



VIRTUAL HOUSING COMMITTEE MEETING

TUESDAY, DECEMBER 3, 2024, 11:00 AM

To access the meeting electronically, click:

<https://zoom.us/j/4439901723?pwd=yAVpi40M1OlqgNufcVUE8XWCUSkKaH.1&omn=97063638580>

Meeting ID: 443 990 1723 Passcode: 304078

To connect by phone: 1-301-715-8592 - Meeting ID 443 990 1723#

Deviations from agenda order may occur

For additional information visit www.sisterbaywi.gov and click on Meetings

1	Patrice Champeau - Chairperson	2	Gustavo Gallardo
3	Razvan Ciobanu	4	Lauren Aurelius
5	Lori Allen	6	Kay Smith
7	Marissa Downs		
	<i>Julie Schmelzer – Village Administrator</i>		

AGENDA

1. Call to Order & Roll Call
2. Approve Agenda
3. Approve Meeting Minutes: November 12, 2024
4. Comments, Correspondence and Concerns from the Public (3 minutes)
5. Discussion/Action Items
 - a. Geneva Ridge; Sturgeon Bay Affordable Housing Project (Sturgeon Bay Community Development Director, Marty Olejniczak)
 - b. Affordable Housing Development Models & Examples; Gorman & Company (Ted Matkom & Dennis Davidsaver)
6. Discussion Regarding Matters to be Placed on a Future Agenda, Referred to a Committee, Official, or Employee
7. Set Meeting Schedule & Topic(s)
8. Adjourn

Public Notice

Questions regarding the nature of the Agenda items or more detail on the items listed can be directed to Julie Schmelzer, Village Administrator, at julie.schmelzer@sisterbaywi.gov. It is possible that members of and possibly a quorum of members of other governmental bodies may attend the meeting to gather information; no action will be taken by any governmental body other than the body specifically referred to above. Upon reasonable notice, a good faith effort will be made to accommodate the needs of disabled individuals through sign language interpreters or other auxiliary aid or accommodation at no cost to the individual. Due to the difficulty in finding interpreters, requests should be made as far in advance as possible, preferably a minimum of 48 hours. For additional information or to request this service, contact the Sister Bay Village Administration Office at 854-4118, (FAX) 854-9637, or by writing to the Village Administration Building, 2383 Maple Drive, PO Box 769, Sister Bay, WI 54234. Copies of reports and other supporting documentation are available for review at the Village Administration Building during operating hours (8 a.m. to 4 p.m. Mondays – Thursdays, and 8 a.m. to noon on Fridays).

The Village of Sister Bay is an Equal Opportunity Provider and Employer.

POSTED DATE/SIGNATURE _____

VILLAGE OF SISTER BAY HOUSING COMMITTEE (VIRTUAL)
MEETING MINUTES
TUESDAY, NOVEMBER 12, 2024
(DRAFT)

1. Call Meeting to Order & Roll Call

Chair Patrice Champeau called the meeting to order at 11:02 a.m.

Present: Chair and Trustee Patrice Champeau, Lori Allen, Lauren Aurelius, Marissa Downs, Gustavo Gallardo, Kay Smith

Absent: Razvan Ciobanu

Staff: Administrator Julie Schmelzer

Others: Louise Howson

2. Approval of Agenda

Motion by Allen, second by Smith, to approve the agenda as presented. Motion carried unanimously.

3. Approve Minutes

Motion by Smith, second by Aurelius, to approve the minutes from the October 22, 2024, meeting as presented. Motion carried unanimously.

4. Comments, Correspondence and Concerns from the Public

Schmelzer explained correspondence was received from Lousie Howson and it had been sent to members as part of the meeting packet. There were no comments, and no other members of the public spoke.

5. Discussion/Action Items

a. Geneva Ridge; Sturgeon Bay Affordable Housing Project

Paul Shefchik, the developer and builder of the project, participated by phone to explain how he became involved in the project, the city's role and his role, the model the city used, details about the development agreement, and information about the homes and home sales.

Summary points included the homes are all three-bedroom homes with attached garages on traditional lots. Homes are 1000-1300 sq. ft. and sell for \$270-305,000. The city wanted a workforce development project, and after several other projects that resulted in higher priced homes, they entered into the agreement with Portside Builders, Paul's company. The city worked with them to try and make the project as affordable as possible, such as by reducing the lot size to fit the home design. The program requires the building costs, and program costs, to be evaluated every year to ensure homes remain affordable. Their lots and infrastructure cost about \$38,000 per lot, and the city determined the payback period to be six years.

