Bridgepoint

Capkov Ventures Inc. Town Council 9-30-2020

Location: Chapel Hill North Carolina, Northwest corner of Weaver Dairy Extension & Homestead Road

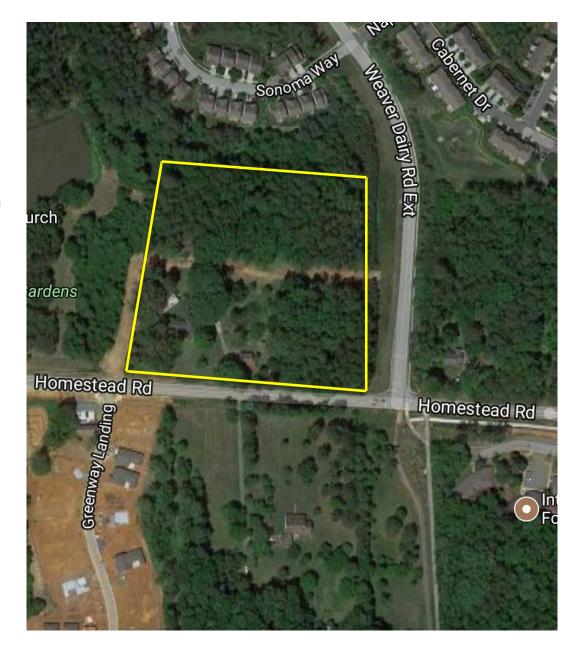
Lot Size: Gross Land Area - 8.35 Acres

Net Land Area: 9.12 Acres

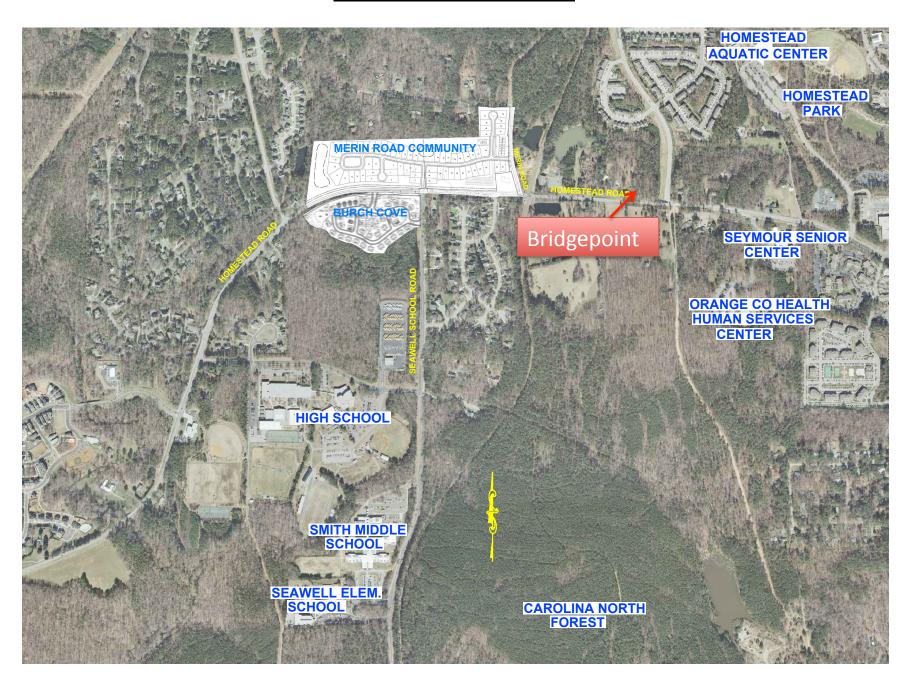
Zoning: R-5-C

Parcel Identification Numbers: 9870-91-4489 & 9870-91-9528

Owner: Capkov Ventures Inc. 919-942-8005



Landmark Map



Streetscape



Streetscape



Site Plan Layout



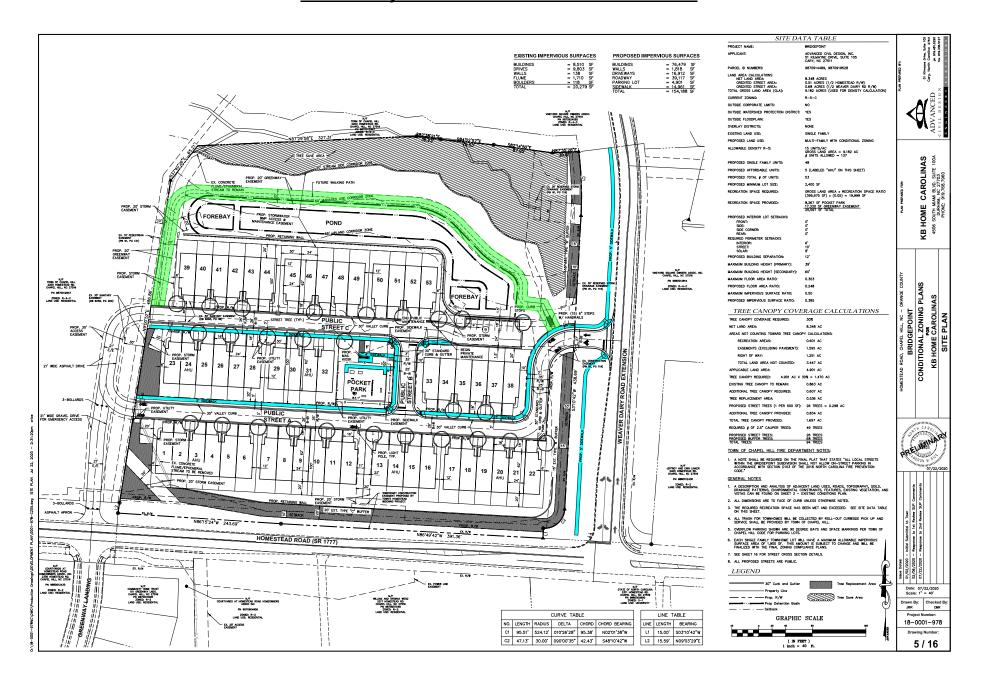




Combined Site Plan



Greenway Trail Easement and Sidewalks



HORACE WILLIAMS TRAIL

A spur of the Norfolk Southern Railroad leaves the main rail line near Hillsborough and trends southeast to Chapel Hill. The line serves the needs of the University of North Carolina co-generation plant and extends over 4.1 miles along this potential greenway.



