

Today's Team

Charles Roberts, AIA Principal
Kuhn Riddle Architects



MJ Adams | Community &
Economic Development
Administrator
Greenfield, MA



Jonathan A. Wright
Founder and Senior Advisor
Wright Builders, Inc.



KUHN·RIDDLE
ARCHITECTS



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BUILDERS

The Power of Partnerships

How to Achieve
Affordable,
Net Zero Urban
Homeownership



The Power of Partnerships

How to Achieve Affordable, Net Zero Urban Homeownership



Key Participants

Key Project Team Members

Green River Homes, LLC | Mark Ledwell & Jonathan Wright

Bill Martin | Mayor of the City of Greenfield, MA

MJ Adams | Community Development Manager for Greenfield, MA

Charles Roberts, AIA | Kuhn Riddle Architects | Concept Development

Roger Cooney | VP Design, Sales and Estimating at WBI

Melissa Caldwell | Sales & Marketing Director

Wanda Mooney Realtor | Coldwell Banker Upton Massamount Realty

Frank G. Frank | Top Line Design

Selene Weber, LA

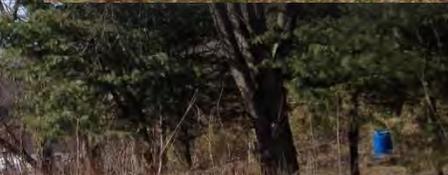
Freedom Credit Union | Construction and Permanent Financing

UMASS Five College Credit Union | Solar Financing

Tom Lucia and Scott Belanger | WBI Construction Project Team



Green River Commons, Greenfield MA | Then and Now



Learning Objectives for Today

- Demonstrate how to bring mixed income ownership to market infill and multi-family using minimal public resources and regulation
- Building partnerships and coalitions for sustainability, including town officials, financing agencies, Greening Greenfield Advocacy Group
- Why the site and concept matters
- Map the regulatory process for funding and approvals, keeping it as simple as possible. Like any other project, except for analyzing market and affordability pricing.
- How to gain market acceptance
- Identify the potential stumbling blocks and how to minimize



Key Project Characteristics

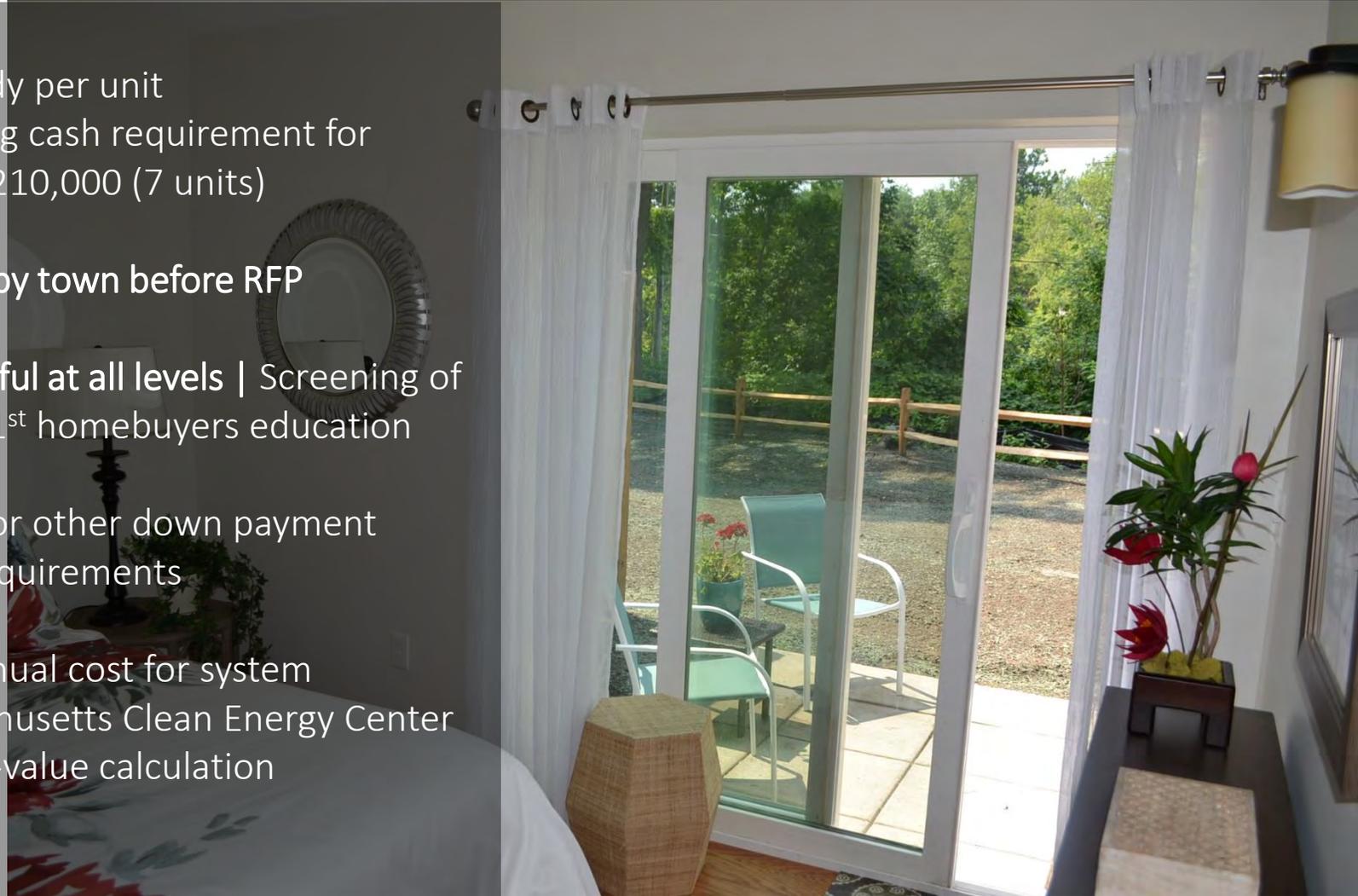
560 gsf 1 bedroom
780 gsf 2 bedroom

- Smaller than 8 units with private financing minimizes government oversight
- 15 year affordability restriction
- 80% of median income affordability
- 4 affordable units, 3 market rate
- In-town with access to services
- Solar engineered and ready with financing
- Carbon neutral operation possible
- Condo operation with professional management