The homes must be sold to someone who works in the county, and if they sell the home within those first six years, someone else who works in the county needs to buy the house to complete the 'term', or there has to be a payback. If held by a worker employed in the county, after six years, if the home sells, they don't have to pay back the infrastructure costs. If the home is sold after six years, the

1 homeowner can also sell the home to anyone. If sold before the six years, the homeowner can only
 2 sell it at a rate approved by the city, which is the consumer price index. In all sales however, there is
 3 the deed restriction the home can never be a short-term rental, into perpetuity.

4
 5 Shefchik said there were ways they could have made the project more affordable, namely by the city
 6 being the developer to avoid developer fees and by not using realtors, which of course charge a real
 7 estate fee. All buyers are approved by the city; the city is the one actually accepting the offer. He said
 8 selling the lot, and having the homeowner work directly with the builder, would have saved money –
 9 the real estate fee would have been based on the price of the lot, not the home.

10
 11 Aurelius inquired if they had long term relationships with subcontractors and would there be
 12 challenges getting contractors to Northern Door. Shefchik said the company has long standing
 13 relationships with the contractors, and they don't charge more just because of where they are working,
 14 and many of them want to do these types of projects to help address the housing issue.

15
 16 Smith asked if they worked with lenders on reduced rates and affordable mortgages. He said yes they
 17 do, they use Nicolet and Bank of Luxemburg. Smith said we have others that want to work with us too,
 18 such as Bank First.

19
 20 Downs said the homes were about \$1000/sq. ft. for a three-bedroom home with a two-stall attached
 21 garage, noting the costs real estate fees, developer mark-ups, and builders risk insurance add to a
 22 project. Schmelzer commented many of our homebuyer needs are for one- and two-bedroom homes,
 23 and some may not be able to afford an attached garage and may need just a carport, or no garage, all
 24 of which will help keep costs down. It was noted some people will need three bedrooms, especially as
 25 more families come to Sister Bay. Members discussed having basic home designs that buyers can
 26 revise based on their affordability. If people can afford amenities, like a fireplace, or marble
 27 countertops, those are all items they should work on directly with the builder and be costs above and
 28 beyond the price point we promote.

29
 30 Champeau disagreed with the city's homes not being kept in the workforce market after six years and
 31 said she would hope Sister Bay would not follow that aspect of the model. Shefchik did clarify though,
 32 the city decided that after six years, when they no longer were reliant on the city for the home to be
 33 affordable, the owner should be allowed to sell to whoever they wanted.

34
 35 Downs said the property was in a TIF, which must have helped a little too. She asked about what
 36 happens to the working family that has an emergency and has to relocate or sell? Shefchik said the
 37 city did consider that possibility, and that's why they have options for resale built into the program.
 38 Shefchik explained he knows the development side, but we might want to speak with the Community
 39 Development Director from the city about the details of the program itself.

40
 41 Aurelius asked about the appraised values and Shefchik said the homes have been appraising at the
 42 sale price or higher.

43
 44 Other comments and questions included, if the village sold the land directly, could staff handle the
 45 sales? Schmelzer indicated she believed they could, primarily because the brunt of the work falls on
 46 the village attorney. Oversight on the home sales was brought up, and it was noted the homes should
 47 not be able to be resold as a second home, and that should be a deed restriction – the home must be

1 used as the primary residence. Gallardo asked if we needed to speak with an attorney noting the
 2 concern about not allowing people to build equity in the home. Schmelzer responded attorneys have
 3 looked at these models, and the reality is, it's a condition – if you want the home, at a low price, you
 4 have to understand your resale will be very restricted.

5
 6 The committee decided to get more information about the administrative side of the city's program.
 7 Champeau urged the members to keep thinking about resale restrictions.

8
 9 **6. Discussion Regarding Matters to be Placed on a Future Agenda, Referred to a Committee, Official**
 10 **or Employee**

11 Schmelzer is to try to arrange for Marty Olejniczak from the city of Sturgeon Bay to join the call;
 12 Schmelzer asked the committee finalize their discussions on incentives for multi-family developers;
 13 members agreed they should see if Stantec can be present; and provided she has had time to meet
 14 with Shefchik about home plans and costs, Schmelzer may have that information as well.

15
 16 **7. Set Meeting Schedule & Topic(s); Speaker Invite List.**

17 (Discussed in part under item 6.) It was the consensus that the committee should meet again soon to
 18 keep the discussions moving along. The meeting date and time was set for December 3, 2024, at 11:00
 19 a.m.

