

UniverCity Year

Better • Places • Together

2020-2021

Developing affordable housing in Door County

Reports from Real Estate 611: Residential Property
Development



UniverCity Alliance
UNIVERSITY OF WISCONSIN-MADISON



An architectural rendering of a residential development. The scene shows several houses with white walls and dark roofs, arranged around a central green space. A semi-transparent dark grey rectangular box is overlaid on the left side of the image, containing the text "Bayview Development" in white. The background is a light, hazy sky.

Bayview Development

Vision & Investment Overview



Multifamily Highlights:

- 5 acres, 36,725 sq ft leasable over 33 units
- One, two, and three bedroom apartments
- Above ground parking and communal pool

Pocket Neighborhood Highlights:

- 15 acres, 30 homes in clusters of six
- Row parking and single curb cut garages
- Green spaces complete with gardens and walking paths
- Communal pool and fire ring spaces for gathering

Vision & Investment Overview



Value Creation:

- Portfolio diversification by location and residential property types
- Highest and best use of vacant land
- Affordable housing for tax credits
- Solar energy savings

Vision & Investment Overview



Multifamily Property

- \$7.8 Million Total Capital Budget
- \$0.66 Required Rent per Square Foot

Pocket Neighborhood

- \$7 Million Total Capital Budget
- \$197,000 Required Sale Price of Homes

Location

Market

Proposal

Financials

Conclusion





Sister Bay

This satellite map shows a coastal region with several highlighted areas and routes. A large, semi-transparent green area on the left is labeled 'Gibraltar'. A semi-transparent blue area at the top is labeled 'Sister Bay'. A semi-transparent white area in the center-right is labeled 'Multifamily Site'. A semi-transparent white area at the bottom is labeled 'Neighborhood Site'. Two orange circles with numbers '42' and '57' are placed along a red line that runs from the bottom left towards the top right. Another red line branches off from the '42' area and points towards the 'Multifamily Site'.

Multifamily Site

42

57

Gibraltar

Neighborhood
Site



BAYVIEW

Location

Market

Proposal

Financials

Conclusion

Door County Communities



Market and Economies

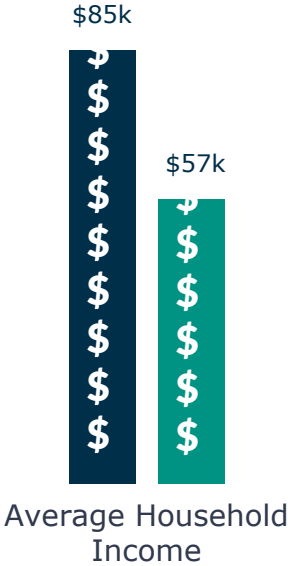
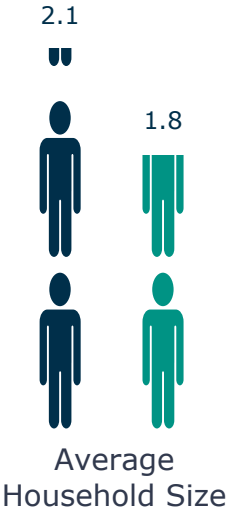
Located near the coast of Lake Michigan these vibrant communities have historic downtowns, state parks, and are booming with tourism. Our developments located in Gibraltar and Sister Bay will target the missing middle and provide quality workforce housing at affordable prices to those with moderate incomes.

Demographics

Average Town Population: 1200

Gibraltar Data

Sister Bay Data



BAYVIEW

Location

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Multifamily Concept



Apartment Homes

- Updated one, two, and three bedroom apartments
- Standard living room
- Balcony on each unit



Amenities

- Community Pool
- Coworking Spaces
- Green Space
- Walking trail
- Communal Grills



Appliances

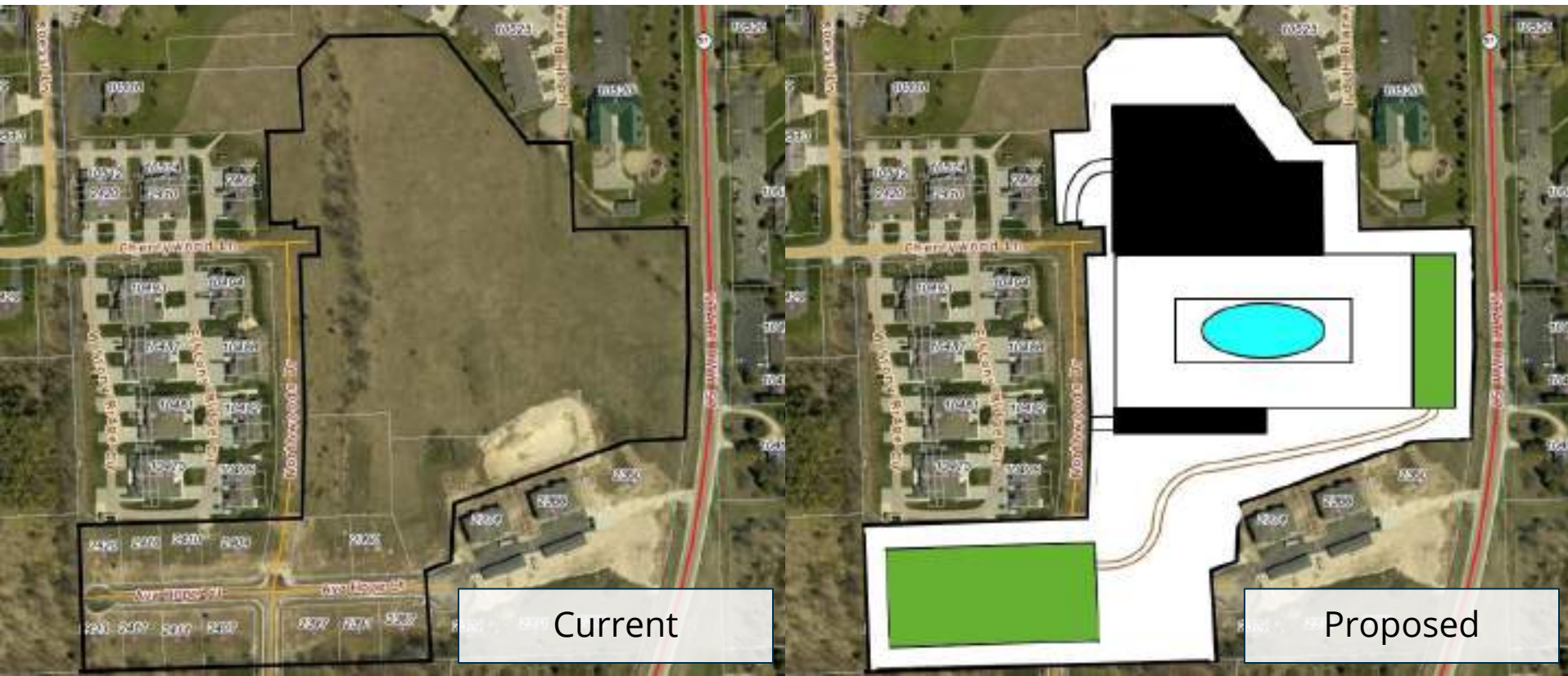
- Modern stainless steel refrigerators
- Electric stovetop
- Energy efficient appliances
- Built in microwave



Parking

- Outdoor parking lot available to tenants - access from Cherrywood Lane & Northwoods Drive

Multifamily Plot Layout



BAYVIEW APARTMENTS

Asset Overview

33

Units

4

One Beds

Underground
Parking

15

Two Beds

Affordable
Housing

14

Three Beds

1113^{SF}

Average/Unit



Pocket Neighborhood Concept



Three Bedroom Homes

- 5-7 Homes per Communal Area
- Covered Parking
- Energy Efficient
- Basement in each home



Exterior

- Cottage/Colonial Style Homes
- Brick Walkways & Shrubbery
- Inward-facing patios



Communal Areas

- Gardens and green spaces
- Outdoor fire rings and pool
- Walking trails
- Places to gather



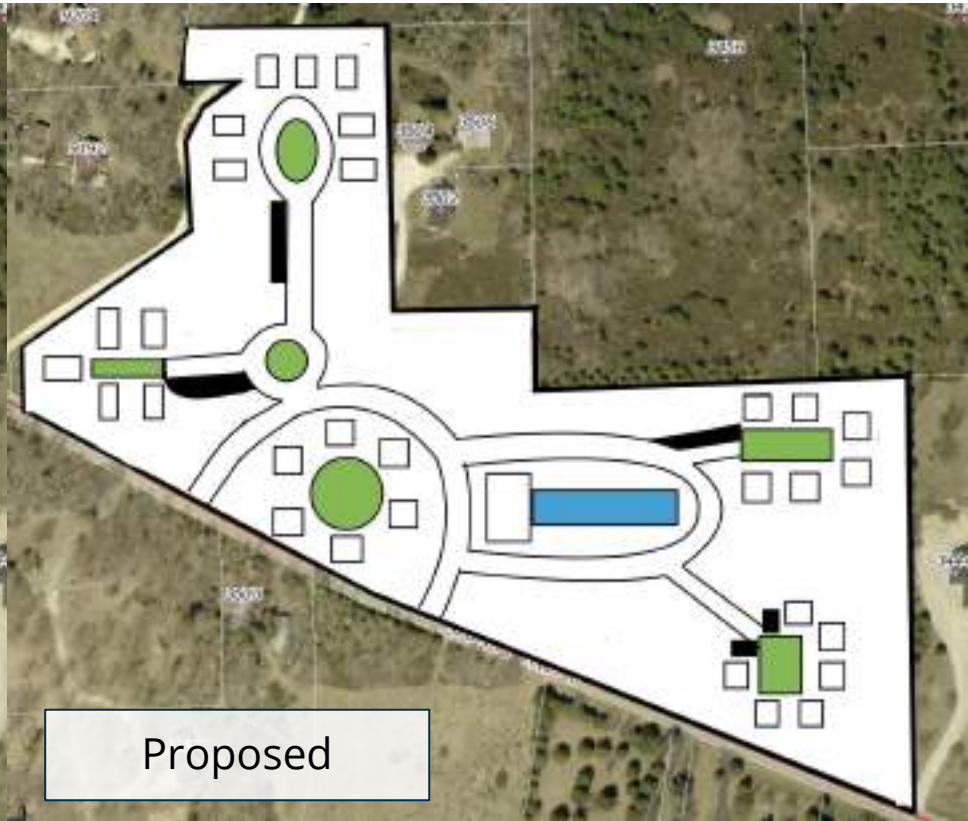
Interior

- Open Concept Layout - kitchen facing inward towards communal areas
- Spacious, modern, designed to project maximum sunlight indoors

Pocket Neighborhood Plot Layout



Current



Proposed

BAYVIEW HOMES

Asset Overview

30

Homes

Gathering
Spaces

3 Bedrooms

/Home

Efficient
Homes

Convenient
Parking

1200^{SF}

Average/Home



BAYVIEW

Solar Energy System

Size of Project

60,000 Kilowatts

Number of Panels

200



BAYVIEW

Location

Market

Proposal

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Multifamily Debt Financing

Total Budget: \$7.8 Million



■ Tax Credit Equity ■ Mortgage Loan ■ Gross Cash Equity Required

100% LIHTC units

\$1.9M

30-year
fixed permanent loan

5.5% Fixed Rate

80% LTC

Cash Equity: \$500k



■ Tax Incremental Financing ■ Net Cash Equity Required

Multifamily Financial Requirements

\$150k

Required Net Operating Income

\$0.66

Required Rent per Square Foot

\$739

Average Required Rent per Unit

BAYVIEW HOMES

Pocket Neighborhood Home Sale Price

\$197,000 per home

Standard home appliances and materials
included (\$5,500/unit)