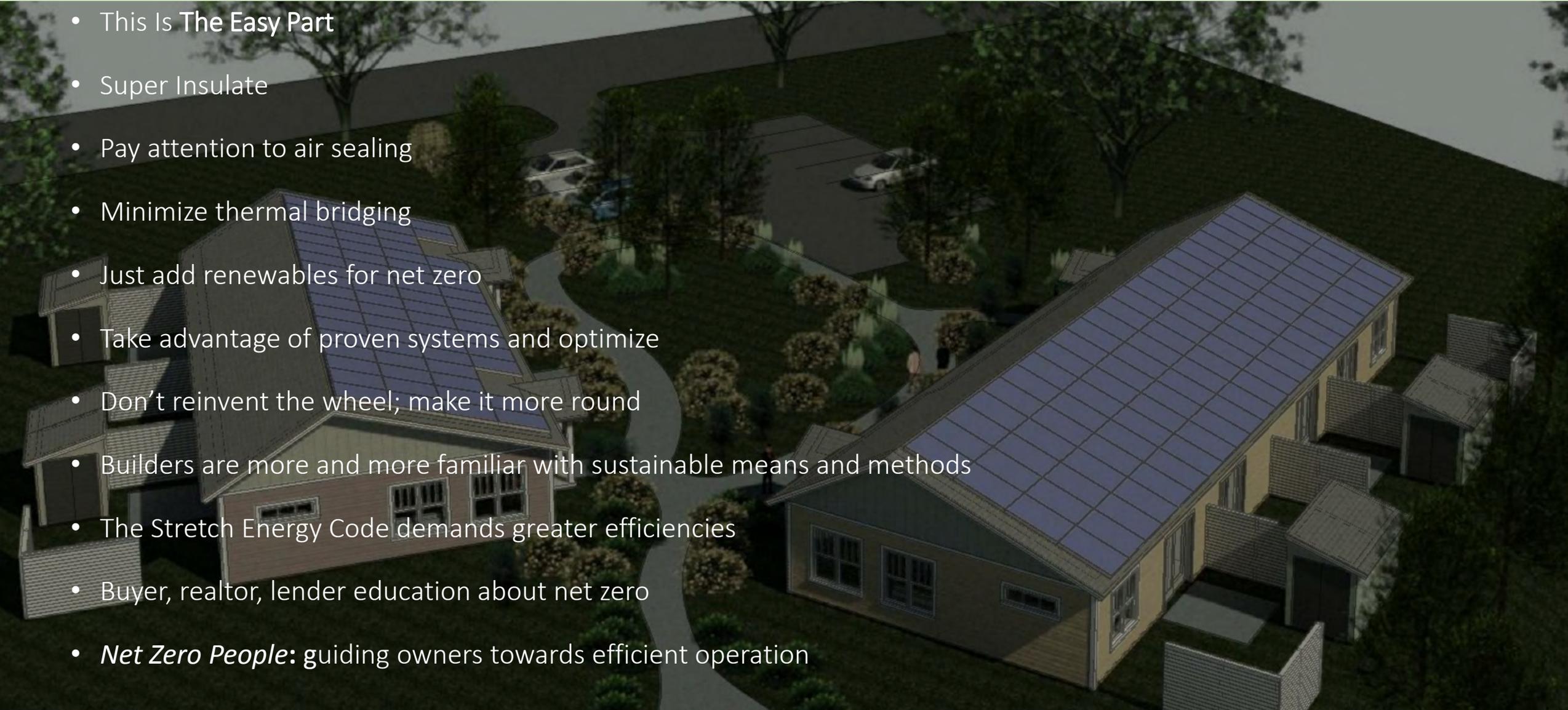
Financing concept of partnering outside of traditional affordable housing subsidies

- Land at no cash cost
No other public funds = \$30,000 subsidy per unit
Provides equity for the builder, reducing cash requirement for construction financing for project by \$210,000 (7 units)
- Demolition and 21E activities completed by town before RFP
- Town staff super knowledgeable and helpful at all levels | Screening of applicants | Home purchase coaching | 1st homebuyers education
- Partnering for Equity Builder/Wayfinder or other down payment assistance for minimal down payment requirements
- Solar financing based on cash neutral annual cost for system ownership, guaranteed through Massachusetts Clean Energy Center and outside of normal mortgage loan-to-value calculation
- 4% realtor commission



Designing Net Zero Ready: *And* Affordable

- This Is The Easy Part
- Super Insulate
- Pay attention to air sealing
- Minimize thermal bridging
- Just add renewables for net zero
- Take advantage of proven systems and optimize
- Don't reinvent the wheel; make it more round
- Builders are more and more familiar with sustainable means and methods
- The Stretch Energy Code demands greater efficiencies
- Buyer, realtor, lender education about net zero
- *Net Zero People*: guiding owners towards efficient operation



It All Starts With a Site

- Social Sustainability
- Urban Infill
- Flat Site Reduces Cost
- Public Water and Sewer
- Utilities at Street
- Gateway Site to Greenfield
- River Edge
- Street Edge
- River Embankment
- Older Transitional Neighborhood
- Favorable Solar Exposure



