



## PLANNING AND DEVELOPMENT

400 LA CROSSE STREET | LA CROSSE, WI 54601 | P: (608) 789-7512 | F: (608) 789-7318

### Memorandum

**To:** Community Development Committee

**From:** Caroline Gregerson

**Date:** February 4, 2021, later revised 2/9/2021

**Re:** Action on additional funds for Couleecap to construct 529 Winnebago St

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**Land Assessed Value:** \$66,000 **Lot Size:** 57 1/2 X 61.32 **Zoned:** R-1

Couleecap applied for 2020 CDBG/HOME funds to build at 529 Winnebago St, a home they had previously built elsewhere in the neighborhood. They were awarded \$111,201, which covers the difference in total development costs minus first mortgage price to homebuyer. The plan provided met the architectural guidelines. The home was delayed due to Covid-19 and the Couleecap response through CARES Act funding they received. They bid the home last fall and the construction costs came in higher than expected \$267,947. This is in-line with current construction costs, due to the lumber shortages and housing market. This leaves them with a gap of \$40,000.

Couleecap proposed a revised plan which removes the basement from the original plan and changes the exterior. This would require an additional allocate of funds of \$12,555. Construction costs would be approximately \$241,000.

In an internal brainstorm on Monday, staff suggested looking at construction of 1728 Mississippi St house plans. It's a single store with a finished basement. However, so late in the process, this would require Couleecap to re-bid out the home and since 1728 Mississippi is larger (1800 square feet), they are unsure if this would result in lower costs.

Staff is requesting direction from the Committee on re-allocation of funds or requesting Couleecap to work on feasibility for the other set of plans. See pictures below.

VACANT, PLANNING & DEVELOPMENT DIRECTOR  
ANDREA TRANE, ECONOMIC DEVELOPMENT PLANNER, INTERIM DIRECTOR  
TIM ACKLIN, SENIOR PLANNER  
LEWIS KUHLMAN, ENVIRONMENTAL SUSTAINABILITY PLANNER  
JACK ZABROWSKI, ASSOCIATE PLANNER

CAROLINE GREGERSON, COMMUNITY DEVELOPMENT ADMINISTRATOR  
KEVIN CLEMENTS, HOUSING SPECIALIST  
KEVIN CONROY, HOUSING SPECIALIST  
DAWN REINHART, NEIGHBORHOOD HOUSING DEVELOPMENT ASSOCIATE  
TARA FITZGERALD, PROGRAM COORDINATOR

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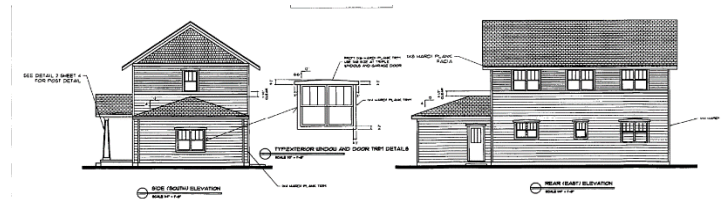
Development Sources (one side only)	
CHDO	\$ 111,201
Other: AHP	\$ 6,000
Other : HCRI	\$ 30,000
Other: Demo Grant	\$ 15,000
Construction Loan	\$ -
Construction Loan	\$ -
Deferred developer fee	\$ -
Mortgage price (\$ from buyer)	\$ 135,000
Estimate of closing costs	\$ (9,200)
Deferred corporate	\$ -
<b>Total Development Sources</b>	<b>\$ 288,001</b>
<b>Total Project Expenses</b>	<b>\$ 327,343</b>
	<b>\$ (39,342)</b>

## Original Plans



## Original Plans Budget 1

Development Costs:		Cost
Land Acquisition		\$ 2,000
Permits		
Architect Fees		\$ 325
Construction Costs		\$ 267,947
Water/Sewer		\$ 13,000
Title Insurance		
Closing Costs		\$ -
Light Fixtures		\$ 1,800
Appliances		\$ 3,600
Carrying costs:	Cost/month/unit	
Property taxes		\$ 1,000
Mowing/Shoveling	\$ 50	\$ 900
Insurance	\$ 125	\$ 1,500
Utilities	\$ 125	\$ 1,500
<b>Total Hard Costs</b>		<b>\$ 293,572</b>
Construction Loan Fee		\$ -
Construction Loan Closing Costs & Appraisal		\$ 1,400.00
Real Estate Commission		\$ 7,400
Overhead		\$ 11,971
CLT Ground Lease fee		\$ -
Legal & Appraisal fees		\$ -
Construction Interest		\$ 3,000
<b>Total Soft Costs</b>		<b>\$ 23,771</b>
<b>Interim Development Cost</b>		<b>\$ 317,343</b>
Soft cost contingency		\$ -
Hard cost contingency		\$ -
<b>Projected Development Cost</b>		<b>\$ 317,343</b>
Overhead		\$ -
Developer Fee/Profit (see sale worksheet for dev fee)		\$ 10,000
<b>Total Development Cost</b>		<b>\$ 327,343</b>



