SCEDD
Southern Colorado
Economic Development District

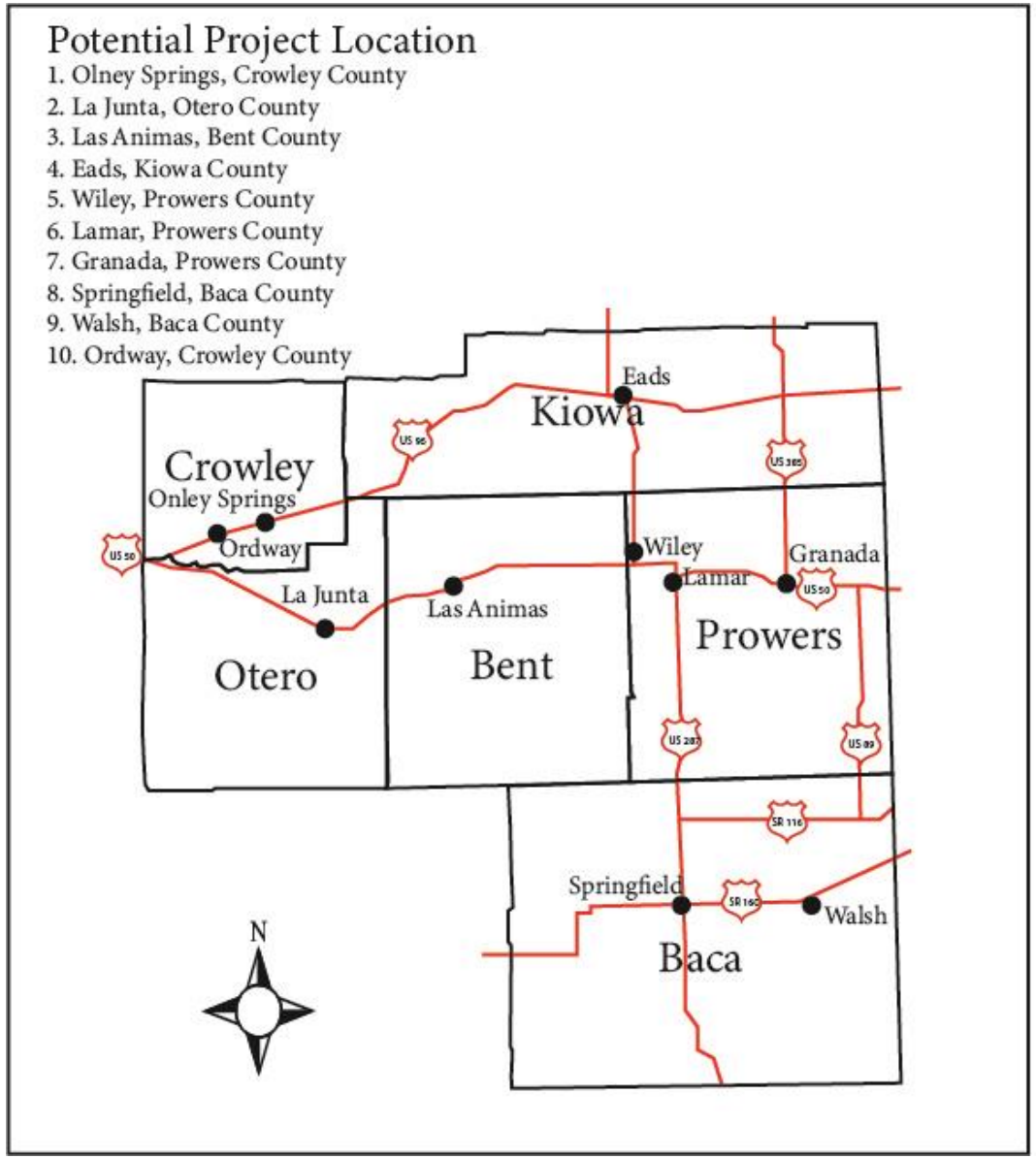
CCI
COLORADO COUNTIES, INC.
Educate · Advocate · Empower

SOUTHEAST COLORADO
SECED
ENTERPRISE DEVELOPMENT

Southeastern Plains Workforce Housing-
High Prairie Plains

BYWATER
DEVELOPMENT, LLC

Regional Collaboration





What are Goals and Outcomes if we are successful in the next 2 years with Housing?

-To ensure our community's workforce is successful in attaining long-term, safe and energy efficient housing

-To provide housing opportunities both home ownership and rental opportunities to our community's workforce

-To work with our local Municipal and County leadership on creating capacity for future housing within their jurisdictions

-Establish market comps for future projects to be built by private investments on smaller scale

-Revive lending market and financing options for housing projects

A Strong Housing Market is a Good Thing!

