



# SPACE TO CREATE GRAND LAKE: CAPITAL AND OPERATING ANALYSIS

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## TABLE OF CONTENTS

EXECUTIVE SUMMARY .....	3
1. FLOORPLANS & SQUARE FOOTAGE .....	4
2. CAPITAL BUDGET .....	7
3. OPERATING BUDGET .....	8
4. SCENARIO TESTING .....	10
5. APPENDICES .....	12
APPENDIX A: DETAILED DEVELOPMENT BUDGET .....	12
APPENDIX B: DETAILED INCOME .....	13
APPENDIX C: DETAILED EXPENSE & COMPARABLE PROJECTS .....	14
APPENDIX D: NOI VARYING RENT RANGES & SCENARIO COMPARISON .....	18
APPENDIX E: 2025 CHFA RENT LIMITS .....	19

## LIST OF FIGURES

FIGURE 1: FLOOR PLAN CONCEPT .....	4
FIGURE 2: CONCEPTUAL MASSING .....	5
FIGURE 3: 2025 CHFA RENT LIMITS .....	19

## LIST OF TABLES

TABLE 1: SQUARE FOOTAGE BY SPACE .....	6
TABLE 2: DEVELOPMENT SOURCES & USES .....	7
TABLE 3: 5-YEAR OPERATING BUDGET .....	8
TABLE 4: SCENARIO 2 OPERATING BUDGET .....	10
TABLE 5: SCENARIO 4 INCOME LIMIT & RENT TABLE BY BEDROOM .....	11
TABLE 6: SCENARIO 4 RENT LEVEL IMPACT ON NOI .....	11
TABLE 7: A.1 DETAILED DEVELOPMENT BUDGET .....	12
TABLE 8: A.2 DETAILED RESIDENTIAL & COMMERCIAL INCOME .....	13
TABLE 9: A.3 EXPENSE SUMMARY .....	14
TABLE 10: A.4 EXPENSE DETAIL .....	15
TABLE 11: A.5 COST/UNIT COMPS .....	17
TABLE 12: NOI ON DIFFERENT AMI RENTS .....	18
TABLE 13: SCENARIO COMPARISON .....	18
TABLE 14: 2025 INCOME & RENT GUIDE .....	18



## EXECUTIVE SUMMARY

The Space to Create Grand Lake (S2C Grand Lake) project is a proposed mixed-use development designed to support the local year-round economy through creating space for the Grand Lake Creative District (GLCD) and its partners, and much needed workforce rental housing units and commercial storefront spaces. The project totals 10,398 square feet, including nine residential units (eight with flexible space), 2,978 square feet of space for GLCD and its partners. The conceptual design by MA Studios features eight of the housing units with dedicated workspace areas attached to each residence, providing artists with space that can function as a gallery, office, or studio. This unique configuration offers housing tailored to the needs of artists and creates much needed commercial space downtown.

This report presents a baseline capital and operating budget and evaluates the financial implications of **two** alternative scenarios. The baseline scenario (Scenario 1) assumes the original design with dedicated 9 housing units with attached flexible workspaces rented to residents' income restricted at 120% AMI, while the alternatives test modifications to space use, rental structure, and affordability levels.

The baseline development budget estimates total project costs at \$7.3 million, including \$5.3 million in direct construction costs, \$1.3 million in professional services and contingency fees, and \$87,616 in reserves. Funding commitments include a \$3 million CCI grant, \$2.46 million from DOLA Strong Communities, and \$600,000 in land value contributed by the Town of Grand Lake, along with additional contributions from local sources. A funding gap of \$707,928 remains for Phase 1, with an additional \$220,000 needed in Phase 2 for furniture, fixtures, and equipment (FF&E), bringing the total gap to \$927,928 if both phases are fully included.

The baseline operating scenario (Scenario 1) assumes all residential units are income-qualified at 120% of AMI, but rents are intentionally set at 80% AMI levels to enhance affordability. This results in Year 1 gross residential rent of \$174,720 and a Net Operating Income (NOI) of \$86,135, growing modestly to \$90,916 by Year 5 (see Table 3). Commercial rent is modeled at \$4.55/SF (OPEX only) with no base rent, generating \$13,550 annually, and expense assumptions include a \$300 per-unit replacement reserve and lean staffing costs (see Appendix C).