Greenfield, MA

The Urban Center City of the Most Rural County in Massachusetts

A Strong “Green” Ethic

- In first cohort of Green Communities
- Sustainable Greenfield Masterplan (2014)
- Neighborhood in transition –
 - Southern gateway to revitalizing downtown
 - Housing stock in need of investment
 - 4 parcel opportunity to combine into larger lot
 - With frontage on Deerfield St. and backs up to the Green River (and planned walking/bike path along river)



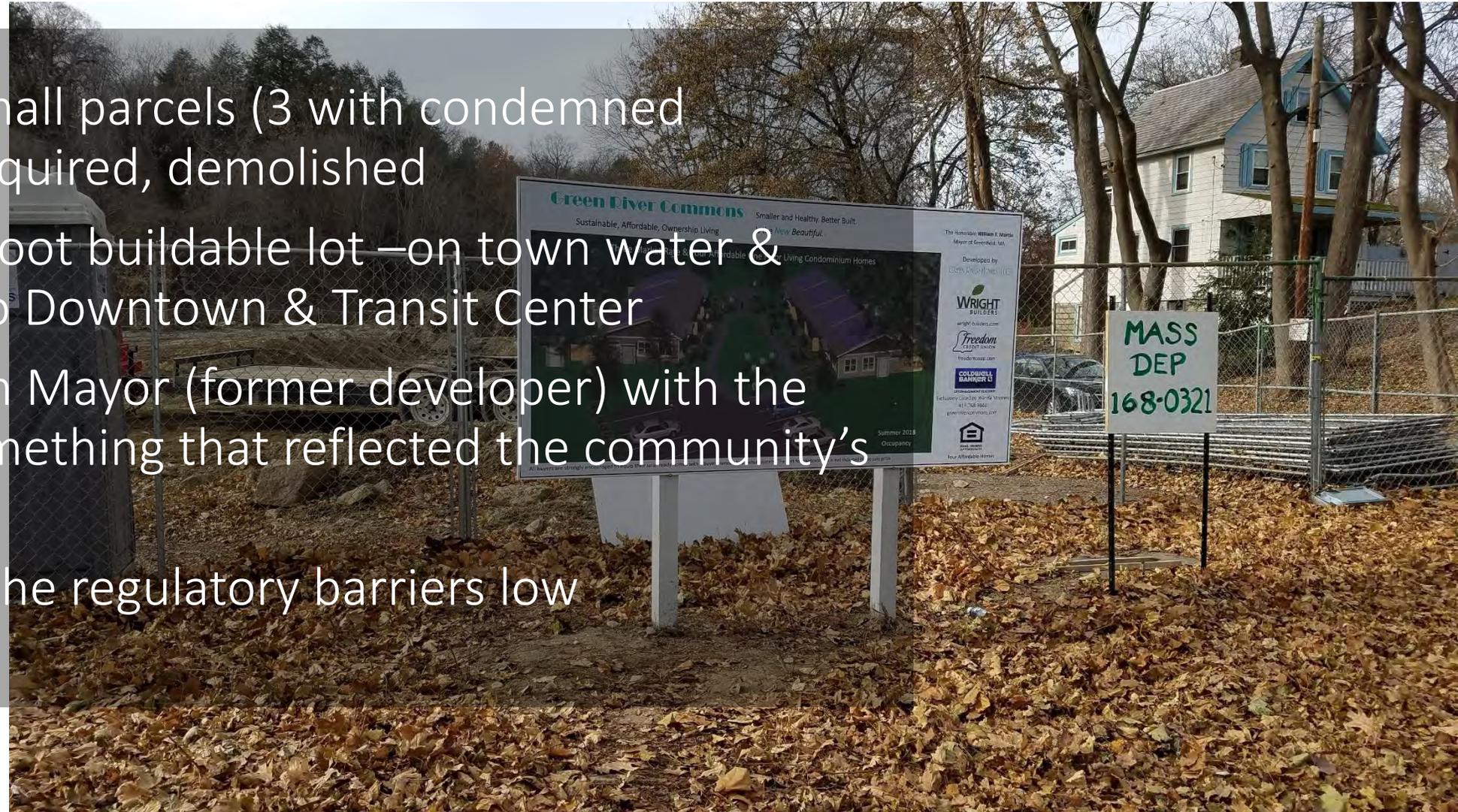
Community Conversations

- “Tiny House Buzz”
- “Fossil Free Future”
- Silver Tsunami (aging population looking to downsize)
- Pocket Neighborhoods
- Cottage Housing



Opportunity Presents Itself

- 4 contiguous small parcels (3 with condemned structures) – acquired, demolished
- 35,000 square foot buildable lot – on town water & sewer – close to Downtown & Transit Center
- Leadership from Mayor (former developer) with the desire to do something that reflected the community's “green” values
- Desire to keep the regulatory barriers low



But Not Without Challenges...

- Because of CDBG funding – not larger than 7 units
- Zoning district (General Commercial) – required us to build multi-family structure (no less than 3 units in a building)
- Fire code required installation of residential sprinklers
- Parking – reduction from 2 / unit because of smaller unit size
- Home prices of affordable units limited by income guidelines
- A new type of unit introduced to the market (modest in size)



The Process

- Town acquired and prepped the site
- Town issued an RFP for a private developer
- Town received one response, reviewed and designated Green River Homes, LLC as the developer
- Transferred land (with an affordable regulatory agreement) for \$1,000
- Development started & first Certificate of Occupancy and move in in September 2018



Where else in New England?

Find a committed community:

- Does the community have a Housing Partnership Committee or a Housing Trust Committee or a housing planner?
- Does the Town have Community Preservation Act Funds (CPA)?
 - If acquiring land for open space, is there some frontage that can be carved off for housing?
- Is the community a Housing Choice community?
- Does the town have a Housing Production Plan?
 - Is it expired? Approved & Current? Certified?

Are Resources Available?

- Town land available?
- Water/Sewer available?

What is the limit of affordable unit prices?

Can I build them for that sale price?

Location, location, location...