20
 21 **8. Adjournment**

22 Motion by Smith, second by Allen, to adjourn. Motion carried unanimously. The meeting was
 23 adjourned at 12:12 p.m.

24
 25 Respectfully submitted,
 26 Julie Schmelzer, Acting Recording Secretary

STAFF REPORT

Date: December 2, 2024

Attn: Housing Committee

Author: Julie Schmelzer

At our last meeting we heard from the developer/builder of Geneva Ridge in Sturgeon Bay. The committee had some questions Paul from Portside Builders could not answer, so the group requested Marty, the city's Community Development Director, speak with them. Marty will be participating via Zoom. I told him I didn't think we would have a lot of questions, but please be prepared and have questions for him. If it helps, read last month's meeting minutes to refresh yourself on what was discussed.

Kay told me she met a developer that has built affordable housing projects throughout the nation. Gorman & Company will explain to us how they keep housing affordable in the projects they have been involved. (Thank you Kay for setting this up!) Attached is a proposal they prepared for Fitchburg, and the following is a link to a multi-family project they did outside of Sun Prairie: [Jenny Wren Apartments Photo Gallery | Sun Prairie, WI Apartment Pictures](#) More about the company: <https://www.gormanusa.com/>

You'll see Gorman's Fitchburg proposal mentions Telluride, Colorado; the Stantec Housing Plan referenced Telluride as a model to consider; and we often read about the Telluride project in various articles. So we can learn more about Telluride, I have provided links for more information as well as a slide show from the Telluride Foundation's website. <https://telluridefoundation.org/> & <https://www.telluride-co.gov/369/Affordable-Housing>

NOVEMBER 13
2024

**PROPOSAL FOR
AFFORDABLE
HOMEOWNERSHIP**

**FITCHBURG,
WISCONSIN**

GORMAN
& COMPANY
Integrity. Innovation. Community.

Attention:

Michael Zimmerman

Economic Development Director
City of Fitchburg





P: (608) 835-3900
F: (608) 835-3922



info@GormanUSA.com
www.GormanUSA.com



200 N Main Street
Oregon, WI 53575

Michael Zimmerman
Economic Development Director
City of Fitchburg
5520 Lacy Rd, Fitchburg, WI 53711

Dear Mike,

Enclosed please find the Proposal for Affordable Homeownership prepared by Gorman & Company. Please share this proposal with staff and/or members of the common council in advance of the November 20th meeting. We look forward to our presentation and discussion.

Sincerely,

Ted Matkom
Wisconsin Market President
(414) 617-9997

SECTION

1

GORMAN & COMPANY



QUALIFICATIONS AND EXPERIENCE

HISTORY

Gary J. Gorman started Gorman & Company in 1984 to develop, syndicate, and manage multifamily housing properties. Gorman & Company has become one of the largest and most respected multifamily development firms in the region. Gorman & Company currently employs over 700 individuals. Over the past 40 years, we have completed 171 projects totaling over \$3.1 Billion in total development cost.

MISSION STATEMENT

At Gorman & Company, we work to revitalize communities through innovative housing partnerships. As a trusted partner and respected industry leader since 1984, we specialize in: downtown revitalization, the preservation of affordable housing, workforce housing, and the adaptive reuse of significant historic buildings.

PHILOSOPHY

Gorman & Company works closely with local governments and municipal groups to help cities meet their development, planning, economic and social goals. Gorman's staff brings a broad range of development, design, construction, and real-life experience to the development process and applies those skills to solve problems and help communities bring their plans to reality. Gorman & Company has developed innovative and catalytic properties in partnership with communities in Arizona, Arkansas, Colorado, Florida, Georgia, Illinois, Indiana, Mississippi, New Mexico, Ohio, Oregon, and Wisconsin.

CORE PURPOSE

Initiate strategies and implement solutions to revitalize communities and build strong neighborhoods.

CORE VALUES

All our activities will be executed in a manner that is consistent with our Core Values:

- We create and protect the best reputation at all costs
- We treat our people as our most important assets
- We provide first class service to our customers at all times
- We provide value and quality to meet or exceed customer expectations
- We maintain financial discipline to preserve and build long term economic strength
- We act in an honest, respectful, responsive, and professional manner always

VERTICAL INTEGRATION

Gorman & Company acts as its own architectural firm, general contractor, and management company. This vertical integration of disciplines allows us to control the development process and the quality of the product we produce.

EXPERIENCE BUILDING SINGLE-FAMILY HOMES

Gorman & Company has built over 500 single family homes in Milwaukee and Dane County.

