Case No. 17PL003

Existing Legal Description:

That portion of the SW1/4, less Freeland Subdivision, less Prairie Hills Subdivision and less 1 acre tract in the SE1/4 of the SW1/4 of Section 19, T2N, R8E; the unplatted portion of the NW1/4, less Lot H4 and less Lot H5 of Section 30, T2N, R8E, all located in T2N, R8E, BHM, Rapid City, Pennington County, South Dakota

Proposed Legal Description:

Proposed Lots 1 and 2 of Block 1 and Drainage Lot of Block 2 of Freeland Ranch

FREELAND RANCH COMMUNITY, INC. A SOUTH DAKOTA NON-PROFIT CORPORATION

PO Box 8452 Rapid City, SD 57709 Telephone 605-348-1125 Fax 605-348-9744

January 26, 2017

SENT VIA E-MAIL ONLY

Ms. Vicki Fisher Planning Manager City of Rapid City 300 Sixth Street Rapid City, SD 57701

Re: Freeland Ranch; A Sustainable, Affordable Housing Subdivision

Dear Vicki:

The purpose of this letter is to advise the City of Rapid City Planning Department of a proposed affordable/workforce housing subdivision to be constructed immediately north of Rushmore Mall, adjacent to Seger Drive.

Freeland Ranch Community, Inc., a South Dakota Non-Profit Corporation, was recently formed for the express purpose of development, operation, management and long-term maintenance of the Freeland Ranch Subdivision. (See Exhibit "A"; Certificate of Incorporation.) This Subdivision is a multi-socio-economic level, sustainable, affordable housing community that will provide low cost, build-ready lots and apartment sites to make possible the construction of over 360 affordable housing/workforce dwellings, including single family, multi-family, apartment units, and an area designated for a tiny home village. (See Exhibit "B"; Proposed Subdivision Layout.)

In addition to the residential uses, Freeland Ranch will also be the site for the new Rural America Initiatives' building which will provide Head Start services to the approximately 250 Native American children, as well as administrative offices and community room. The vast majority of the students are transported by RAI vans.

Ongoing maintenance and onsite management is key to preserving the quality and security of this subdivision. First, landlords and apartment managers, as well as charitable and governmental agencies involved with particular homes are primarily responsible. Freeland Ranch Community, Inc., will also be enforcing Covenant standards by having an onsite manager.

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It is the mission of Freeland Ranch Community, Inc., to sell build-ready lots for single family homes, town homes and multi-plex buildings, as well as apartment house sites to private builders, apartment ownership companies, as well as to agencies such as Neighbor Works, Dakota Land Trust, Habitat for Humanity, Pennington County Housing Authority and any other entity whose goal is to provide affordable and workforce housing. The lots would be priced well below market value to keep dwellings affordable not only for the first occupant of the residence but for all home owners thereafter. Various sustainable, affordable housing mechanisms have been successfully implemented by many entities and is the focus of this affordable housing community.

Freeland Ranch Community, Inc., as the developer, would retain the majority of sale proceeds from each lot to create an ongoing revenue source and future endowment for the continued development, operation and long-term maintenance of the entire subdivision. Hagg Development, Inc., was awarded a \$119,000 Community Development Block Grant last year and has used the proceeds for engineering, design, testing, surveying, archeological studies, geo-technical and all other things necessary to make sure this is a subdivision concept which is physically feasible upon obtaining all necessary approvals and funding. Freeland Ranch will update its request for additional CDBG funding to further the engineering and design for construction and platting purposes.

Freeland Ranch Community, Inc., as the developer, will submit application for a Tax Increment Finance District to be used as one of the main funding mechanisms under which various loans for land acquisition and construction of improvements will be used. In addition to conventional loans sought by Freeland Ranch Community, Inc., a CDBG Section 108 loan to be applied for by the City and other funding sources such as South Dakota Housing Development Authority and Vision Funds have been identified as potential funding sources for the creation of the build-ready lots.

