

Request Name: Hub of Opportunity

Description: Funding will be used towards the construction costs of the Hub of Opportunity, a transit oriented,

mixed-use affordable housing development.

Agency: Gov Office of Energy Development

Funding for: \$2,000,000

Private Not-for-Profit

COMBINED Itemized Costs
Columbus Hub of Opportunity Mixed-Use Affordable Housing Project

ITEMIZED DEVELOPMENT COSTS - COLUMBUS CENTER					
SCHEDULE OF SOURCES AND USES					
		COMBINED	9% LIHTC	PAB	NMTC
		Residential	40.63%	52.79%	6.59%
		All	36.94%	48.00%	15.07%
Land Purchase					
Land	leased	0	0	0	0
Legal	P	10,000	3,394	5,069	1,538
Demolition	P	0	0	0	0
Totals:	0.05	10,000	3,394	5,069	1,538
Site Work					
2 On Site Work		1,982,392	694,961	1,003,995	283,436
Structured Parking		2,978,112	0	2,070,719	907,394
Other - engineering		0	0	0	0
Totals:	23.59	4,960,504	694,961	3,074,713	1,190,829
Direct Construction					
1 General Requirements	4.3%	1,395,915	515,633	669,985	210,298
3 Concrete		1,480,999	547,062	710,822	223,116
4 Masonry		0	0	0	0
5 Metals		501,378	185,202	240,642	75,534
6 Wood		4,065,181	1,501,624	1,951,128	612,428
7 Thermal/Moisture Protect.		3,440,362	1,270,824	1,651,240	518,298
8 Doors & Windows		815,404	301,200	391,362	122,842
9 Finishes		3,926,156	1,493,776	1,940,931	491,449
10 Specialties		252,695	94,736	123,095	34,863
11 Equipment		535,387	217,508	282,618	35,260
12 Furnishings	R	575,067	233,629	303,565	37,874
13 COMMERCIAL SPACE	C	743,378	0	0	743,378
14 Conveying Systems	R	335,825	136,433	177,274	22,117
15 Mechanical	R	5,044,240	2,049,291	2,662,737	332,211
16 Electrical	R	3,263,016	1,325,645	1,722,470	214,901
Contractor Fee	3.5%	1,132,057	423,505	550,279	158,273
Tax Relief		(605,135)	(223,529)	(290,441)	(91,165)
Municipal/Utility Fees		736,015	270,276	375,202	90,537
Builder bonds / insurance		706,059	264,138	343,207	98,714
Totals:	134.77	28,343,999	10,606,955	13,806,115	3,930,929
Contingency					
2.37% Builder	A	727,997	271,166	352,339	104,492
5.00% Owner	P	1,593,121	540,627	807,495	244,999
7.37% Combined Hard Cost	Totals:	2,321,118	811,794	1,159,833	349,491
Architect & Engineering					
Architect-Design	P	1,425,000	483,575	722,280	219,145
Architect-Inspection	P	75,000	25,451	38,015	11,534
LEED Cert	P	15,000	5,090	7,603	2,307
Survey	P	8,000	2,715	4,055	1,230
Environmental & soils	P	4,000	1,357	2,027	615
Energy Star cert	P	12,000	4,072	6,082	1,845
Totals:	7.32	1,539,000	522,261	780,063	236,676
Developer Fee					
Financial Consulting Fee	P	included in developer fee below			
Owner's Rep	P	included in developer fee below			
Developer Fee Residential		3,879,213	683,388	3,195,825	0
Developer Fee Commercial		712,143	0	0	712,143
Totals:	21.83	4,591,356	683,388	3,195,825	712,143
Interim Financing					
HACSL Interim Loan Int		81,467	4,554	76,913	0
Construction Insurance	P	20,000	6,787	10,137	3,076
Construction Int. - Buildout		1,336,629	406,664	698,965	231,000
Construction Loan Fee		252,000	91,000	140,000	21,000
Appraisal		22,500	7,500	7,500	7,500
50.00% Const. Legal Fees		70,000	18,711	24,355	26,934
Bond Fees -eligible basis		0	0	0	0
Closing/Title/Recording Fees		70,088	22,898	32,685	14,505
Property taxes		0	0	0	0
Const review & inspections	P	30,000	10,181	15,206	4,614
5.00% Contingency		171,084	54,528	89,291	27,265
Totals:	9.77	2,053,768	622,822	1,095,052	335,894
Term Financing					
1.00% Origination Fee		99,000	37,000	62,000	0
Appraisal	P	12,000	6,000	6,000	0
Bond Fees -not eligible basis		155,250	0	155,250	0
Legal & processing expense	P	20,000	10,000	10,000	0
Closing, Title & Recording	P	42,000	17,000	25,000	0
Totals:	1.56	328,250	70,000	258,250	0
Soft Costs					
Market Study	R	10,000	5,000	5,000	0
LIHTC allocation fees	R	151,000	65,000	86,000	0
Totals:	0.77	161,000	70,000	91,000	0
Syndication Costs					

The total cost of the Hub project is \$4 appropriation request would be used construction costs.