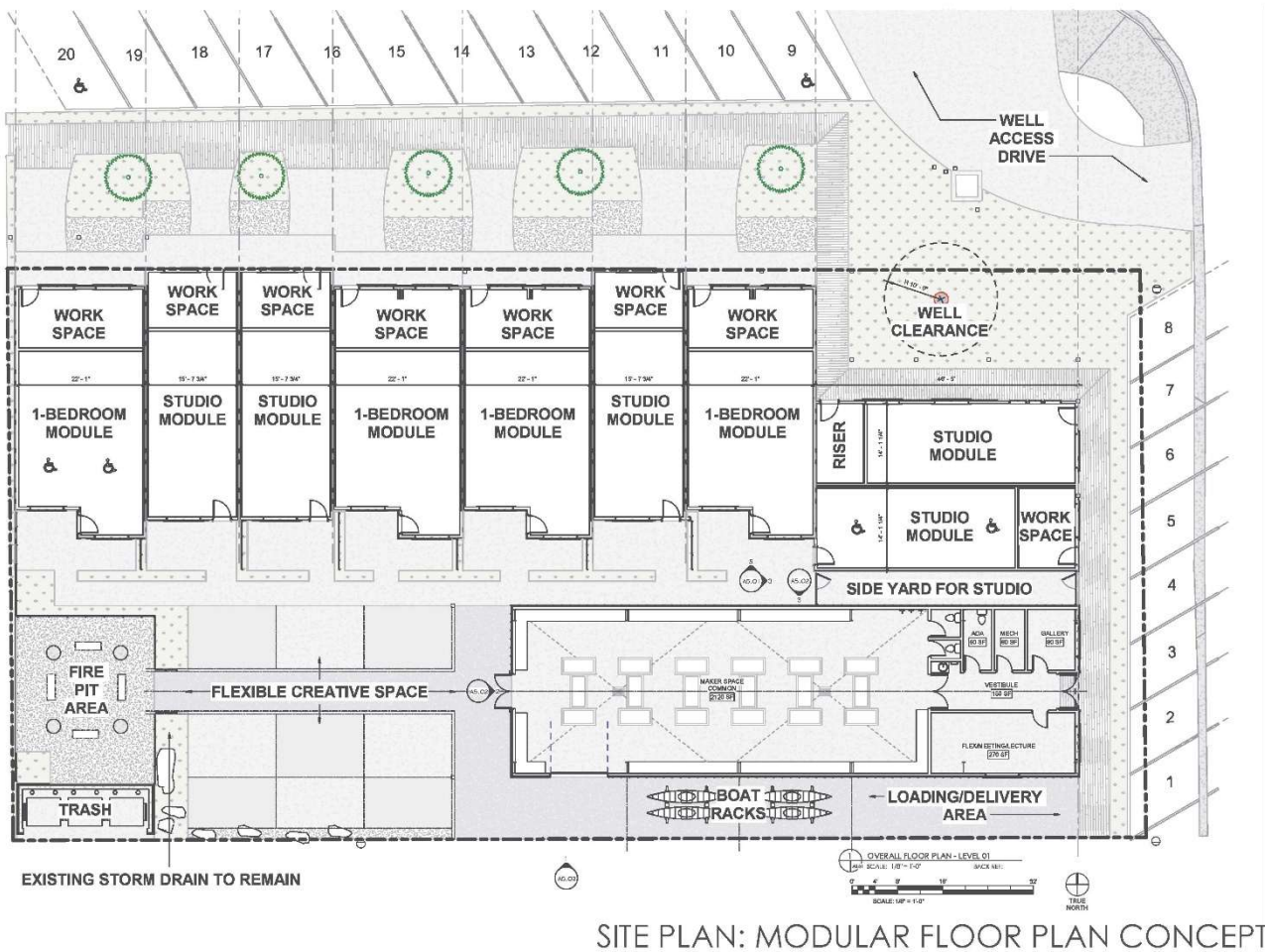
Two alternative scenarios were tested:

- Scenario 2 assumes the commercial space is unleased or GLCD-managed, reducing revenue but also expenses—resulting in a slightly higher NOI of \$88,168 (see Table 4).
- Scenario 3 models rent from 30% to 140% AMI, with NOI ranging from -\$15,421 to \$208,002.

## 1. FLOORPLANS & SQUARE FOOTAGE

### A. FLOORPLANS

The conceptual floor plans and massing studies below from MA Studios for the S2C Grand Lake project present a flexible mixed-use development. The design measures approximately 10,398 square feet across residential and commercial space. These floor plans form the basis for the capital cost estimates and long-term operating budget included in the following sections, allowing for scenario testing based on space allocation and use.



