

Dear Mayor and City Officials of North Ogden City,

When we presented this project to the planning commission three years ago, we got their approval for a townhome project. Unfortunately, at the time, the city council felt it was in the city's best interest not to allow the proposed project. The denial did present new opportunities that we had been very excited about. We intended to move forward with the project by creating a product allowing detached single-family homes to meet the market's demands. As we presented this project to dozens of builders, a few common concerns continued to hinder our progress.

First, the continued rising costs of materials, infrastructure, permitting fees, and vertical construction. Our goal was to provide a product that would appeal to any Buyer looking for a home between \$450k- \$500K. We began marketing the idea to builders, who were also very excited about the idea. As they analyzed the property and assembled bids for the construction of homes it became very evident to them that the homes would need to be closer to \$600K or more to be a profitable project. This estimated amount was contrary to our goal of providing homes in the area for the market we felt had the most need.

Second, while the costs of construction continued to rise the interest rates have more than doubled. The \$500K buyer went from having an average monthly payment of approx. \$2,400 a month to approx. \$3,700 a month. With the increase in the amount of monthly payment the Buyers went from needing a combined household income of roughly \$75K to \$110K. Unfortunately this type of salary increase in order to keep up with the costs of living is a problem across the nation, especially in Utah. Recently Utah has become the 8th most expensive housing market in the entire country.

With Utah being 37,500 households short of what the demand is requiring as well as the growing population, job market, etc. the economists are saying this pricing is here to stay. We still want to meet our goal of providing more affordable housing to residents of North Ogden. In order to do so we need to return to the original plan of having a townhome project. This will allow home prices to be much closer to the \$400k with providing brand new homes that are nearly 2,000 sq.ft. This project will be a perfect fit for this area and compliment the new park and all the amenities that are generously provided by North Ogden City.