QUALIFICATIONS AND EXPERIENCE

GARY J. GORMAN | CHAIRMAN OF THE BOARD

After completing his B.A. in Economics and Law Degrees from the University of Wisconsin at Madison, Mr. Gorman began his career as a practicing attorney focusing on representation of developers and real estate syndicators. In 1984 Mr. Gorman formed a firm for the purpose of developing and syndicating multifamily real estate projects. After the passage of the Tax Reform Act of 1986, Mr. Gorman specialized in the development of affordable multifamily rental communities utilizing the tax credit created by Section 42 of the 1986 Tax Reform Act.

Gorman & Company is now a major developer of affordable rental housing as well as historic renovations. Gorman & Company has in-house design and construction divisions that have successfully completed over two billion dollars of new construction and major renovation



TED MATKOM | WISCONSIN MARKET PRESIDENT

Ted Matkom has held the role of Wisconsin Market President over the past 10 years with Gorman & Company and has also served as General Counsel for the past thirteen years. Ted has a wealth of experience in developing both residential and commercial real estate. He served five years on the board of directors for Menomonee Valley Partners, the non-profit development entity designated to revitalize Milwaukee's Menomonee Valley industrial park. For the past 8 years, Ted has been President of The Corridor, Inc., a nonprofit organization that has been charged with helping to redevelop the "30th Street Corridor" in the heart of Milwaukee. He has also been appointed for the past six years to the Board of Directors for the Milwaukee Area Workforce Investment Board, Inc.

Ted has a Bachelor of Arts in International Relations and Political Science from the University of Wisconsin-Madison, and a Doctorate of Law from Marquette University.



SECTION

2

PROPOSAL FOR AFFORDABLE HOMEOWNERSHIP

GORMAN
& COMPANY
Integrity. Innovation. Community.

AFFORDABLE HOMEOWNERSHIP PROPOSAL

Gary Gorman had a meeting with the Mayor of Fitchburg on Monday August 26, 2024. At that meeting Mike Zimmerman, Economic Development staff, described a plan for the City to do lease to own housing. The City hired a consultant to put together a plan. It entails CEDA (Community Economic Development Agency) acting as developer.

The City has roughly \$8m available for affordable housing from expiring TIF districts. The rent to own plan has them using these funds to 100% finance these rent to own townhouses.

Concerns related to the lease to own plan are as follows:

- 1) It is not clear what entity or who will perform the role of developer. That role includes at least the following tasks:
 - a) Site selection.
 - b) Negotiating and arranging financing of site purchase
 - c) Navigating the approval and entitlement process
 - d) Market analysis
 - e) Selecting and supervising the architect, engineer, surveyor.
 - f) Coordinating legal work
 - g) Arranging financing for site improvements
 - h) Selecting and supervising a marketing agent
 - i) Negotiating the arrangements with tenant/buyers
 - j) Interfacing with the source of financing and providing whatever guarantees are required.
- 2) A family of 3 in Dane at 80% of median has an income of \$88,050. It is questionable if that family will want to commit to paying a downpayment and wait for 10 to 15 years to own a home. They also lose the tax benefits of deducting mortgage interest and property taxes by their status as tenants as opposed to owners.

I would propose the following:

- 1) Gorman & Company, LLC acts as developer for no developer fee or profit.
- 2) Gorman's staff would design and build the homes for market rate fees.
- 3) In return for no developer compensation, the City would be expected to come to the table with concessions on the costs they normally charge a development; such as impact fees, park fees, charge back of streets and utilities.
- 4) Full transparency. All costs set out for all to see.
- 5) Design could be small single family homes or townhomes.
- 6) There would have to be flexibility in terms of design requirements.
- 7) The City uses its funds for a soft loan to the home buyer for use as part of the downpayment. The balance of the purchase price would be funded by a mortgage from a third party lender. Details to be determined.
- 8) Target buyers at 80% to 100% of median.

AFFORDABLE HOMEOWNERSHIP INITIATIVE

An example of how this proposal would work is as follows:

Target purchase price of single-family home:	\$299,000
Down payment from buyer:	\$10,000
Down payment loan from Fitchburg:	\$50,000

The combined downpayment of \$60,000 achieves the 20% requirement to avoid lenders requiring private mortgage insurance which would cost roughly \$250 per month for the buyer.

The balance of the purchase price would be from a third-party lender at a projected rate of 5.7% with an amortization period of 30 years. The monthly payment would be \$1,387.16 which is 19% of the gross monthly income of a three-person household in Dane County at 80% of median.