(and which SMSA the community is located in)

Using MHP's (Mass Housing Partnership)

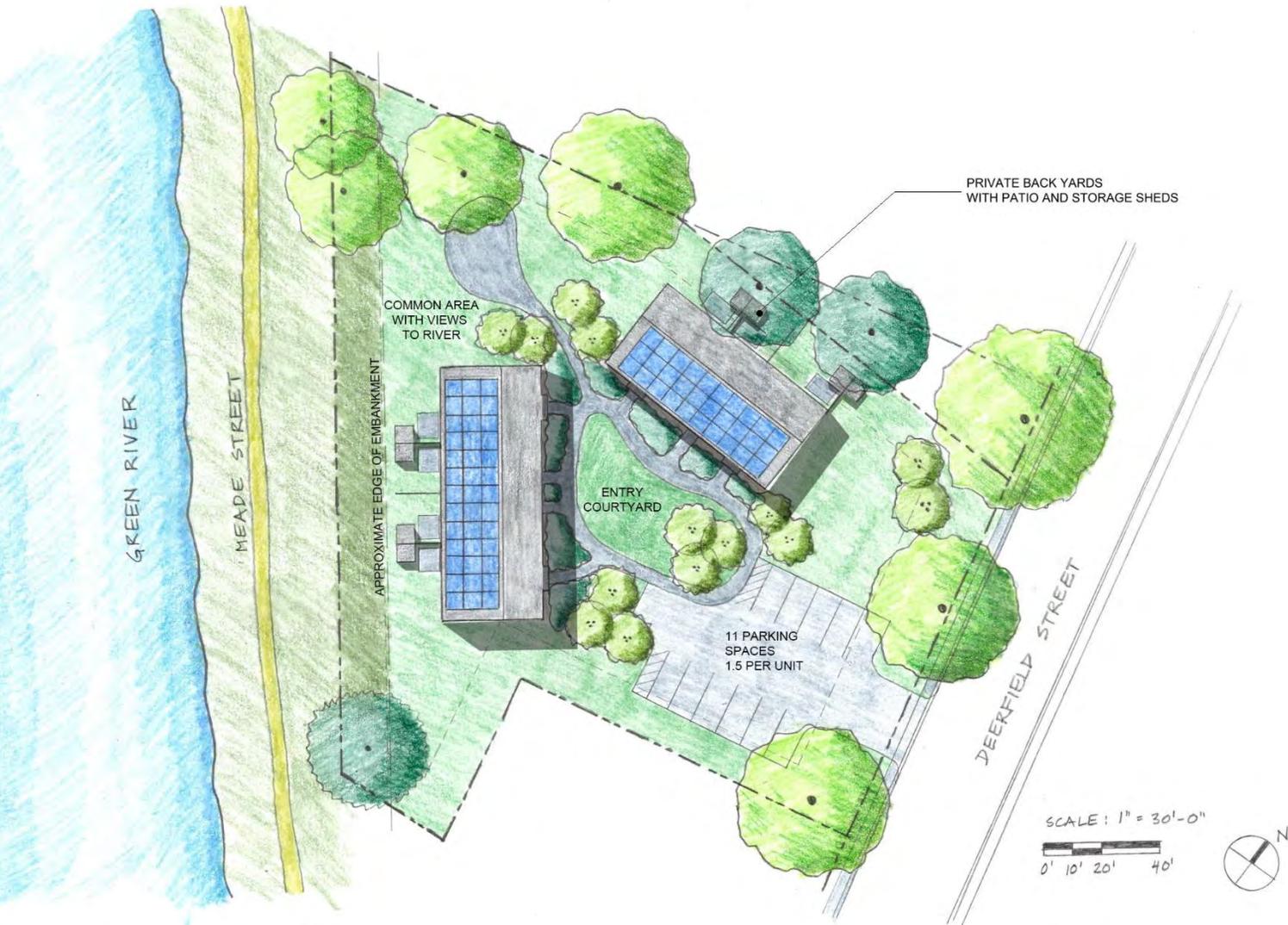
mortgage calculator: (examples)

For Easton, MA – a 2 bedroom single family home can be priced at **\$257,766**

For Stoughton, MA – a 2 bedroom single family home can be priced at **\$296,366**

Green River Commons: 2 bedrooms were at **\$174,900**

Developed Site Concept



- Splay Buildings
- Expanded Entry Court
- Creates a Sense of Openness on the Site
- Landscaped Gardens
- Angle of Buildings Maintains Optimum Solar Exposure

