

Estes Park Housing Authority - Opportunity to Purchase Fall River Village

Housing for the Estes Valley

June 25, 2024



What is the need?

What is the pipeline?

- **2023 Housing Needs Assessment Indicated Need**
 - Rental Homes between 50%-200% AMI by 2030 = 242
 - Rental Homes between 50%-120% AMI by 2030 = 177
 - Rental Pipeline 50%-120% AMI = 184 (Prospector and FRV)

Area Median Income Tables – 2024/2025

	<u>AMI %</u>			
	<u>1-Person</u>	<u>2-Person</u>	<u>Hourly Wage 1-Person</u>	<u>Hourly Wage 2-Person (Each)</u>
150%	\$124,800	\$142,650	\$60	\$34.29
120%	\$99,840	\$114,120	\$48	\$27.43
100%	\$83,200	\$95,100	\$40	\$22.86
80%	\$66,560	\$76,080	\$32	\$18.29
60%	\$49,920	\$57,060	\$24	\$13.72
40%	\$33,280	\$38,040	\$16	\$9.14

Fall River Village

- 90 condo-style homes
 - 9 > 1-Bed / 1-Bath
 - 66 > 2-Bed / 2-Bath
 - 1 > 3-Bed / 2.5-Bath
 - 10 > 3-Bed / 3.5-Bath
 - 2 > 4-Bed / 3-Bath
 - 2 > 4-Bed / 4.5-Bath



Fall River Village Anticipated Rents

<u>Bedroom Size</u>	<u>Monthly Rent</u>	<u>Rent AMI</u>
1-Bedroom	\$ 1,249	56%
2-Bedroom	\$ 1,766	66%
2-Bedroom	\$ 2,034	76%
3-Bedroom	\$ 2,350	76%
4-Bedroom	\$ 2,636	76%

Middle Income Rent Comparison

	<u>Peak View</u>		<u>Grand Estates</u>		<u>Beaver Brook (August)</u>		<u>Fall River Village (FRV)</u>		<u>Prospector</u>		
<u>Beds</u>	<u>Rent</u>	<u>% AMI</u>	<u>Rent</u>	<u>% AMI</u>	<u>Rent</u>	<u>% AMI</u>	<u>Rent</u>	<u>% AMI</u>	<u>Rent</u>	<u>% AMI</u>	<u>FRV vs Prospector</u>
0-Bed					\$1,136	55%					
1-Bed	\$1,363	61%					\$1,249	56%	\$1,795	81%	\$(546)
2-Bed	\$1,783	67%	\$1,783	67%	\$1,890	71%	\$1,766	66%	\$2,235	84%	\$(469)
2-Bed							\$2,034	76%	\$2,450	94%	\$(416)
3-Bed	\$2,101	68%			\$2,227	72%	\$2,350	76%	\$2,785	90%	\$(435)
4-Bed					\$2,399	70%	\$2,636	76%			

Fall River Village Investment / Acquisition Cost

Purchase Price = \$35,000,000

Price Per Home = \$388,888

Est. Replacement Cost = \$46,500,000

Est. Repl. Cost Per Home = \$516,667

The Path to Financing and Repurposing 90 Homes

- After about 70 Days of Financial Due Diligence
- Best Path Forward = Certificates of Participation (CoPs)
 - Use ToEP Credit Rating and Participation to Issue CoPs
 - ToEP Guaranteeing 'Lease' Payment of the CoP 'debt' from ALL available funding sources

The Path to Financing and Repurposing 90 Homes...continued

- ToEP Guaranteeing 'Lease' Payment of the CoP 'debt' from ALL available funding sources
 - Collateral = Fall River Village
 - Guarantee of lease payment sources
 - Rents Collected
 - Option 1 - Short Term Rental Linkage Fee
 - Option 2 - Lodging Tax Extension
 - After Stabilization and Debt Buy-Down
 - Rents Collected

Fall River Village Investment / Acquisition Cost: Potential Scenarios

	Scenario 1	Scenario 3
Purchase Price	\$35,000,000	\$35,000,000
Loan to Value %	83%	95%
Initial Loan/Debt	\$29,050,000	\$33,250,000
Interest Rate	4.50%	4.50%
Amortization (Years)	30	\$ 30
Monthly Amortized Payment	\$ 147,192	\$168,473
Annual Amortized Payment	\$ 1,766,305	\$2,021,674
Equity Required at Close	\$5,950,000	\$1,750,000
Total Cash to Close	\$6,383,736	\$2,183,736
Courses of Equity (Cash)		
Prop - 123 (State)	\$ 5,000,000	\$ -
Short Term Rental Linkage Fee	\$ 1,500,000	\$ 1,500,000
6E - Lodging Tax Extension (Oct)	\$ 500,000	\$ 700,000
Total	\$ 7,000,000	\$ 2,200,000
Cash Variance (overage)	\$ (616,264)	\$ (16,264)
Stabilization Cash - Conservative	\$ 1,134,716	\$ 1,298,771
Stabilization Cash - Anticipated	\$ 538,755	\$ 616,647
Cash Variance - Anticipated	\$ (77,509)	\$ 600,383
Rent Subsidy Years	3	\$ 6
Rent Subsidy \$	\$ 2,250,000	\$ 3,375,000
Unit Sales #	10	15
Unit Sales Anticipated Value	\$10,700,000	\$15,450,000

EPHA's Request to Proceed

Does the Town Board, agree in principle, with the following

- Town Staff and EPHA Staff will work together toward completing an acquisition of Fall River Village using the following mechanisms:
 - Issuing CoPs
 - Hiring Municipal Advisors and Bond Council
 - Commitment of Short Term Rental Linkage Fee of \$1,500,000
 - Collections from 2023 & 2024
 - Forward Commitment of Short Term Rental Linkage Fee of \$3,750,000; 5-years, collections through year 2030
 - Use of 6E to cover start up reserve deposits and stabilization costs

Discussion and Questions