**MA  
STUDIOS**

Concept  
Design

06/18/2025

**SPACE 2 CREATE**

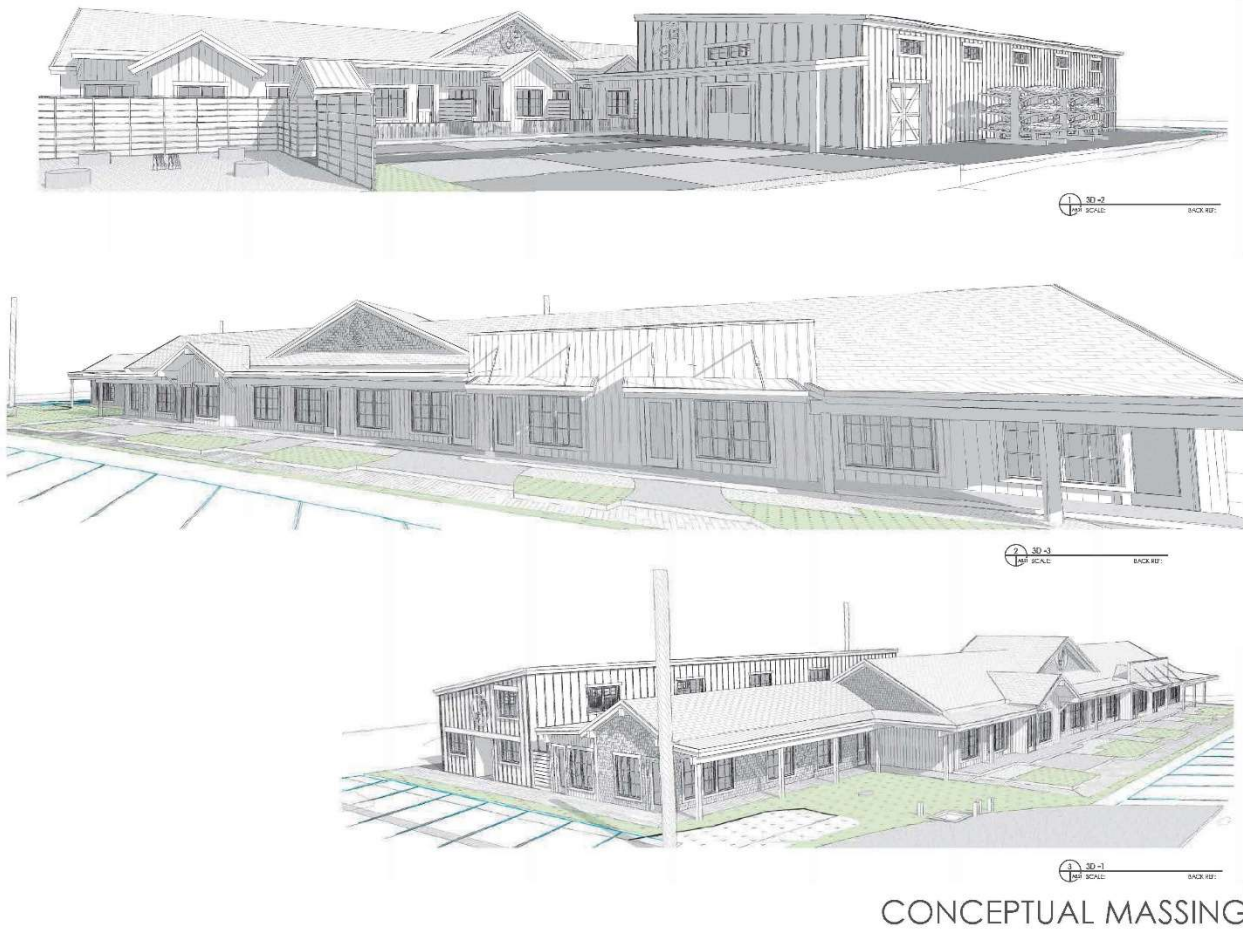
Town of Grand Lake, CO

LOTS 1, 2, 3, 4 - BLOCK 3, GRAND LAKE, CO 80447  
PROJECT #2435



5

FIGURE 1: FLOOR PLAN CONCEPT



CONCEPTUAL MASSING

**FIGURE 2: CONCEPTUAL MASSING**



## B. SQUARE FOOTAGE

Based on the current floor plans, the unit mix and square footage are outlined in the table below. The table is organized by unit type, including residential square footage (SF), workspace SF—which is currently assumed to be included in the rent of the residential unit—and commercial SF, which will be leased in full and programmed by the GLCD.

Count	Unit	Residential Unit SF	Residential Flex Space SF	Commercial SF	Total SF
1	1-bedroom + Flex	710	260	0	970
2	1-bedroom + Flex	710	260	0	970
3	1-bedroom + Flex	710	260	0	970
4	1-bedroom + Flex	710	260	0	970
5	Studio + Flex	550	170	0	720
6	Studio+ Flex	550	170	0	720
7	Studio + Flex	550	170	0	720
8	Studio (with riser room)	530		0	530
9	Studio + Flex	530	160	0	690
10	Makerspace SF	0	0	2,978	2,978
11	Riser room SF (Mechanical)	0	0		160
<b>Total Square Footage</b>		<b>5,550</b>	<b>1,710</b>	<b>2,978</b>	<b>10,398</b>
<b>% of Total Building</b>		<b>53%</b>	<b>16%</b>	<b>28%</b>	

TABLE 1: SQUARE FOOTAGE BY SPACE





## 2. CAPITAL BUDGET

### A. TOTAL DEVELOPMENT COST ESTIMATE

The total Phase 1 development cost for the S2C Grand Lake project is estimated at \$7.3 million. Based on the Design Conceptual Bid Summary, hard construction and design-related costs total approximately \$6.6 million, including \$5.3 million in direct construction and \$1.3 million in architectural, professional services, and contingency fees.

The land, valued at \$600,000, will be contributed by the Town of Grand Lake. An additional \$87,616 is allocated for a lease-up and operating reserve.

There is a funding gap of \$707,928, which is expected to be covered through philanthropic efforts.

A Phase 2 component, estimated at \$220,000, will fund furniture, fixtures, and equipment (FF&E) for the makerspace. This is not included in the base Phase 1 analysis. If included, the total funding gap increases to \$927,928. However, the primary focus remains on fully funding Phase 1, which includes the housing and creative space for the Grand Lake Creative District.

<b>SOURCES</b>	<b>\$</b>
First Mortgage	\$0
Commercial First Mortgage	\$0
DOLA Strong Communities	\$2,461,689
CCI Grant- (\$3.0mil)	\$3,000,000
Creative Hub Fund (\$240K)	\$120,000
Town Land to Project	\$600,000
Town Affordable Housing Funds (\$488K)	\$285,000
Town Lease up & Operating Reserve	\$87,616
Philanthropic (Naming Rights \$320K)	\$25,000
Philanthropic (Local Giving Campaign \$100K)	\$10,000
<b>TBD (\$505K from philanthropy)</b>	<b>\$707,928</b>
<b>TOTAL SOURCES</b>	<b>\$7,297,233</b>
<b>USES</b>	<b>\$</b>
Land	\$600,000
Construction	\$5,295,107
Construction Related Professional Fees	\$1,314,511
Reserves (Lease up & 6 months of operating expense)	\$87,616
<b>Total Uses of Funds</b>	<b>\$7,297,233</b>
<b>PROJECT SURPLUS (DEFICIT)</b>	<b>\$0</b>

TABLE 2: DEVELOPMENT SOURCES & USES



### 3. OPERATING BUDGET

#### A. TOTAL OPERATING BUDGET

The projected Net Operating Income (NOI) for S2C Grand Lake is estimated at \$86,135 in Year 1, increasing to \$90,916 by Year 5 under the baseline scenario.