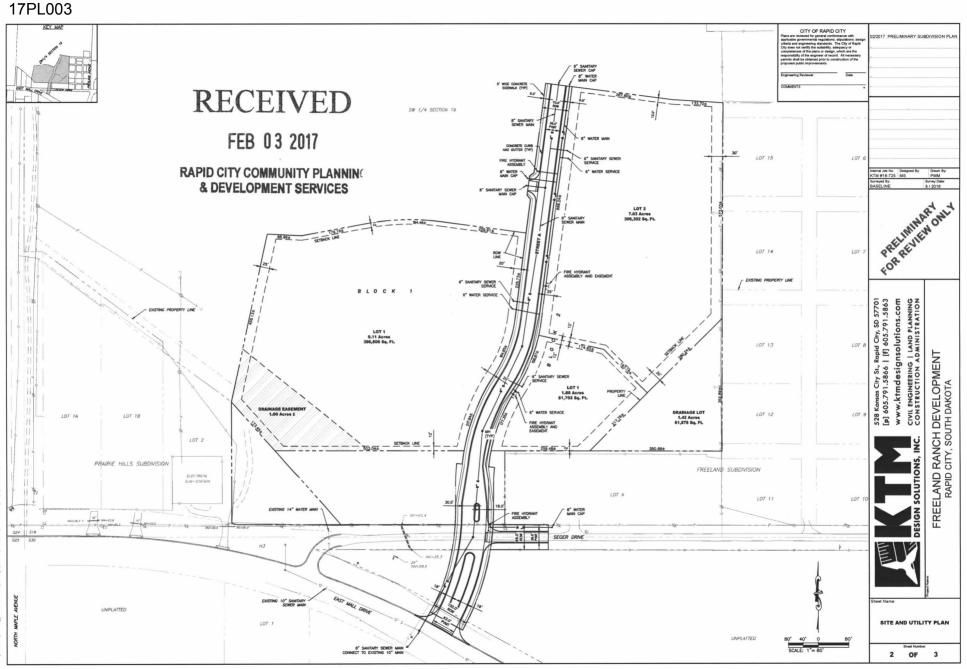
If you have any questions, please advise. Thank you.

Sincerely,

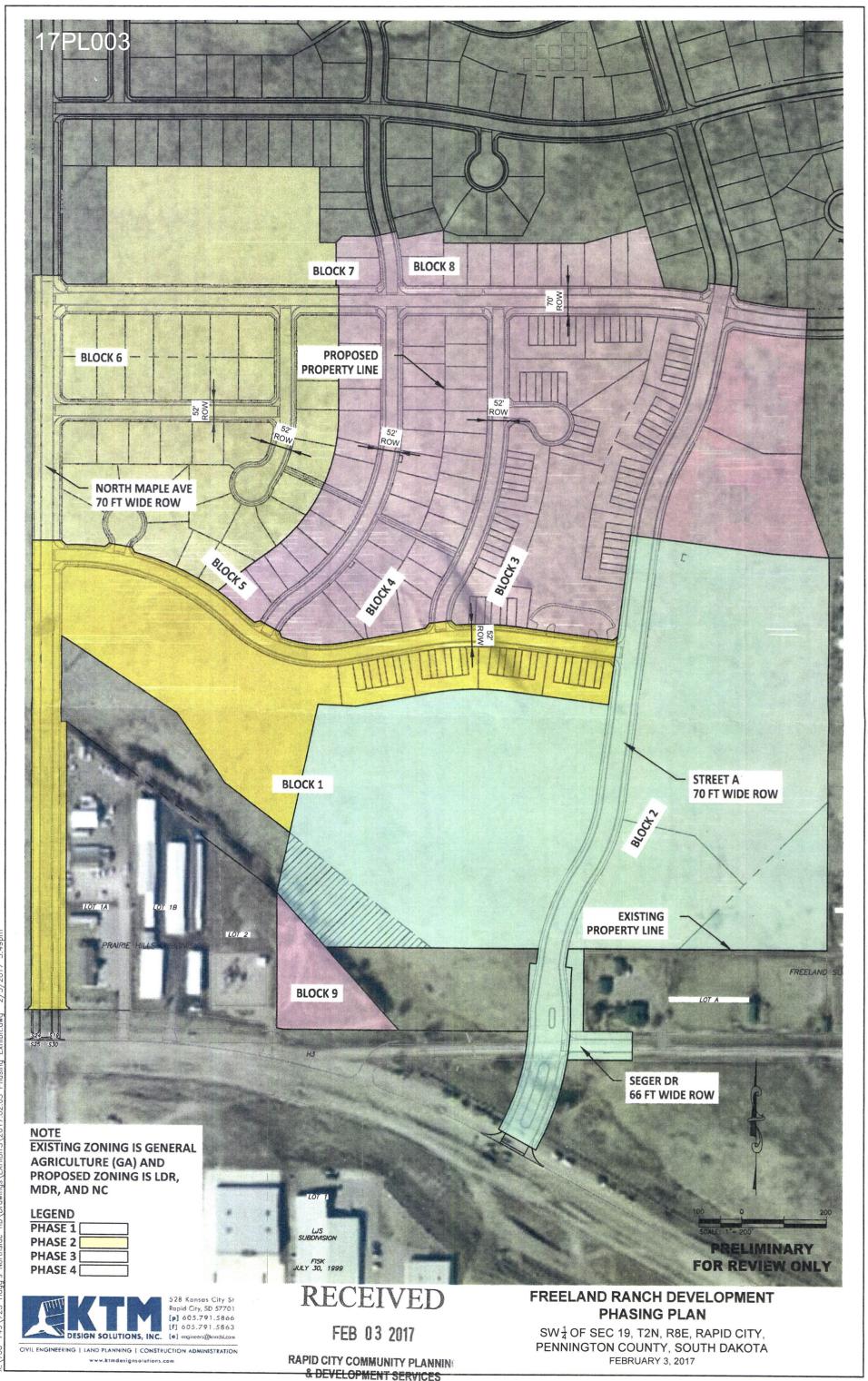
FREELAND RANCH COMMUNITY, INC.