Millhouse Road to Eubanks Road
The trail would begin at Millhouse Road
just south of I-40 and continue through
the Town's Operations Center and
northern park and ride lot to Eubanks

Road. Resource Protection

The Town controls almost all of the land in this section. Only one parcel is currently missing. The Town can likely preserve a trail corridor on that tract when the property is developed in the future. The Town should be prepared to act swiftly to preserve the rail corridor in the event that the railroad should abandon the line.

Potential for Trail Development

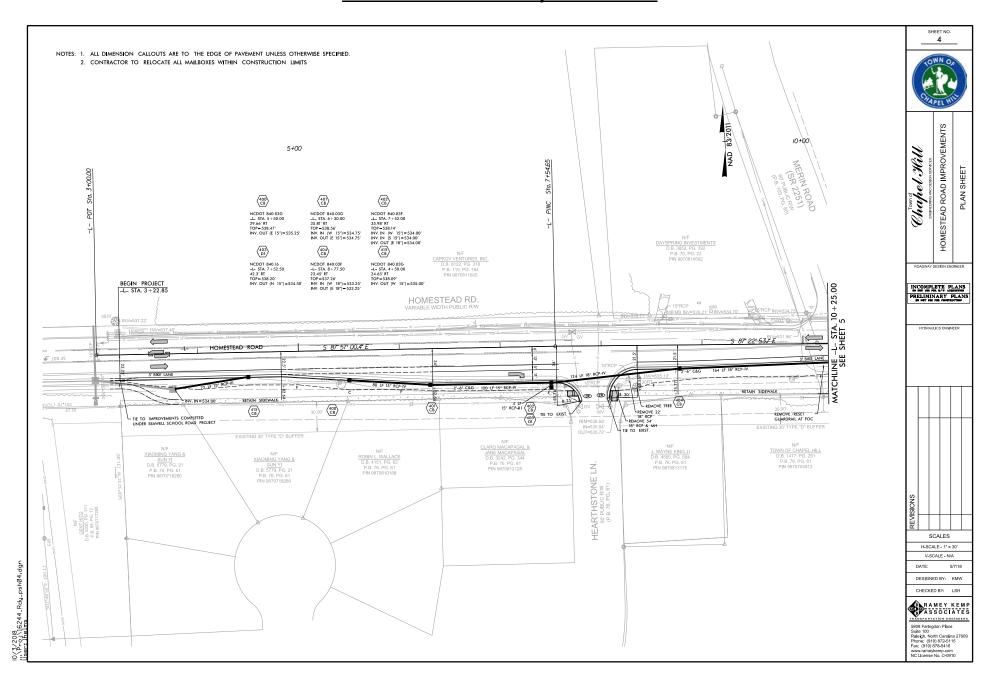
The physical limitations of trail development in this section are few. An important connection could be made from the Horace Williams Trail to the Old Field Trail.

