

West End Farms

A Missoula Agrihood and Community Profit-Share Development Providing Entry Level Housing at Scale



Missoula County & City of Missoula
Sx^wtpqyen (formerly Mullan) Area Neighborhoods Master Plan
Flynn Square Neighborhood

- CONCEPT DOCUMENT -

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THE WHAT, HOW, & WHY SUMMARY

THE PROJECT

Evergreen Housing Solutions (“Evergreen”), a community, workforce, and affordable housing development company, has placed 71.35-acres of land under contract with the intent of **creating 260-homes in Missoula, Montana** within the Sx^wtpqyen Area Neighborhoods Master Plan (the “Master Plan”).

West End Farms will be Montana’s first Agrihood, inclusive of 28.25-acres of open space encompassing a community farm and event space, regional park and trail network, and interior neighborhood pocket parks (see Addendum 1 for current subdivision plat, see separate document West End Farms Community Park for layout and renderings of 28.25-acre open space).



Looking South and West Across 28.25 Acres of Open Space, With Hellgate School Visible in Upper Right of Rendering

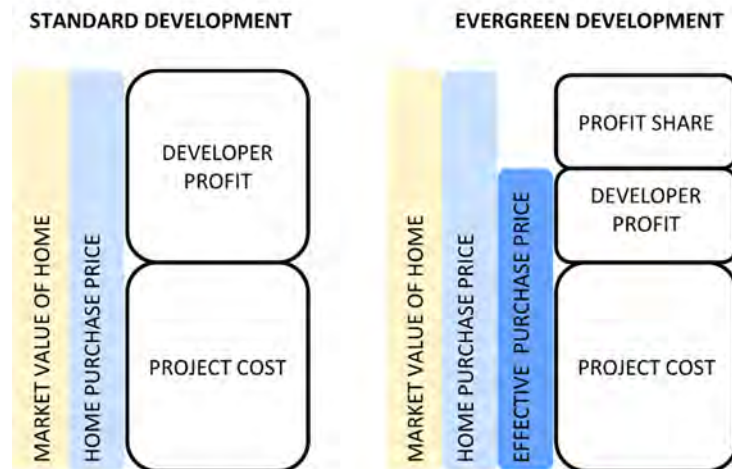
THE MISSION

Evergreen’s Community Profit Share Model (the “Profit Share Model”) leverages their expertise, capital, and sense of civic responsibility to provide sustainable, affordable, and livable housing solutions, without the use of grants or traditional public funding.

Evergreen will entitle the land, build the homes using production building methodology, and directly market them to working Missoulians who have been priced out of the local market.

THE VISION

The Profit Share Model is simplistic at heart but can be transformational in practice – **create workforce housing by building entry level homes and then sharing surplus profit with local cost-burdened buyers.**



THE PROFIT SHARE

Mechanics

The intent of the Profit Share Model is to allocate a portion of profit to home buyers and drive their effective purchase price downward. The amount of excess profit is a function of, 1) the minimum level of profit per-unit required by a builder developer such as Evergreen and their investors, 2) the fully loaded cost to construct the home (land, fees, infrastructure, and vertical construction), and 3) the value of the home at time of sale (influenced by interest rates). While the minimum level of profit required by a builder developer and their investors is predictable, the cost and value of the home are subject to market forces that constantly change. In summary, the level of profit share rises in real estate market cycles that create more profit for builder developers (such as during COVID), thus creating more benefit for homebuyers at a time when they traditionally would receive none.

Credibility

As envisioned, the amount of profit share will be set by Evergreen when homes are placed under contract. While the exact methodology for creating transparency is not finalized, a transparent process will be utilized (such as appraisals and third-party cost certifications). Without transparency there is not credibility. Furthermore, the amount of profit share must be sufficient to both create significant value for the home buyer and eliminate doubts that the Profit Share Program is a marketing gimmick.

Application

As envisioned, the benefit of the profit share is provided to qualified buyers in the form of a non-payment second mortgage, which is forgiven after a buyer resides in the home for 5-years (scalable benefit if homeowner sells early). Local buyers qualify for the profit share if they meet the Federal definition of a first-time homebuyer. The second mortgages will be serviced by a non-profit third-party, such as NeighborWorks Montana, and Evergreen has verified with legal and tax counsel that the loan forgiveness will not be a taxable event for the homeowner.

WHY DO THIS?

Evergreen works transparently and collaboratively to structure projects that **prioritize the consideration of people, planet, and profit equally**. Evergreen is inspired to look beyond traditional sector borders and find innovative and replicable solutions to some of society's most intractable housing challenges that exist today.

LOCAL OUTREACH

All homes are directly marketed by Evergreen to the individuals working within industries critical to ensuring Missoula remains a functioning and vibrant community: civic (fire, police, city staff), health care, education, major employers, and other essential sectors. In addition, outreach can target historically marginalized community members, such as Missoula's indigenous population and military veterans. Services are available for those who need technical assistance and/or to bridge cultural or language barriers that may exist throughout the sales process. It is assumed that during outreach there will be more individuals joining the waitlist than there are homes available, thus no traditional marketing will take place.