COMBINED Itemized Costs

Organization (LLC)		0	0	0	0
Organization legal		59,000	12,000	12,000	35,000
Tax Opinion/legal		41,000	8,000	8,000	25,000
NMTC-CDE charges		0	0	0	0
Other - Accounting/Audit	P	60,000	15,000	15,000	30,000
Other - owner's policy	P	181,000	59,000	85,000	37,000
Totals:	1.62	341,000	94,000	120,000	127,000
Project Reserves					
Construction Int. - Lease-up	P	472,553	168,370	251,683	52,500
6 Operating Reserve	P	348,104	142,775	205,328	0
6 Debt Service Reserve	P	389,556	128,745	197,811	63,000
Totals:	5.75	1,210,212	439,890	654,822	115,500
TOTAL COSTS	218	45,860,207	14,619,465	24,240,742	7,000,000
ELIGIBLE COSTS			13,942,181	23,131,601	
Non-qualified funds					
Fed HTC					
Fed RETC					
other-commercial space					
ELIGIBLE BASIS		COMBINED	9% LIHTC	PAB	NMTC
Applicable Fraction			13,942,181	23,131,601	
QUALIFIED BASIS			69.40%	100.00%	
Census Tract Multiplier			9,675,368	23,131,601	
QUALIFIED BASIS			130%	130%	
Tax Credit Percentage			12,577,978	30,071,082	
ANNUAL FED. LIHTC			9.00%	3.28%	
allowed			1,132,018	986,331	
requested			1,000,000	986,331	
allocated			731,120	986,331	
purchased		99.99%	7,310,469	9,862,324	
rate		\$1.16	\$1.16	\$1.16	
proceeds		19,920,439	8,480,144	11,440,295	
ANNUAL STATE LIHTC					
allowed			58,115	100,458	
rate			\$0.65	\$0.65	
proceeds		1,030,725	377,748	652,977	
IRR%			3.86%	3.86%	
SOURCES					
RMCR		9,830,000	3,660,000	6,170,000	0
OWHLF		900,000	600,000	300,000	0
Other		0	0	0	0
SLCNTY HOME		500,000	0	500,000	0
SLCNTY HOME		400,000	0	400,000	0
Energy Rebates		0	0	0	0
Deferred Developer Fee		1,864,033	457,870	1,406,163	0
LIHTC Equity		19,920,439	8,480,144	11,440,295	0
State LIHTC Equity		1,030,725	377,748	652,977	0
FHLB-AHP		0	0	0	0
Sponsor equity		6,994,010	1,043,704	3,371,307	2,579,000
Other Resources TI funds		0	0	0	0
NMTC-A loan (bank)		2,100,000	0	0	2,100,000
NMTC-C loan (investor)		2,321,000	0	0	2,321,000
TOTAL		45,860,207	14,619,465	24,240,742	7,000,000

Sponsor Equity Break-out

Capital Campaign received	3,243,000
Sale of property	1,000,000
NMTC developer fee	478,037
Letter of Intent	350,000
To Raise/HACSL Bridge*	1,922,974

* Does not consider un-used contingency

4,266,687

MAX DEVELOPER CALCULATION

Depreciable Basis	13,702,298	20,486,056
QCT/DDA multiplier	130%	130%
Eligible Basis	17,812,987	26,631,872
Applicable Fraction	69%	100%
Qualified Basis	12,361,567	26,631,872
Fee Rate	12%	12%
Max Developer Fee	1,483,388	3,195,825



Date: January 29, 2018
To: Carolyn Mishler, State of Utah
From: Stephanie Mackay, Chief Innovation Officer, Columbus Foundation (aka Columbus Community Center)
RE: Additional information for Columbus appropriations request

Information for application fields:

Funding request name: Hub of Opportunity

Description of funding: Funding will be used towards the construction costs of the Hub of Opportunity, a transit-oriented, mixed-use affordable housing development

Agency through which funds would be administered: Columbus Foundation (aka Columbus Community Center)

Statewide public purpose: Increase inventory of affordable housing; provide workforce development opportunities for marginalized population (i.e., individuals with disabilities); increase economic impact in an opportunity zone.