\$7M Capital Budget

100% TIF of \$1.1M
Tax Increment: \$81,000 per annum



Solar Energy Savings

\$178k

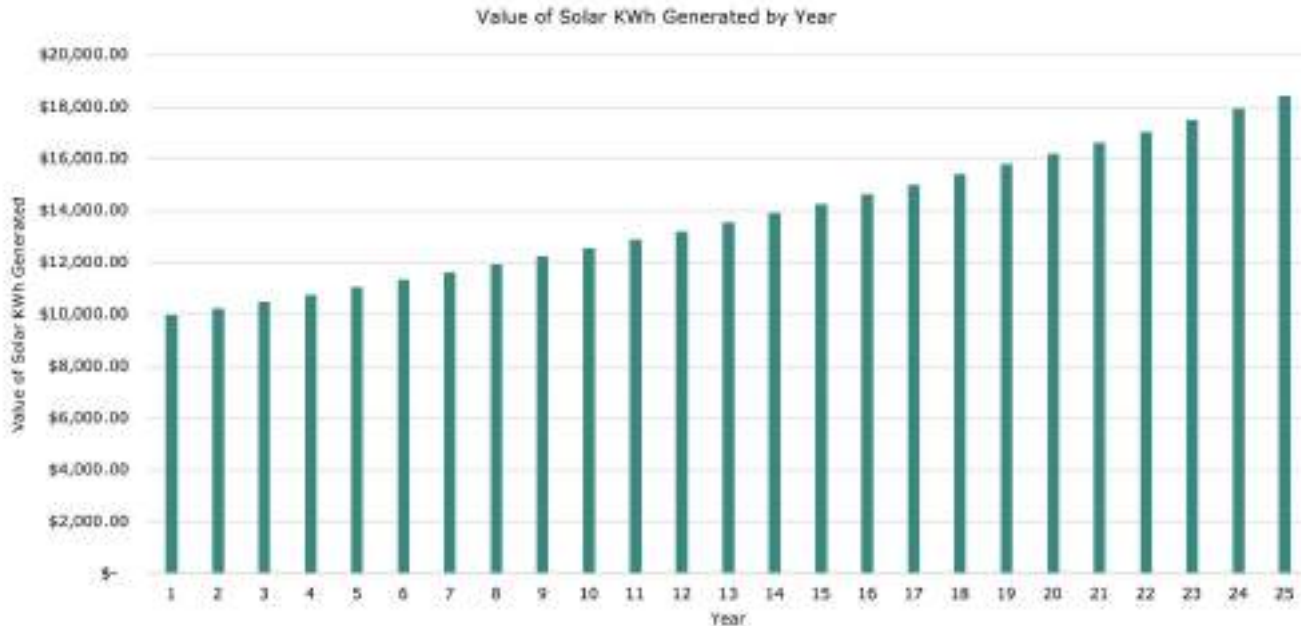
Total System Cost

\$98k Debt
Financing Required

\$230k

NPV of Energy Savings

IRR (25 years):
11.5%



BAYVIEW

Location

Market

Proposal

Financials

Conclusion



Feasibility

Based on the proposed capital stack, this development proposal including both the pocket neighborhood and multifamily building, is feasible.

If rent values of \$.66/sq ft and home sale prices of \$197k can be achieved this project is a go scenario. These values are in line or below market levels.

This development will allow moderate income families to have access to affordable housing and home ownership.



Village of Ephraim

Single Family Neighborhood

A large, solid dark blue shape that starts from the bottom left corner and extends diagonally upwards towards the right, covering the bottom half of the page.

Vision & Investment Overview

Property Highlights:

- 26 acre parcel
- Close proximity to Sister Bay
- Easy access to major highways 57 and 42
- 21 single family unit neighborhood

Value Creation:

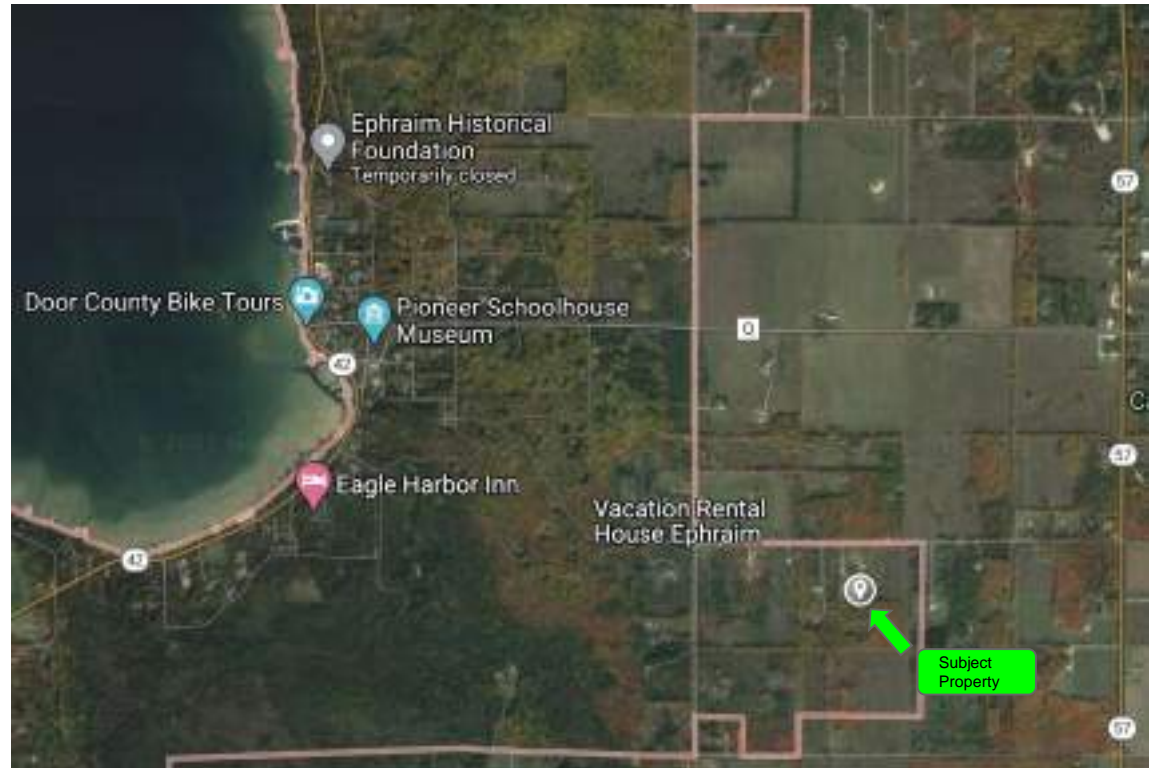
- Primarily older homes - most recent build was in 2010

Returns:

- 12% Developer Fee: \$131,430

Village of Ephraim:

- Downtown Ephraim
 - Local Shops
 - Restaurants
 - Lodging
 - Tourist attractions/rentals
- Rich history preserved in 30 historical sites
- Biking & walking-friendly downtown area
- Most accessible shoreline of all Door County communities



Subject Property:

- 26 acres
- Close access to major highways
- 5 minute drive to downtown



Street View



Site Design

- 3 styles of three bedroom homes
- 2 car garages
- 4 accessory Dwelling units



Development Profile

Single Family Units:

- 21 three-bedroom units
- Three choices of home layout
 - 1025 sqft plan
 - 1064 sqft plan
 - 1167 sqft plan
- 17 two car garages
- 4 accessory dwelling units
- Cost of Construction: \$4,588,068
 - Cost of accessory dwelling units increases the unit cost by \$56,960



House Designs



Craftsman style 79-311

- 1,167 sqft.
- 2 floors
- 3 bedrooms
- 2 baths



Craftsman style 116-163

- 1,064 sqft.
- 3 bedrooms
- 2 baths

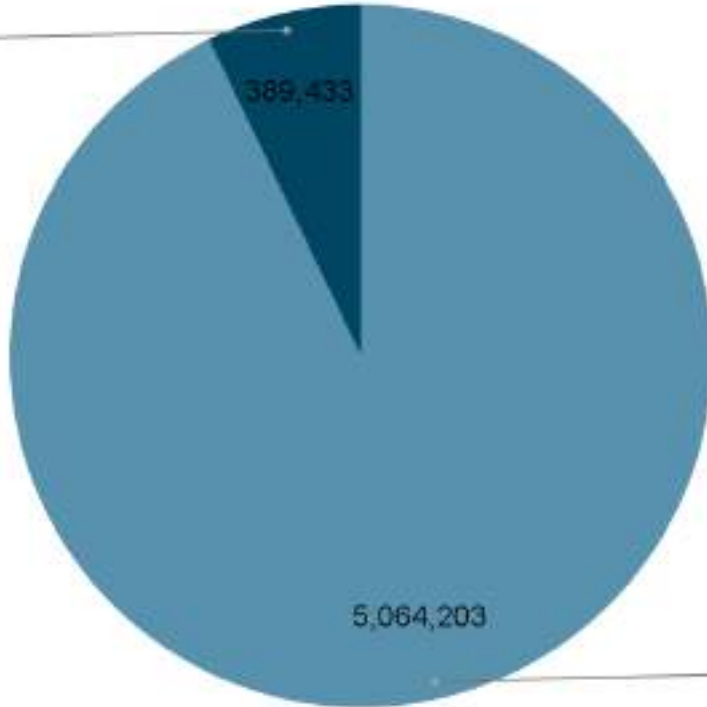


Cottage style 536-3

- 1,025 sqft.
- 3 bedrooms
- 2 baths

Sources of Capital

Tax Credit Equity
7.1%



Total Budget: \$5,453,636

Loan
92.9%

Buyer Metrics - 2 Car Garage Units

Proposed Single Family Home Price: \$227,612

- Assumptions:
 - Debt to Income Ratio: 20%
 - Annual Mortgage Interest Rate: 5.35%
 - Loan Amortization Years: 30
 - Debt Financing: 60%
 - Buyer Equity Requirement: 40%

Borrower's Annual Income Requirement:

- Max Loan Amount: \$136,567
- Loan Payment: \$9,241
- Borrower Income: \$46,207



Buyer Metrics - Units with Accessory Dwelling

Proposed Single Family Home Price: \$298,700

- Assumptions:
 - Debt to Income Ratio: 20%
 - Annual Mortgage Interest Rate: 5.35%
 - Loan Amortization Years: 30
 - Debt Financing: 60%
 - Buyer Equity Requirement: 40%

Borrower's Annual Income Requirement:

- Max Loan Amount: \$179,220
- Loan Payment: \$12,128
- Borrower Income: \$60,639
- Borrower Equity: \$119,480



Questions?



Thank You

Baileys Harbor Pocket Neighborhood

...