## Original Plans Budget 2

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## Revised Plans, No Basement



Revised Plans \$12,555 gap 1

Development Sources (one side only)		(\$185,000 sales price)	
CHDO	\$ 111,201		
Other: AHP	\$ 6,000		
Other : HCRI	\$ 30,000		
Other: Demo Grant	\$ 15,000		
Construction Loan	\$ -		
Construction Loan	\$ -		
Deferred developer fee	\$ -		
Mortgage price (\$ from buyer)	\$ 135,000		
Estimate of closing costs	\$ (9,200)	Our closing costs of approx \$1800 and comm	
Deferred corporate	\$ -		
<b>Total Development Sources</b>	<b>\$ 288,001</b>		
<b>Total Project Expenses</b>	<b>\$ 300,556</b>		
	\$ (12,555)	Net Profit (Loss)	
Construction Loan 1 rate			
Construction Loan 2 rate			

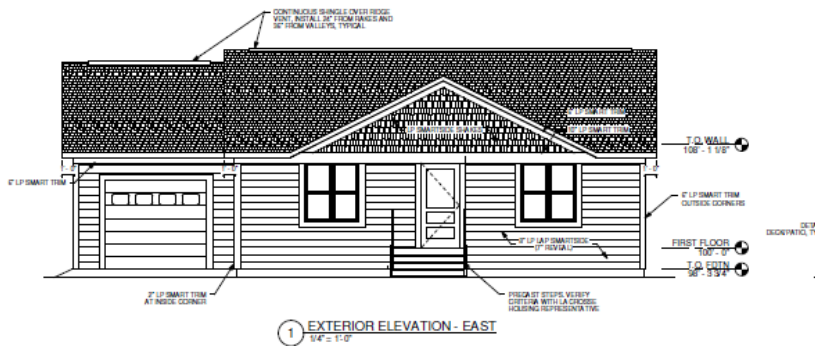
Revised Plans \$12,555 gap

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		1.00 Single Family Units		
		(# of units)		
<b>Development Costs:</b>		<b>Cost per Unit</b>	<b>Total Cost</b>	
Land Acquisition		\$ 2,000	\$ 2,000	closing costs - Lax Co Gr
Permits			\$ -	
Architect Fees		\$ 325	\$ 325	
Construction Costs		\$ 241,160	\$ 241,160	
Water/Sewer		\$ 13,000	\$ 13,000	Apply for Lax CO Grant
Title Insurance			\$ -	
Closing Costs		\$ -	\$ -	# development months
Light Fixtures		\$ 1,800	\$ 1,800	12.00
Appliances		\$ 3,600	\$ 3,600	
Carrying costs:	Cost/month/unit		\$ -	# construction months
Property taxes		\$ 1,000	\$ 1,000	5.00
Mowing/Shoveling	\$ 50	\$ 900	\$ 900	
Insurance	\$ 125	\$ 1,500	\$ 1,500	
Utilities	\$ 125	\$ 1,500	\$ 1,500	
<b>Total Hard Costs</b>		<b>\$ 266,785</b>	<b>\$ 266,785</b>	
Construction Loan Fee		\$ -	\$ -	Construction loan fee
Construction Loan Closing Costs & Appraisal		\$ 1,400.00	\$ 1,400	1%
Real Estate Commission		\$ 7,400	\$ 7,400	Approx 4% of selling price
Overhead		\$ 11,971	\$ 11,971	
CLT Ground Lease fee		\$ -	\$ -	4.12%
Legal & Appraisal fees		\$ -	\$ -	
Construction Interest		\$ 3,000	\$ 3,000	Hard cost contingency
<b>Total Soft Costs</b>		<b>\$ 23,771</b>	<b>\$ 23,771</b>	12%
<b>Interim Development Cost</b>		<b>\$ 290,556</b>	<b>\$ 290,556</b>	Soft cost contingency
Soft cost contingency		\$ -	\$ -	\$ -
Hard cost contingency		\$ -	\$ -	Developer fee %
<b>Projected Development Cost</b>		<b>\$ 290,556</b>	<b>\$ 290,556</b>	3.327%
Overhead		\$ -	\$ -	
Developer Fee/Profit (see sale worksheet for dev fee)		\$ 10,000	\$ 10,000	OH + Dev Fee
<b>Total Development Cost</b>		<b>\$ 300,556</b>	<b>\$ 300,556</b>	7.56%

Revised Plans \$12,555 gap 2



1728 Mississippi 1