Type of organization to receive the funding: Not-for-profit

Funding: One-time appropriation

Project contact information: Stephanie Mackay, Chief Innovation Officer, smackay@columbusseves.org, 801-699-5954 (cell), 385-715-5399 (direct line).

Itemized Budget: See attached. Funding will be used towards construction costs for the Hub of Opportunity.

Current State Support. The Hub of Opportunity has received three state appropriations for a total of \$750,000 (\$250,000 each in 2015-16, 2016-17, and 2017-18.) Funds have been used towards architectural design, pre-construction, and construction costs.

Performance Measures:

- 1. How will this project make Utah a better place?** The Hub of Opportunity is a transit-oriented, mixed-use real estate development that transforms how our communities embrace the most invisible individuals—those with disabilities—to live and work side-by-side with their non-disabled peers. There is also a significant number of individuals with disabilities—U.S. Census data indicates 19% of the population has a disability. Of those 19%, 10% are of working age (16-64 years old), and they face a 65% unemployment rate, yet many can work and live independently with some support. The Hub brings these hidden individuals out of isolation and provides an opportunity for them to be good tenants, neighbors, friends, citizens, taxpayers, and employees. Incorporated within the Hub will be the innovative NextWork Autism Center, which addresses the needs of an emerging generation of young adults with autism (estimated to be 2% of the Utah population). Columbus is collaborating with Utah employers to give young adults with autism a head-start with employment and independent living skills so they can join their non-disabled peers in developing careers and establishing economic independence.

Even in the light of a robust economy, Utah leaders are tackling difficult issues related to affordable housing and workforce development. Here are some highlights that illustrate how the Hub will make Utah a better place:

- The Hub is one of the first major real-estate developments in the country designed and built to seamlessly integrate individuals with moderate to severe disabilities into the larger community. Rather than filling a few ADA-compliant apartments, the entire building will be accessible, and 20% of the



individuals who will reside in the building will have some level of disability. This reflects the demographics of the general population mentioned above.

- The Hub has leveraged public-private partnerships that bring to the forefront some straightforward economic and community-based solutions to the obstacles that keep individuals with disabilities hidden in our community—access to public transportation; accessible, affordable housing; and workforce development opportunities.
 - An important innovation in this project is the inclusion of the NextWork Autism Center, supporting young adults with autism spectrum disorder (ASD) who face the worst unemployment, social isolation, and poverty of any demographic group. In spite of Utah's 3% unemployment rate, young adults with autism face an 80% unemployment rate, which is the highest of any demographic group. Many of these young adults are capable of work with the right services, environment, and training. The NextWork Autism Center will work with community partners so that employers can tap into this viable workforce.
 - The Hub has been designed with future replicability in mind as well—elements of all parts of the Hub can be incorporated in future transit-oriented developments.
2. **How we will accomplish the outcome.** Columbus is partnering with a number of stakeholders to braid together traditional financing tools, economic development efforts, urban planning, workforce development, social enterprise, and architectural design to build the Hub of Opportunity.
- **The Hub demonstrates that public/private partnerships** can provide innovative, economically viable solutions to pressing social issues. The baseline for the project's success was securing land with close access to public transportation. Columbus worked with UTA to secure 3 acres of land adjacent to the Meadowbrook TRAX station and bus transfer line at 3900 SW Temple. The Housing Authority of the County of Salt Lake (HACSL) entered into a partnership with Columbus as our development partner and property manager. South Salt Lake and Salt Lake County have provided guidance and supported this project as an innovative model of affordable housing. Method Studios, the architectural firm of record, has built into their design process environmental elements that provide individuals with disabilities a living environment that promotes accessibility, health, and safety. Since the NextWork Autism Center will provide cutting-edge housing and support services for young adults with autism, Columbus has also collaborated with the Sorenson Impact Center, the Cicero Group, and the University of Utah to design evidence-based outcomes that integrate "social impact" components into the project. Utah employers are also working with Columbus staff to develop best practices for training and transitioning those with autism in preparation for community employment.
 - **The financing model leverages traditional investment tools and philanthropic dollars**, a double-bottom-line proposition that generates equity, business revenue, and significant social impact. Developers have multiple financial incentives to build market-rate or affordable housing, but they seldom have an incentive to finance a building with the intent to provide social and financial stability for tenants. To keep rents deeply affordable, 87% of the Hub financing leverages a combination of traditional investment tools, including New Market Tax Credits, Low Income Housing Tax Credits, a private activity bond, and low- and no-interest loans from Olene Walker Housing Loan Fund and Salt Lake County. Goldman Sachs is a lender, LIHTC and NMTC equity investor and New Market Tax Credit CDE. As a differentiator, the remaining 13% of the financing braids together private fundraising and thoughtful land use. The private philanthropic community (individual, corporate, and foundation) has shown their willingness to put dollars down to support a project that not only provides affordable housing, but does so in a way that seamlessly weaves in other critical supports and health determinants (including transit, education, telehealth resources, workforce development, and availability of food resources). For example, many of the Columbus participants who will reside at the Hub live on \$7,000 to \$10,000 a year. The financing allows us to charge rents ranging as low as \$260 a month to market rate depending on income qualifications. With a combination of deeply affordable rents and on-site support, individuals with disabilities will often live in the same place throughout their adult lives. They are stable renters, good neighbors, and they willingly contribute to the local economy