THE IMPACT

- **Workforce Housing.** The Urban Land Institute defines workforce housing as “housing affordable to households earning between 60% and 120% of area median income (AMI)”. As Per the 2021 Missoula Community Housing Needs Assessment, “We know in Missoula that our residents who make up to 120% of AMI need support to get into secure housing.” The project is constructing entry level homes to serve the lowest band of AMI that is possible given current interest rates, without sacrificing design integrity and build quality.
- **Missing Middle Housing.** The project will include 77 row homes and 69 mid-sized 3-bedroom homes on urban lots, effectively allocating 56% of the total homes created to “missing middle” housing. Additional changes in home types will likely increase this closer to 100%.
- **Wealth Inequality.** Localized wealth inequity is growing in Missoula, even as rising housing costs narrow down who can afford to live here. The Community Profit Share model directly addresses both issues, while also boosting local economic consumer growth by providing move-in equity to buyers and enabling more Missoulians to fully participate in the local housing market.
- **Home Equity.** Historically, investing in Missoula real estate has been a significant source of economic stability and mobility for working Missoulians, though many have been (or are now) priced out of the market. Home buyers realize move-in equity on day-one, thus compounding the benefit of future home appreciation.
- **Scale.** Assuming high demand, Evergreen will utilize modern production home building techniques to construct 260 homes rapidly, leveraging multiple construction crews. This will provide some measure of relief to the local housing crisis (tangible benefit) and be a bright spot to celebrate in an otherwise constant stream of “negative Missoula housing news” (intangible benefit).
- **Alignment.** Higher levels of profit share equate to a larger safety margin and higher demand, which equates to lower developer risk, which incentivizes Evergreen to do larger projects, thus meeting the civic goal of increasing the local housing supply and creating impact at scale. A wholistic and inclusive benefit loop.
- **Replicability.** Cities and housing leaders throughout the West are working on the issues of workforce housing, wealth inequality, and finding ways to preserve their cultural identity while embracing change. The Profit Share Model can be replicated in any city, as well as easily adapted to a public-private partnership model.

STRATEGIC PROJECT DIRECTIVES

- **Collaboration.** As one of the “first-movers” in the Master Plan, work openly and collaboratively with the City, County, and other stakeholders to design a project that meets their goals and objectives – driving excitement for the project from conception through completion.
- **Build a Community.** Evergreen believes useable open space, modern floorplans, and universal site design foster stronger communities.
- **Seek Experts.** The Master Plan site planning and design requirements are new to Missoula, aspirational, complicated, and inspiring. Engage the most suitable and talented professionals available and seek to bring in specialists in Universal Design, urban design, and sustainable landscape design.
- **Wholistic Home & Neighborhood Design.** Production building methodology does not equate to “building cheaply”. Neighborhood and homes are designed to maximize marketability, sustainability, accessibility, livability and function, façade transparency, materiality, and construction efficiency. Blending modern design aesthetics with climate and lifestyle.
- **Drive Timelines.** Strive to find ways to engage City support and/or shorten the entitlement and permitting phases, thus reducing project risk and cost, and bringing much needed housing to the market quicker.
- **Cost Containment.** Contain costs by leveraging the principles and advantages of scale, production building, direct and bulk material procurement, and Evergreen’s unique way of working with subcontractors.
- **Targeted Unit Mix.** Provide a mix of home unit types, with at least 50% allocated to “missing middle,” resulting in a range of home prices, while adhering to the principles of production building.
- **Transparency:** The Profit Share Model is a new concept and has not been tested by Evergreen for community impact. It relies on the assumption there will be high consumer demand and that changes in the economy will track historical outcomes.
- **Investors:** Seek impact investors that are sympathetic to the underlying mission of the Profit Share Program over traditional investors that seek to maximize only profit.

POINTS OF CLARIFICATION

- The project is not utilizing tax credits or requesting any grants or soft money from any source, but may request waivers to the timing of certain impact fees from the City of Missoula.

INTRODUCTION

The owners of Evergreen have over 70 years of combined experience in the field of affordable real estate development across 23 states. Today, their footprint resides in the Pacific Northwest and Northern Rocky Mountain Region, with offices and long-term family roots in their home states of Montana and Oregon.

The Project has been designed to align with, and materially deliver on the goals of, the [Sxwtpgyen Area Neighborhoods Master Plan](#) and [Traditional Neighborhood Development Form-Based Code](#) (together the governing documents of the Master Plan), and the [Our Missoula City Growth Policy](#), [Our Missoula Development Guide](#), [A Place to Call Home: Meeting Missoula's Housing Needs](#), [Missoula County Growth Policy](#), and [Missoula Area Land Use Element](#) (collectively, the "Missoula Planning Documents").

All the land necessary to build-out West End Farms is secured by a purchase and sale agreement, which stipulates the land to be fully entitled prior to closing.

Modern production home building, or high-volume home building, will be utilized to construct the 260-homes in rapid succession after permits are secured (weather and demand dependent). Evergreen will leverage this building methodology, the project scale, wholesale material procurement, and other proprietary tactics to keep their project cost low in comparison to standard development practices.

DEVELOPMENT & COLLABORATION TEAM

The design team includes the [Paradigm 3 Architecture](#) (local to Missoula), nationally acclaimed [Design Workshop](#), and [New Ecology](#), all highly reputable firms experienced in community-based sustainable development and design, urban planning, Universal Design, and/or delivering large housing communities. [IMEG](#) (local to Missoula) has been selected as the civil and planning firm. [Rosalie Sheehy Cates](#) (local to Missoula) will consult with Evergreen to ensure the Project is structured in a manner that maximizes affordability and opportunity to Missoula residents. Other collaborators include [Garden City Harvest](#), [Homeword](#), [CFAC](#), [All Nations Health Center](#), [Habitat for Humanity of Missoula](#), and [Neighborworks Montana](#). A company owned by principals of Evergreen will serve as the General Contractor.