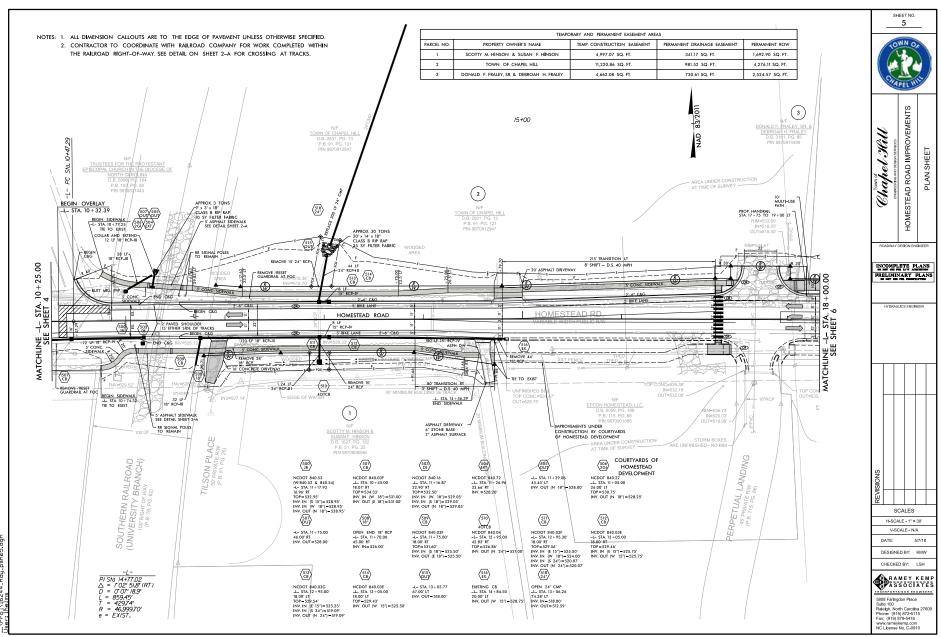
Summary of Constraints for Potential Trail Development

- One parcel of land is in private ownership.
- It would be necessary to build a portion of the trail on the existing park and ride lot property.
- It would be necessary to negotiate a crossing access with the Norfolk Southern Railroad to allow trail access to Millhouse Road.