When the buyer refinances or sells, Fitchburg gets its loan repaid. That allows the funds to be recirculated.

One of the benefits of this approach is that the buyer is able to deduct mortgage interest and property tax payments on their income tax return. That would not be available in a lease structure.

This approach also addresses a concern that “buyers” would have under the lease structure if they had to move prior to obtaining ownership of the property. Do they get their downpayment back under a lease structure? Do they get paid the amount of their “equity credit”.

The downpayment loan approach also allows the City to have a much greater impact with its funds.

Rather than providing almost 100% of the funding, it only provides 17%. For example, under the lease proposal \$4,500,000 of City funds produces 10 townhouses. Under the downpayment loan structure those same funds produce 90 single family homes.

This scenario significantly reduces the risk to the city in that Gorman & Company would obtain the financing needed to purchase the land and would arrange construction financing. The funds from the city would come in only when there is a purchaser of a completed home.

SECTION

3

**EXAMPLES OF AFFORDABLE
HOMES TO BE BUILT BY
GORMAN & COMPANY
LOCATED IN TELLURIDE, CO**







HOUSING INITIATIVE MODEL

Rural Workforce and Teacher
Affordable Housing

INTRODUCTION

TEAM AND PRESENTATION OVERVIEW

TEAM

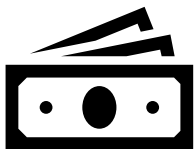
- **Paul Major**
President & CEO, Telluride Foundation
- **Andrew Knudtsen**
Managing Principal, Economic & Planning Systems
- **Tim Morzel**
Vice President, Economic & Planning Systems

OVERVIEW

- Introduction
- Problem Statement
- Solution and Program Goals
- Development Economics
- Homeowner Financing Assistance
- Summary of Opportunity and Roles