LOCATION

The Project is located on the western edge of Missoula, adjacent to Hellgate Elementary School, existing residential neighborhoods, and within a mile of Missoula's major retail, civic, service, and commercial centers. Vicinity maps are provided as Addendum 2.



SX^wTPQYEN AREA MASTER PLAN. The Project lies within the 1,500-acre Master Plan, which has been recently adopted by Missoula City Council (December 2020) and Board of County Commissioners (January 2021). The adoption is a significant milestone to planning efforts that began in 2015 when the City adopted a new growth policy entitled “Our Missoula.” Incorporated into the Master Plan is form-based code, which is new to Missoula and a land development regulation that fosters predictable built results and a high-quality public realm by using physical form as the organizing principle for the code (rather than separation of uses). A rendering of the Master Plan is provided as Addendum 3.

A separate and concurrent effort, the [Mullan BUILD Project](#) was seeded with \$13M of federal funds in 2019 and is focused on developing the primary thoroughfares and infrastructure to support residential and commercial development in the Master Plan. Addendum 4 indicates the location of the BUILD grant thoroughfares within the Master Plan.

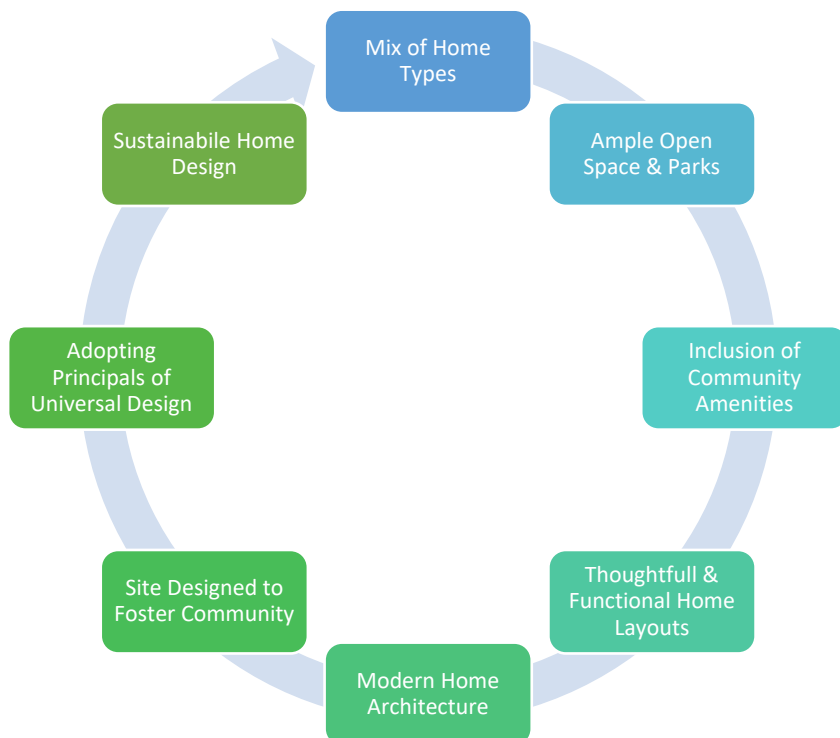
The Project has been designed to conform, benefit, and further the overarching policies, goals, and objectives of the Master Plan and Missoula Planning Documents, to create a sustainable and walkable community, provide housing choices and transportation options, and develop in coordination with other planning efforts and requirements.

LOCATION WITHIN MASTER PLAN. The Project’s location within the Master Plan is the Flynn Square Neighborhood, which is located within the Crossroads Center Neighborhood Unit Type (both defined terms in

the Master Plan). The site is bisected to the south by England Boulevard, one of the BUILD Grant thoroughfares and major collector roads. Adjacent to an existing neighborhood, elementary school, franchise utilities, and services, this location is ideal to be a relative “first mover” in the newly created Master Plan.

DESIGN

Evergreen believes there are critical considerations in the design of every master planned project, that if maximized, will lead to the creation of a neighborhood that will stand apart with notoriety and blossom as it matures.



Further, within each project there is the ability to customize aspects of the development to be in harmony with the local community and lifestyle. In setting out to create a neighborhood for Missoulians, Evergreen’s design team took into consideration many of the values, character, and lifestyle of the residents into the development, such as affordability, the inclusion of a community farm, regional park with multi-age play equipment, the ability to park full size vehicles and toys (boats, campers, etc.), and large windows to facilitate light transfer deeper into homes in winter.

FORM BASED CODE & SITE DESIGN

THE VALUE OF FORM BASED CODE. In Evergreen’s opinion, a requirement of the Master Plan for developers to adhere to form-based code is a tremendous benefit to Missoula and the other neighborhoods created within the Master Plan. At West End Farms, **form-based code mandates a variety of lot sizes to create clusters of both high and standard density housing**, which Evergreen has thoughtfully placed throughout the project to maximize vehicle and pedestrian viewshed, general aesthetics, and livability. Further, **form-based code requires developers to include multiple home types across each lot size to prevent homogenous repetition**

of homes. The home types found in West End Homes include row homes, townhomes, side-yard homes, and standard homes (some with the option for accessory dwelling units).



