

Dear City Council Members,

We would like to take this opportunity to introduce you to our proposed ‘workforce housing’ project. We are asking the City for assistance to develop this project near East Saint Charles Street and Creek Drive (east of Family Thrift and Ace Hardware). In particular, we are looking to form a TIF district to pay for the land, professional fees, and onsite improvements.

Here are the highlights of our project:

- **Funding Sources:** We do not intend to use State administered Federal Tax Credits or accept County administered vouchers (commonly known as Section 8).
- **Target Tenant Base:** ‘Workforce Housing Segment’ - workers, seniors, and students earning less than \$19/hour. (A full-time worker with stable employment making \$12/hour will meet our rental criteria).
- **Centralized Location:** Our location is within walking distance to the bus route, a supermarket, restaurants, a gym, other services, and the bike path.
- **Developed in Two Phases:** Phase 1-61 units, Phase 2-62 units, for a total of 123 units.
- **Unit Mix:** All one bedroom. Half the units will have washers and dryers and the other half will have access to common laundry areas.
- **Rent:** Base one bedroom will be \$625/month. The rent for our one bedroom with washer and dryer will be \$680/month.
- **Utilities Include:** Heat, water/sewer, and garbage. The tenant will be responsible for electricity and communications.

We are attempting to bring a new product targeting an underserved, workforce segment in the Rapid City housing market. While we foresee a market for this, we don't know how well it will be received. While this is an inherent risk in being a developer, this project serves as an alternate model to help meet the needs of that population while serving the community at large. The success of the model will serve as a template for others and opens up new avenues to meet the housing needs of this overlooked and underserved population.

Affordable housing is a community concern. We cannot affect the wages in Rapid City, but we can work to give the people earning those wages a safe, inviting and positive place to live. This project helps bridge that gap, but in order to achieve that shared goal the project requires taking on additional risk and a partnership with the City.

The two main challenges we face, are building affordably, and managing correctly. Focus too much on building affordably, and we do not have an attractive product. Striking the right balance between cost and aesthetics is key. By partnering with the City we can create desirability and affordability. Our group brings development and management experience to this project. Coupled with City support we can move forward in developing an alternate model to help meet one of our community's unmet needs.

We look forward to moving ahead with this project and appreciate your support.