



WILLOW
BEND
COME ON IN

History and Context

Partners for Better Housing is a 501(c)3 housing developer established in June of 2007 with support from the Fayetteville Housing Authority

Governed and managed by a board of neighborhood residents, affordable housing advocates, and local professionals

Fayetteville is a college town (University of Arkansas) of approximately 85,000 people, and is part of a larger region with a total population over 530,000. The Northwest Arkansas MSA is the 14th fastest growing MSA in the country in 2017



Why Partners for Better Housing?

- Challenges for private sector to deliver small, energy efficient, high quality homes on valuable land
- 2/3 of homes will be reserved for owner-occupant homebuyers earning less than Area Median Income (AMI)
- Create long-term attainable homeownership inventory in a desirable neighborhood
- Showcase low impact development techniques, cottage courts, and variances that improve walkability and urban design
- Demonstrate leadership in affordable housing that can be replicated city-wide and regionally
- Promote “gentlefication” in a rapidly changing neighborhood



What is the Homes at Willow Bend?

- 82 single-family homes built over 4 years
- Non-profit is developing the lots and building/marketing the homes
- 13 home plans ranging from 650-1700 SF
- Mixed-income Traditional Neighborhood Development
- 1/3 Market Rate, 1/3 under 100% AMI, 1/3 under 80% AMI
- 9 units/acre
- Exceed required energy code – projected HERS rating under 75
- Low Impact Development
- Infill location with trail, transit and park access
- New Urbanist petting zoo – 3 cottage courts, front porches, large sidewalks, alley-loaded parking courts





Willow Bend Capital Stack

Fayetteville Housing Authority Grant – Land Purchase			\$ 150,000
Home Depot Foundation grant – Master Plan			137,500
City of Fayetteville – Infrastructure			1,000,000
Impact Investment from local mission-driven investors			500,000
Total Equity			\$ 1,787,500
Loan for Land Development			2,360,000
Loans for Home Building (approximate)			15,500,000
Total Debt			\$ 17,860,000

Project Timeline

July, 2009

Partners for Better Housing purchases 7.69 acres with support from Fayetteville Housing Authority and a local CDFI

November, 2010

City of Fayetteville receives Home Depot Foundation grant

May 21, 2013

City Council passes Resolution 117-13: intent to approve the \$1,000,000 cost-share agreement

September 9, 2014

City Council passes 2015-2019 CIP Budget with \$1,000,000 allocated to the Willow Bend cost-share

March 28, 2016

Planning Commission approves the preliminary plat for Willow Bend

October, 2016

City of Fayetteville executes cost-share agreement with Partners for Better Housing

December, 2016

Homes at Willow Bend, LLC closes land development loan with First Security Bank

February 24, 2017

Willow Bend groundbreaking ceremony

August 24, 2017

Homes at Willow Bend LLC closes on construction loan for 2 market rate homes across the street from Willow Bend

November 2018

Anticipated final plat application submission for Willow Bend neighborhood

Site Work, Current Condition



985 & 999 S Washington Ave

1190 SF 2 BR 1.5 Bath

Sales Price of \$207,500 (market rate)



Key Ingredients

- Large infill site
- Patient CDFI
- Patient, mission-driven investor and loan guarantor
- City of Fayetteville infrastructure cost-share reimbursement – split into two years, drawn from two buckets
- Volunteer labor –Housing Authority director, grant writer, architects, urban planners, retired city manager, aspiring developers, bankers



Lessons Learned

- Consultant contract management
- If managed by volunteer labor, hire sophisticated contractors
- Resale Formula is a beast – start early as part of the board’s mission/vision/values conversation (Grounded Solutions Network)
- Time contingency for everything, especially project management
- Team of dedicated volunteers – design, development, construction, strategic planning/board development, fundraising



Positive Surprises – Policy Changes

- Reduced minimum residential lot sizes to 2500 SF
- Reduced minimum residential lot street frontage to 25'
- Reduced minimum street width to 20' with mountable curb
- Cottage Housing ordinance improvements
- Reduced parks fees for alley-loaded developments



SUSTAINABLE.
ACHIEVABLE.
REMARKABLE.



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Affordability Program

- \$1 million cost-share agreement to be used for low-to-moderate income homebuyer subsidy
- 1/3 market rate, 1/3 80-100% AMI, 1/3 under 80% AMI
- Resale Formula decision – balancing the twin goals of homeowners' ability to build wealth and achieving long-term affordability in the neighborhood
- Clear and transparent process for homebuyers, county assessor, realtors, lenders and appraisers
- Working closely with community partners like Credit Counseling of Arkansas, Single Parent Scholarship Fund, and major employers
- Consulting help from Community Wheelhouse to develop affordability program details and documents



Home Plans & Pricing

- Home plan criteria: durability, energy efficiency, livability, enduring aesthetics.
- 82 homes consisting of
 - 7 one-bedroom
 - 38 two-bedroom
 - 37 three-bedroom
- Size range from approximately 650 sf to 1,700 sf
- Expected sales prices range from \$155,000 to \$275,000 (before subsidies)
- Mortgage payments at current interest rates and 95% loans range from \$775 to \$1,375 per month

Note: Homes plans are in final design with the architect and have not been sent out for bid. Pricing provided is an estimate based on recent market experience.

Prescott



Leslie



Monrow



Mena