Neighborhood Planning Utilizing Form-Based Code (Image from Master Plan)

SITE DESIGN. To meet the Master Plan density goals and provide a mix of home types, roughly 1/3 of the land available for home sites has been designated high-density housing and the remainder what would be considered more traditional (see Appendix 1 for site plan renderings).

SITE ATTRIBUTES	
<ul style="list-style-type: none">• Alley-Accessed Homes.• 8’ Wide Grass Boulevards Between 6’ Wide Sidewalks and Curb.• Site Adheres to Principals of Universal Design• 28.25-acres of the site set-aside for open space encompassing a community farm, over 2-miles of trails, regional park, and pocket parks with a community garden.• Larger Caliper Tree Plantings in Boulevards and Open Space.	<ul style="list-style-type: none">• Green Stormwater Management Practices.• Ample On-Street and Private Off-Street Parking.• Bike Friendly Street Types That Are New to Missoula.• Dedicated Pedestrian and Bike Streets Breaking Up Block Lengths and Promoting Connectivity.



Pedestrian Street Linking Future Development Land to the North



Higher Density Section of West End Farms, Bisected by Pedestrian Street

HOMES

HOMEBUILDING ETHOS. Production home building pairs well within form-based code by providing a standard of quality, design, and planning not as easily achieved otherwise. A variety of home types will be available to buyers that maximize marketability, sustainability, accessibility, livability and function, façade transparency, materiality, and construction efficiency. Architecture blends modern design aesthetics with the Montana climate and lifestyle.

HOMES. All homes incorporate floorplans that have been thoughtfully laid out for function and livability, ensuring furniture fits, and walking paths are not pinched. The following home details are not finalized.

HOME DETAILS						
Density	High Density			Standard Density		
Home Type	Row Home (6-8 Per Row)	Side-Yard Home	Mansion Apt	Side-Yard Home	Traditional Home	Mansion Apt
Lot Size	1,800 SF	3,500 SF	3,500 SF	5,500 SF	5,500 SF	5,500 SF
Bed / Bath	2.0 / 2.5	3.0 / 2.5	3.0 / 2.5	3.0 / 2.5	3.0 / 2.5	3.0 / 2.5
Home Size	1,200 SF (N/I Storage or Optional Office)	1,500 SF (N/I Optional Office or Garage)		1,850 SF (N/I Garage)		1,850 SF (N/I Garage)
Floor Plan Options	(1) All Bedrooms Upstairs	(2) All Bedrooms Upstairs; (3) Master on Main	(2T) All Bedrooms Upstairs; (3T) Master on Main	(4) All Bedrooms Upstairs; (5) Master on Main	(6) All Bedrooms Upstairs; (7) Master on Main	(4T) All Bedrooms Upstairs; (5T) Master on Main
Garage & Parking Spaces	2 Spaces; No Garage; 8'x10' Storage Unit	2 Spaces; Single Car Garage 22' Deep	2 Spaces; Single Car Garage 22' Deep	2 Spaces; Single Car Garage 22' Deep	2 Spaces; Single Car Garage 22' Deep	2 Spaces; Single Car Garage 22' Deep
Additional Toy Parking Available?	No	Yes	Yes	Yes	Yes	Yes
Dedicated Office Space?	Yes	Optional	Optional	Yes	Yes	Yes
Option for ADU?	No	No	No	Yes	Yes	Yes
Side-Yard Design?	No	Yes	Yes	Yes	No	Yes
HVAC	TBD	TBD	TBD	TBD	TBD	TBD
Solar Ready?	TBD	Yes	Yes	Yes	Yes	Yes