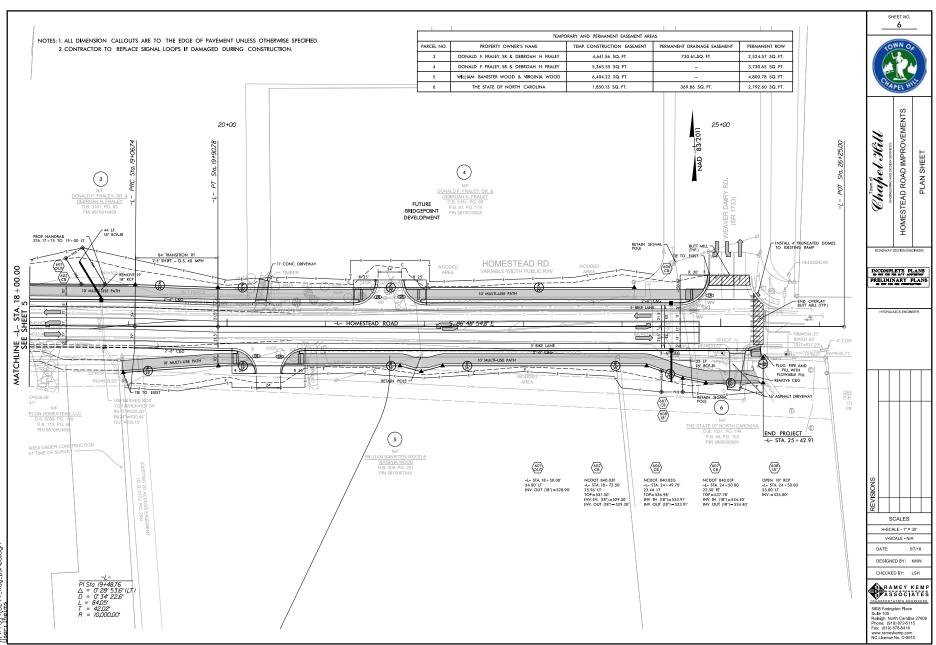




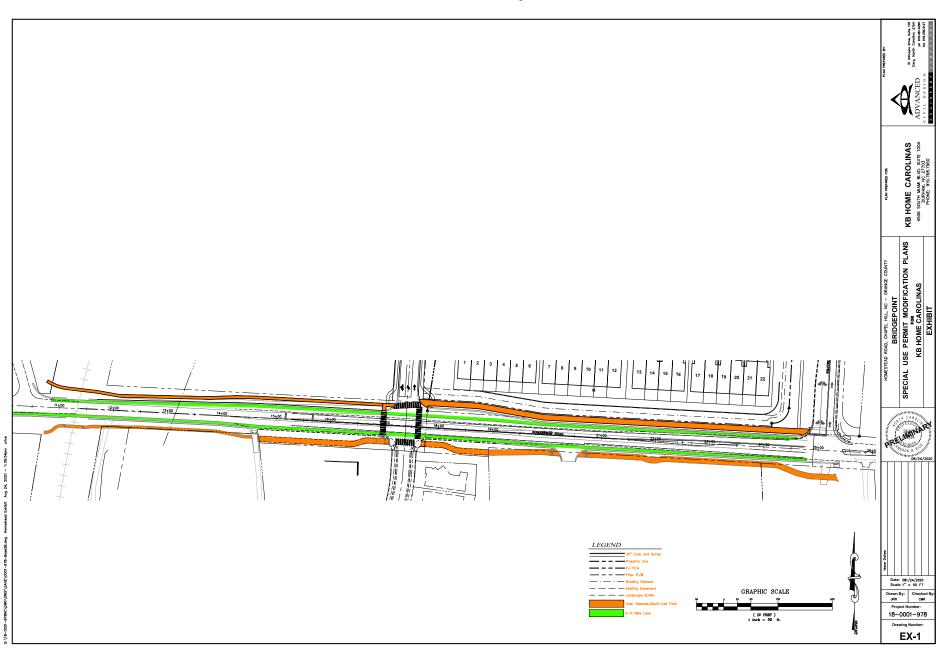




10/3/2018



3/2018 B-2 1/6244 Bd: 00h86 doc





Traffic Impact Analysis and Transportation Advisory Board Recommendations

- Upgrade Traffic Signal at Homestead Road and Weaver Dairy Road Extension with pedestrian crosswalks and related amenities to include APS equipment and high visibility crosswalks and bicycle activated loops.
- 2. Add street lighting to the Homestead Road street frontage.
- Construct a sidewalk from the eastern end of the guest parking lot to the sidewalk near the entrance from Weaver Dairy Extension Road.
- Provide 12 Class I bicycle parking spaces, covered and secured, and one class II bicycle parking space.
- Extend the south bound bicycle lane on Weaver Dairy Extension Road to Homestead Road where it will tie into the west bound 5' bike lane constructed as part of the Homestead Road Improvement