Affordable Housing =
spend 30% or less of
monthly household income

NEW HOUSING – NEED LAND, FINANCING AND DEVELOPER



PROBLEM

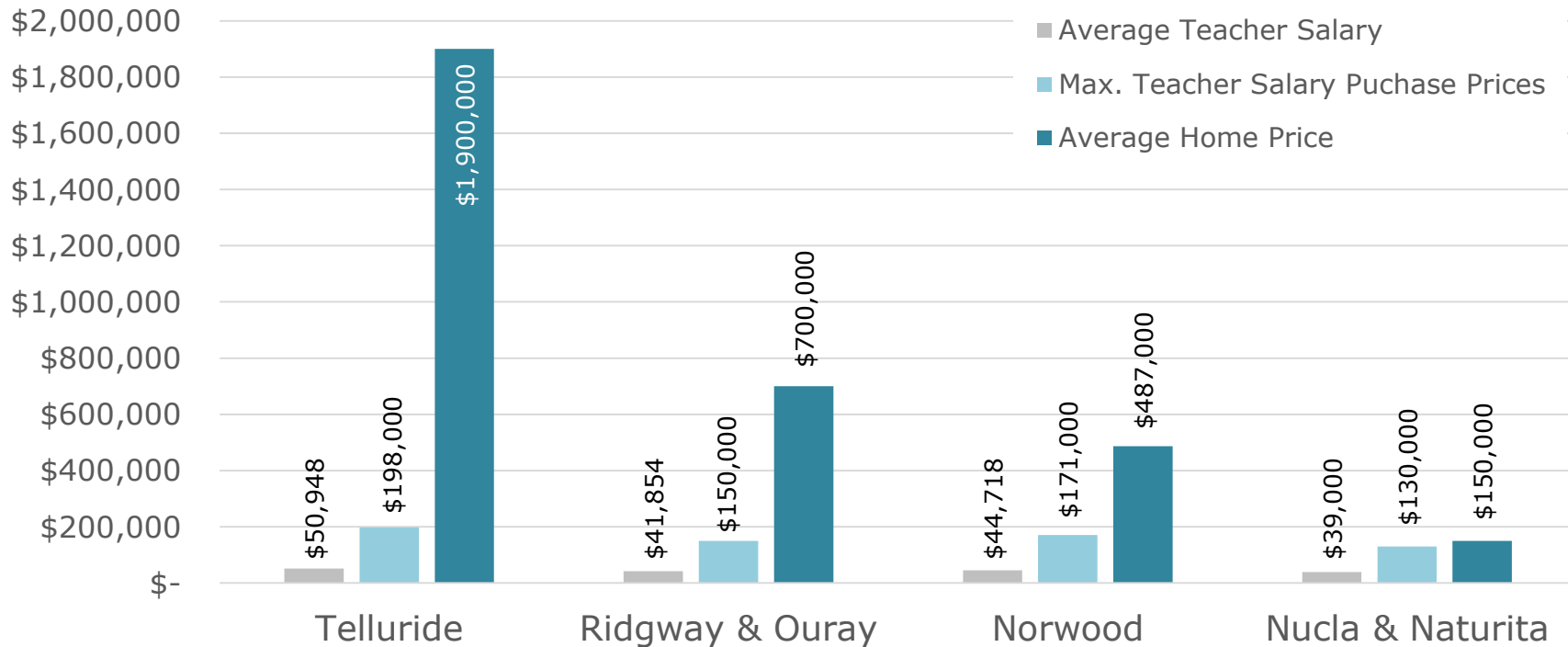
LACK OF AFFORDABLE HOUSING OPTIONS FOR WORKING FAMILIES AND TEACHERS

- Affordable housing for local working families and teachers, is the challenge of our time.
- Rural housing is old, dilapidated and unsafe and demand far exceeds supply.
- Rural school districts can't attract or retain teachers as home prices exceed a teacher's purchasing power by multiple magnitudes.



PROBLEM

TEACHER SALARY, HOME PURCHASING POWER AND HOME PRICES



SOLUTION

BUILD AND FINANCE AFFORDABLE HOUSING IN RURAL COMMUNITIES ACROSS CO

Leverage the resources of federal funding programs, state agencies, and local foundations to build 10–20 affordably priced homes in 10 communities across Colorado.

Project: Norwood – 20 Homes

Description	120% AMI	100% AMI	80% AMI	60% AMI
Number of Homes	2.0	4.0	10.0	4.0
% of Total	10%	20%	50%	20%
Area Median Income	\$73,620	\$61,350	\$49,080	\$36,810
Affordable Home Price	\$302,953	\$252,461	\$201,969	\$151,476

*Estimated AMI reflects average of Norwood and Naturita/Nucla AMI levels.

PROJECT APPROACH

PROVIDE AFFORDABLE HOUSING OPTIONS TO LOCAL WORKFORCE AND TEACHERS ACROSS COLORADO

A turn-key planning, execution, and financing package, which will:

1. Build/expand local capacity to support a new construction housing effort,
2. Financial, land and developer integrated package to build homes, and,
3. Help with home ownership.

DEVELOPMENT ECONOMICS

CONVENTIONAL DEVELOPMENT APPROACH

Overview

Program:	20 units, mix of 2- and 3-bed units, average of 1,000 sf per unit, prices affordable for households earning 60-120 percent AMI.
Construction Type:	Conventional stick built construction
Timing:	24 month construction period
Construction Financing:	Conventional construction financing at a 10% interest rate for project
Land Cost:	Market value
Grant Funding	None
Local Contribution:	None

Summary

Project Costs		Sale Revenues and Other Sources of Funds	
Land Cost	\$450,000	Sales Revenues	\$3,767,774
Hard Costs	\$3,000,000	Land Contribution - School Dist.	\$0
Infrastructure	\$1,000,000	DOLA - HOME	\$0
Soft Costs	\$1,223,068	DOLA - State	\$0
Developer Fee	<u>\$369,200</u>	Local Contribution: Telluride Foundation	<u>\$0</u>
Subtotal	\$6,042,268	Subtotal	\$3,767,774

PROJECT GAP

-\$2,274,494

GAP CLOSURE APPROACH

LEVERAGE THE RESOURCES OF MULTIPLE PARTNERS TO ACHIEVE FEASIBILITY

1. **Modular/Panelized Construction:** Time savings and potential cost savings associated with this construction approach. Healthy and life cycle savings (net zero, all electric).
2. **Low Interest Financing:** Leverage partner resources to offer low interest construction financing.
3. **Land Contribution:** Rely on local school districts or towns/counties to provide free land.
4. **Grant Funding:** Federal (HOME funds), recently appropriated state funds (DOLA), and other funding sources to help close the gap.
5. **Local Funding Sources:** Utilize local funding sources, such as the Telluride Foundation and other similar entities, to close any remaining gap.