- Strengthens property taxes and sales taxes
- Provides for multiplier effects from an influx of home ownership
- Increases community pride and reduces blight
- Eliminates a barrier to economic growth
- Spurs infrastructure development that improves quality of life
- Ignites the local housing market

The Housing Problem In the SE Plains



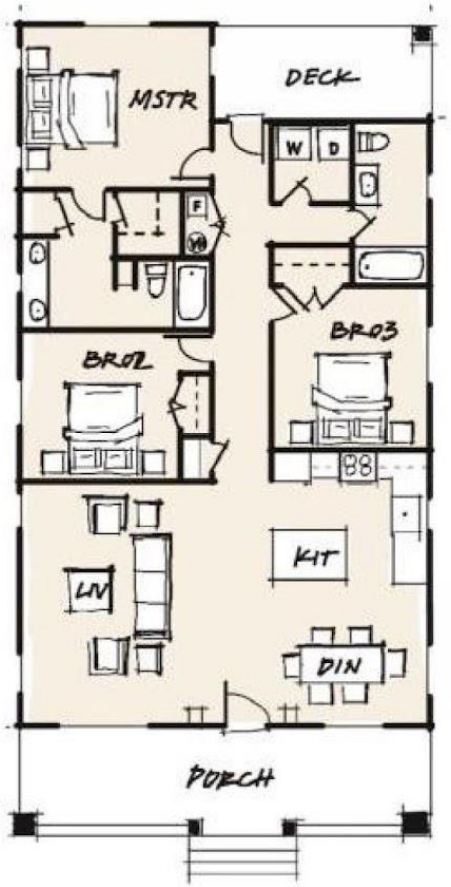
- Lack of housing supply leads to outmigration/stagnation
- Appraisals are not adequate due to lack of sales comps
- Construction costs have been prohibitive on smaller scale projects
- Scarce availability of contractors and labor for new development
- Exponential materials cost increases make small projects prices unattainable to local workforce
- Lack of construction loan capital to help create available buildable lots

Blighted Housing to New Workforce Housing

New Workforce Housing Priced from $151,250-$265,050

All Price Points Under 100% AMI







Kestrel
Single Family
3 Bedroom, 2 Bath
Approx. 1,350 SF

SECED ATTAINABLE HOUSING PROJECT

Workforce Housing Defined

Household size	80%	90%	100%	110%	120%
1 person	$41,200	$46,350	$51,500	$56,650	$61,800
1.5 person	$44,120	$49,635	$55,150	$60,665	$66,180
2 person	$47,040	$52,920	$58,800	$64,680	$70,560
3 person	$52,960	$59,580	$66,200	$72,820	$79,440
4 person	$60,320	$67,860	$75,400	$82,940	$90,480