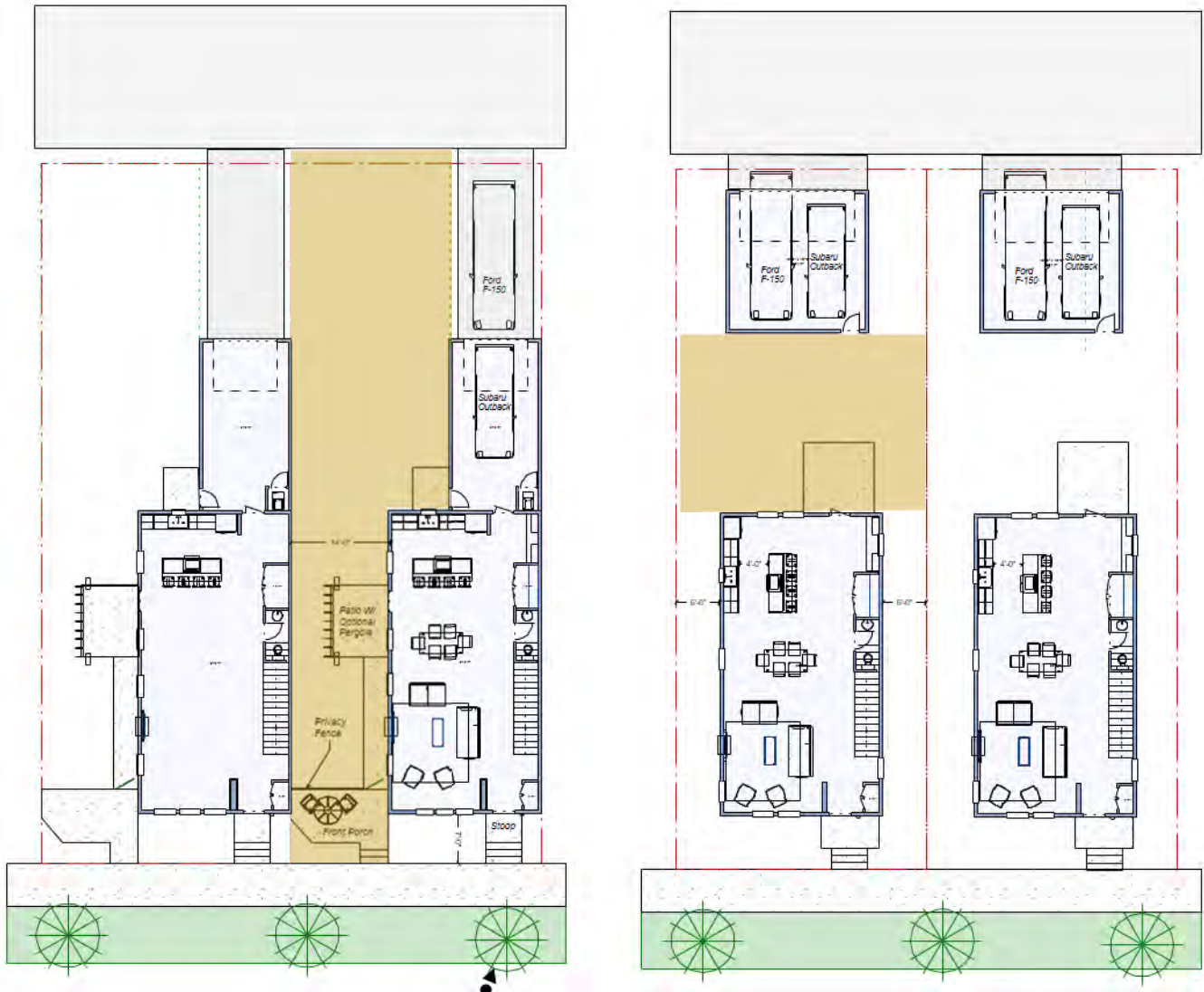
THE SIDE YARD HOME CONCEPT. The side yard home places one side of the home on the lot line, enabling the homeowner to utilize every inch of the yard with zero waste – front, side, and rear. In addition to maximizing outdoor livable space, when designed properly, the side yard home has several other significant benefits (see Image 1.1 for visual representation of bullet points).

- The open side of the home has a full wall of windows, allowing for a tremendous amount of natural light into the main floor.
- Specific to higher density lots (35' wide), most homes constructed today are centered on the lot with 5' side yard setbacks and often feature an undersized 2-car detached garage placed 5' off the alley. Side yard homes 1) provide the ability to attach an oversized single car garage to a home, 2) leave

ample space behind the garage for parking a second vehicle, 3) provides options for the space to the side for a planted yard and/or additional parking for toys (boats, camper, etc.).

- West End Homes high density lots the side yard is narrower and ideally suited for a private patio, while on traditional lots the effect is magnified, creating a full-sized rear and side yard.
- West End Homes high density side-yard homes and townhomes feature a front door stoop, as well as a side yard front porch, connected to the side yard through a privacy fence.

Image 1.1 Comparing Side Yard Home to Traditional Home on High Density 3,500 SF Lot (35' Wide)





A West End Homes High Density Side-Yard Home Next to a Block of Row Homes



West End Townhomes Incorporate the Benefits of Side Yards (Not All Separated by a Pedestrian Street)

HIGH DENSITY HOME TYPES. There are 144 high density homes at West End Farms, which include three building types (row home, town home, side-yard home), 5 unique floorplans (master on main vs. all bedroom upstairs, etc.), and a variety of finish packages.



Example of Row Home & Townhome, Higher Density Section of West End Farms

[Additional Renderings and Layouts Forthcoming]

STANDARD DENSITY HOME TYPES. There are 116 standard density homes at West End Farms, which include three building types (standard home, town home, home with ADU), 6 unique floorplans across the building types (master on main vs. all bedroom upstairs), different elevations and exterior finishes across building types and floor plans (roof types, siding, etc.), and a variety of interior finish packages.

[Additional Renderings and Layouts Forthcoming]

SUSTAINABILITY & UNIVERSAL DESIGN

SUSTAINABILITY & ACCESSIBILITY

The Master Plan has requirements for sustainability (ex: green storm water management) and accessibility (ex: residential homes must be deemed accessible), as well as incentives for green building. Evergreen’s team is well versed in modern sustainability design and construction practices – all homes will be “solar ready” and designed to reduce energy consumption. In addition, recycled and green building materials will be utilized when practical and financially feasible.

UNIVERSAL DESIGN – REDEFINING ACCESSIBILITY

Evergreen is committed to ensuring their projects adhere to Universal Design. Environments that meet the principles of Universal Design are barrier-free, ergonomic, and accessible by all people. When applied to the physical environment at the community scale, Universal Design takes mobility into account in every layout concept and every detail. Universal design is applied to streets and trails, homes, businesses, and civic facilities. It’s an

ethic as well as an aesthetic; when a community or a facility is designed to function for universal access, it communicates a welcoming and friendly spirit. An intentionally designed universal access community works for and welcomes people of all ages.