<u>KB Homes Energy Saving Features</u>

- 1) Energy Star Certified home verified by independent third party inspector
- Thermal Enclosure System: air sealing, quality insulation and high performance windows to enhance comfort, improve durability. Reduce maintenance costs and help lower monthly utility bills.
- 3) Crawl spaces sealed, and conditioned, or energy efficient slabs
- 4) Water saving plumbing fixtures.
- 5) Water management System to help protect roofs, walls and foundations from water damage.
- 6) LP <u>TechShield</u> radiant barrier sheathing to help reduce cooling cost by lowering attic temperatures by up to 30 degrees F
- Ecobee3 lite smart thermostat
- 8) Generation Lighting TraverseLyte LED light fixtures at foyer, kitchen, family room, loft, flex, hallways, stairways, and walk-in closets. LED lighting is installed in approximately 90% of each homes lighting fixtures.
- 9) R-15 exterior wall insulation, R-38 blown attic insulation and 2-in. R-10 slab insulation
- 10) 14 Sheer Carrier HVAC system with gas furnace designed and installed to deliver more comfort, better moisture control, improved indoor air quality and quieter operation
- 11) Low-E Ply Gem windows with Grids on front of home and window screens on entire home
- 12) Energy Performance Guide (EPG) a monthly energy cost estimate to help you better understand the money-saving advantages of a KB home.
- 13) KB Home has industry leading HERS Scores that puts KB Home in the 50% fossil fuel reduction range.
- 14) KB Home hires professional disposal companies that sort through and recycle the construction debris.

Energy Efficiency and Greenhouse Gas Reduction

#1

sustainability priority for our stakeholders

100%

ENERGY STAR certified home commitment by KB Home for over a decade; while only 10% of U.S. new homes were ENERGY STAR certified in 2019

140,000+

ENERGY STAR certified new homes built since 2000; **11,797** in 2019

5 billion

pounds estimated cumulative CO₂ emission reduction from these homes

\$780 million

estimated cumulative utility bill savings

52

KB Home's average HERS Index energy performance score by the end of 2019, compared to a new-home average HERS Index score of 59 and resale average HERS Index score of 130

10,000+

total solar homes sold; **2.247** built in 2019

28

megawatts of solar power installed, producing an estimated 47 million kilowatt hours of renewable energy annually

17%

of our 2019 homes nationwide were solar; compared to 14% in 2018

28%

of KB homes delivered in 2019 were all electric

Keeping Homeownership Attainable

600,000+

total KB homes delivered

11,871

new KB homes delivered in 2019

55%

first-time buyers

22%

first move-up buyers

10%

second move-up buyers

13%

active adult buyers

2,152

average sq. ft. of KB homes in 2019

87%

of KB communities offered 1,800-sq.-ft. plans or less

33%

of KB communities offered 1,400-sq.-ft. plans or less

Water Conservation

16,000

cumulative WaterSense labeled and Water Smart homes built; **1,097** in 2019

700,000

WaterSense labeled fixtures installed

1.5 billion

gallons of water saved each year from KB homes and fixtures (estimated)

Waste Reduction

329,900

pounds of office paper recycled

33%

of office supplies are "Earth Conscious"

100%

of retired electronics were donated to nonprofit organizations or recycled through e-waste services

Sustainability Industry Leadership

9

ENERGY STAR Sustained Excellence Awards through 2019 (and a tenth in 2020), more than any other homebuilder

20

2019 ENERGY STAR Certified Home Market Leader Awards

5

WaterSense Sustained Excellence Awards, the only national homebuilder to receive this award

1

Indoor airPLUS Leader Award, the first production homebuilder to receive this award

13

Sustainability Reports FY 2007-2019

3

sustainability innovation lab concept homes: 2010-11, 2016, 2018-19

Community Development

\$2,000,000

in funds provided and raised through KB Cares events to over 115 important local organizations and causes in 2019