Baileys Harbor

General Facts:

- Population: 1,150
- Median Age: 53.9
- Total Housing Units: 1,680
- Housing Median Year Built: 1979
- Door County Household Median Income: \$56,500¹
- Door County Median Home Value: \$250,000¹
- Baileys Harbor Median Family Income: \$46,042²
- Baileys Harbor Median Home Value:



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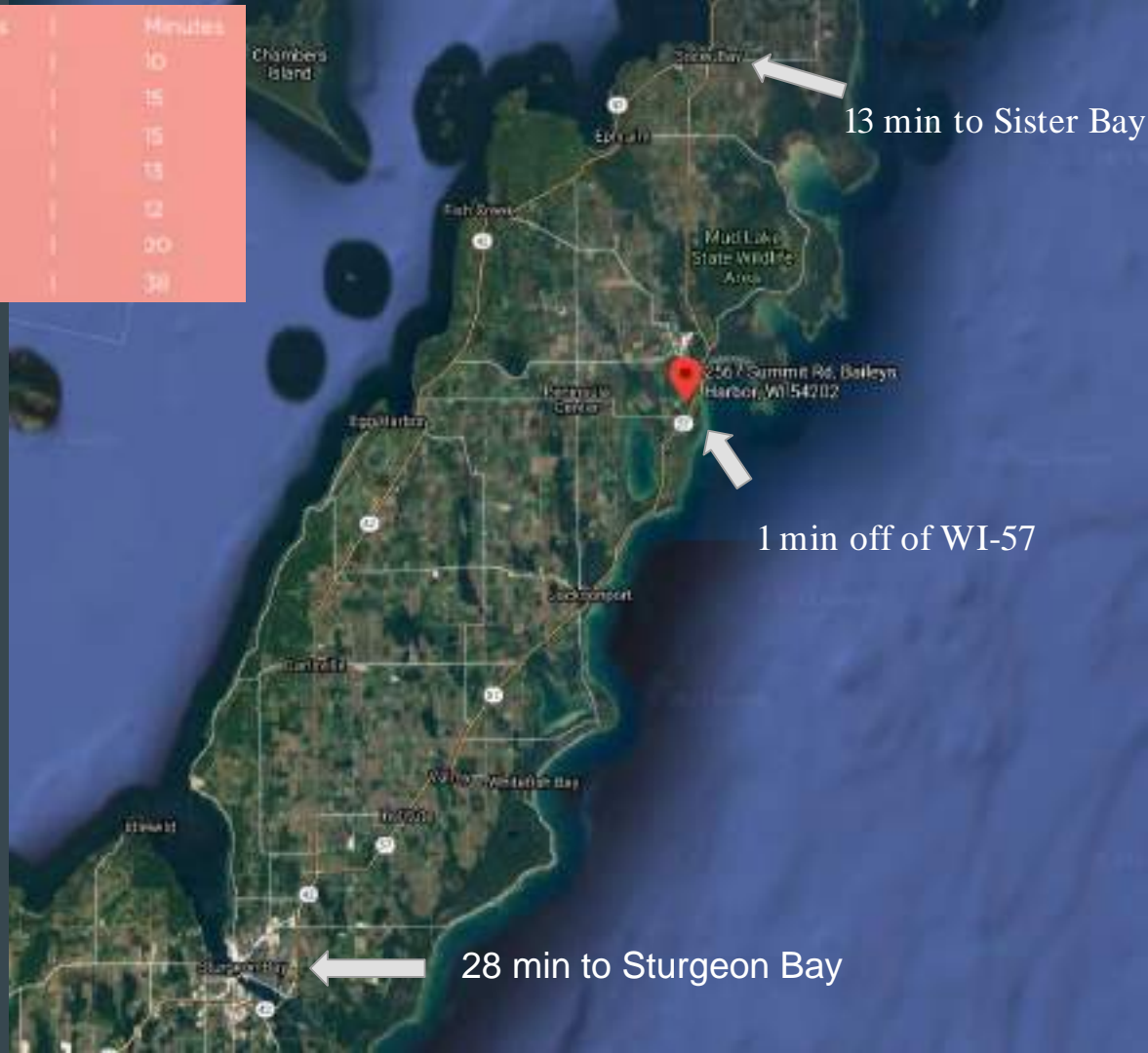


<http://pics2.city-data.com/city/maps7/cmu1523.png>

1. <https://housingdoorcounty.org/occupationand-housing-budgets/>
2. <https://datausa.io/profile/geo/baileys-harbor-wi>

<https://img.marinas.com/v2/73534b92859ea82d3d1fe1e092fa65e28a7e2c96623d8f895e1166a438b>

BAILEYS HARBOR to...	Miles	Minutes
Jacksonport	7	10
Egg Harbor	9.8	15
Fish Creek	12	15
Ephraim	9	13
Sister Bay	10	12
Ellison Bay	16	20
Northport	22	30





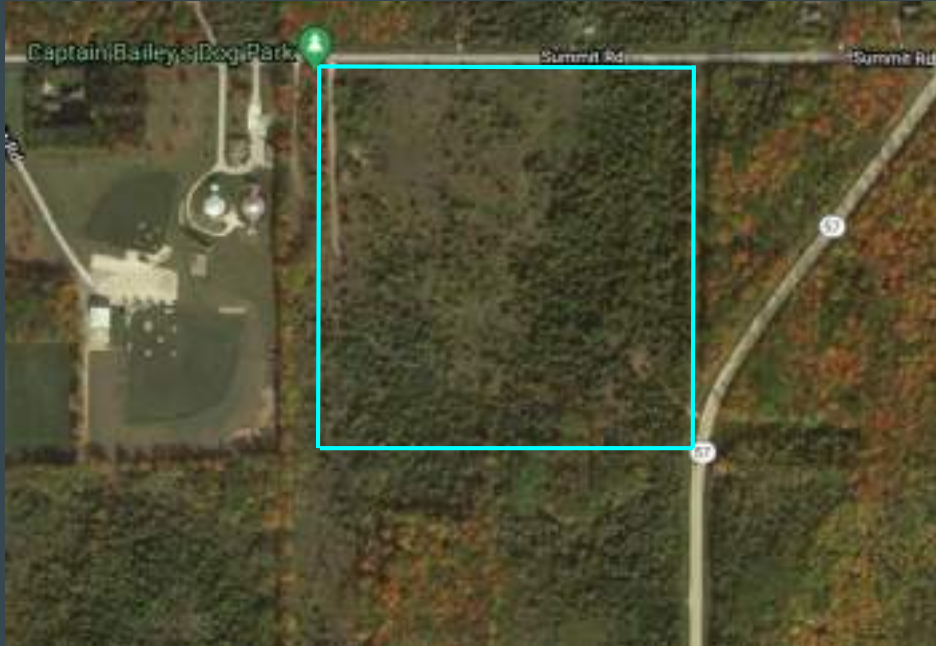
Baileys Harbor

- Over 30 restaurants and shops
- 15+ lodging options
- 6,000+ acres of public lands
- 4 lighthouses and many other touristic destinations

1 mile

Subject
Property

Subject Property



- Subject Property
 - 41.140 Acres
 - Adjacent to Captain Bailey's Dog Park
 - Adjacent to water treatment plant
 - Mostly flat geography



View from street

Site Design

- 15 one bedrooms
- 25 two bedrooms
- 9 three bedrooms
- 1 Garage stall/unit
- Extra guest parking
- 17 solar panels/unit
- Access via 57 & Summit Rd
- Child care center
- Commercial space
- Walking/biking trails
- 1 fire pit & gazebo area
- 3 Community Gardens
 - 2 Community sheds
- 2 play fields
- 1 playground area



Development Profile

- Pocket Neighborhood:
 - Development of 8 market rate and 41 affordable pocket homes
 - Each home has a single car garage and 17 solar panels
 - 83.67% of units will qualify for tax credit equity
 - Units
 - 15 onebedroom units
 - 25 two-bedroom units
 - 9 three-bedroom units
 - Average SqFt per unit: 1,100
- Child Care Facility:
 - 3,000 SqFt
- Commercial Space
 - 3,000 SqFt
- Rent:
 - With tax credits, Avg 1 bedroom rental rate: \$559 (Compared to Door County average \$828)



Home Designs (1 Bedroom)



- The Swede by ekoBUILT
 - 976 SqFt
 - 1 bedroom unit
 - Passive energy design



- Nepean Point by ekoBUILT
 - 861 SqFt
 - 1 bedroom unit
 - Passive energy design

Home Designs (2 Bedroom)



- Ridgeline by Deltec
 - 1,120 SqFt
 - 2 bedroom unit
 - Est.. Annual Energy Savings: \$980



- Goldenrod by ekoBUILT
 - 1,080 SqFt
 - 2 bedroom unit
 - Passive energy design



- Edgemoor Cottage by Ross Chapin
 - 1,292 SqFt
 - 2 bedroom unit

Home Designs (3 Bedroom)



- Farmhouse by Deltec
 - 2,029 SqFt
 - 3 bedroom unit
 - Est. Annual Energy Savings:
\$1,347



- Honeysuckle by ekoBUILT
 - 1,452 SqFt
 - 3 bedroom unit
 - Passive energy design

Deal Structure

- Total Budget: \$12,481,276

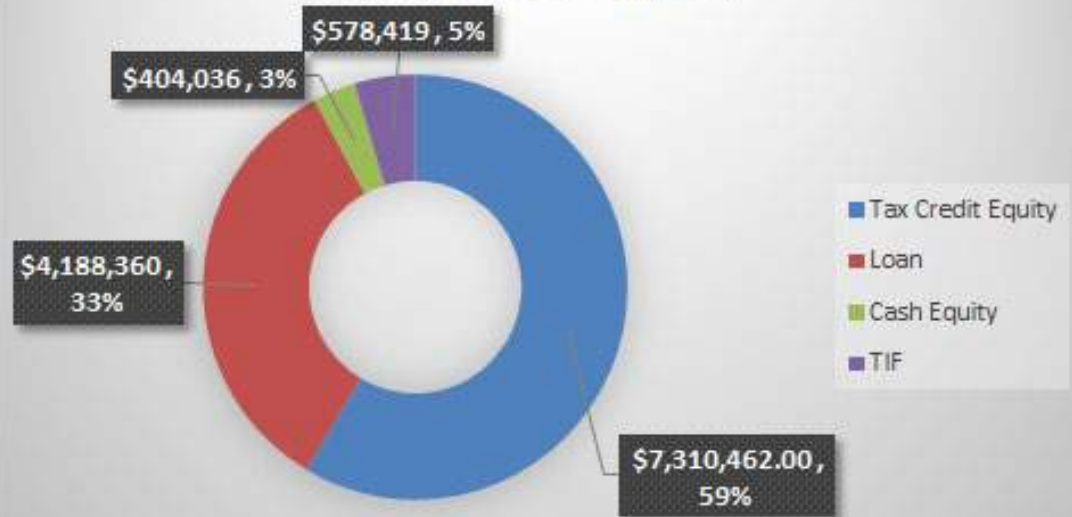
**\$4.18M
Loan**

5.5% Rate

80% LTC

30 year term

Sources of Capital



Returns

- Developer Returns:
 - 12% Fee = \$ 1,337,280
- Equity Returns
 - 1.86x Equity Multiple
- Solar Energy Savings
 - Average Annual Savings of \$900/unit

Questions?

Thank You!

An aerial sketch of a lakeside community. In the center is a large, light-green open area, possibly a park or sports field, with a few small figures of people. To the right, a row of houses with grey roofs and green shutters sits along a street. In the foreground, a red house with a grey roof is prominent, surrounded by green trees and a white fence. To the left, more houses and trees are visible. In the background, a small structure with a chimney sits on a patch of land near a body of water. The overall style is a loose, artistic sketch with visible lines and a limited color palette.