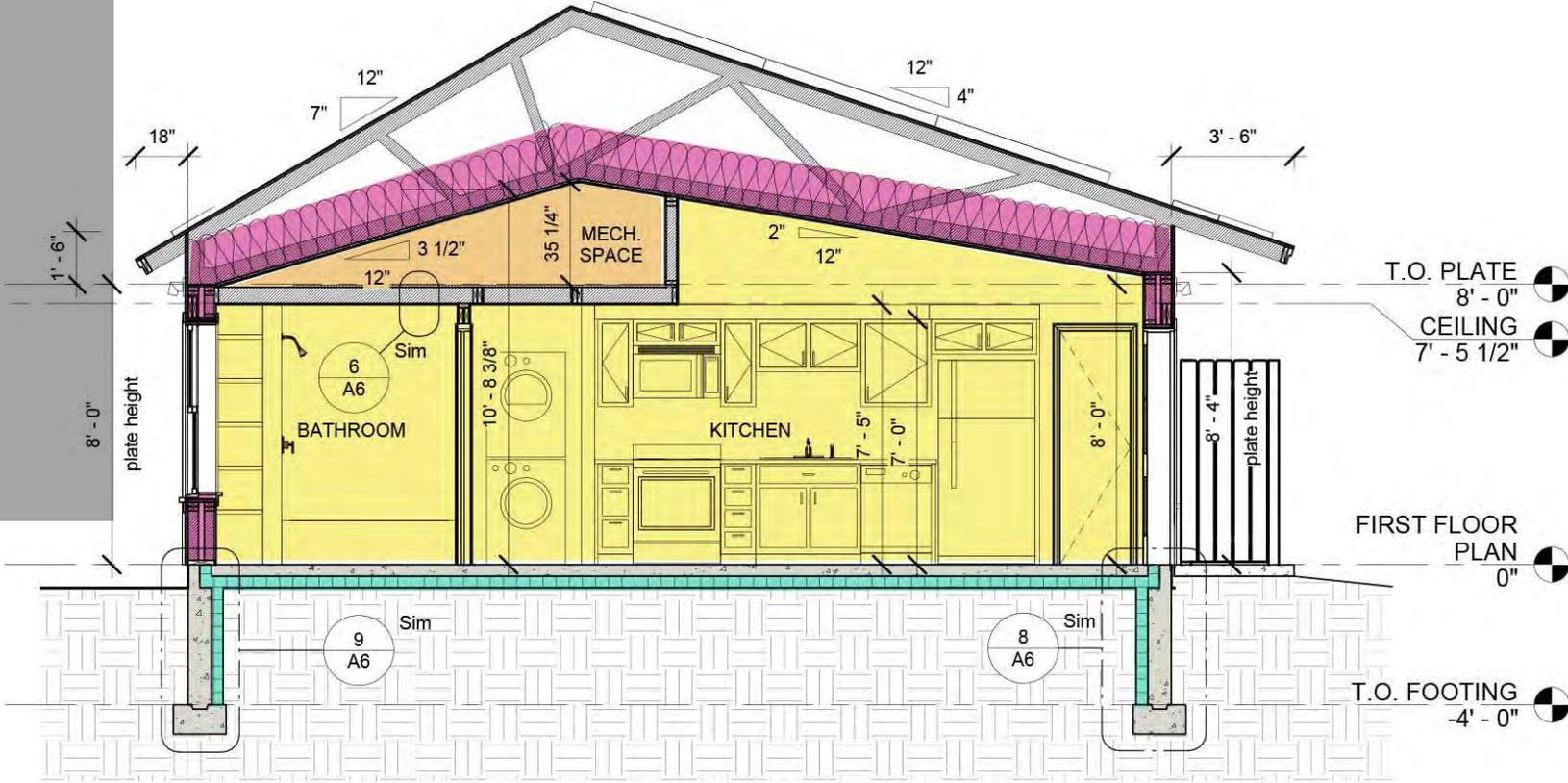
The Plan



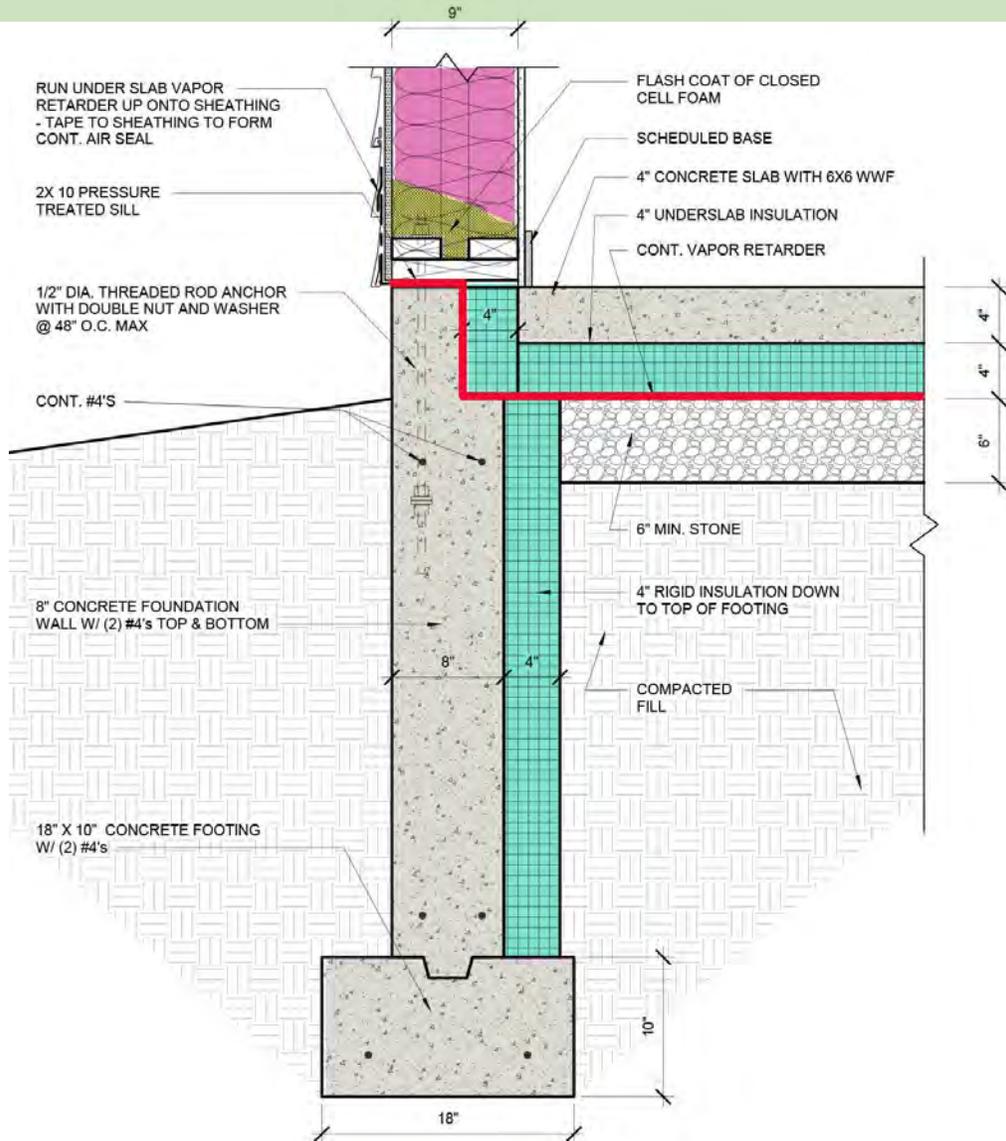
- Compact Open Floor Plan
- Living Spaces Face Pedestrian Street
- Bedrooms Face Private Back Yards
- End Units have Two Bedrooms
- Cluster Plumbing and Utilities