“Universal Design is an approach to design that honors human diversity. It addresses the right for everyone — from childhood into their oldest years — to use all spaces, products, and information in an independent, inclusive, and equal way. It is a process that invites designers to go beyond compliance with access codes — to create excellent, people centered design.” - Elaine Ostroff

AGRIHOOD & OPEN SPACE

COLLABORATIVE DESIGN TEAM. The agrihood feature and open spaces of West End Farms are being designed by [Design Workshop](#), a renowned firm who has experience planning and designing Agrihoods. The planning and design process includes public outreach. Additional team members include Missoula Parks & Recreation, Garden City Harvest, All Nations Health Center, and other passionate local stakeholders.

OPENSOURCE. West End Farms incorporates two interior half-acre “pocket parks” that will be maintained by the Homeowners Association, with at least one programed as a community garden for homeowners with raised bed planters.

WEST END FARM & PARK & POCKET PARKS



3 Interior Pocket Parks

WEST END COMMUNITY GARDEN

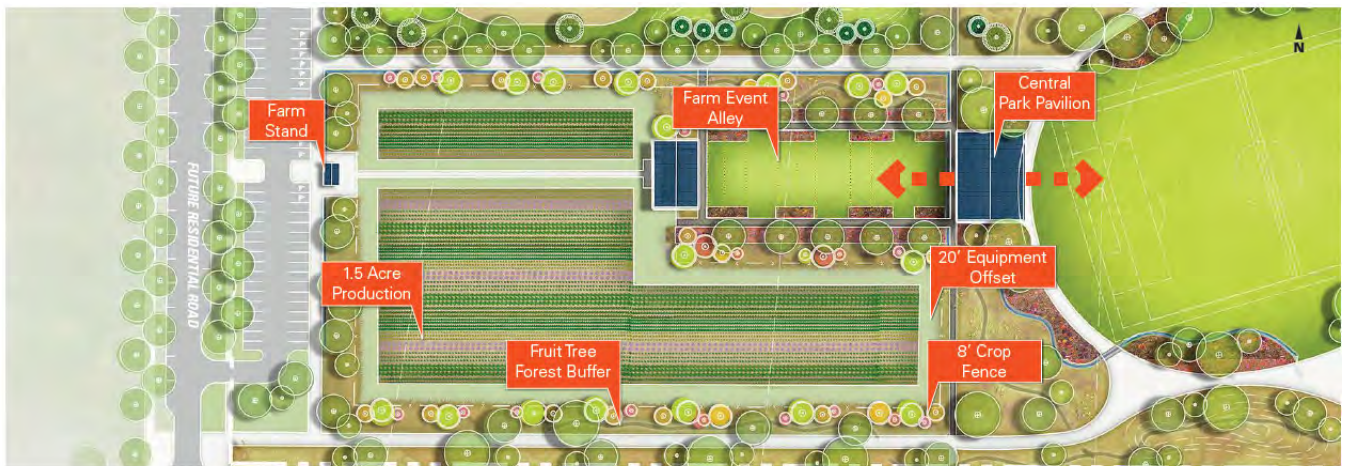


The remaining 27-acres will be public and comprised of a community farm, trail network, and regional park. It is envisioned that the farm will be owned by Garden City Harvest (or other) and the surrounding regional park and trail network by the City of Missoula.



27-Acres of Public Open Space

AGRIFOOD. The defining feature of an agrihood is its centerpiece: the working farm. The farm acts as a central meeting place, where residents come together, socialize, and learn. Agrihoods work best when designed within larger expanses of public open space and provide a synergistic connection to the amenities they contain.



Agriculture Component West End Farms Community Park with 1.5 Acre Farm + 1.5 Acres of Food Forest / Cut Flower Planting



Rendering of Farm Alley Leading to Park Pavilion, Flanked by Growing (Fields & Edible Forests)