Lakeside Dwellings

Fish Creek & Liberty Grove, Wisconsin

Door County Housing Development Proposal

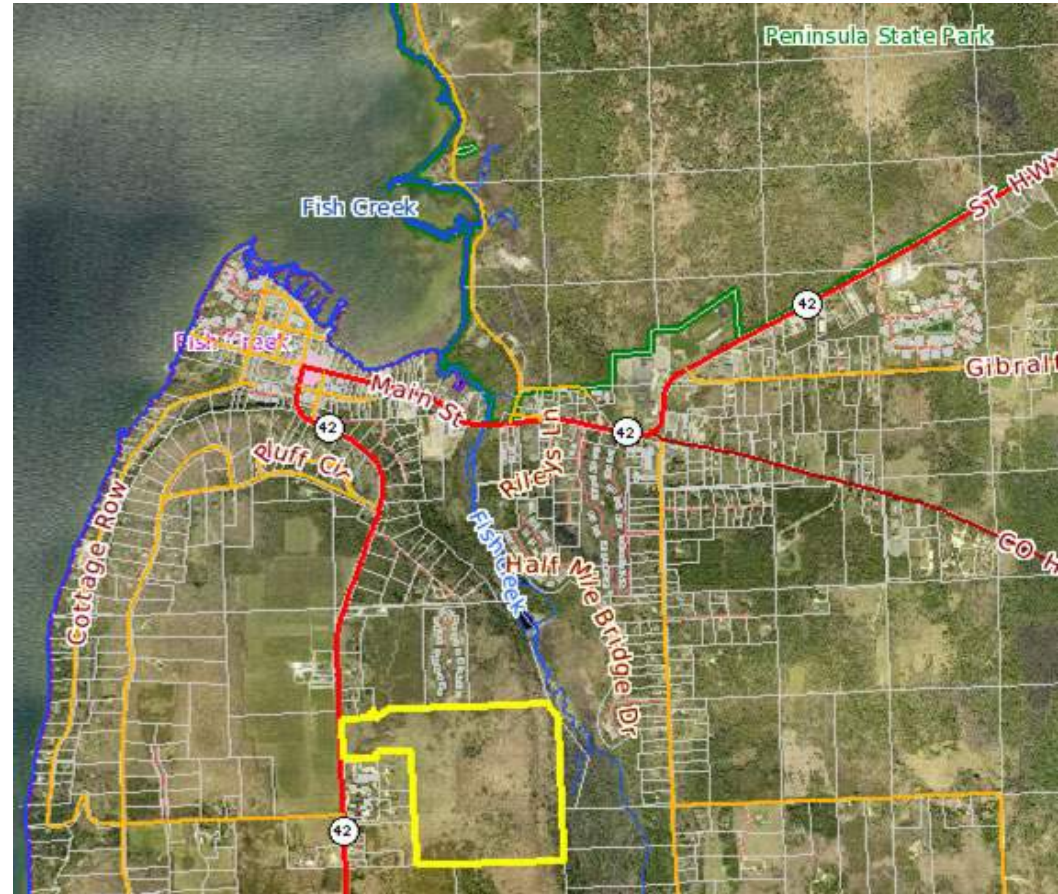
- 65 total units
- 50 pocket neighborhood units “for rent” - Fish Creek, WI
- 15 “for sale” single family homes - Liberty Grove, WI



Site Location

Fish Creek

- Centrally located 15 minutes from both Sister Bay, Bailey's Harbor and Egg Harbor.
- Surrounded by zoned natural woodland & wetland area to the east.

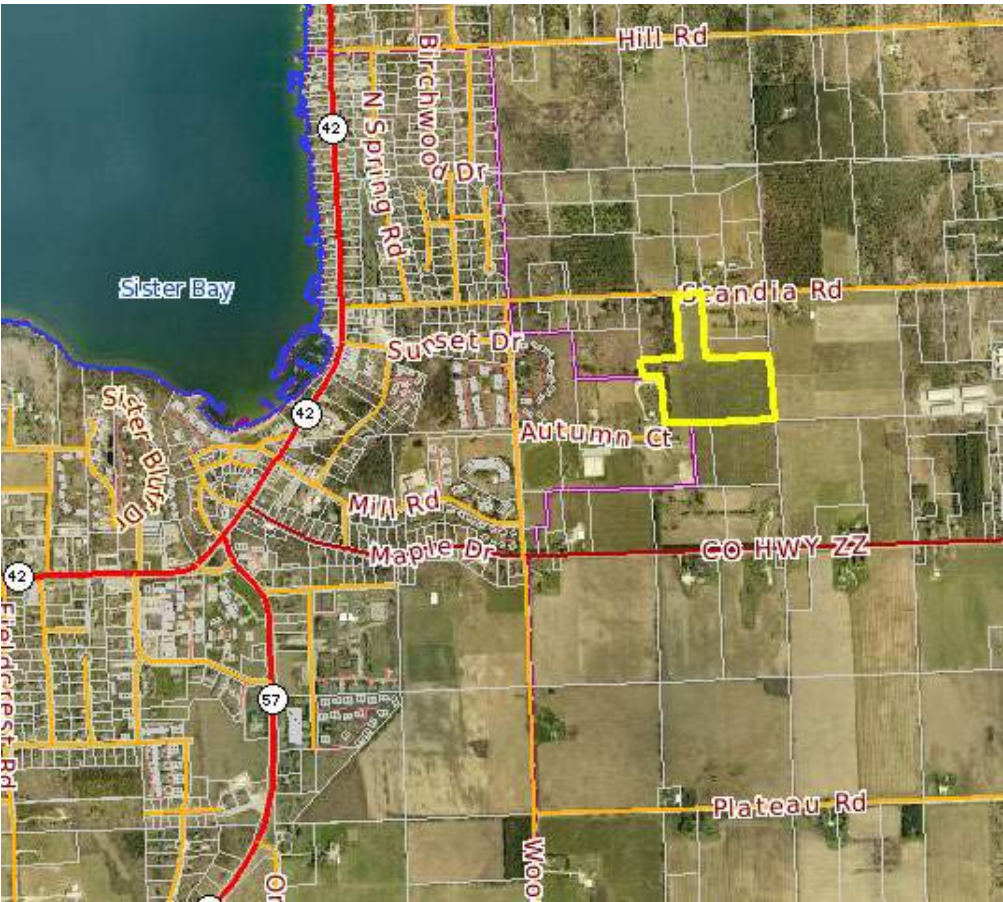


Vision	Location	Market	Development	Financials	Conclusion
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Site Location

Liberty Grove

- Favorable close Proximity to Sister Bay.
- Lot soon to be annexed into town of Sister Bay.
- Close to or part of expanding Rec Park.



Linkages

Fish Creek

- A: 1.2 miles from Peninsula State Park.
- B: 5.3 miles from child care/preschool.
- C: 9.3 miles from Piggly Wiggly & fitness center.
- D: 5.3 miles from Main Street Market, Egg Harbor.
- E: 9.7 miles to numerous restaurants & shops in Baileys Harbor.

About 1 mile to numerous restaurants, parks, shops, and pubs in downtown Fish Creek.



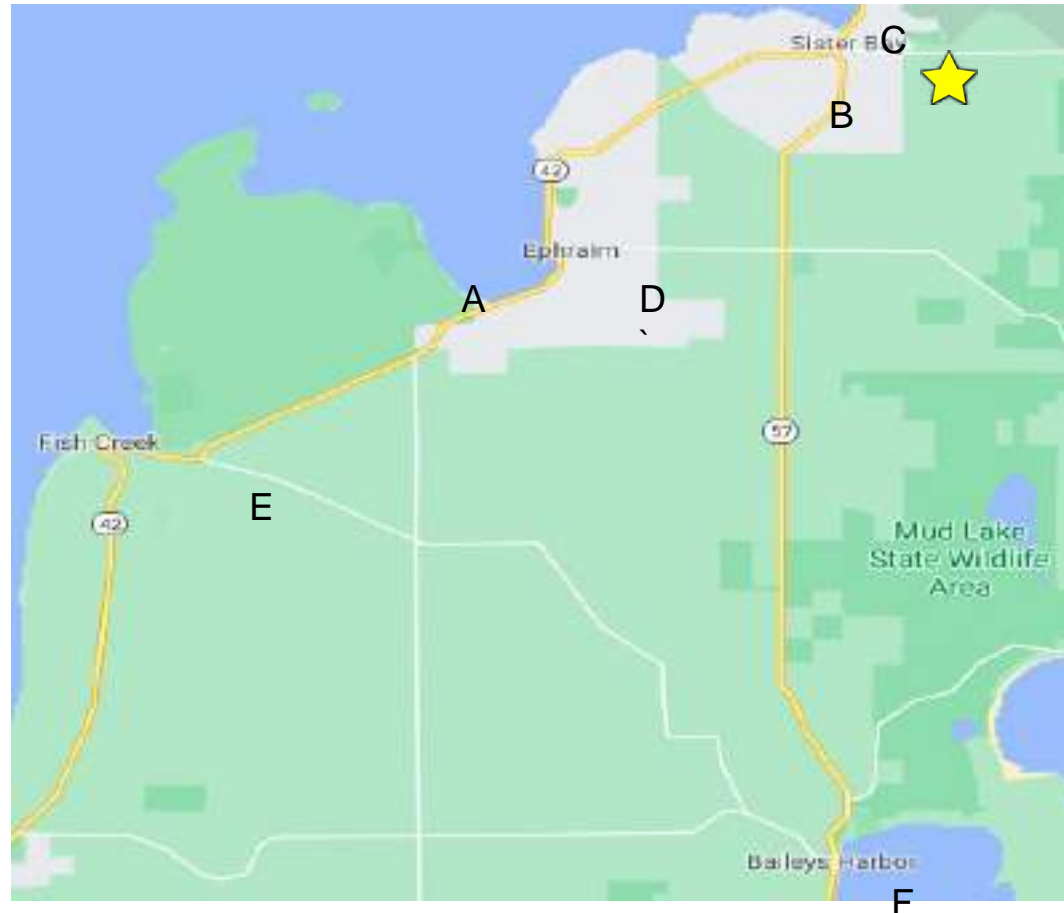
Vision	Location	Market	Development	Financials	Conclusion
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Linkages

Liberty Grove

- A: 6.8 miles from Peninsula State Park.
- B: 1.8 miles from Northern Door Children's Center.
- B: 1.6 miles from Piggly Wiggly & fitness center.
- C: 1.0 mile from North Bay Shore Drive which is homes to numerous restaurants & shops.
- D: 5.4 miles from Ephraim.
- E: 9.8 miles from Fish Creek.
- F: 10.2 miles from Baileys Harbor.

About 1 mile to numerous restaurants, parks, shops, and pubs in downtown Fish Creek.