2,300+

volunteer hours in 2019

1,200+

trade partner volunteer hours in 2019

550

infill homes built in neighborhoods being revitalized in 2019

Customer Satisfaction

94.83%

overall customer satisfaction rating in 2019

93.73%

would recommend KB Home to a friend

4.6

Trustbuilder® stars rating nationwide compared to 4.1 for all builders, out of a possible 5 stars

Employees and Partners

2,157

employees

100%

of employees and trade partners required to wear protective equipment at construction sites

100%

of Board members and employees covered by our Ethics Policy. 98% of employees certified on Ethics Policy standards

100%

of our national supplier agreements include obligations to acknowledge our Ethics Policy and sustainability strategy



140,000+
ENERGY STAR certified homes



Since 2000



Reduced carbon emissions by 5 Billion lbs



\$780 Million saved in utility bills



Builder with the most EPA Awards



100% of KB homes are ENERGY STAR certified

compared to just 10% of all new homes in the U.S.

"KB Home recently achieved the impressive milestone of constructing more ENERGY STAR certified homes than any other homebuilder in the nation."

Anne Idsal
U.S. EPA
Acting Assistant
Administrator
of Air and Radiation



U.S. EPA letter to KB Home, November 12, 2019 Single Family and Town Home Communities

Approved by the Town of Chapel Hill in the Past 13

Years.

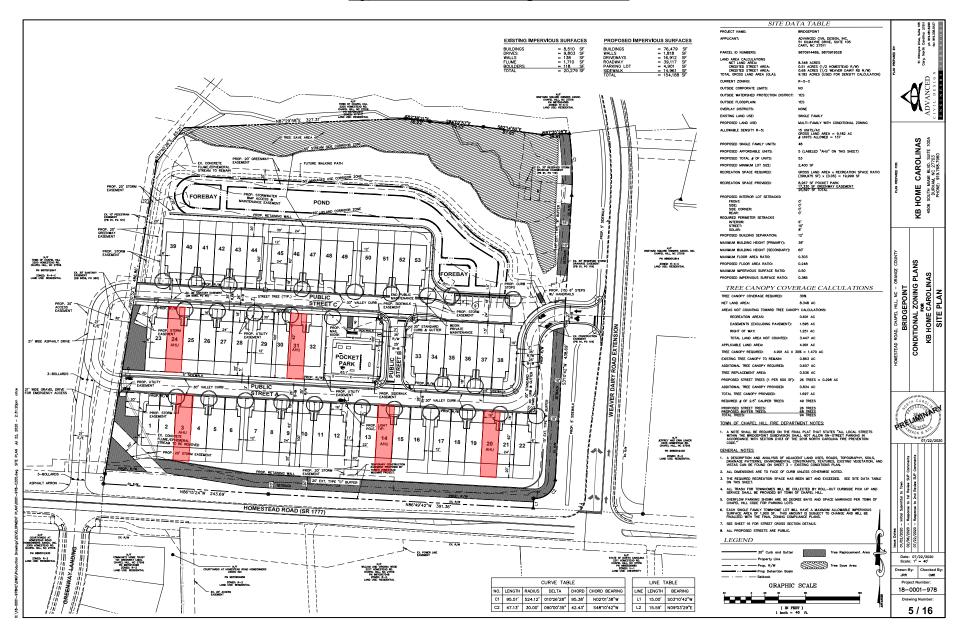
ı.	Single Family				
	1) Southgrove	26			
2) Northwoods Phase II					
3) Courtyards at Homestead					
4) Ramsley					
	5) Chandler	63			
	Total	171			
П.	Town Homes				
	1) Chandler	9			
	Total	9			

A total of 171 Single Family Homes and 9 Town Homes have been approved in Chapel Hill in the last 13 years.

This has led to increased housing cost for all.

The last Town Home project approved was by Special Use Permit Approved April 21st, 2007. The Applicant was Capkov Ventures Inc.