Although the project is modeled using 120% AMI income levels per CHFA Guidelines, actual rental income is aligned with 80% AMI rents, providing affordability and potential flexibility. The model assumes rents below the maximum allowable rents, with the ability to raise rents in the future up to 120% AMI limits if needed.

Detailed income projections are provided in Appendix B, and expense projections are outlined in Appendix C. Appendix E includes the CHFA Rent Guidelines used for this analysis.

Income	Year 1	Year 2	Year 3	Year 4	Year 5
Residential Rental Income	\$174,720	\$178,214	\$181,779	\$185,414	\$189,123
Residential Vacancy	-\$12,230	-\$12,475	-\$12,725	-\$12,979	-\$13,239
Commercial Base Rent	\$0	\$0	\$0	\$0	\$0
Commercial Expense Reimbursement	\$13,550	\$13,956	\$14,375	\$14,806	\$15,251
Commercial Vacancy	-\$2,032	-\$2,093	-\$2,156	-\$2,221	-\$2,288
<b>Total Income</b>	<b>\$174,007</b>	<b>\$177,602</b>	<b>\$181,273</b>	<b>\$185,021</b>	<b>\$188,847</b>
Expenses					
Residential Property Management Fee	\$22,500	\$22,950	\$23,409	\$23,877	\$24,355
Residential Expenses	\$49,122	\$50,596	\$52,114	\$53,677	\$55,287
Commercial Management Fee	\$2,234	\$2,301	\$2,370	\$2,441	\$2,514
Commercial Expenses	\$11,316	\$11,656	\$12,006	\$12,366	\$12,737
Residential Reserves	\$2,700	\$2,781	\$2,864	\$2,950	\$3,039
<b>Total Expense</b>	<b>\$87,872</b>	<b>\$90,283</b>	<b>\$92,762</b>	<b>\$95,311</b>	<b>\$97,931</b>
<b>Net Operating Income</b>	<b>\$86,135</b>	<b>\$87,319</b>	<b>\$88,511</b>	<b>\$89,710</b>	<b>\$90,916</b>

TABLE 3: 5-YEAR OPERATING BUDGET





## **SCENARIO 1: BASELINE ASSUMPTIONS**

### **Residential Income Assumptions**

- The residential component includes nine units: four studio units with flex space, one standard studio unit (without flex space), and four one-bedroom units with flex space.
- Income levels are based on 120% AMI guidelines but priced at 80% AMI levels to ensure broader affordability, using CHFA's 2025 Maximum Rents (Appendix E).
- All units are calculated at the same AMI to keep variables at a minimum, however the studio without a flex unit may need to be adjusted to a lower rent to adjust for not having the flex unit.
- Rents escalate by 2% annually, and a 7% vacancy loss is applied each year.
- Year 1 gross residential income is \$174,720, with a vacancy deduction of \$12,230, resulting in net residential income of \$162,490.

### **Commercial Income Assumptions**

- The commercial component consists of 2,978 SF, leased entirely to a single tenant.
- Rent is structured as operating expense (OPEX) only, with Year 1 OPEX estimated at \$4.55/SF.
- Operating expenses escalate at 3% annually, with a 15% vacancy loss included to reflect leasing risk.

### **Expense Assumptions**

- Residential operating expenses, including property management, maintenance, and reserves, total \$74,322 in Year 1 and escalate with inflation over time.
- Commercial operating expenses, including management and allocated expenses, total \$13,550 in Year 1, with similar annual escalation assumptions.
- A replacement reserve contribution of \$300 per unit annually is included, consistent with CHFA requirements, for a total of \$2,700 annually.

### **Net Operating Income**

- Year 1 NOI is \$86,135, reflecting a lean staffing model with part-time support. This structure offers flexibility to either increase staffing capacity or reduce rents if needed.
- NOI grows modestly over five years, reaching \$90,916 by Year 5, driven by inflation-adjusted rent increases and stable expenses.



## 4. SCENARIO TESTING

The analysis above reflects the baseline scenario, in which the project is modeled at 120% AMI eligibility, but rents are set at 80% AMI levels. The following section presents two alternative scenarios to test different operating assumptions:

**Scenario 2:** The commercial space is either vacant or leased to the GLCD, with GLCD assuming full responsibility for operating expenses.

**Scenario 3:** Residential rents are modeled at different AMI tiers (30% to 140%) to assess the financial impact of various affordability levels.

All other assumptions remain consistent with the baseline model, with adjustments noted below for each scenario.

### A. SCENARIO 2: COMMERCIAL SPACE VACANT

In this scenario, the commercial space is assumed to be vacant and generates no rental income or expense reimbursements. This models the financial impact of the commercial space remaining unleased during Year 1.

Despite the absence of commercial income, NOI slightly increases in Scenario 2 due to the elimination of commercial-related expenses. This indicates that, in the short term, leaving the commercial space unleased may not adversely affect net operations—particularly if staffing and maintenance costs associated with the space can be deferred during the lease-up period.

If the Grand Lake Creative District (GLCD) assumes responsibility for all operating expenses associated with the commercial space, the Town can focus its resources exclusively on housing operations, simplifying management and potentially enhancing long-term financial sustainability.