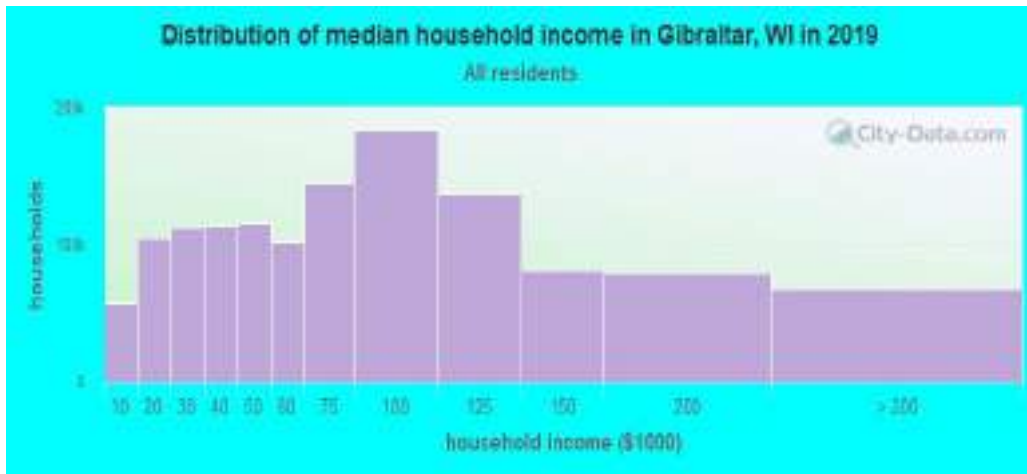


Vision	Location	Market	Development	Financials	Conclusion
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Fish Creek

Fish Creek Site is located in the township of Gibraltar, WI.

- Average Household income: \$85,283
- Median Household income: \$61,364
- Population Size: 1,246



Liberty Grove

- Average Household Income: \$77,693
- Population Size: 2,667
- Median Household Income: \$49,190



Fish Creek

- Total Housing Units within 5 miles: 2,185
- Housing Density: 40 houses/condos per square mile
- Estimated median house or condo value in 2019: \$402,884
- Median Rent within 5 miles: \$513
- Median price asked for vacant for-sale houses/condos in 2019 in this county: \$221,294.



Liberty Grove

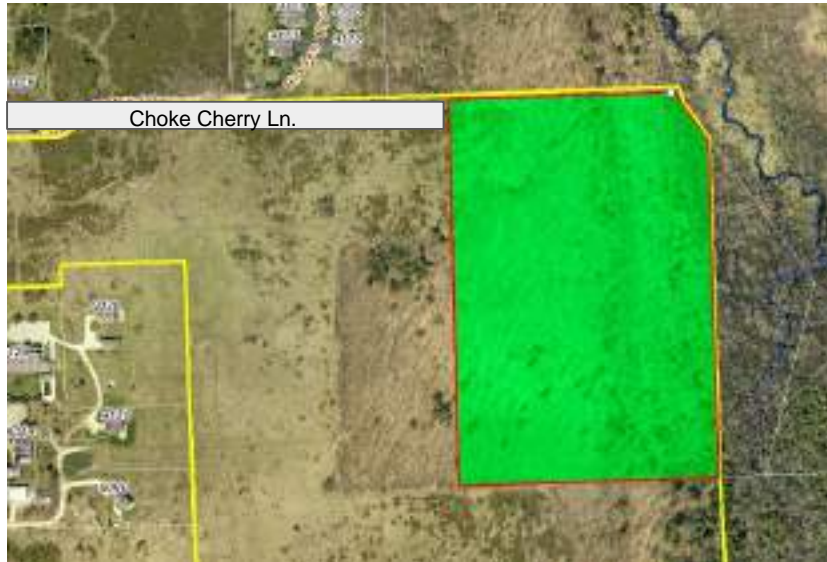
- Total Housing Units within 5 miles: 3,701
- Housing Density: 44 houses/condos per square mile
- Estimated median house or condo value in 2019: \$344,487
- Median Rent within 5 miles: \$567
- Median price asked for vacant for-sale houses/condos in 2019 in this county: \$221,294



Fish Creek

- Parcel #0140232312744Q
- Pocket neighborhoods
- 25 acres, 50 units
- Platted with Green Space in center
- Easement required from Choke Cherry Lane to pocket neighborhood.

Choke Cherry Ln.



Site Plan

Liberty Grove

- Parcel #0180104312831A
- 3.7 acres
- 15 units



Vision	Location	Market	Development	Financials	Conclusion
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Fish Creek

- Garages include living space.
- Contemporary interior design to fit Door County rural and nautical style.
- Buildings ideally constructed at a azimuth of 180° for max sun exposure.
- Green spaces to promote a sense of community and natural feel.
- Emphasis on strong tree canopy to promote privacy and compliment nearby natural area.

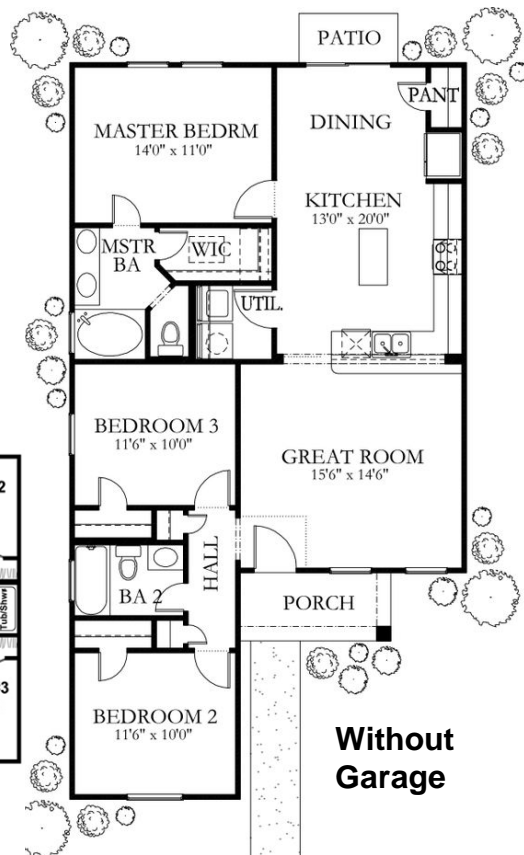
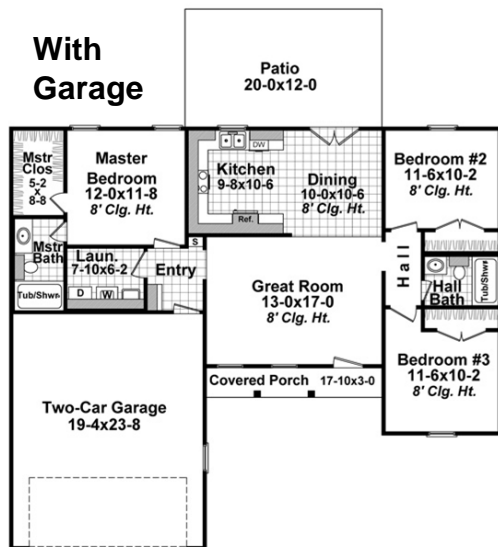


Design Vision - Interior & Floor Plan

Fish Creek

1200 sqft - Pocket
Neighborhood Homes

With Garage



Without Garage



Vision

Location

Market

Development

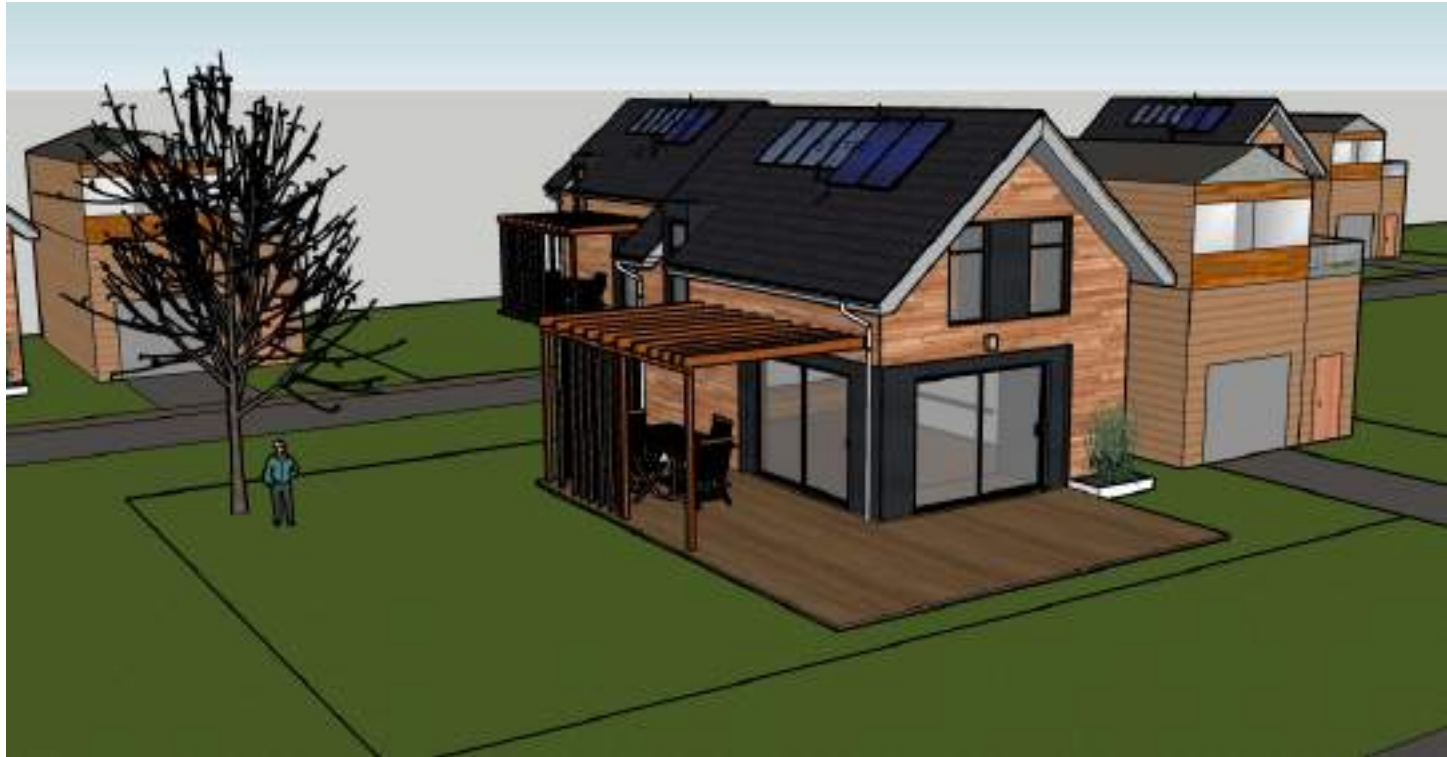
Financials

Conclusion

Design Vision - Exterior

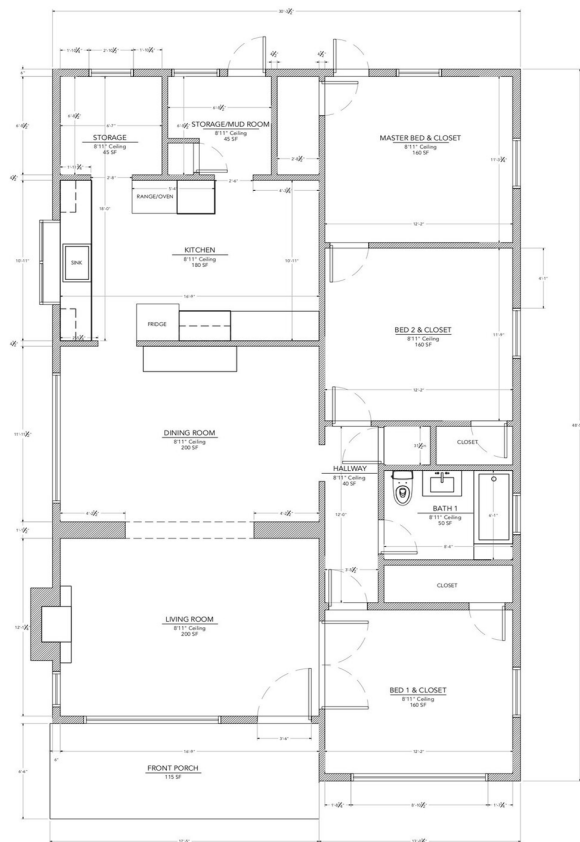
Liberty Grove

- 3 bed units
- 1,400 sqft.
- 15 units on 3.7 acre site.
- 2 car garage with livable space



Liberty Grove

- 3 bed units
- 1,400 sqft.
- 15 units on 3.7 acre site.
- 2 car garage with livable space



Fish Creek

Rooftop Solar Panels

The addition of solar panels can significantly lower the cost of utilities for residents in Door County.