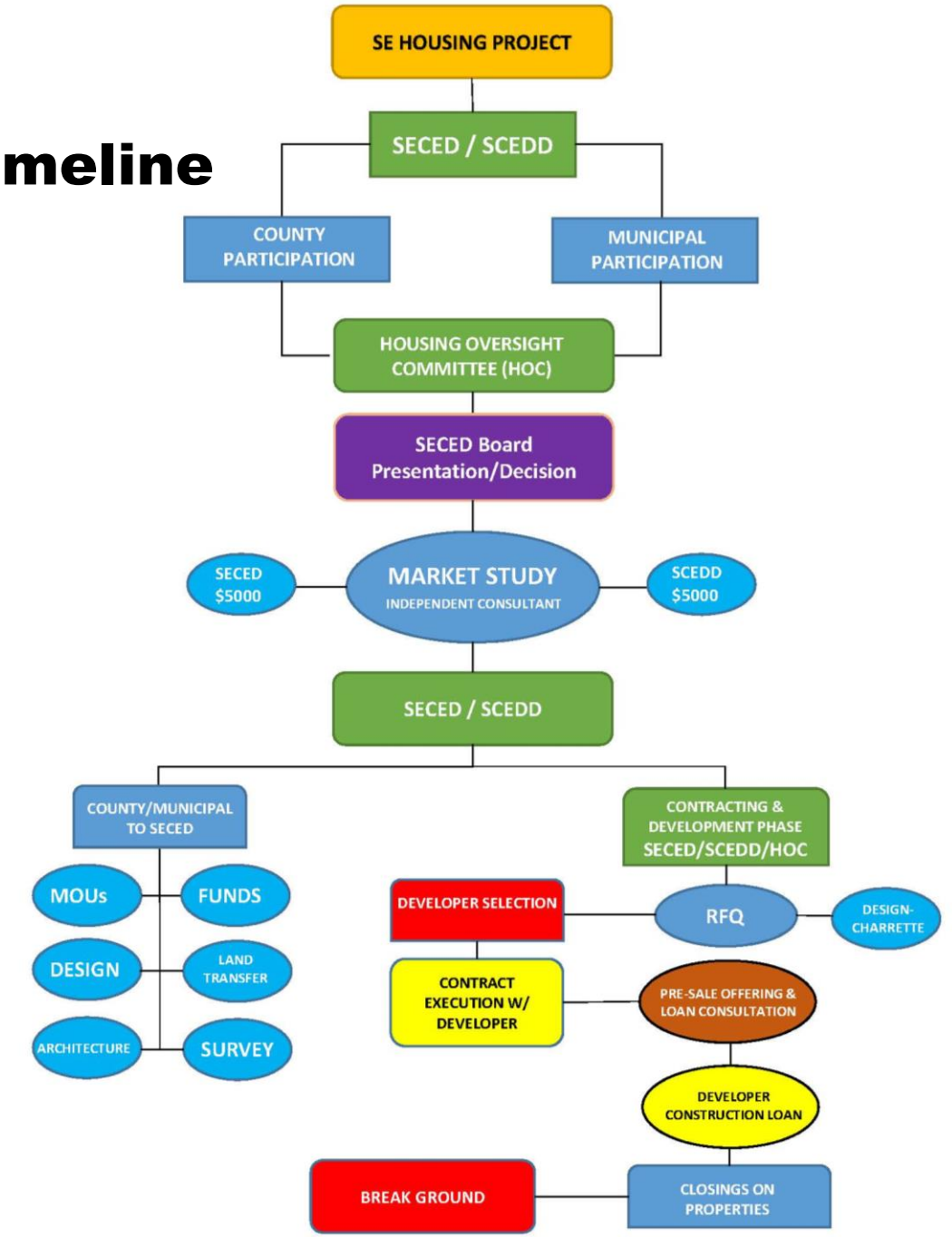
- Working Class Families “Missing Middle”
- Want to serve workers who have been invested in their employment
- Opportunity zone investor to buy duplexes to rent back to employees or “Qualified Census Tracts”
- Price Points allowed for a wide range of AMIs to participate 70%-120% AMI

Implementation of Removing Blight

- Assess property to determine if dangerous property.
- Gather property information
- Send Dangerous Building Letter
- If no response from owner or letter unclaimed
- File an affidavit citing all deficiencies per the City of La Junta building code and authorization under our Charter.
- Once the courts hold the hearing and if they agree, they issue a decree authorizing condemnation.
- We then place on list to give to EPA to determine whether eligible for The Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), commonly known as Superfund's Removal Action
- If eligible, then the EPA will inspect for asbestos and determine how their contractors can remove.
- Then back to court with the costs involved to remove to see if owner wants to pay or turn the property over.
- If we receive property back, we then sell it to someone wanting to build a new home

