

Michael A. Black, AICP  
City Manager  
City of Moab

Dear Mr. Black,

On behalf of The Collaborative 1581 Phase 1 LLC, I respectfully submit this updated narrative in support of our request for approval of an impact fee waiver pursuant to the City of Moab Affordable Housing Partnership Policy and Impact Fee Assistance Program.

### **Project Overview**

The Cooperative 1581 Phase I is a 144 unit deed restricted affordable housing development located at 1581 Millcreek Drive in Moab, Utah. The project is purpose built to serve Moab's local workforce and provide long term housing stability in direct alignment with the City's adopted housing objectives.

The development consists of three residential buildings with associated parking, landscaping, and site improvements. All units are income restricted for a minimum of 55 years pursuant to recorded affordability covenants, ensuring long term benefit to the community.

### **Unit Mix and AMI Distribution**

The project contains 144 total units distributed across the following income levels:

- Below the 40 percent AMI level  
2 units total  
1 two bedroom  
1 three bedroom two bath
- Below the 50 percent AMI level  
13 units total  
7 two bedroom  
6 three bedroom two bath
- Below the 60 percent AMI level  
115 units total  
73 one bedroom one bath  
21 two bedroom  
21 three bedroom two bath
- Below the 70 percent AMI level  
12 units total  
6 two bedroom  
6 three bedroom two bath
- Below the 80 percent AMI level  
2 units total  
1 two bedroom  
1 three bedroom two bath

Approximately 90 percent of the units are at or below the 60 percent AMI level, and the weighted average AMI across the entire project is just under 60 percent. This structure delivers meaningful depth of affordability while maintaining long term operational sustainability.

### **Construction Timeline**

Construction financing closed in December 2025. Construction commenced in January 2026 and is anticipated to have a total duration of approximately 14 months, positioning the project for completion in early 2027. The project is actively underway.

### **Development Budget and Funding Structure**

The total development cost for Phase I is just over \$44,000,000. As a 4 percent Low Income Housing Tax Credit development, permanent debt capacity is constrained by regulated rents and conservative underwriting standards, and tax credit equity is limited by federal allocation formulas.

Within these parameters, the project required the resolution of a funding gap of just over \$5,000,000 in order to proceed while preserving the intended affordability levels.

That gap was addressed through direct financial participation and deferrals by the development team and local partners:

- The developer deferred approximately 92 percent of the developer fee during construction and will maintain approximately 65 percent of the fee deferred at permanent loan conversion.
- The landowner deferred just over 50 percent of the land value through a deferred land note.
- Grand County contributed \$200,000 in the form of a 1 percent interest loan.
- The project architect contributed \$675,720 through a deferred architectural fee note.

Together, these commitments represent more than \$5,050,000 in direct local and private participation to ensure the project moves forward. This capital is at risk and remains subordinated in support of long-term affordability.

### **Impact Fee Waiver Request**

The total impact fees requested to be waived are \$126,000. This amount represents less than one third of one percent of the total \$44,000,000 development cost.

In the context of more than \$5,000,000 already committed locally to close the funding gap, the requested waiver reflects a proportional and reasonable municipal partnership in delivering 144 deed restricted workforce housing units.

The waiver does not create excess return. It modestly strengthens the capital structure and protects long term stability. Any portion not approved will be absorbed directly by the developer, increasing their deferred position to preserve the project's affordability commitments.

### **Community Benefit**

The Cooperative 1581 Phase I delivers:

- 144 deed restricted workforce housing units
- Approximately 90 percent of units at or below the 60 percent AMI level

- A weighted average AMI just under 60 percent across the project
- Long term recorded affordability covenants
- More than \$44,000,000 invested into Moab
- More than \$5,050,000 in direct local financial commitment

This development represents one of the most significant workforce housing investments undertaken in the City in recent years. The requested \$126,000 waiver supports the delivery of deeply affordable housing that will serve Moab residents for decades.

**Conclusion**

The Cooperative 1581 Phase I is already under construction and supported by substantial private and local financial participation. Approval of the requested \$126,000 impact fee waiver represents a modest but meaningful partnership that reinforces the City's housing goals and helps ensure the long term success of this critical workforce housing development.

We appreciate the City's continued leadership in addressing housing needs and respectfully request approval. We remain available to provide any additional financial documentation or supporting materials the Council may require.

Sincerely,

Jake Williams

Managing Member  
The Collaborative 1581 Phase 1 LLC & 22 Communities