

# Lyons Valley Townhomes



**RUSTY SNOW, PRESIDENT  
SUMMIT HOUSING GROUP  
MISSOULA, MT**

# Summit Housing Group - Developer Experience



- Summit Housing Group develops in 6 states, and owns & manages all its properties.
  - Colorado - 203 HTC units leased and 90 units recently awarded
  - Montana - 214 completed HTC units and 30 units recently awarded
  - Wyoming - 836 HTC units built, and 72 HTC under construction
  - South Dakota - 32 HTC units built, 35 HTC units under construction
  - Utah - 230 completed HTC units
  - Nebraska - 75 HTC units in development
  - Total of 1,727 HTC units

# Centennial Park Apartments – Longmont, CO





# Stoneridge Apartments – Bozeman, MT



# Cedar Bluff Apartments – Cody, WY



# Lyons Valley Townhomes - Unit Mix



- Lyons Valley Townhomes (LVT) is the first affordable housing tax credit development in Lyons, Colorado
- 21 2-BR MF units @60% AMI, \$1534/month rent, \$86 utility allowance = \$1448 total rent
- The walk-up buildings will be four 2-story fourplex and one five-plex townhouses



# Lyons Valley Townhomes - Amenities



- **Amenities will include:**
  - On-site manager's office
  - Playground for children
  - Ample outdoor green space
- **Unit will feature:**
  - Patio/balcony for each unit
  - Efficient heating and cooling systems
  - Dishwashers
  - Microwave ovens
  - Refrigerators with freezers
  - Garbage disposals
  - Self-cleaning ovens
  - In-unit washer and dryers

# Lyons Valley Townhomes - Green Practices



- 2015 Enterprise Green Communities standards are required for this development. These standards include:
  - Water-conserving fixtures
  - Proper sizing of heating and cooling systems
  - Efficient building envelope and insulation design
  - Window efficiencies
  - Energy Star rated appliances
  - Energy Star lighting or LED fixtures
  - All plantings are native or adapted to the region
- Green building materials will be incorporated whenever possible to achieve a sustainable design and healthy environment for the residents
  - Low or no VOC products
  - Formaldehyde free lumber goods
  - Sustainably designed materials



# Lyons Valley Townhome - Sources and Uses



- **Development Budget:**

- Hard and Soft Cost \$14,477,999

- **Financial Sources:**

- PAB Permanent Bond Debt \$6,155,000

- Federal Tax Credit Equity \$3,643,857

- CDBG Disaster Recovery Funds \$4,000,000

- Deferred Developer Fee \$741,142

# What Affordable Housing brings to Lyons



- Lyons Valley Townhomes will pay all required development fees, impact fees, and connection fees
- The development will not receive any tax exemption or abatement
- Quality, safe, affordable housing for teachers, parks and public works employees, service industry workers and small business employee

# What Affordable Housing brings to Lyons



- According to a report from the National Association of Home Builders, the estimated one-year local impact of building 100 apartments in a typical LIHTC development includes:
  - \$7.9 million in local income, or \$3,160,000 in local income for 40 units
  - \$827,000 in taxes and other revenue for local governments, or \$330,800 in taxes and other revenue for 40 units
  - 122 local jobs, or 48 local jobs for 40 units
  - These are local impacts, representing income and jobs for local residents and taxes (and other sources of revenue, including permit fees) for all local jurisdictions within the area. Local jobs are measured in full time equivalents—i.e., one reported job represents enough work to keep one worker employed full-time for a year, based on average hours worked per week by full-time employees in the industry

# What Affordable Housing brings to Lyons



- Further, the additional annually recurring impacts of building 100 apartments in a typical LIHTC development include:
  - \$2.4 million in local income, or \$960,000 in local income for 40 units
  - \$441,000 in taxes and other revenue for local governments, or \$176,400 in taxes and other revenue for 40 units
  - 30 local jobs, or 12 local jobs for 40 units
  - These are ongoing, annual local impacts that result from the new apartments being occupied and the occupants paying taxes and otherwise participating in the local economy year after year. The ongoing impacts also include the effect of increased property taxes, based on the difference between the value of raw land and the value of a completed housing unit on a finished lot, assuming that the same tax rate would apply to raw land.



# Lyons Valley Townhomes - Need



- According to the market study conducted by Prior and Associates, Lyons has had difficulty finding land to rebuild after the 2013 floods
- Much of the town's available land is either in a floodplain, not zoned for multifamily use, or restricted open space
- Lyons Valley Townhomes will look to replace the approximately 70 affordable homes/units lost during the floods

# Lyons Valley Townhomes - Need









- Income Limits

## LIHTC Income Limits for 2019 (Based on 2019 MTSP Income Limits)

### Charts

60.00%

1 Person		47,760
2 Person		54,540
3 Person		61,380
4 Person		68,160
5 Person		73,620
6 Person		79,080

# Lyons Valley Townhomes - Need



- The following Market Study table rates Lyons Valley Townhomes in seven categories on a scale of one to five, where one is the lowest rating and five is the highest:

SUBJECT EVALUATION TABLE					
	1	2	3	4	5
Market Demand					X
Project Location				X	
Subject Unit Mix				X	
Subject Unit Sizes					X
Proposed Rents					X
Overall Marketability-as proposed					X
Marketability with recommended changes			N/A		
Source: Analysis by Prior & Associates					

# Misconceptions about Affordable Housing



- **Negative Impact for surrounding property values**
  - Trulia did a study in 2016 called “There Doesn’t Go the Neighborhood: Low-Income Housing Has No Impact on Nearby Home Values”
  - In the nation’s 20 least affordable markets, their analysis of 3,083 low-income housing projects from 1996 to 2006 found no significant effect on home values located near a low-income housing project.
  - **Of the 20 markets examined, Denver was the only metro area where homes located near low-income housing projects registered a positive effect in terms of price per square foot after a project was completed**
- **Increase in crime in the neighborhood**
  - A common reason for opposition of affordable housing is the fear that it will result in an increase in crime in the neighborhood
  - Studies have found that when affordable units occur in small quantities (typically less than 50 units), there is typically no impact on neighborhood crime



# Misconceptions about Affordable Housing



- **Physical deterioration of the building and property**
  - Housing Tax Credit properties have tremendous amounts of oversight through 3<sup>rd</sup> parties
  - The State Agency, the tax credit investor, and the lender all do annual physical and file audits
  - The Property will carry an operating reserve equal to 4 to 6 months of debt service, expenses, and replacement reserves (approximately \$200,000) used for any shortfalls during the year. The General Partner is required to reimburse that operating reserve annually if utilized
  - In addition to the operating reserve, the operation budget also carries approximately a \$50,000 reserve for repairs and maintenance annually
- **Affordability period**
  - Lyons Valley Townhomes, LP will be required to have an affordability covenant for the site for 35 years
  - We would typically look to re-syndicate and extend the affordability period after year 15. This extends the affordability period another 30 years and puts rehabilitation funds into the project

# Misconceptions about Affordable Housing



- **Increase in traffic**

- According to our traffic study the proposed 21 multi-family units is in conformance with the Lyons Valley Park Traffic Study and the traffic generation from them can be absorbed by the adjacent streets and intersections with no adverse impacts to their operation and safety. No improvements to the adjacent streets and intersections are necessitated by the development of the 21 multi-family units.”

# QUESTIONS?