Flow Chart of Development Timeline

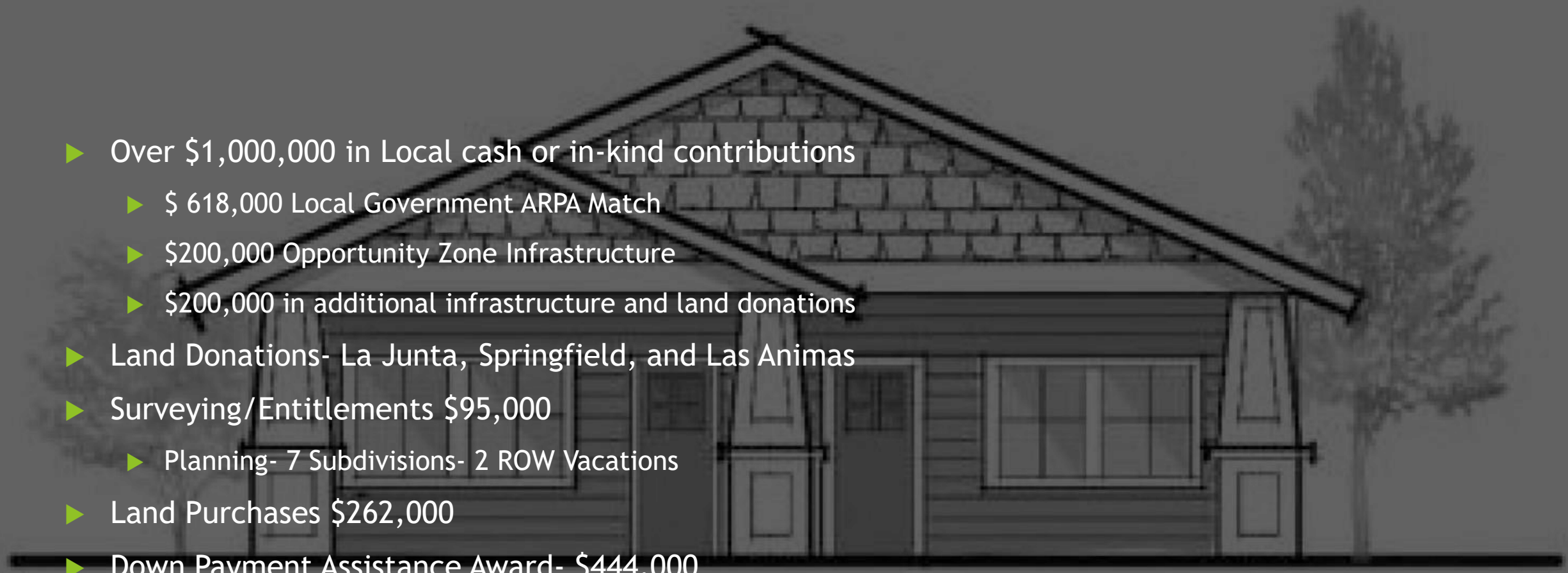




Strategies for Workforce Housing

- Take Care of the "Broccoli" Costs
  - Horizontal Infrastructure Costs-Roads, Water, Sewer, Gas, electric, etc.
  - Land Costs
- Remove Engineering and Architecture Costs from Final Sales Price
  - Allows for competitive construction cost bidding
- Waive permit fees and take care of tap fees
- Deal with entitlements so projects are shovel ready
- Homeownership or qualified 1st time buyer programs VA home Loans or USDA
- Regional Collaboration to make project large enough for economies of scale
- Desired Result- Only pass on vertical costs to end buyer

SE Plains “Broccoli” Incentive Package



- Over $1,000,000 in Local cash or in-kind contributions
  - $ 618,000 Local Government ARPA Match
  - $200,000 Opportunity Zone Infrastructure
  - $200,000 in additional infrastructure and land donations
- Land Donations- La Junta, Springfield, and Las Animas
- Surveying/Entitlements $95,000
  - Planning- 7 Subdivisions- 2 ROW Vacations
- Land Purchases $262,000
- Down Payment Assistance Award- $444,000
- DOLA Energy Impact Funding $598,966

Benefits of Economies of Scale

- Over 40 units allows for attracting larger regional developers
- Buying power on construction materials and things like appliances
- Predictable Reliable Labor
- Regional Collaboration=Shared costs
  - Surveying, Design, Planning, Legal, etc.
- SECED Serving as Regional Oversight on behalf of Counties and Municipalities
- SCEDD Serving as Planners for entitlements and project management



Risk Reduction

- Every Development Project has Risks
- *American Rescue Plan Act Eligible Project*
- *Developer Responsible for Construction Financing*
- *RFQ Developer Selection and Design Process*
- *Incentives provided by Regional Collaboration*
- *SECED holding Land or Surety throughout the process*
- *Pre-Sales*
- *Pay for performance*



Timeline

- June 23, 2021- **Presentation of Feasibility Report** and Decision by SECED Board to move project forward to local municipal participation.
- June 24, 2021- **Market Demand Study** Contract Executed and economic planning begins. Cost $10,000.
- July-August 2021- **Memorandum of Understanding MOU** executed with each participating County and Municipal jurisdiction and SECED.
- July 2021- **Design Charrette**
- August 2021- **Release of Developer RFQ**
- September 2021- **Finalist Developer Selection**
- November 2021- **Contract Execution with Developer and SECED**.
- October-February 2021-2022- **Pre-sales offering** and loan consultation begins.
- January 2022- **Transfer of land** to be developed to SECED.
- March 2022- **Developer Closes on Construction Loan**
- May 2022- **Groundbreaking** in first community every 3 weeks in next location.
- July 2022- **Transfer of Land to developer**
- December 2022- **First Homes Completed**
- May 2024**- Final Home Completed**

Thank You- Questions?

Check out the Project at:

https://www.highprairiehomes.com/

SE Housing Feasibility Report at

https://www.seced.net/housing.html

EPA Programs

https://www.epa.gov/superfund/superfund-cercla-overview