Example of Indoor and Outdoor Farm Stand



Example of Volunteer & Community Farming Opportunities



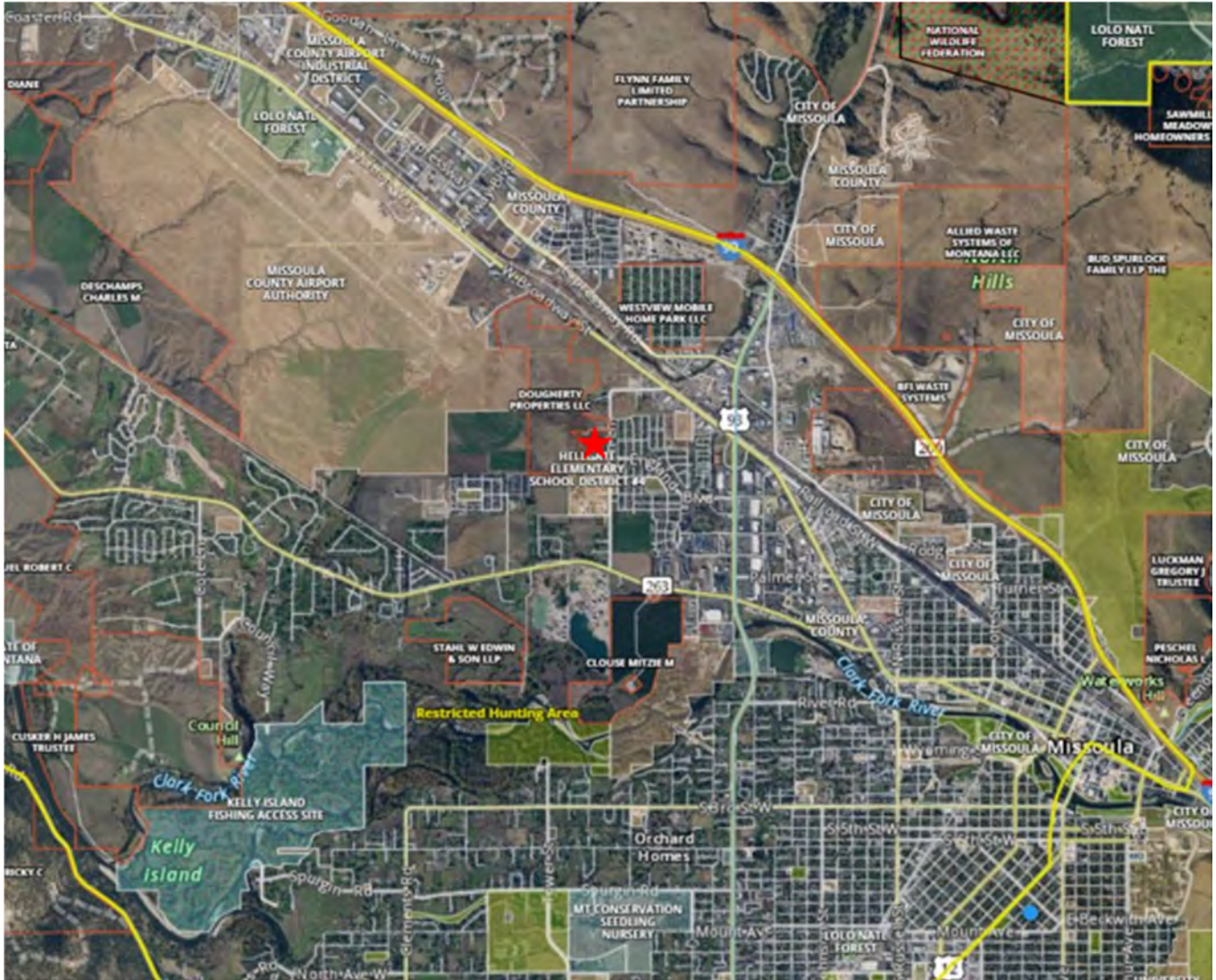
Example of Educational Opportunities

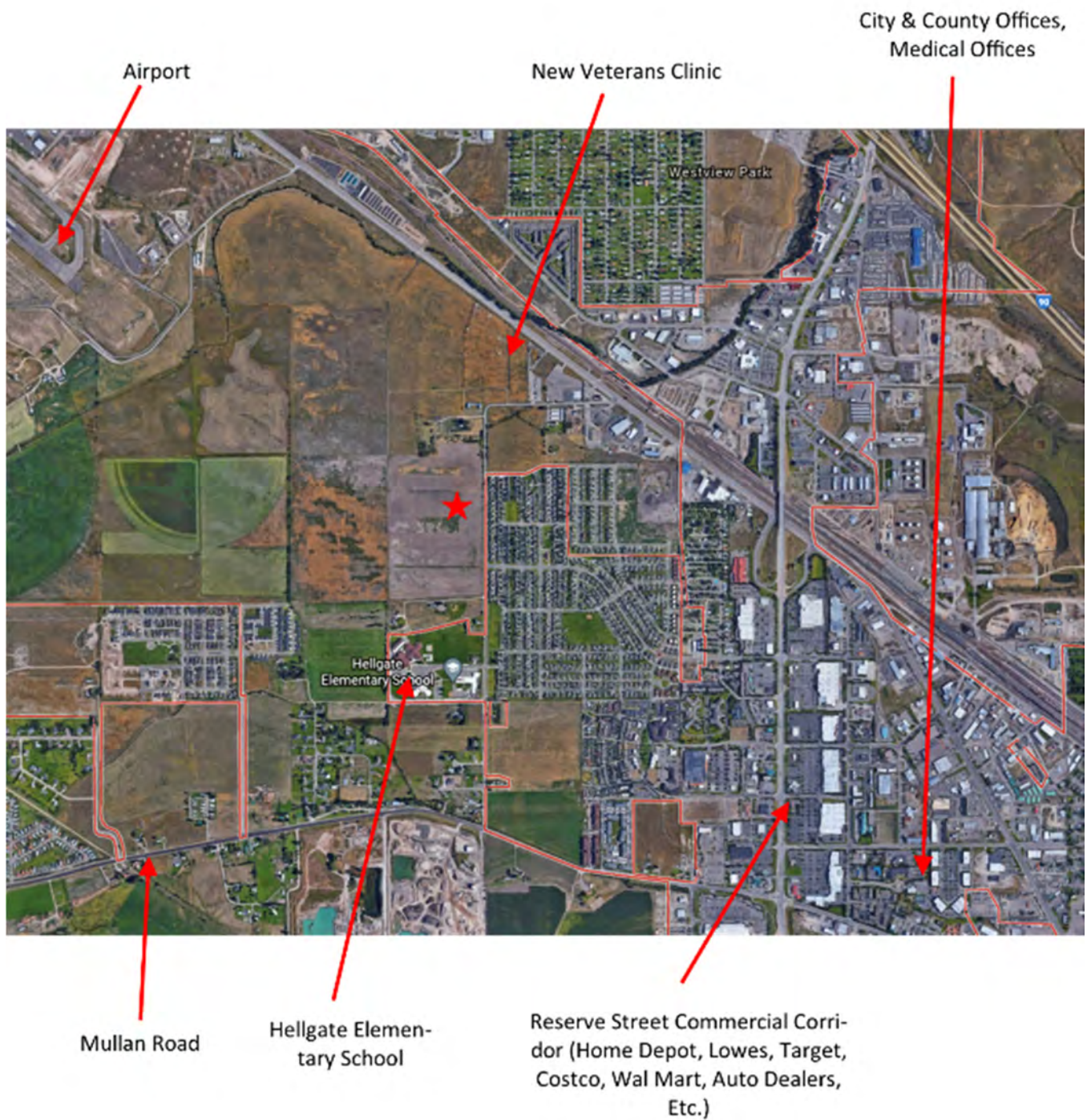