Simple Building Section

- Scissor Truss is Economical and Creates Ceiling Height
- MEP Mezz Attic over Kitchen and Bathroom
- Simple Thermal Envelope
- Optimum Roof Pitch for PV
- Vented Truss Roof

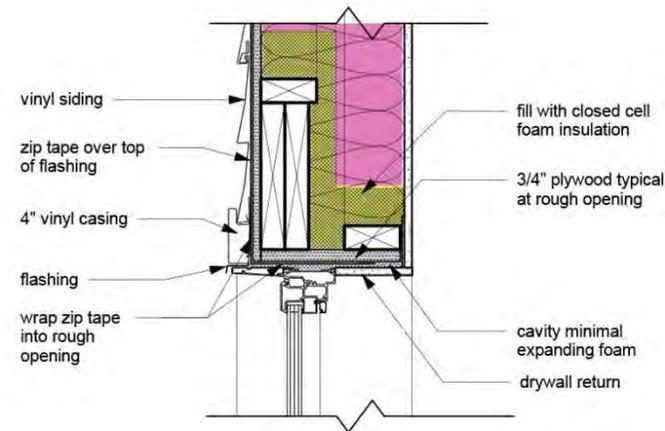


Section Detail

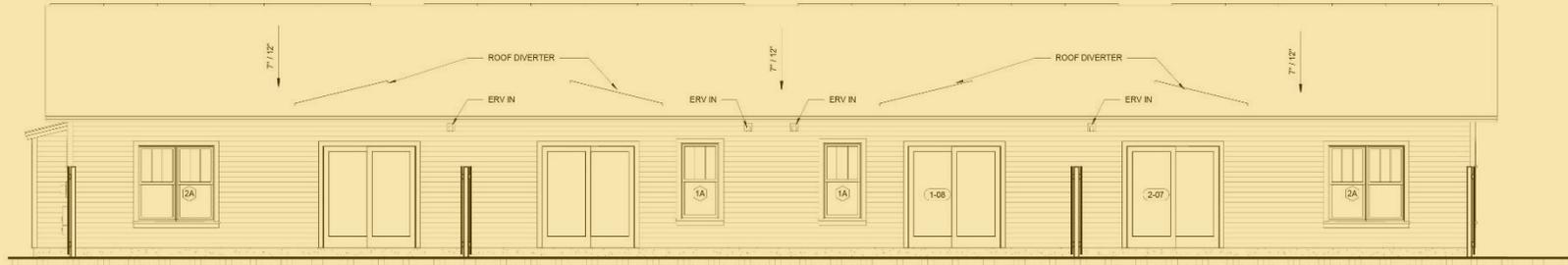


Straight Forward Proven Systems Maximize Thermal Performance ROI

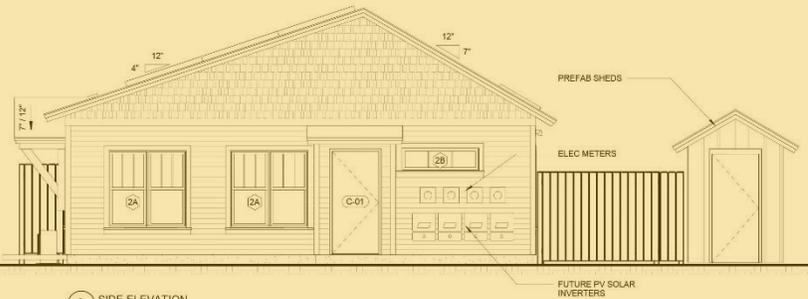
- Vented Scissor Truss Roof: R-63 - 18" Cellulose Insulation
- 9" Double Stud Walls: R-31.5 - 9" Dense Pack Cellulose
- Slab on Grade and Foundation Walls: R-20 - 4" rigid Insulation
- Reduced Thermal Bridging
- Air Sealing and Infiltration Control: Flash Foam Wall Plates Top and Bottom
- Continuous Air Barrier
- Keeping Systems Simple and Predictable Balances Building Performance and Affordability



Building Elevations



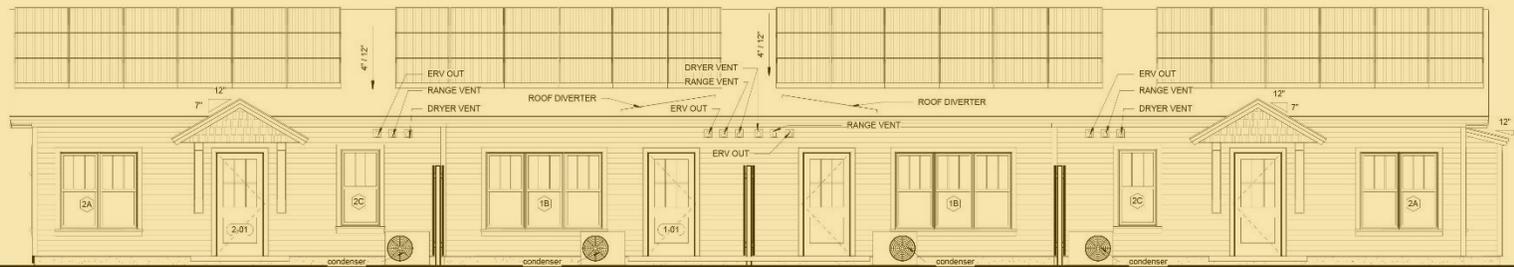
4 REAR ELEVATION
1/4" = 1'-0"