Income	Year 1 Scenario 1	Year 1 Scenario 2
Residential Rental Income	\$174,720	\$174,720
Residential Vacancy	-\$12,230	-\$12,230
Commercial Base Rent	\$0	\$0
Commercial Expense Reimbursement	\$13,550	\$0
Commercial Vacancy	-\$2,032	\$0
<b>Total Income</b>	<b>\$174,007</b>	<b>\$162,490</b>
Expenses		
Residential Property Management Fee	\$22,500	\$22,500
Residential Expenses	\$49,122	\$49,122
Commercial Management Fee	\$2,234	\$0
Commercial Expenses	\$11,316	\$0
Residential Reserves	\$2,700	\$2,700
<b>Total Expense</b>	<b>\$87,872</b>	<b>\$74,322</b>
<b>Net Operating Income</b>	<b>\$86,135</b>	<b>\$88,168</b>

TABLE 4: SCENARIO 2 OPERATING BUDGET



## B. SCENARIO 3: RENTAL RANGES

This scenario models rents at different AMI tiers and compares them to local income demographics. According to *CensusReporter.org* (2023), The median household income in Grand Lake is approximately \$100,625, with 51% of households earning over \$100,000 and 38% earning less than \$50,000. For comparison, Grand County's median is \$84,558, with 43% earning over \$100,000. These figures indicate that Grand Lake households have higher incomes. Rents at 80%–120% AMI align more closely with local median incomes.

The analysis shows that at 30% AMI, the project generates a negative NOI of -\$15,421 requiring subsidy or external support. At 140% AMI, NOI reaches \$208,002, demonstrating significantly greater financial strength.

2025 Rent	Bedrooms			Income Limits			
AMI	0	1	2	1 Person	2 Person	3 Person	4 Person
30%	\$588	\$630	\$756	\$23,520	\$26,880	\$30,240	\$33,600
40%	\$784	\$840	\$1,008	\$31,360	\$35,840	\$40,320	\$44,800
60%	\$1,176	\$1,260	\$1,512	\$47,040	\$53,760	\$60,480	\$67,200
80%	\$1,568	\$1,680	\$2,016	\$62,720	\$71,680	\$80,640	\$89,600
100%	\$1,960	\$2,100	\$2,520	\$78,400	\$89,600	\$100,800	\$112,000
120%	\$2,352	\$2,520	\$3,024	\$94,080	\$107,520	\$120,960	\$134,400
140%	\$2,744	\$2,940	\$3,528	\$109,760	\$125,440	\$141,120	\$156,800

TABLE 5: SCENARIO 4 INCOME LIMIT & RENT TABLE BY BEDROOM

AMI	Rental Income	Net Operating Income
30%	\$65,520	-\$15,421
40%	\$87,360	\$4,890
60%	\$131,040	\$45,513
80%	\$174,720	\$86,135
100%	\$218,400	\$126,758
120%	\$262,080	\$167,380
140%	\$305,760	\$208,002

TABLE 6: SCENARIO 4 RENT LEVEL IMPACT ON NOI



## 5. APPENDICES

### APPENDIX A: DETAILED DEVELOPMENT BUDGET

SOURCES	TOTAL
First Mortgage	\$0
Commercial First Mortgage	\$0
DOLA Strong Communities	\$2,461,689
CCI Grant- (\$3.0mil)	\$3,000,000
Creative Hub Fund (\$240K)	\$120,000
Town Land to Project	\$600,000
Town Affordable Housing Funds (\$488K)	\$285,000
Town Lease up & Operating Reserve	\$87,616
Philanthropic (Naming Rights \$320K)	\$25,000
Philanthropic (Local Giving Campaign \$100K)	\$10,000
TBD (\$505K from philanthropy)	\$707,928
<b>TOTAL SOURCES</b>	<b>\$7,297,233</b>
<b>Acquisition</b>	
<b>Land</b>	\$600,000
<b>Construction Costs</b>	
Construction Costs	\$4,887,957
Bond	\$52,427
P&OH	\$178,606
Builders Risk	\$73,319
Construction Contingency	\$102,798
<b>Professional Fees (Construction-Related)</b>	
Architect: Design	\$700,000
Architect: Escalation & Contingency	\$264,755
AWA Fees	\$35,000
Design Contingency & Modular Plant travel	\$50,000
Owner Contingency	\$264,755
<b>Developer Fees</b>	
Fee	\$0
<b>Reserves</b>	
Lease Up	\$43,680
Operating (6 months operating expense)	\$43,936
<b>TOTAL USES</b>	<b>\$7,297,233</b>
<b>PROJECT SURPLUS (DEFICIT)</b>	<b>\$0</b>

TABLE 7: A.1 DETAILED DEVELOPMENT BUDGET



## APPENDIX B: DETAILED INCOME

RESIDENTIAL RENT						
Unit Type	Unit SF	AMI %	Unit Count	Gross Rent	Total Rent/Month	Total Rent/Year
Studio A	690	80% AMI Rent	1	\$1,568	\$1,568	\$18,816
Studio B	530	80% AMI Rent	1	\$1,568	\$1,568	\$18,816
Studio C	720	80% AMI Rent	3	\$1,568	\$1,568	\$56,448
1 Bedroom	970	80% AMI Rent	4	\$1,680	\$1,680	\$80,640
<b>Total</b>			<b>9</b>		<b>\$14,560</b>	<b>\$174,720</b>
COMMERCIAL RENT						
Unit Type	Unit SF	Base Rent	OPEX	Gross Rent/SF	Total Rent/Month	Total Rent/Year
Creative Hub	2,978	\$0.00	\$4.55	\$4.55	\$1,129	\$13,550
<b>Total</b>					<b>\$1,451</b>	<b>\$17,416</b>

TABLE 8: A.2 DETAILED RESIDENTIAL & COMMERCIAL INCOME

### SCENARIO 1 BASELINE: Revenue Assumptions

The project is structured to serve households earning up to 120% of AMI, but rents are intentionally discounted to 80% AMI to support broader affordability. The residential component includes nine units, all priced at 80% of the 2025 CHFA maximum rents. Monthly rents range from \$1,568 for studio units to \$1,680 for one-bedroom units, generating a total of \$14,560 per month or \$174,720 annually in gross residential rent.