Pocket Neighborhood in Fish Creek with 50 For-Rent Units

- DC system size: *10 kW, 12 kWh*
- Total number of panels: *40 panels*
- The Year 1 kW hours of energy generated: *12,596 kWh*
- One year value of energy savings: \$
- Cumulative value of energy savings: \$

Other assumptions in model include:

- \$.128 average electricity cost in the area
- 14% loss factor
- South facing panels (Azimuth 180°)



Solar Financing Highlights

Net Cost Before Tax Incentives:	\$34,000
Tax Credit Equity:	
	\$15,966
Debt funding:	\$18,034
Payback period:	10 years
NPV @ 3% discount rate:	\$37,311
25-year IRR:	9.95%

Vision	Location	Market	Development	Financials	Conclusion
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Liberty Grove

Rooftop Solar Panels

The addition of solar panels can significantly lower the cost of utilities for residents in Door County.

Single Family Neighborhood in Liberty Grove with 15 For-Sale Units

- DC system size: 13 kW, 13,968 kWh
- Total number of panels: 47
- The Year 1 kW hours of energy generated: 17,011 kWh
- One year value of energy savings: \$
- Cumulative value of energy savings: \$

Other assumptions in model include:

- \$.128 average electricity cost in the area
- 14% loss factor
- South facing panels (Azimuth 180°)



Solar Financing Highlights

Net Cost Before Tax Incentives:	\$39,904
Tax Credit Equity:	
	\$18,650
Debt funding:	\$21,254
Payback period:	10 years
NPV @ 3% discount rate:	\$50,389
25-year IRR:	11.58%

Fish Creek Pocket Neighborhood For Rent Analysis

Uses of Capital	% of Total	Amount
Land Cost	0%	\$0.00
Hard Cost	78%	\$9,687,500
Soft Cost	12%	\$1,490,625
Developer Fee	10%	\$1,229,594
Net Cost	100%	\$12,407,720

Income Pro Forma	(/yr)
Potential Gross Rev	\$1,275,197
Vacancy (6%)	\$72,181
Effective Gross Rev	\$1,203,016
Operating Expenses	\$150,000
Property Taxes	\$151,748
Net Operating Income	\$901,267

Liberty Grove Single Family Home For Sale Analysis

	% of Total	Amount
Land Cost	0%	\$0.00
Hard Cost	74%	\$3,240,000
Soft Cost	15%	\$673,500
Developer Fee	11%	\$469,620
Net Cost	100%	\$4,383,120

Property Tax Yearly Revenue
\$48,578
TIF Recommendation
\$567,988
Per Home Cost
\$254,342

Seeking 100% in TIF of potential tax increment in effort to provide the community with quality housing at an affordable price that is below surrounding average home prices.

Conclusion

- Questions?

- Thank You



Vision	Location	Market	Development	Financials	Conclusion
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RE 611

Door County Housing Development Proposal – 25 multifamily rental units in Sevastopol, 10 rental pocket neighborhood units in Egg Harbor, and 15 for-sale units in Sturgeon Bay

DOOR COUNTY RENTAL AND FOR-SALE DEVELOPMENT OVERVIEW

PROPERTIES

- **Egg Harbor parcel # 1180230302723A3** → 10-unit rental pocket neighborhood (6 market rate, 4 affordable) on 3 acres in triangular shape; future land use is not labeled
- **Sevastopol parcel # 0220233282631C** → 25-unit multifamily (14 affordable, 11 market rate) on nearly 10 acres; future land use is residential & commercial (we assume annexation to provide sewer & water service for a multifamily development)
- **Sturgeon Bay parcel # 2815406020801** → 15-units for sale on nearly 4 acres; future land use is single-family residential–higher density

STRATEGIC PLAN

- Develop 17 market rate rental units & 18 affordable rental units in smaller communities in need of better housing options + 15 for-sale single-family units; all units will include basements and a two-stall garage
- Solar panels placed on rooftop of units to offset utility (electricity) costs
- Intended to appeal to locals seeking high-quality, single-family housing options near local attractions

THE NUMBERS

Egg Harbor Pocket Neighborhood (10 units)

- Net rent/sf: \$1.02
- Hard Costs: \$1.69M
- Soft Costs: \$264K
- Total Construction Budget: \$2.21M
- Tax Credit Equity: \$620K
- TIF/City Contribution: \$165K

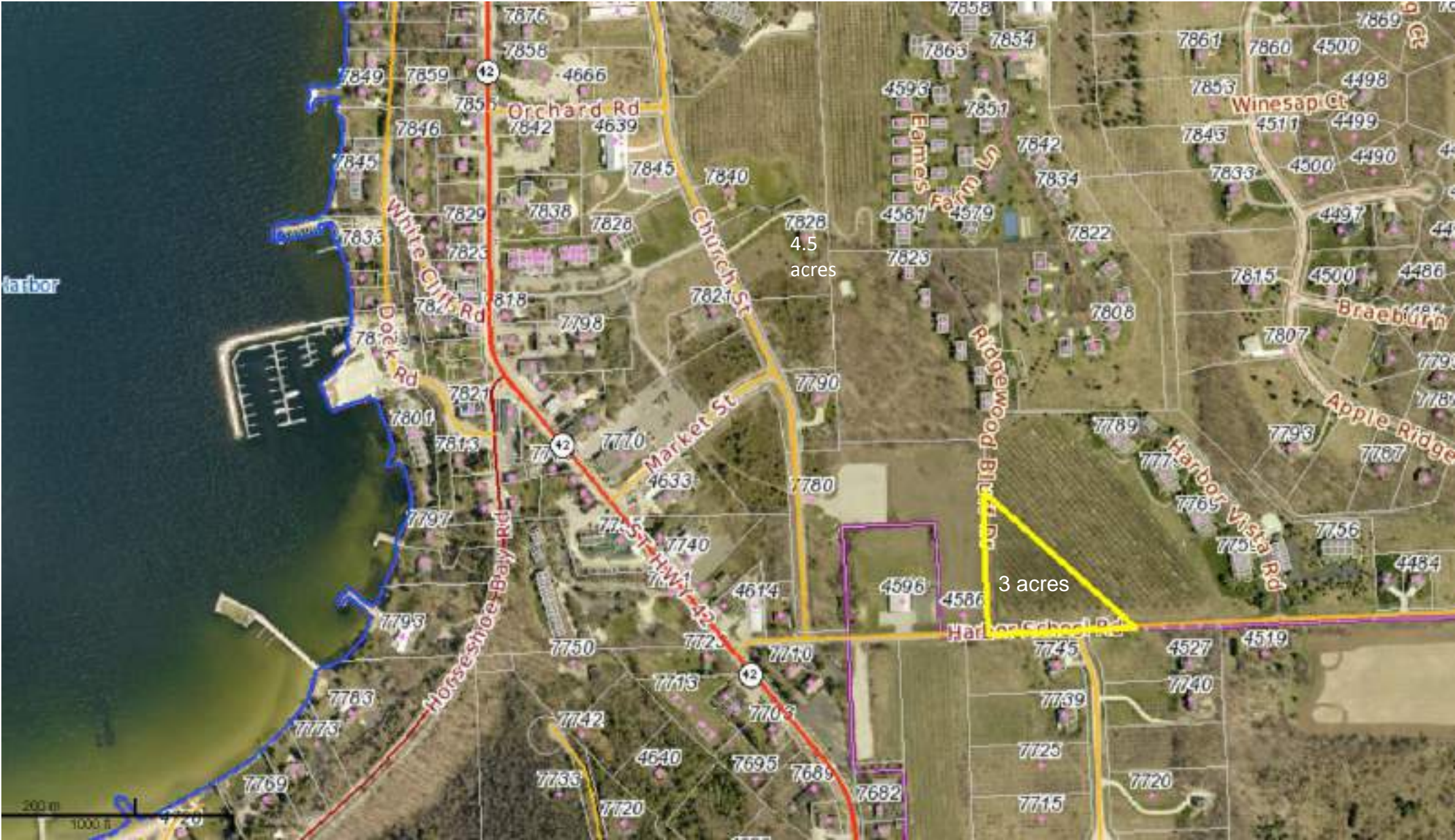
Sevastopol Multifamily (25 units)

- Net rent/sf: \$.98
- Hard Costs: \$3.63M
- Soft Costs: \$576K
- Total Construction Budget: \$4.81M
- Tax Credit Equity: \$1.89M
- TIF/City Contribution: \$350K

Sturgeon Bay For-Sale Pocket Neigh. (15 units)

- Construction Cost/sf: \$180
- Hard Costs: \$2.70M
- Soft Costs: \$565K
- Total Construction Budget: \$3.27M
- Cost per Home: \$243K
- Buyer Annual Income: \$49.4K

SITE LOCATION – EGG HARBOR (10-UNIT POCKET NEIGHBORHOOD)



SITE LOCATION – SEVASTOPOL (25-UNIT MULTIFAMILY)



VISION

LOCATION

MARKET

DEVELOPMENT

FINANCIALS

CONCLUSION

SITE LOCATION – STURGEON BAY (15-UNIT POCKET NEIGHBORHOOD)