DEVELOPMENT ECONOMICS

CONVENTIONAL DEVELOPMENT APPROACH

Overview

Program:	20 units, mix of 2- and 3-bed units, average of 1,000 sf per unit, prices affordable for households earning 60-120 percent AMI.
Construction Type:	Conventional stick built construction
Timing:	24 month construction period
Construction Financing:	Conventional construction financing at a 10% interest rate for project
Land Cost:	Market value
Grant Funding	None
Local Contribution:	None

Summary

Project Costs		Sale Revenues and Other Sources of Funds	
Land Cost	\$450,000	Sales Revenues	\$3,767,774
Hard Costs	\$3,000,000	Land Contribution - School Dist.	\$0
Infrastructure	\$1,000,000	DOLA - HOME	\$0
Soft Costs	\$1,223,068	DOLA - State	\$0
Developer Fee	<u>\$369,200</u>	Local Contribution: Telluride Foundation	<u>\$0</u>
Subtotal	\$6,042,268	Subtotal	\$3,767,774

PROJECT GAP

-\$2,274,494

DEVELOPMENT ECONOMICS

MODULAR CONSTRUCTION

Overview

Program: 20 units, mix of 2- and 3-bed units, average of 1,000 sf per unit, prices affordable for households earning 60-120 percent AMI.

Construction Type: Modular construction

Timing: 18 month construction period

Construction Financing: Conventional construction financing at a 10% interest rate for project

Land Cost: Market value

Grant Funding: None

Local Contribution: None

Summary

Project Costs		Sale Revenues and Other Sources of Funds	
Land Cost	\$450,000	Sales Revenues	\$3,767,774
Hard Costs	\$2,500,000	Land Contribution - School Dist.	\$0
Infrastructure	\$1,000,000	DOLA - HOME	\$0
Soft Costs	\$902,920	DOLA - State	\$0
Developer Fee	<u>\$321,000</u>	Local Contribution: Telluride Foundation	<u>\$0</u>
Subtotal	\$5,173,920	Subtotal	\$3,767,774

PROJECT GAP

-\$1,406,146

DEVELOPMENT ECONOMICS

LOW INTEREST CONSTRUCTION FINANCING FOR UNITS AT 80% AMI AND LESS

Overview

Program:	20 units, mix of 2- and 3-bed units, average of 1,000 sf per unit, prices affordable for households earning 60-120 percent AMI.
Construction Type:	Modular construction
Timing:	18 month construction period
Construction Financing:	Construction financing for units at 80% AMI and less at a 1.0% interest rate
Land Cost:	Market value
Grant Funding	None
Local Contribution:	None

Summary

Project Costs		Sale Revenues and Other Sources of Funds	
Land Cost	\$450,000	Sales Revenues	\$3,767,774
Hard Costs	\$2,500,000	Land Contribution - School Dist.	\$0
Infrastructure	\$1,000,000	DOLA - HOME	\$0
Soft Costs	\$631,981	DOLA - State	\$0
Developer Fee	<u>\$321,000</u>	Local Contribution: Telluride Foundation	<u>\$0</u>
Subtotal	\$4,902,981	Subtotal	\$3,767,774

PROJECT GAP

-\$1,135,207

DEVELOPMENT ECONOMICS

LOCAL SCHOOL DISTRICT LAND CONTRIBUTION

Overview

Program:	20 units, mix of 2- and 3-bed units, average of 1,000 sf per unit, prices affordable for households earning 60-120 percent AMI.
Construction Type:	Modular construction
Timing:	18 month construction period
Construction Financing:	Construction financing for units at 80% AMI and less at a 1.0% interest rate
Land Cost:	Free land provided by local school district
Grant Funding	None
Local Contribution:	None

Summary

Project Costs		Sale Revenues and Other Sources of Funds	
Land Cost	\$450,000	Sales Revenues	\$3,767,774
Hard Costs	\$2,500,000	Land Contribution - School Dist.	\$450,000
Infrastructure	\$1,000,000	DOLA - HOME	\$0
Soft Costs	\$594,461	DOLA - State	\$0
Developer Fee	<u>\$321,000</u>	Local Contribution: Telluride Foundation	<u>\$0</u>
Subtotal	\$4,865,461	Subtotal	\$4,217,774

PROJECT GAP

-\$647,687

DEVELOPMENT ECONOMICS

DOLA GRANT FUNDING

Overview

Program:	20 units, mix of 2- and 3-bed units, average of 1,000 sf per unit, prices affordable for households earning 60-120 percent AMI.
Construction Type:	Modular construction
Timing:	18 month construction period
Construction Financing:	Construction financing for units at 80% AMI and less at a 1.0% interest rate
Land Cost:	Free land provided by local school district
Grant Funding	HOME funds at \$15k/unit for 80% AMI units and less and DOLA cont. at 8% of cost
Local Contribution:	None