WEST END FARMS PLAT



ADDENDUM 2

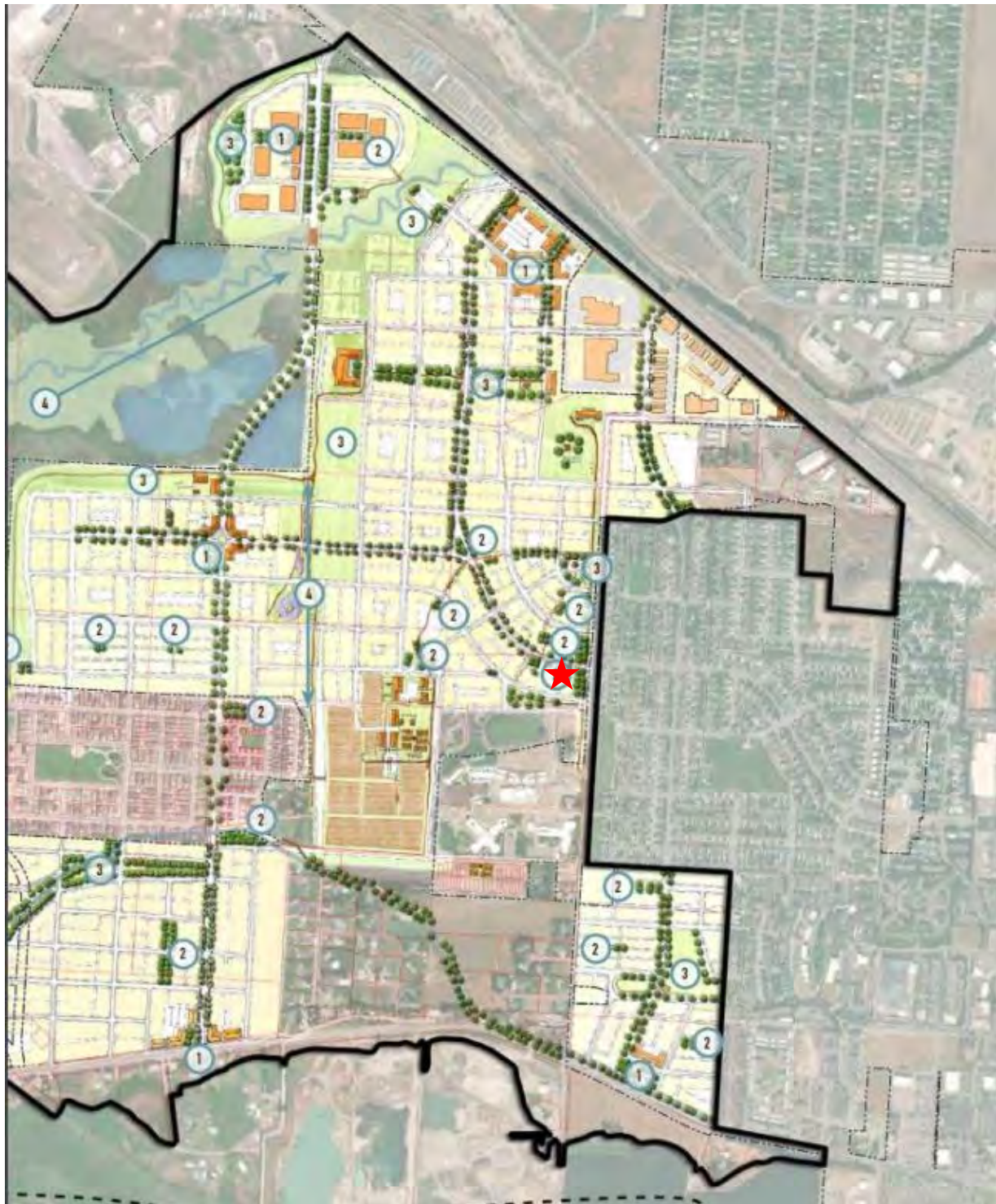
VICINITY MAPS







ADDENDUM 3



SXwTPQYEN AREA MASTER PLAN RENDERING

ADDENDUM 4

MULLAN BUILD PROJECT – MAJOR THOROUGHFARES