On the commercial side, the 2,978-square-foot Creative Hub is leased at \$4.55 per square foot, which reflects operating expenses only and no base rent. This results in \$1,129 per month or \$13,550 annually in commercial income.



## APPENDIX C: DETAILED EXPENSE & COMPARABLE PROJECTS

	Residential		Commercial	
Expense	Total Cost	Cost/Unit	Total Cost	Cost/SF
SALARY AND BENEFITS	\$22,500	\$2,500	\$0	\$0
ADMINISTRATIVE	\$6,300	\$700	\$2,978	\$1.00
MANAGEMENT FEE	\$22,500	\$2,500	\$2,234	\$0.75
UTILITIES	\$8,577	\$953	\$4,467	\$1.50
REPAIRS AND MAINTENANCE	\$7,389	\$821	\$2,085	\$0.70
REAL ESTATE TAXES	\$0	\$0	\$0	\$0
INSURANCE	\$4,356	\$484	\$1,787	\$0.60
<b>ANNUAL OPERATING EXPENSES</b>	<b>\$71,622</b>	<b>\$7,958</b>	<b>\$13,550</b>	<b>\$4.55</b>
REPLACEMENT RESERVE DEPOSITS	\$2,700	\$300	\$0	\$0
<b>TOTAL OPERATING EXPENSES AND RESERVES</b>	<b>\$74,322</b>	<b>\$8,258</b>	<b>\$13,550</b>	<b>\$4.55</b>

TABLE 9: A.3 EXPENSE SUMMARY

### SCENARIO 1 BASELINE: Expense Assumptions

The projected annual operating expenses for the S2C Grand Lake project total \$74,322, with \$71,622 allocated toward core operating costs and \$2,700 set aside for replacement reserves. Residential expenses are distributed across nine units, averaging \$8,258 per unit annually. Key residential costs include staffing (\$22,500), property management (\$22,500), and utilities (\$8,577).

Commercial expenses total \$13,350, or \$4.55 per square foot, covering property management, administrative costs, utilities, and insurance. No real estate taxes are assumed based on the anticipated property tax exemption for nonprofit or governmental use. This budget reflects a lean financial model designed for long-term sustainability.



Expense	Residential		Commercial	
	Total Cost	Cost/Unit	Total Cost	Cost/SF
<b>SALARY AND BENEFITS</b>				
On Site Management Salary	\$9,900	\$1,100	\$0	\$0
Maintenance Salary/Contracts	\$3,600	\$400	\$0	\$0
Janitorial Salary/Contracts	\$9,000	\$1,000	\$0	\$0
<b>ADMINISTRATIVE</b>				
Administrative	\$1,170	\$130	\$2,978	\$1.00
Office Supplies	\$450	\$50	\$0	\$0
Administrative Fees	\$270	\$30	\$0	\$0
Telephone/Internet	\$2,160	\$240	\$0	\$0
Legal Fees	\$450	\$50	\$0	\$0
Audit & Tax Prep Fees	\$1,800	\$200	\$0	\$0
<b>MANAGEMENT FEE</b>				
Property Management Fee	\$22,500	\$2,500	\$2,234	\$0.75
<b>UTILITIES</b>				
Electricity	\$2,700	\$300	\$2,978	\$1.00
Water	\$3,600	\$400	\$745	\$0.25
Gas	\$117	\$13	\$0	\$0.00
Trash Removal (\$180/month)	\$2,160	\$240	\$745	\$0.25
<b>REPAIRS AND MAINTENANCE</b>				
Electrical	\$450	\$50	\$149	\$0.05
Exterminating	\$270	\$30	\$149	\$0.05
Appliance Service and Repairs	\$135	\$15	\$0	\$0.00
Locks and Keys	\$117	\$13	\$0	\$0.00
Contracted Repairs and Maintenance	\$810	\$90	\$238	\$0.08
Maintenance Supplies	\$72	\$8	\$149	\$0.05
Janitorial Supplies	\$180	\$20	\$149	\$0.05
Other Service Contracts	\$180	\$20	\$0	\$0.00
HVAC	\$360	\$40	\$298	\$0.10
Grounds and Landscaping	\$900	\$100	\$0	\$0.00
Snow Removal	\$2,250	\$250	\$596	\$0.20
Security	\$450	\$50	\$149	\$0.05
Turnover/Unit Prep	\$225	\$25	\$0	\$0.00
Plumbing	\$360	\$40	\$89	\$0.03
Fire Protection	\$630	\$70	\$119	\$0.04
<b>REAL ESTATE TAXES</b>				
Real Estate Taxes	\$0	\$0	\$0	\$0
<b>INSURANCE</b>				
Property & Liability Insurance	\$4,356	\$484	\$1,787	\$0.60
<b>ANNUAL OPERATING EXPENSES</b>	<b>\$71,622</b>	<b>\$7,958</b>	<b>\$13,550</b>	<b>\$4.55</b>
REPLACEMENT RESERVE DEPOSITS	\$2,700	\$300	\$0	\$0
<b>TOTAL OPERATING EXPENSES AND RESERVES</b>	<b>\$74,322</b>	<b>\$8,258</b>	<b>\$13,550</b>	<b>\$4.55</b>

TABLE 10: A.4 EXPENSE DETAIL





## **Salary and Benefits**

The budget includes \$22,500 in staffing costs, primarily for on-site management, maintenance, and janitorial services. These costs are broken down as follows: On-site management is budgeted at \$9,900 annually, assuming approximately 10–20 hours per month at \$825/month; maintenance services are estimated at 10 hours per month at \$30/hour, or approximately \$300/month; and janitorial services are scheduled twice per week at a cost of \$750/month.