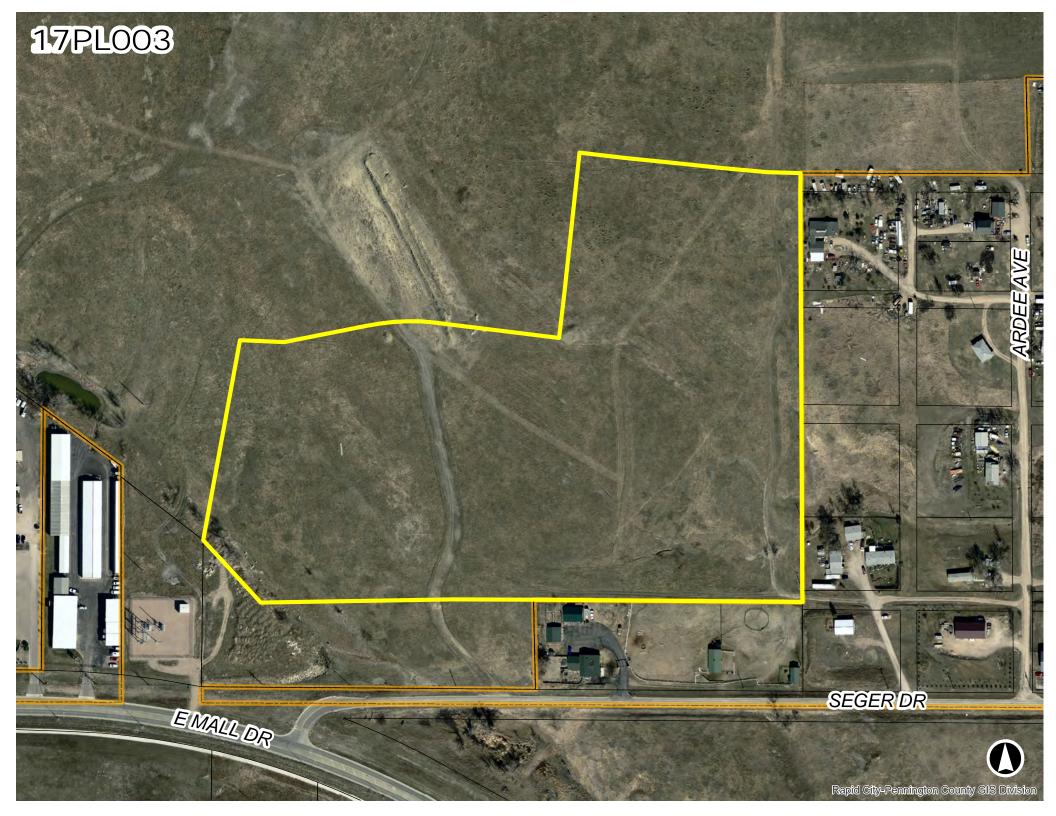
Kent R. Hagg, President

KRH/dec Encls.