when given the opportunity. The Hub can also be a model for newer financial investments such as “opportunity zones” that were included in the recent Federal tax reform.

- **The project design leverages a transit-oriented location that aligns with Utah’s master urban planning** for the Wasatch Front, and its’ central location allows individuals with disabilities the option to live in a vibrant urban neighborhood. The project will be designed to enhance access and “visitability,” where residents, families, and visitors have barrier-free access to the community and each other. The Hub has three design components: 156 residential units (126 of which are considered affordable housing); street-level commercial space; and the NextWork Autism Academy and Training Center. The stability of affordable rent, barrier-free design, access to public transportation (thus employment and community services), and on-site case management helps ensure these individuals can be contributing members of our community. Approximately 20% of Hub tenants will have a disability (and thus officially designated as extremely low income) and receive support services that ensure they are integrated into the community in a safe and meaningful way. 60% of the units will be occupied by individuals/families that are low-to-medium income, who will often remain as long-term, reliable tenants once they are in affordable housing. 20% of the units will be market rate and will appeal to young professionals who are giving up their cars and looking for transit-oriented, walkable communities. Commercial space will provide transit-friendly office space and economic development opportunities for South Salt Lake. The NextWork facility will be a combination of apartments and a training space that will provide transitional living and vocational and employment services for young adults with autism that will allow them to prepare for community employment and independent living.

3. How we will measure the success of the project.

Columbus operates an evidence-based data-driven agency that accurately tracks outcomes and meets key performance indicators (KPIs). Programs/operations are measured through program outcomes, strategic planning, strategic initiatives, KPIs, financial audits, and regulatory compliance. For four decades, Columbus has operated a number of residential facilities and business facilities and has data that has tracked programmatic and capital outcomes for individuals with disabilities. For the Hub, the agency will use the following measures to track success over time:

- **Compliance and Operational Efficiencies.** Once opened, Columbus will operate the Hub in collaboration with the Housing Authority of the County of Salt Lake (HACSL). HACSL has served as the real estate developer and will provide property management services when the Hub is opened. This collaboration ensures the Hub complies with HUD fair-housing, tax credit requirements; low-income rent requirements; and local building requirements. The agencies will also track property maintenance costs and ensure the operational budget is cash-flow positive.
- **Workforce Development.** As we design the NextWork Autism Center, Columbus staff is partnering with local employers to design best practices to assess, train, and prepare young adults with autism to participate in the workforce. Because the program and facility are the first of its kind in the country, Columbus has collaborated with the Sorenson Impact Center, the Cicero Group, and the University of Utah to design evidence-based outcomes that integrate “social impact” components into the building project and programming. These evidence-based outcomes will be vetted and memorialized as a baseline to measure the impact of the facility and the program.
- **Residential Support Services.** 20% of the tenants will have disabilities and receive some level of support services from Columbus. Columbus uses a number of evaluation tools to measure qualitative/quantitative program outcomes. These tools include Therap (electronic case management system), attendance reports, person-centered plans (PCPs), customer satisfaction surveys, billing, operational budgets, and KPIs. Program evaluation results are published annually in the Columbus Annual Descriptor Report.
- **Quality Programs.** As a service provider responsible for supporting a vulnerable population, Columbus must demonstrate the highest levels of quality assurance, which is monitored and evaluated through CARF (www.carf.org). CARF is recognized as the leading accreditor worldwide of health & human service providers. Columbus has maintained CARF (Commission on Accreditation of Rehabilitation Facilities) accreditation since 1976 and has continued receiving this accreditation every three years. Every three years, Columbus’s residential and employment programs are evaluated against over 900 quality and performance measures. The agency’s most recent accreditation was awarded May 2017.