On a per-unit basis (\$2,500/unit) this is higher than Ridgway (\$1,474/unit) and Colorado Springs (\$1,928/unit) due to the small number of units. The total staffing cost reflects actual compensation for part-time contracted positions, which results in a higher per-unit figure when spread across only nine units.

## **Administrative Expenses**

Total \$6,300 (\$700/unit), consistent with comparable projects. Telephone and internet are budgeted at \$180 per month, supporting only property operations (not tenant use). Audit and tax preparation fees total \$1,800, with audit fees assumed at \$0 unless required by project funders, and tax preparation fully allocated.

## **Property Management Fee**

An 8.9% fee produces \$22,500 annually (\$2,500/unit), above the industry standard of 5% but applied conservatively for this model. On a dollar basis, the total property management costs are \$22,500 for S2C Grand Lake, \$20,010 for Ridgway, and \$29,070 for Colorado Springs.

## **Utilities**

Projected at \$8,577 (\$953/unit), aligned with Ridgway benchmarks, with slightly higher trash removal costs (\$180/month). This includes electricity, water, trash removal, and minimal gas usage.

## **Repairs and Maintenance**

Budgeted at \$7,389 (\$821/unit), lower than Colorado Springs (\$1,006/unit) as no elevator maintenance is required.

## **Real Estate Taxes**

Budget assumes exemption under Colorado law for public/nonprofit ownership and use. Future changes in use or lease structure could affect this status.

## **Insurance**

Budgeted at \$4,356 (\$484/unit), consistent with similar projects, covering general property and liability (no flood or specialty insurance).

## **Replacement Reserves**



\$2,700 (\$300/unit) in line with CHFA requirements and comparable properties.

## COMPARABLE COLORADO COST/UNIT EXPENSES

S2C Grand Lake Expense Comps/Unit	S2C Grand Lake	Colorado Springs	Ridgway
	9	51	30
Expense	\$/Unit	\$/Unit	\$/Unit
SALARY AND BENEFITS	\$2,500	\$1,928	\$1,474
ADMINISTRATIVE	\$700	\$658	\$685
MANAGEMENT FEE	\$2,500	\$570	\$667
UTILITIES	\$953	\$762	\$813
REPAIRS AND MAINTENANCE	\$821	\$1,006	\$755
REAL ESTATE TAXES	\$0	\$10	\$0
INSURANCE	\$484	\$1,003	\$587
<b>ANNUAL OPERATING EXPENSES</b>	<b>\$7,958</b>	<b>\$5,986</b>	<b>\$5,081</b>
REPLACEMENT RESERVE DEPOSITS	\$300	\$300	\$300
<b>TOTAL OPERATING/UNIT</b>	<b>\$8,258</b>	<b>\$6,286</b>	<b>\$5,381</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>\$74,322</b>	<b>\$320,583</b>	<b>\$161,430</b>

TABLE 11: A.5 COST/UNIT COMPS



## APPENDIX D: NOI VARYING RENT RANGES & SCENARIO COMPARISON

The financial model assumes all residential units are eligible for occupancy by households earning up to 120% of Area Median Income (AMI) in accordance with CHFA income guidelines. However, for the baseline scenario, rents are set at 80% AMI levels to enhance affordability while preserving operational sustainability.

To evaluate the financial impact of varying affordability targets, rents were modeled across a range of AMI tiers—from 30% to 140%. The table below summarizes the annual rental income and Net Operating Income (NOI) outcomes for each level:

AMI	30%	40%	60%	80%	100%	120%	140%
RENTAL INCOME	\$65,520	\$87,360	\$131,040	\$174,720	\$218,400	\$262,080	\$305,760
NOI	<b>\$(15,421)</b>	<b>\$4,890</b>	<b>\$45,513</b>	<b>\$86,135</b>	<b>\$126,758</b>	<b>\$167,380</b>	<b>\$208,002</b>

TABLE 12: NOI ON DIFFERENT AMI RENTS

Scenario	Base	Scenario 2	Scenario 3			
TYPE	9 Units at 120% Income Restriction, rents at 80% AMI Max Rent. Commercial at OPEX	Base + Vacant Commercial Space	80% AMI	100% AMI	120% AMI	140% AMI
NOI	<b>\$86,135</b>	<b>\$88,168</b>	<b>\$86,135</b>	<b>\$126,758</b>	<b>\$167,380</b>	<b>\$208,002</b>

TABLE 13: SCENARIO COMPARISON

Grand County 2025 Rent	Bedrooms			Income Limits			
AMI	0	1	2	1 Person	2 Person	3 Person	4 Person
30%	\$588	\$630	\$756	\$23,520	\$26,880	\$30,240	\$33,600
40%	\$784	\$840	\$1,008	\$31,360	\$35,840	\$40,320	\$44,800
60%	\$1,176	\$1,260	\$1,512	\$47,040	\$53,760	\$60,480	\$67,200
80%	\$1,568	\$1,680	\$2,016	\$62,720	\$71,680	\$80,640	\$89,600
100%	\$1,960	\$2,100	\$2,520	\$78,400	\$89,600	\$100,800	\$112,000
120%	\$2,352	\$2,520	\$3,024	\$94,080	\$107,520	\$120,960	\$134,400
140%	\$2,744	\$2,940	\$3,528	\$109,760	\$125,440	\$141,120	\$156,800