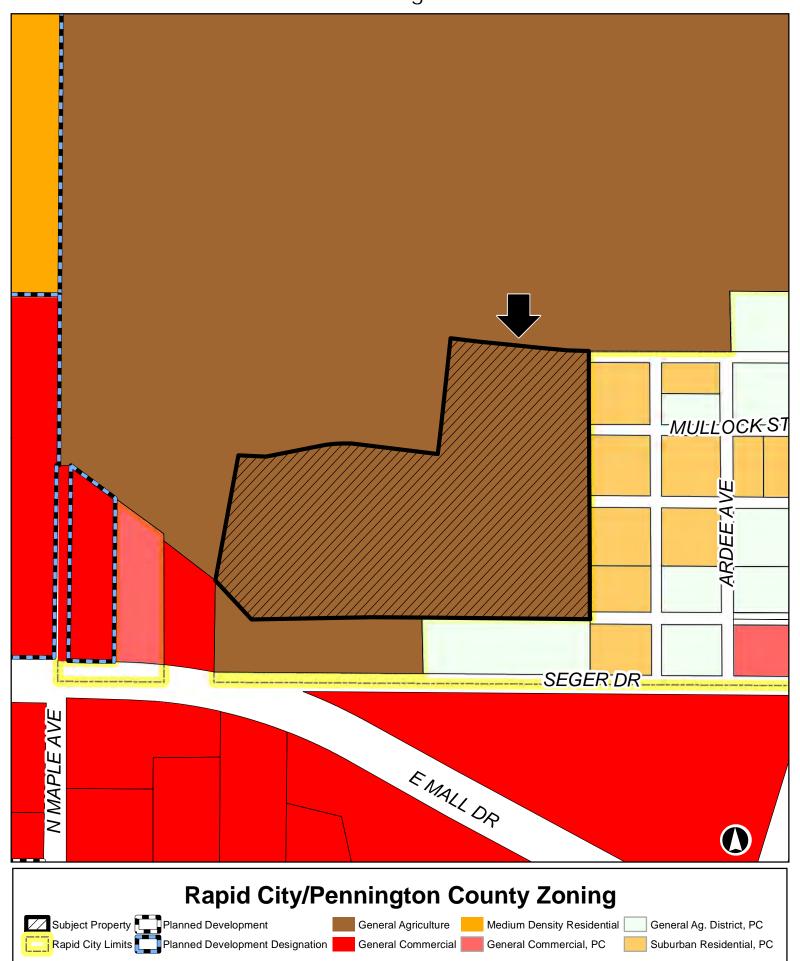




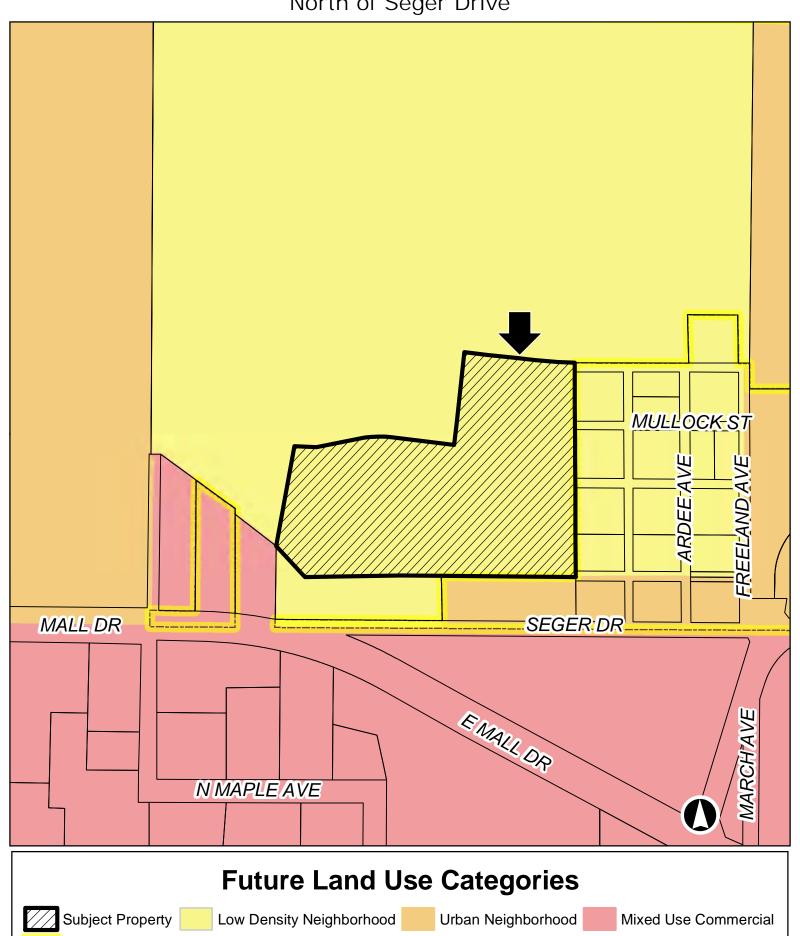




17PL003 North of Seger Drive