Summary

Project Costs		Sale Revenues and Other Sources of Funds	
Land Cost	\$450,000	Sales Revenues	\$3,767,774
Hard Costs	\$2,500,000	Land Contribution - School Dist.	\$450,000
Infrastructure	\$1,000,000	DOLA - HOME	\$210,000
Soft Costs	\$560,130	DOLA - State	\$346,680
Developer Fee	<u>\$321,000</u>	Local Contribution: Telluride Foundation	<u>\$0</u>
Subtotal	\$4,831,130	Subtotal	\$4,774,454

PROJECT GAP

-\$56,676

DEVELOPMENT ECONOMICS

LOCAL FOUNDATION CONTRIBUTION

Overview

Program:	20 units, mix of 2- and 3-bed units, average of 1,000 sf per unit, prices affordable for households earning 60-120 percent AMI.
Construction Type:	Modular construction
Timing:	18 month construction period
Construction Financing:	Construction financing for units at 80% AMI and less at a 1.0% interest rate
Land Cost:	Free land provided by local school district
Grant Funding	HOME funds at \$15k/unit for 80% AMI units and less and DOLA cont. at 8% of cost
Local Contribution:	Local contribution (Telluride Foundation) to cover remaining gap (\$54k)

Summary

Project Costs		Sale Revenues and Other Sources of Funds	
Land Cost	\$450,000	Sales Revenues	\$3,767,774
Hard Costs	\$2,500,000	Land Contribution - School Dist.	\$450,000
Infrastructure	\$1,000,000	DOLA - HOME	\$210,000
Soft Costs	\$557,452	DOLA - State	\$346,680
Developer Fee	<u>\$321,000</u>	Local Contribution: Telluride Foundation	<u>\$53,998</u>
Subtotal	\$4,828,452	Subtotal	\$4,828,452

PROJECT GAP

\$0

DEVELOPMENT ECONOMICS

PROGRAM LOGISTICS

Potential Deed Restriction

- First right of refusal for local school district
- AMI Income limits
- Local live/work requirements
- Appreciation caps
- Others

CHFA Involvement

- Home ownership education
- Home owner credit evaluation
- Home buyer vetting process
- Loan approval process management

HOME LOAN FINANCING ASSISTANCE

CONVENTIONAL FINANCING

Description	120% AMI	100% AMI	80% AMI	60% AMI
Units	2.0	4.0	10.0	4.0
Area Median Income	\$73,620	\$61,350	\$49,080	\$36,810
Conventional Home Loan				
Downpayment	5.00%	5.00%	5.00%	5.00%
Interest Rate	4.50%	4.50%	4.50%	4.50%
Term	30 Years	30 Years	30 Years	30 Years
Affordable Home Value	\$302,953	\$252,461	\$201,969	\$151,476
Monthly Mortgage Payment	\$1,472	\$1,227	\$982	\$736
TOTAL REVENUE	\$4,241,339			

HOME LOAN FINANCING ASSISTANCE

LOW INTEREST FINANCING

Description	120% AMI	100% AMI	80% AMI	60% AMI
Units	2.0	4.0	10.0	4.0
Area Median Income	\$73,620	\$61,350	\$49,080	\$36,810
Low Interest Financing				
Downpayment	5.00%	5.00%	5.00%	5.00%
Interest Rate	1.00%	1.00%	1.00%	1.00%
Term	30 Years	30 Years	30 Years	30 Years
Affordable Home Value	\$302,953	\$252,461	\$201,969	\$151,476
Monthly Mortgage Payment	\$929	\$774	\$620	\$465
Reduction in monthly payment	\$543	\$453	\$362	\$272
TOTAL REVENUE	\$4,241,339			

HOME LOAN FINANCING ASSISTANCE

LOW INTEREST FINANCING

AFFORDABLE AMI LEVEL	76% AMI	63% AMI	50% AMI	38% AMI
Units	2.0	4.0	10.0	4.0
Area Median Income	\$73,620	\$61,350	\$49,080	\$36,810
Low Interest Financing				
Downpayment	5.00%	5.00%	5.00%	5.00%
Interest Rate	1.00%	1.00%	1.00%	1.00%
Term	30 Years	30 Years	30 Years	30 Years
Affordable Home Value	\$302,953	\$252,461	\$201,969	\$151,476
Monthly Mortgage Payment	\$929	\$774	\$620	\$465
Reduction in monthly payment	\$543	\$453	\$362	\$272
TOTAL REVENUE	\$4,241,339			