VISION

LOCATION

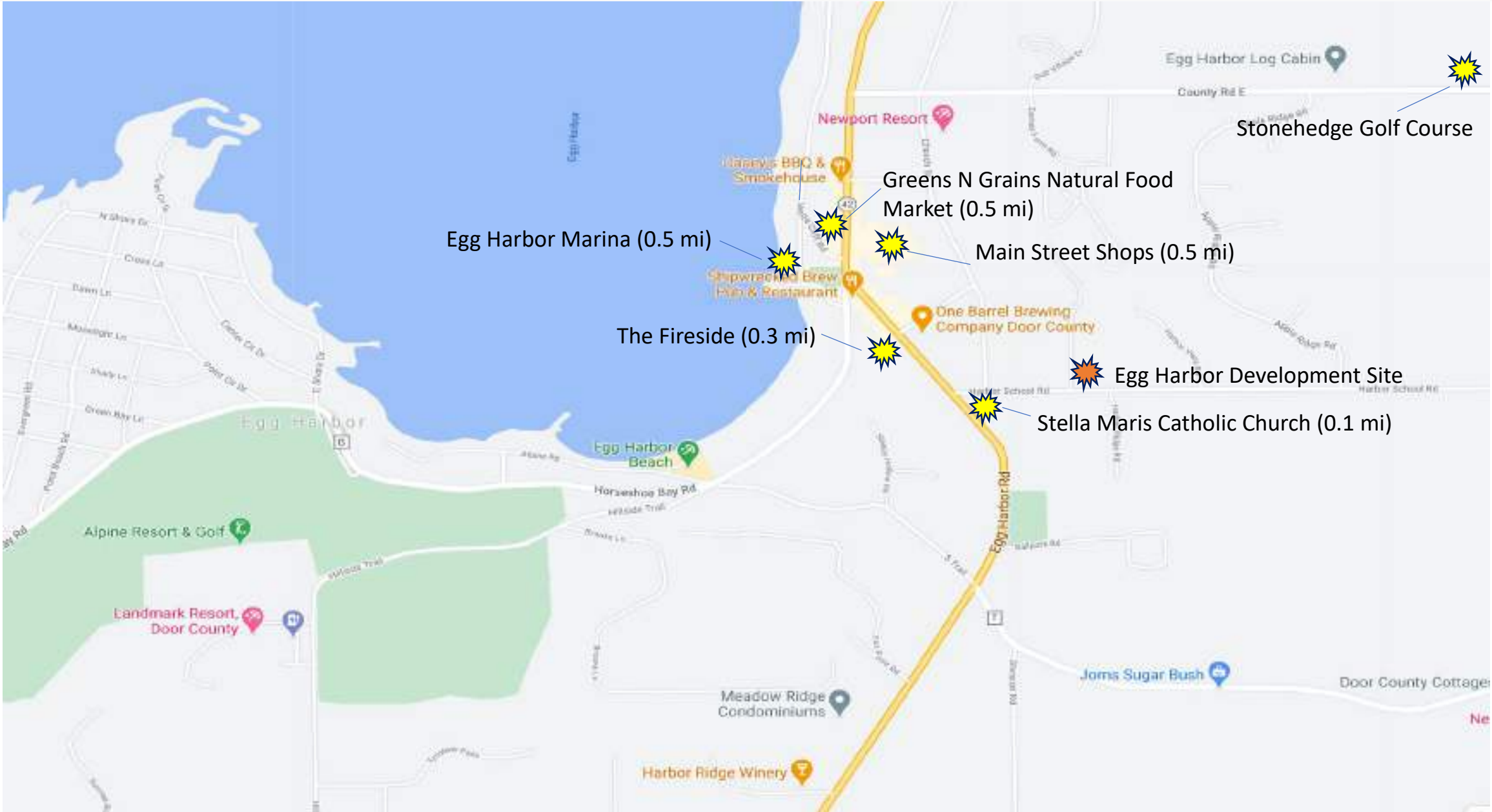
MARKET

DEVELOPMENT

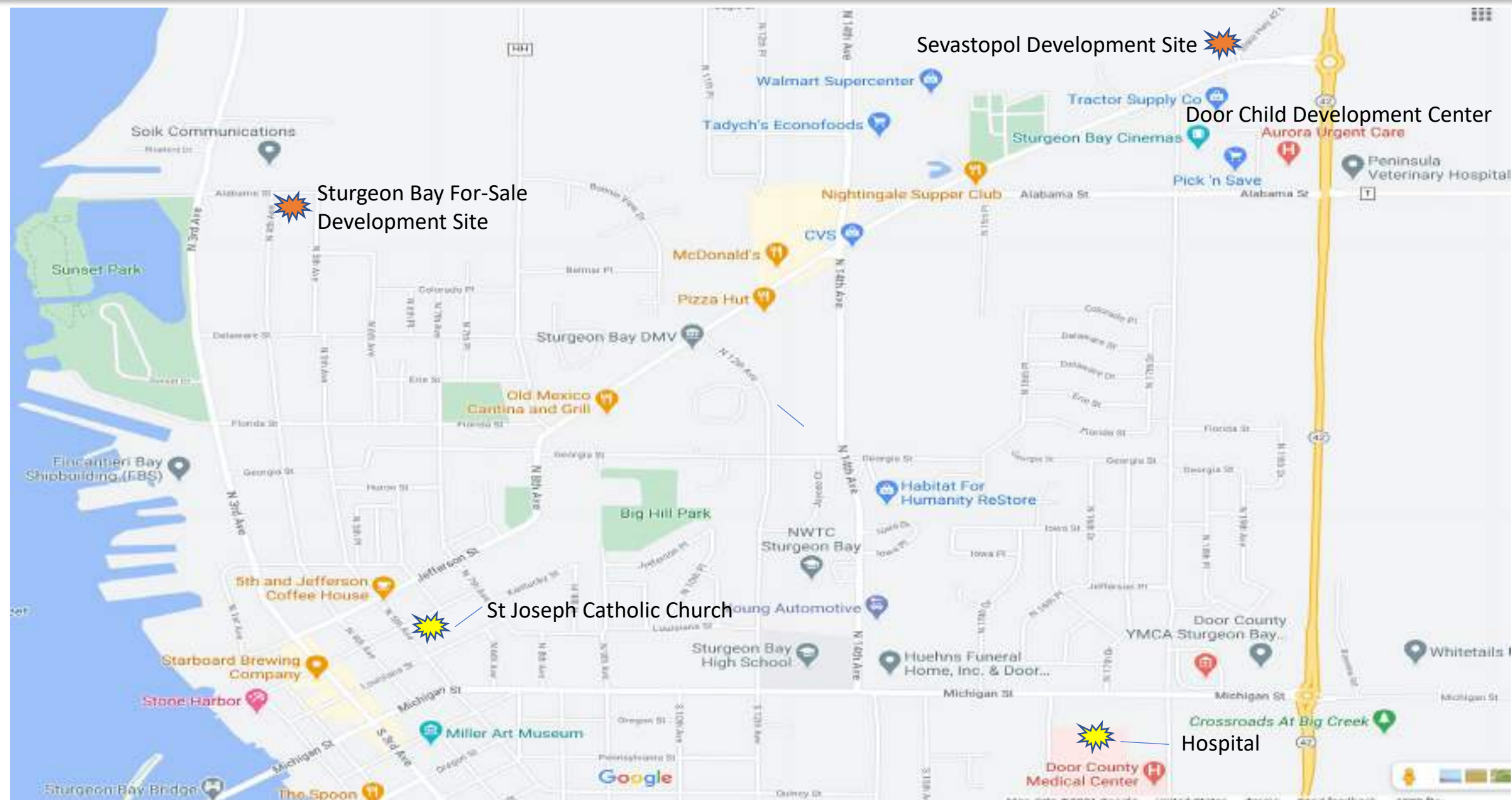
FINANCIALS

CONCLUSION

LINKAGES – EGG HARBOR SITE



LINKAGES – SEVASTOPOL & STURGEON BAY SITES



DEMOGRAPHIC, INCOME & HOUSING DATA – EGG HARBOR

Egg Harbor, WI Data & Demographics (As of July 1, 2020)

POPULATION

Total Population	205 (100%)
Population in Households	205 (100.0%)
Population in Families	165 (80.5%)
Population in Group Quarters ¹	0
Population Density	83
Diversity Index ²	34

HOUSING

Total HU (Housing Units)	771 (100%)
Owner Occupied HU	95 (12.3%)
Renter Occupied HU	17 (2.2%)
Vacant Housing Units	659 (85.5%)
Median Home Value	\$336,667
Average Home Value	\$469,845
Housing Affordability Index ³	145

INCOME

Median Household Income	\$74,156
Average Household Income	\$112,593
% of Income for Mortgage ⁴	19%
Per Capita Income	\$51,463
Wealth Index ⁵	202

HOUSEHOLDS

Total Households	112
Average Household Size	1.83
Family Households	77
Average Family Size	2

[Source: Egg Harbor, WI Profile: Facts & Data \(hometownlocator.com\)](#)

DEMOGRAPHIC, INCOME & HOUSING DATA – STURGEON BAY/SEVASTOPOL

Sturgeon Bay, WI Data & Demographics (As of July 1, 2020)

POPULATION

Total Population	9,324 (100%)
Population in Households	9,132 (97.9%)
Population in Families	6,704 (71.9%)
Population in Group Quarters ¹	192 (2.1%)
Population Density	949
Diversity Index ²	20

HOUSING

Total HU (Housing Units)	5,246 (100%)
Owner Occupied HU	2,921 (55.7%)
Renter Occupied HU	1,496 (28.5%)
Vacant Housing Units	830 (15.8%)
Median Home Value	\$156,046
Average Home Value	\$184,803
Housing Affordability Index ³	176

INCOME

Median Household Income	\$53,888
Average Household Income	\$70,068
% of Income for Mortgage ⁴	12%
Per Capita Income	\$33,116
Wealth Index ⁵	70

HOUSEHOLDS

Total Households	4,416
Average Household Size	2.07
Family Households	2,465
Average Family Size	3

[Source: Sturgeon Bay, WI Profile: Facts & Data \(hometownlocator.com\)](#)

DEVELOPMENT LAYOUT

10-unit Rental Pocket Neighborhood in Egg Harbor All 3-bedroom units w/ 2-stall garage

- Parcel #: 1180230302723A3
- Acreage: 3
- Per unit sq ft: 1,250
- 6 Market rate units; 4 Affordable units (2 for 50% CMI, 2 for 60% CMI)
- Market rate rent: \$1,500/mo
- Affordable rent:
 - \$849/mo for 50% CMI
 - \$1,034/mo for 60% CMI



DEVELOPMENT LAYOUT

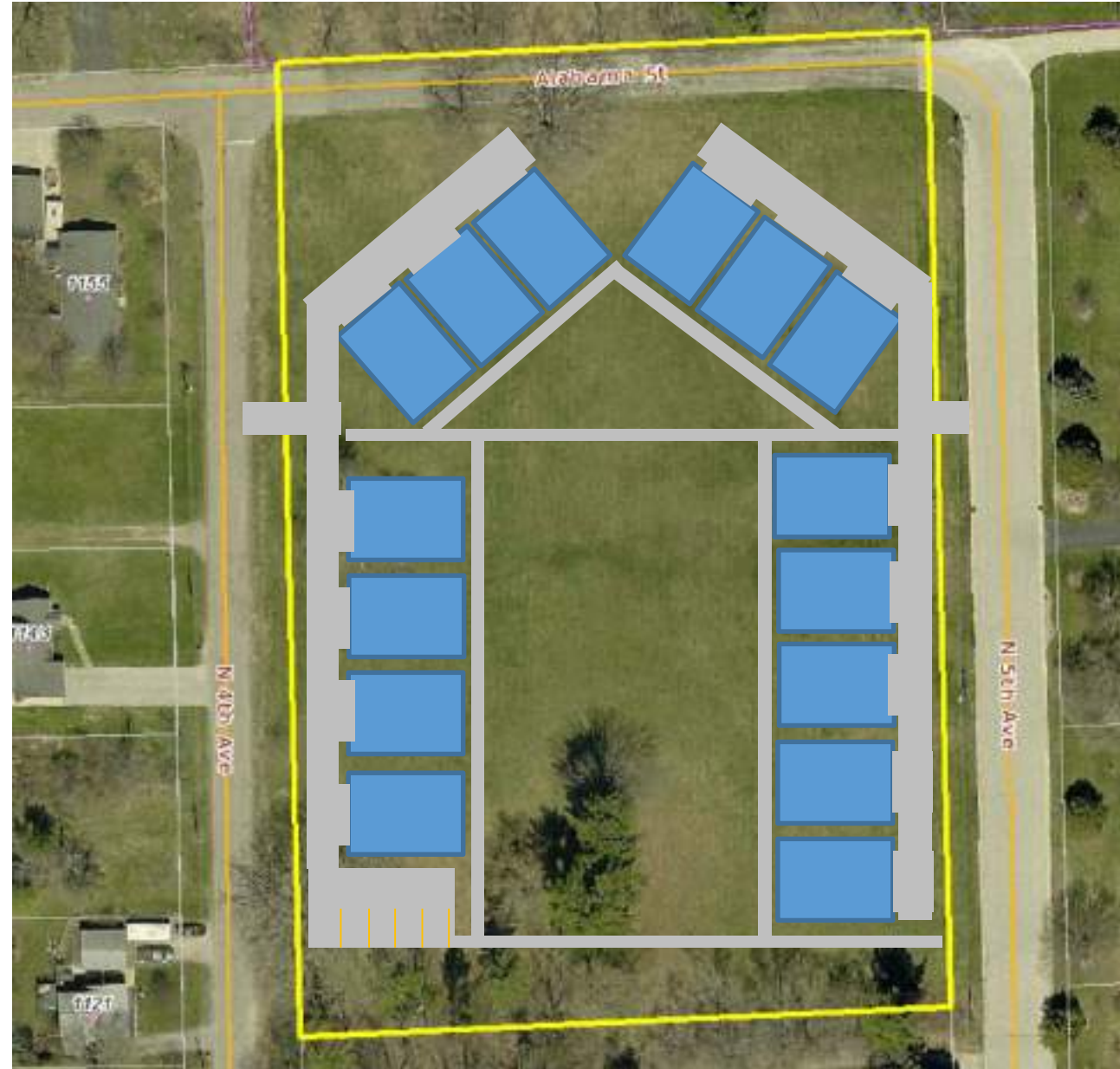
25-unit Multifamily Development in Sebastopol w/ 25 underground parking spaces

