHTC Equity)	9,553,147
NAC - Deferred Developer Fee (to be paid via cash flow)	319,073

TOTAL SOURCES**12,760,955****USES**

ACQUISITION COST	749,061
HARD CONSTRUCTION COSTS	8,600,009
PROFESSIONAL FEES	730,120
CONSTRUCTION LOAN COST	396,882
PERMANENT FINANCING COST	-
SYNDICATION COST	110,000
MISCELLANEOUS SOFT COST	535,019
DEVELOPER'S OVERHEAD & FEES	1,230,028
PROJECT RESERVES	409,836

TOTAL USES**12,760,955****Dunlap Pointe**

NAC was able to leverage planning grants with local & national foundations to begin feasibility studies of the Dunlap Campus.

ADOH provided the only "hard" loan payment financing for the Project due to the service population and required supportive services provided by NAC and other agencies.

Project Name:		Dunlap Pointe						
Operating Pro-Forma		Average Monthly Rent Per Unit (includes utilities) -->		\$53.48	\$54.28	\$55.10	\$55.92	\$56.76
Total Units:	54		Year 1	Year 2	Year 3	Year 4	Year 5	
Income Assumptions		Rate of Increase	1.5%					
Gross Residential Rents-Restricted Income Units			34,656	35,176	35,703	36,239	36,783	
Rental Subsidy (HUD PBV)			585,600	594,384	603,300	612,349	621,534	
Less: Vacancy		% of Gross Rents=	5.0%	(31,013)	(31,478)	(31,950)	(32,429)	(32,916)
Scheduled Commercial Rents				-	-	-	-	-
Less: Vacancy		% of Gross Rents=		-	-	-	-	-
Laundry, Parking			-	-	-	-	-	-
Other:								
		NAC - Private Rental Assistance	-	-	-	-	-	-
Total Effective Gross Income			589,243	598,082	607,053	616,159	625,401	
Expense Assumptions		Rate of Increase	3.0%					
Management Fee:		Dollars per Unit/Mo. = \$	45.47	29,462	29,904	30,353	30,808	31,270
Legal & Audit			7,500	7,725	7,957	8,195	8,441	
Advertising			500	515	530	546	563	
Gas & Electric (common area)			17,000	17,510	18,035	18,576	19,134	
Water, Sewer, Waste Removal			22,500	23,175	23,870	24,586	25,324	
Supplies & Mileage			2,000	2,060	2,122	2,185	2,251	
Payroll (includes ERE)				-	-	-	-	-
Maintenance/Janitorial Staff			53,125	54,719	56,360	58,051	59,793	
Property Manager			53,125	54,719	56,360	58,051	59,793	
Insurance			14,850	15,296	15,754	16,227	16,714	
Pest Control			9,720	10,012	10,312	10,621	10,940	
Landscaping			7,776	8,009	8,250	8,497	8,752	
Maintenance / Repair			36,455	37,549	38,675	39,835	41,031	
Operating Reserves		Dollars per Unit=		-	-	-	-	-
Replacement Reserves		% of Hard Costs=	350	18,900	19,467	20,051	20,653	21,272
Real Estate Taxes (exempt if in CA)				-	-	-	-	-
Local & State Assessments			3,780	3,780	3,780	3,780	3,780	
Partnership Management Fee (tax credits only)				-	-	-	-	-
Other:		Services (as permitted by HAP Agreement for Supportive Housing)	140,000	137,900	135,832	133,794	131,787	
Other:		Electric (units only)	57,240	58,957	60,726	62,548	64,424	
Other:		Security Cameras & Phone	1,800	1,854	1,910	1,967	2,026	
Total Expenses			\$ 8,810	475,733	483,150	490,877	498,922	507,294
Net Operating Income				113,510	114,932	116,176	117,237	118,108
Debt Service (ADOH - 1st Mtg)				67,970	67,970	67,970	67,970	67,970
Debt Service Coverage Ratio (1st)				1.67	1.69	1.71	1.72	1.74
Cash Flow				45,540	46,962	48,206	49,267	50,138
Residual Receipts Payment to		NAC - Deferred Developer Fee	21,272	21,272	21,272	21,272	21,272	21,272
Residual Receipts Payment to		NEF - Asset Mgmt Fee	5,000	5,150	5,305	5,464	5,628	
Residual Receipts Payment to								
Net Cash Flow				19,268	20,540	21,630	22,532	23,239

Dunlap Pointe

Participates in the Maricopa Association of Government's CoC program for all referrals into this Housing First Permanent Supportive Housing Community.

Dunlap Pointe also has 32 VASH Vouchers to serve homeless veteran populations. Referrals work through the United States Department of Veterans Affairs.

La Mesita Campus (A New Leaf)







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