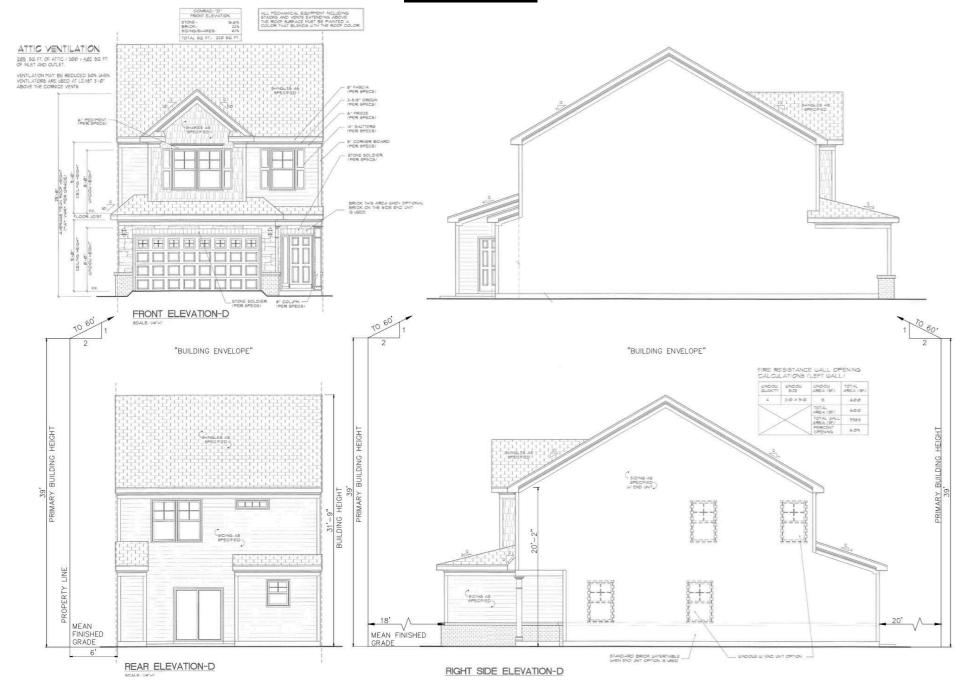
Affordable Housing Site Plan



Affordable Housing Plan

- Bridgepoint will provide five (5) Affordable Homes in accordance with the Chapel Hill Land
 Use Ordinance's Inclusionary Zoning Provisions of Section 3.10. This equates to 10.4 % of
 the market rate homes being affordable.
- Three of the homes will be available to those households earning 80% or less of the median income.
- Two of the homes will be available to those households earning 65% or less of the median income.
- Four of the homes will be three (3) bedroom homes, and one (1) of the homes will be a four (4) bedroom home.
- Each of the homes will be an identical floor plan to the market rate Magnolia plan. The
 floor plan has both three (3) and four (4) bedroom options and will be approximately 1,700
 square feet. Each Affordable Home will have two (2) car garages just like the market rate
 models.
- The homes have been dispersed throughout the community to make them completely indistinguishable from the market rate homes.
- 7. While the Chapel Hill Development Ordinance sets a target of 15% Affordable Homes, we believe the 10.4 % Affordable Homes proposed by the Bridgepoint Affordable Housing Plan exceeds the expectations of the Ordinance by virtue of the size of the homes at approximately 1,700 square feet, combined with the inclusion of each home having a two car garage. The five (5) homes being provided will have approximately 8,500 square feet of living space. The 7.1 Affordable Homes (15%) targeted by the Land Use Ordinance combined would provide a minimum of only 7,580 square feet of living space.
- Each Affordable Home will be conveyed to the Community Home Trust for perpetual
 affordability.
- We believe the larger affordable homes will provide diversity within the affordable housing stock of the Community Home Trust which will make the affordable homes available to serve larger families and a more diverse population who might not otherwise

Elevations



Magnolia Floor Plan

GLENCROFT TOWNHOMES THE MAGNOLIA





FIRST FLOOR SECOND FLOOR

© 2018 KB Horea. All rights reserved. KB Horea reserved. KB Horea reserved the fight to change like or positionations, prices, limiture, including the median and patie treatments and many other treatments and many very by resignishonhood, horeastal location and force served. See produced foor coverings, familiars, including the median force and patie treatments and many very by resignishonhood, horeastal force and served and and ser