- Parcel #: 0220233282631C
- Acreage: 10, developing ~5
- Assuming annexation by Sturgeon Bay to add sewer & water service
- Average unit sq ft: 978
- 11 Market rate units: \$1,034/mo
- 14 Affordable units: \$849/mo



15-unit For-Sale Site in Sturgeon Bay

- Parcel #: 2815406020801
- Acreage: 3.85
- Per unit sq ft: 1200
- Asking price/unit: \$244000



POCKET NEIGHBORHOOD DESIGN CONCEPT

Home Specs:

- 3 Bedrooms
- 2 Bathrooms
- Covered Porch
- Granite Countertops
- Stainless-Steel Appliances
- 2-Stall Garage
- Full Basement



<https://rosschapin.com/plans/small-houses/crab-point/>

POCKET NEIGHBORHOOD HOME FLOORPLAN



<https://rosschapin.com/plans/small-houses/crab-point/>

[Elderberry](#) | [Ross Chapin Architects](#)

POCKET NEIGHBORHOOD & MULTIFAMILY DESIGN CONCEPT



VISION

LOCATION

MARKET

DEVELOPMENT

FINANCIALS

CONCLUSION

POCKET NEIGHBORHOOD RENTAL: UNIT MIX, RENT & COSTS

10-unit pocket neighborhood in Egg Harbor

Income Limit	# of Units	WHEDA Rent Limit	Utility Allow.	Max. Rent to Charge	Proposed Rent
30% CMI	0	\$581	\$74	\$507	N/A
40% CMI	0	\$775	\$74	\$701	N/A
50% CMI	2	\$968	\$74	\$894	\$849
60% CMI	2	\$1,006	\$72	\$934	\$1,034
Market Rate	6				\$1,500



	Cost per sq ft/unit	Total
Hard Costs - Residential	\$135	\$1,687,500
Soft Costs - 15% of HC		\$264,300
Surface Parking (per stall)	\$3,500	\$24,500
Appliances & Furniture (per unit)	\$5,000	\$50,000
Construction Budget		\$1,976,300
Developer's Fee (12%)		\$237,156
Total Capital Budget		\$2,213,456
Tax Credit Equity		(\$619,768)
Net Cost	\$ 159,369	\$ 1,593,688

10-unit pocket neighborhood in Egg Harbor

Income Pro Forma

Gross Potential Rev	\$153,199
Vacancy (6%)	\$8,672
Effective Gross Rev	\$144,527
Operating Expenses	\$30,000
Property Taxes	\$17,796
Net Operating Income	\$96,731

Pocket Neighborhood Rental - Assumptions for Feasibility

This pocket neighborhood of 10 rental homes is feasible, assuming the following:

- 8% cash-on-cash return to developer
- \$165,000 of TIF is required so the net rent per sq ft equals the required rent per sq ft (\$1.02).
- Tax increment of \$17,796, 3.5% interest rate, 15-year term
- Debt financing assumes 1.25% loan fee, 5% interest rate over 30 years

MULTIFAMILY DEVELOPMENT: UNIT MIX, RENTS & COSTS

25-unit Multifamily in Sevastopol

Income Limit	Square Footage	# of Units	WHEDA Rent Limit	Utility Allowance	Max. Rent to Charge	Proposed Rent	Monthly Total Rent
30% CMI							
1-bedroom	775	0	\$419	\$70	\$349	\$332	\$409
2-bedroom	875	1	\$503	\$72	\$431	\$409	
3-bedroom	1200	0	\$581	\$74	\$507	\$482	
40% CMI							
1-bedroom	775	1	\$559	\$70	\$489	\$465	\$465
2-bedroom	875	2	\$671	\$72	\$599	\$569	\$1,138
3-bedroom	1200	0	\$775	\$74	\$701	\$666	
50% CMI							
1-bedroom	775	1	\$698	\$70	\$628	\$597	\$597
2-bedroom	875	3	\$838	\$72	\$766	\$728	\$2,183
3-bedroom	1200	0	\$968	\$74	\$894	\$849	
60% CMI							
1-bedroom	775	1	\$838	\$70	\$768	\$730	\$730
2-bedroom	875	3	\$1,006	\$72	\$934	\$887	\$2,662
3-bedroom	1200	2	\$1,162	\$74	\$1,088	\$1,034	\$2,067
Market Rate							
1-bedroom	775	3				\$950	\$2,850
2-bedroom	875	5				\$1,250	\$6,250
3-bedroom	1200	3				\$1,500	\$4,500
Total		25					\$23,851

Cost Category	Cost per sq ft/stall/unit	Total
Hard Costs -		
Residential	\$135	\$3,300,750
Hard Costs -		
Common	\$90	\$330,075
Soft Costs -		
15% of HC		\$576,499
Surface		
Parking (per stall)	\$3,500	\$87,500
Appliances &		
Furniture (per unit)	\$5,000	\$125,000
Construction		
Budget		\$4,294,824
Developer's		
Fee (12%)		\$515,379
Total Capital		
Budget		\$4,810,203
Tax Credit Equity		(\$1,885,599)
Net Cost	\$ 116,984	\$2,924,603

25-unit Multifamily in Sevastopol

Income Pro Forma

Gross Potential Rev	\$286,790
Vacancy (6%)	\$16,233
Effective Gross Rev	\$270,557
Operating Expenses	\$75,000
Property Taxes	\$30,387
Net Operating Income	\$165,169

Multifamily Rental - Assumptions for Feasibility

This multifamily development of 25 rental units is feasible, assuming the following:

- 8% cash-on-cash return to developer
- \$350,000 of TIF is required so the net rent per sq ft equals the required rent per sq ft (\$0.98)
- Tax increment of \$30,387, 3.5% interest rate, 15-year term
- Debt financing assumes 1.25% loan fee, 4.5% interest rate over 30 years

STURGEON BAY FOR-SALE DEVELOPMENT

For-Sale Home Info

# of Homes Built:	15
Avg Sq Ft/Home:	1,200
Construction Cost/sf:	\$180
Hard Costs:	\$2.7M
Soft Costs:	\$565,500
Total Construction Budget:	\$3.27M
Cost per Home:	\$243,400
Buyer Annual Income:	\$49,400



Pocket Neighborhood For-Sale Home Feasibility

- The pocket neighborhood is feasible
- Sale Price to cover construction costs is \$243,276
- Annual income necessary to purchase is \$49,400
- Sturgeon Bay annual median household income is \$53,888
- Developer fee of \$391,860 is attractive
- Will provide quality home ownership options for residents of Door County

FINANCIAL IMPACT OF SOLAR PANELS – EGG HARBOR SITE

Rooftop Solar Panels

The addition of solar panels can significantly lower the cost of utilities for residents in Door County.

10-Unit Pocket Neighborhood Rentals in Egg Harbor

- DC system size: 50 kW (50,000 kWh)
- Total number of panels installed: 167 (17 per unit)
- Year 1 kW hours of energy generated: 67,280 (according to PVwatts calculator)
- Year 1 value of energy savings: \$8,881, or approx. \$888 per home
- Cumulative value of energy savings: \$306,800 over 25-year life
- Other assumptions in model include:
 - \$.132 average electricity cost in the area
 - 14% loss factor
 - South facing panels (Azimuth 180°)



Solar Financing Highlights:

Net Cost Before Tax Incentives:	\$148,000
Tax Credit Equity:	\$64,220
Debt funding:	\$83,781
Payback period:	9 years
NPV @ 3% discount rate:	\$205,500
25-year IRR:	12.0%

FINANCIAL IMPACT OF SOLAR PANELS – SEVASTOPOL SITE

Rooftop Solar Panels

The addition of solar panels can significantly lower the cost of utilities for residents in Door County.

25-Unit Multifamily Rental Development in Sevastopol

- DC system size: 50 kW (50,000 kWh)
- Total number of panels installed: 167 (17 per unit)
- The Year 1 kW hours of energy generated: 66,636 (according to PVwatts calculator)
- Year 1 value of energy savings: \$7,923, or approx. \$317 per unit
- Cumulative value of energy savings: \$274,000 over 25-year life
- Other assumptions in model include:
 - \$.119 average electricity cost in the area
 - 14% loss factor
 - South facing panels (Azimuth 180°)



Solar Financing Highlights:

Net Cost Before Tax Incentives:	\$148,000
Tax Credit Equity:	\$64,220
Debt funding:	\$83,781
Payback period:	10 years
NPV @ 3% discount rate:	\$185,300
25-year IRR:	10.7%

FINANCIAL IMPACT OF SOLAR PANELS – STURGEON BAY FOR-SALE SITE

Rooftop Solar Panels

The addition of solar panels can significantly lower the cost of utilities for residents in Door County.

Pocket Neighborhood in Sturgeon Bay with 15 For-Sale Homes

- DC system size: 75 kW (75,000 kWh)
- Total number of panels installed: 250 (17 per unit)
- Year 1 kW hours of energy generated: 98,118 (according to PVwatts calculator)
- Year 1 value of energy savings: \$11,676, or approx. \$778 per home
- Cumulative value of energy savings: \$403,400 over 25-year life
- Other assumptions in model include:
 - \$.119 average electricity cost in the area
 - 14% loss factor
 - South facing panels (Azimuth 180°)



Solar Financing Highlights:

Net Cost Before Tax Incentives:	\$223,000
Tax Credit Equity:	\$96,518
Debt funding:	\$126,482
Payback period:	10 years
NPV @ 3% discount rate:	\$270,200
25-year IRR:	10.3%

THANK YOU

About UniverCity Year



UniverCity Year is a three-phase partnership between UW-Madison and communities in Wisconsin. The concept is simple. The community partner identifies projects that would benefit from UW-Madison expertise. Faculty from across the university incorporate these projects into their courses, and UniverCity Year staff provide administrative support to ensure the collaboration's success. The results are powerful. Partners receive big ideas and feasible recommendations that spark momentum towards a more sustainable, livable, and resilient future. Join us as we create **better places together.**