3 SIDE ELEVATION
1/4" = 1'-0"



2 SIDE ELEVATION
1/4" = 1'-0"



1 FRONT ELEVATION
1/4" = 1'-0"

- Roof – 30 Year Asphalt Shingles
- PV Ready
- Vinyl Siding and Trim
- Vinyl Triple Glaze Windows Low-E Argon Gas Filled
- Exterior Storage Sheds
- Wood Fencing
- Wood Bracketed Stoop Roofs

Interiors and Systems



Finishes

- Gypsum Wallboard Ceilings and wall.
- Premium Low VOC Latex Paint
- Cathedral Ceilings
- Tile Bath and Entry
- Prefinished wood Floors
- Wood Cabinets and Laminate Countertops
- Solid Core Composite Interior
- Doors with Satin Nickel Hardware

Systems

- Heat Recovery Ventilation
- Ductless Mini-Split Heating and AC
- Rheem Heat Pump Hot Water
- NFPA 13D Sprinkler System
- All LED Lighting

How the Money Worked

- Cash and investment requirements
- Lender enthusiasm
- 4% commission from local top notch realtors
- Prompt sell-out



Revisiting the Pro Forma Cost and Revenue (for replication Spring 2019)

Green River Homes - Greenfield, MA | 7 Units

		Qty.	Sale	
Sales Revenue	<i>3 units 560 ft., 1 bedroom / 1 bath</i>	3	\$144,900	\$434,700
	<i>1 unit 780 sq. ft., 2 bedroom / 1 bath</i>	1	\$174,900	\$174,900
	<i>3 units 780 sq. ft., 2 bedroom / 1 bath</i>	3	\$200,000	\$600,000
	Gross Revenue			\$1,209,600
	Less Costs			
Acquisition and Legal	Total Legal and Land			\$30,000
Design and Permitting				\$61,749
Banking and Soft Costs				\$51,500
Construction	560 sf units x 3	1680	\$205	\$344,400
	780 sf units x 4	3120	\$200	\$624,000
	Turnkey job cost including site work, appliances, and 12% overhead and fee			\$1,111,649
	Total Development Cost			\$1,111,649
	Realtor Commission		0.05	\$60,480
	Total Project Cost			\$1,172,129
	Surplus / Additional Contingency			\$37,471

Revisiting the Proforma - Financing

<i>Financing</i>	
<i>Sources of Funds</i>	
Bank Financing at 80% FMV	\$810,000
Deferred Sales Commissions	\$60,480
Deferred Overhead and Profit 8% (4% needed for operations)	\$88,932
Deferred Origination Fees	\$14,000
Contingency	\$27,000
Earning Surplus	\$37,471
Deferred Legal to Closing	\$7,000
	\$1,044,883
<i>Cash Equity Required</i>	\$127,246

How the Buyers Qualify

GREEN RIVER COMMONS

Affordable Homes (Units 96, 98, 100, 106)

1 Bedroom \$144,900 (2 person household)	2 Bedroom \$174,900 (3 or 4 person household)
ESTIMATED LOAN AMOUNT: \$137,697	ESTIMATED LOAN AMOUNT: \$167,620
Principal: \$ 144,900	Principal: \$ 174,900
Down Payment (3%) (minimum 1.5% from personal funds) -2,174	Down Payment (3%) (minimum 1.5% from personal funds) -2,624
Wayfinder down payment assistance -10,500	Wayfinder down payment assistance -10,500
Closing Costs (estimated) <u>+5,470</u>	Closing Costs (estimated) <u>+5,843</u>
\$ 137,697	\$ 167,620
ESTIMATED MONTHLY HOUSING PAYMENT: \$1,330	ESTIMATED MONTHLY HOUSING PAYMENT: \$ 1,579
Estimated principal & interest \$ 687	Estimated principal & interest \$ 823
Estimated content insurance 25	Estimated content insurance 25
Estimated real estate tax 271	Estimated real estate tax 327
Condo fee 260	Condo fee 295
Estimated elec./water/sewer costs <u>87</u>	Estimated elec./water/sewer costs <u>109</u>
Estimated monthly housing payment: \$ 1,330	Estimate total housing payment: \$ 1,579
ESTIMATED MINIMUM ANNUAL INCOME REQUIRED:	ESTIMATED MINIMUM ANNUAL INCOME REQUIRED:
Estimated Household Payment x 12 months/.33	Estimated Household Payment x 12 months/.33
\$1,330*12 = \$15,960/.33 = \$48,364	\$1,579*12 = \$18,588/.33 = \$56,327

Affordability Income Restrictions	
Household Size	Maximum Annual Gross Income
1	\$45,200
2	\$51,650
3	\$58,100
4	\$64,550



Getting the Word Out

- Possible NESEA Pro Tour
- *Greening Greenfield* featured property
- Bi-monthly open houses
- First time home buyer classes and coaching
- Trusted, experienced, “sustainable” and local realtor
- Strong print and online presence
- Consistent branding and messaging

Green River Commons



96 - 108 Deerfield Street, Greenfield, MA
Artist rendering

Smaller and Healthy...

Better Built...

is the *New Beautiful*.

Seven sustainable, comfortable, and beautiful single level townhomes with river & garden views, located just steps from downtown Greenfield with easy access to public transportation.

Three 560 Sq. Ft. 1 bedroom homes & Four 780 Sq. Ft. 2 bedroom homes

greenrivercommons.com

wright-builders.com/homes-for-sale/green-river-commons

Developed by
GREEN RIVER HOMES, LLC



Ready to Simplify and Downsize?