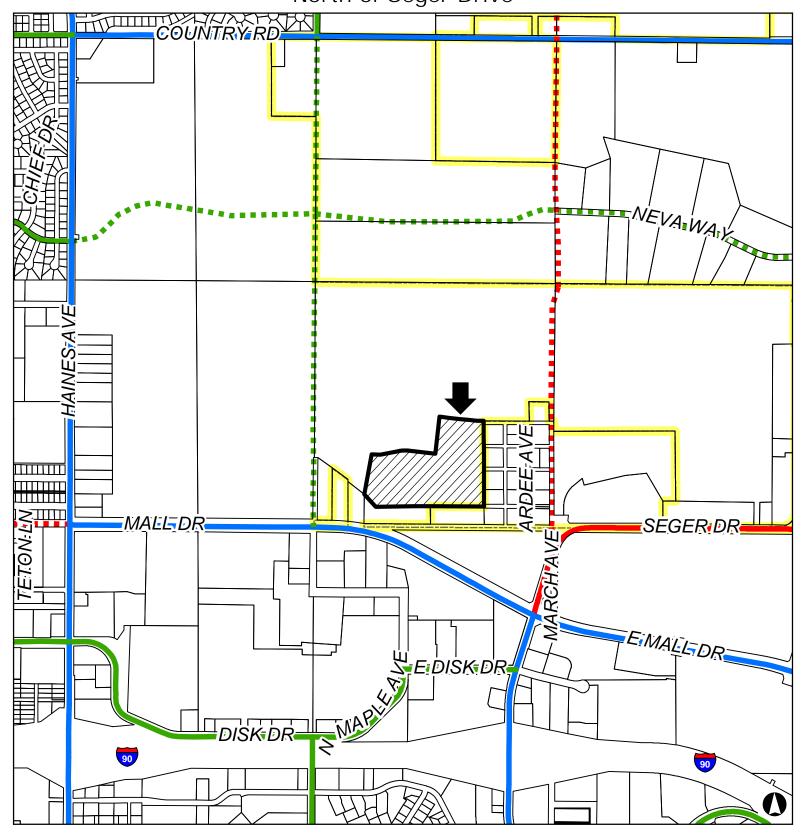


17PL003 North of Seger Drive



Rapid City Limits

17PL003 North of Seger Drive



Major Street Plan



17PL003