Builder Projected Lot Cost

I.	Purchase Price of Land		\$1,800,000
II.	Due Diligence Cost Studies and Surve	ys	\$ 86,050
III.	Land Planning, Engineering, Permits		\$657,275
IV.	Legal, Administrative and Architectur	al	\$66,250
V.	Hard Cost Development		\$2,184,411
VI.	Affordable Housing		\$ 642,450
	7	Total Lot Cost	\$5,436,436

Total Lot Cost Per Lot \$102,574

Conventional lot cost to total home cost ratios are typically between 20%- 25%. This means that to be marketable the lot cost should not exceed 20 – 25% of the total home cost. Using the high end of this spectrum of 25% would mean that each home would have to sell for \$410,296.

This is why the Affordable Housing contribution makes it difficult to build moderately priced homes in Chapel Hill, and why developers are not entering the market. Not having a single market rate Town Home community approved in Chapel Hill in over 13 years hurts the community by significantly reducing housing opportunities and the overall diversity of housing.

Builder Cost of Affordable Homes

I Market Rate Sales Value

Market Rate Sales Price of 1700 Square Foot 3 Bedroom Base Model \$312,990

Market Rate Sales Price of 1700 Square Foot 4 Bedroom Base Model \$315,490

Market Rate Sales Value

Three Bedroom Models (4) $\times 312,990 = 1,251,960$ Four Bedroom Models (1) $\times 315,490 = 315,490$

Total Market Rate Sales Value \$1,567,450

II Affordable Rate Sales Value

Affordable Sales Price of 1700 Square Foot (3) Bedroom Model 80% AMI \$199,000

Affordable Sales Price of 1700 Square Foot (3) Bedroom Model 65% AMI \$151,000

Affordable Sales Price of 1700 Square Foot (4) Bedroom Model 80% AMI \$225,000

Affordable Sales Value

Three Bedroom Models at 80% of AMI; \$199,000 x (2) = \$398,000 Three Bedroom Models at 65% of AMI; \$151,000 x (2) = \$302,000 Four Bedroom Model at 80% AMI; \$225,000 x (1) = \$225,000

Total Affordable Home Sales Price \$925,000

Total Market Rate Sales Value \$1,567,450 - Total Affordable Sales Value \$925,00 = Total Cost of Affordable Homes \$642,450 or \$13,669 Per Market Rate Unit Subsidy.

This means every new owner of a market rate unit will have to pay an additional \$13,669 to subsidize the (5) Affordable Homes.

Carolinas Bridgepoint VARIABLE CONTRIBUTION ANALYSIS

August 17, 2020

	224.1513	240.1716	224.1921	
PRODUCT Number of Units Square Feet Mix Percentage Plan Description	17 1513 32.08% 2ST/3BD/2.5BA	19 1716 35.85% 2ST/3BD/2.5BA	17 1921 32.08% 2ST/3BD/2.5BA	Total Units 53 Wtd Avg SF 1,717 Abs Per Wk Peak Capital
REVENUE Base Price	296,990	306,990	318,990	<u>Average</u> 307,632
Lot Premium	6,000	6,000	6,000	6,000
Decor / Option Sales	17,819	18,419	19,139	18,458
Total Revenue	320,809	331,409	344,129	332,089
Base Price per SqFt All-In Price per SqFt	196.29 212.04	178.90 193.13	166.05 179.14	179.21 194.71
VARIABLE COSTS			1	

Applicants Financial Disclosure on Purchase, Cost, and Sale Contract

l.	Capkov Purchase Price (Closing Statement attached)	\$1,175,000
II.	Closing Cost		\$2,817
III.	Surveys and Feasibility Studies		\$5 <i>,</i> 745
IV.	Land Planning and Engineering		\$15,250
V.	Property Taxes (2016-2020)		\$74,044
VI.	Interest (36 months at 5%)		\$176,250
VII.	Overhead and Administration (36 months)		\$306,347
		Total Cost	\$1,755,453

Capkov Sales Price to KB Homes (Purchase Agreement attached) \$1,800,000

Net Income 6 Years \$44,547