TABLE 14: 2025 INCOME & RENT GUIDE



## APPENDIX E: 2025 CHFA RENT LIMITS



### 2025 Income Limit and Maximum Rent Tables for All Colorado Counties

HUD Effective Date: April 1, 2025

20% to 120% of Area Median Income (AMI) [20% to 160% AMI for rural resort counties]

- The IRS allows Housing Tax Credit projects that placed in service as of 12.31.2008 to use higher HERA Special limits.
- All Housing Tax Credit and CHFA Loan projects are "held harmless" from limit decreases. To be "held harmless," a project must be in service before 05.16.2025.
- Housing Tax Credit and CHFA Multifamily Loan projects whose counties experienced a decrease in 2025 limits and that place in service before 05.16.2025 may continue to apply the same limits used in 2024.

County	HERA	AMI	2025 Maximum Rents					2025 Income Limits							
			0 Bdrm	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Gilpin		120%	2,943	3,153	3,783	4,372	4,878	117,720	134,520	151,320	168,120	181,680	195,120	208,560	222,000
Gilpin		110%	2,697	2,890	3,467	4,008	4,471	107,910	123,310	138,710	154,110	166,540	178,860	191,180	203,500
Gilpin		100%	2,452	2,627	3,152	3,643	4,065	98,100	112,100	126,100	140,100	151,400	162,600	173,800	185,000
Gilpin		90%	2,207	2,364	2,837	3,279	3,658	88,290	100,890	113,490	126,090	136,260	146,340	156,420	166,500
Gilpin		80%	1,962	2,102	2,522	2,915	3,252	78,480	89,680	100,880	112,080	121,120	130,080	139,040	148,000
Gilpin		70%	1,716	1,839	2,206	2,550	2,845	68,670	78,470	88,270	98,070	105,980	113,820	121,660	129,500
Gilpin		60%	1,471	1,576	1,891	2,186	2,439	58,860	67,260	75,660	84,060	90,840	97,560	104,280	111,000
Gilpin		55%	1,348	1,445	1,733	2,004	2,235	53,955	61,655	69,355	77,055	83,270	89,430	95,590	101,750
Gilpin		50%	1,226	1,313	1,576	1,821	2,032	49,050	56,050	63,050	70,050	75,700	81,300	86,900	92,500
Gilpin		45%	1,103	1,182	1,418	1,639	1,829	44,145	50,445	56,745	63,045	68,130	73,170	78,210	83,250
Gilpin		40%	981	1,051	1,261	1,457	1,626	39,240	44,840	50,440	56,040	60,560	65,040	69,520	74,000
Gilpin		30%	735	788	945	1,093	1,219	29,430	33,630	37,830	42,030	45,420	48,780	52,140	55,500
Gilpin		20%	490	525	630	728	813	19,620	22,420	25,220	28,020	30,280	32,520	34,760	37,000
Grand		160%	3,136	3,360	4,032	4,660	5,200	125,440	143,360	161,280	179,200	193,600	208,000	222,240	236,640
Grand		150%	2,940	3,150	3,780	4,368	4,875	117,600	134,400	151,200	168,000	181,500	195,000	208,350	221,850
Grand		140%	2,744	2,940	3,528	4,077	4,550	109,760	125,440	141,120	156,800	169,400	182,000	194,460	207,060
Grand		130%	2,548	2,730	3,276	3,786	4,225	101,920	116,480	131,040	145,600	157,300	169,000	180,570	192,270
Grand		120%	2,352	2,520	3,024	3,495	3,900	94,080	107,520	120,960	134,400	145,200	156,000	166,680	177,480
Grand		110%	2,156	2,310	2,772	3,203	3,575	86,240	98,560	110,880	123,200	133,100	143,000	152,790	162,690
Grand		100%	1,960	2,100	2,520	2,912	3,250	78,400	89,600	100,800	112,000	121,000	130,000	138,900	147,900
Grand		90%	1,764	1,890	2,268	2,621	2,925	70,560	80,640	90,720	100,800	108,900	117,000	125,010	133,110
Grand		80%	1,568	1,680	2,016	2,330	2,600	62,720	71,680	80,640	89,600	96,800	104,000	111,120	118,320
Grand		70%	1,372	1,470	1,764	2,038	2,275	54,880	62,720	70,560	78,400	84,700	91,000	97,230	103,530
Grand		60%	1,176	1,260	1,512	1,747	1,950	47,040	53,760	60,480	67,200	72,600	78,000	83,340	88,740
Grand		55%	1,078	1,155	1,386	1,601	1,787	43,120	49,280	55,440	61,600	66,550	71,500	76,395	81,345
Grand		50%	980	1,050	1,260	1,456	1,625	39,200	44,800	50,400	56,000	60,500	65,000	69,450	73,950
Grand		45%	882	945	1,134	1,310	1,462	35,280	40,320	45,360	50,400	54,450	58,500	62,505	66,555
Grand		40%	784	840	1,008	1,165	1,300	31,360	35,840	40,320	44,800	48,400	52,000	55,560	59,160
Grand		30%	588	630	756	873	975	23,520	26,880	30,240	33,600	36,300	39,000	41,670	44,370
Grand		20%	392	420	504	582	650	15,680	17,920	20,160	22,400	24,200	26,000	27,780	29,580

14 of 35

Implementation Cutoff Date: May 16, 2025

FIGURE 3: 2025 CHFA RENT LIMITS