Green River Commons

is Your local Carbon Neutral
Net Zero Energy Community

- 1 & 2 Bedroom Affordable and Market Rate Homes, Starting at \$144,900
- Light, Airy, Riverside Living, Close to Downtown Greenfield
- Safe, Healthy and Affordable



Developed and Built by
Wright Builders, Inc.

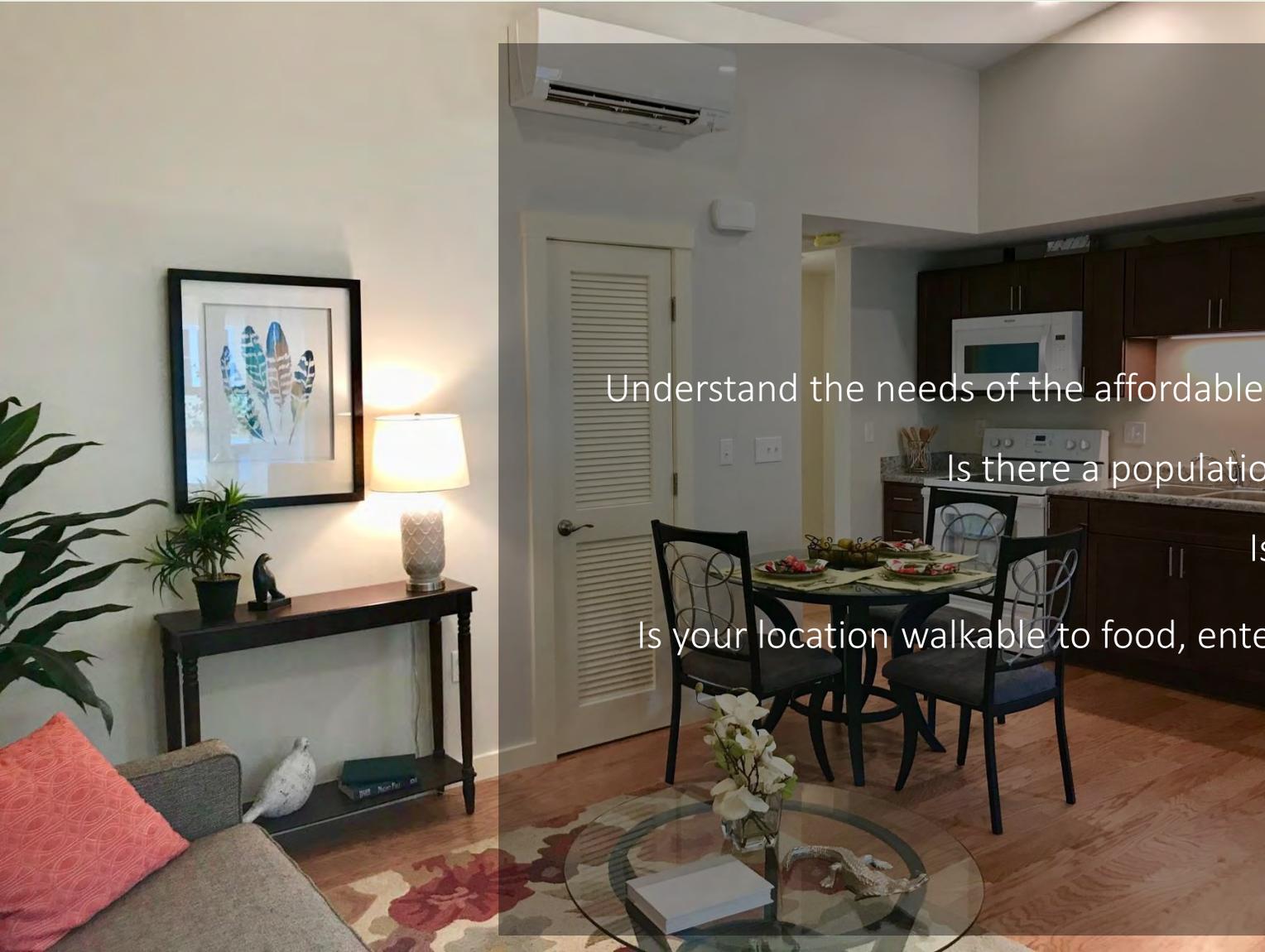


For More Information Call Wanda Mooney
413.768.9848



Competitive financing available
for homes and solar installation.

Market Acceptance – Ask the Questions



Understand the needs of the affordable community... are they unique or particular ?

Is there a population of veterans, retirees, & singles of all ages ?

Is there easy access to public transportation ?

Is your location walkable to food, entertainment, schools, library, YMCAs & work ?

Can you meet parking expectations?

Does a condo *fit* the community you chose?

How small is too small?
560 sf & 780sf

Is there pent up demand ?

What are the comps ?

Why Did We Do This?

- Net zero home ownership is possible at most incomes at 120% of median, but what about everyone else?
- Smaller and healthy infill is a path to community building and sustainable development
- Don't leave the hard work for tomorrow
- Gain market acceptance for smaller dwelling units
- Low and moderate income earners should have access to healthy, sustainable ownership
- This is not just a project; this is a paradigm that you can do too



Lessons Learned

- Be more flexible on equipment specification; i.e., all Mitsubishi minisplits may not be cost effective
- Make sure the host town doesn't have any unusual permitting costs, i.e., Green River Homes ended up bearing the costs for offsite environmental remediation
- Coordinate your sales calendar with Equity Builder availability
- Avoid carrying unsold completed condos through a winter
- Have a great team... we did!
- The poorer the community; the harder this is. Construction doesn't cost less in poorer towns
- If duplexes had been allowed, we would have considered in order to eliminate fire suppression
- Basements would have necessitated 3'6" wider units; might work in more affluent communities
- Replicate, innovate and learn from each other, so we can have a real impact on affordable ownership across the region.



Green River Commons
Greenfield, MA

