

Community Profit Share

A Development Model Creating For-Sale Single-Family Workforce Housing at Scale

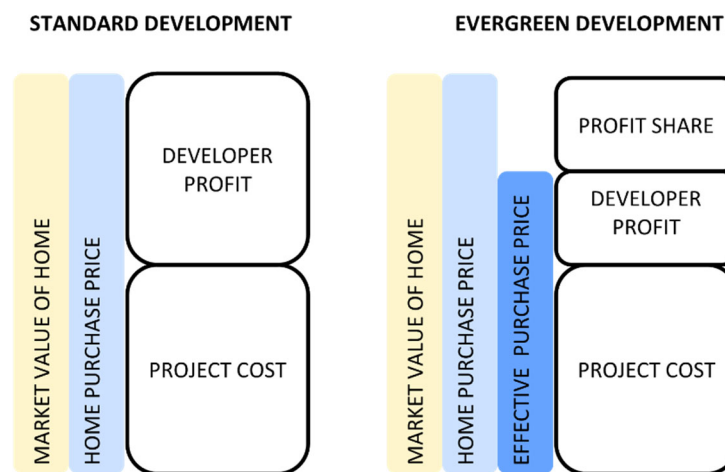


THE WHAT, HOW, & WHY SUMMARY

THE VISION

Wishcamper’s Community Profit Share Model is simplistic at heart, but can be transformational in practice – **create workforce housing by sharing the project’s profit with cost-burdened residents, or those relocating to for employment at established businesses or organizations.**

The benefit of the profit share to residents is provided to qualified buyers in the form of a second mortgage that is forgiven after a buyer resides in the home for 5-years. Profit sharing in this manner has several benefits: 1) a reduced cost burden facilitated by the subordinate mortgage (resulting in the “Effective Purchase Price”); 2) a reduced down payment burden and elimination of mortgage insurance requirements; and 3) move-in equity upon purchasing a home.



WHY DO THIS?

Acting as a for-profit benefit company, Wishcamper works transparently to structure projects that **prioritize the consideration of people, planet, and profit equally**. Inspired to look beyond traditional sector borders and find innovative and replicable solutions to some of society’s most intractable challenges that exist today.

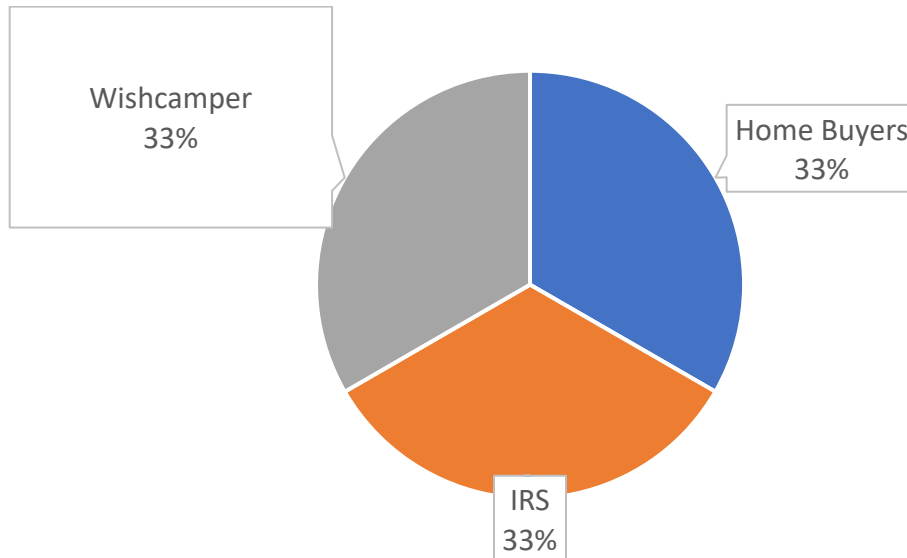
THE IMPACT

- **Workforce Housing.** The Urban Land Institute defines workforce housing as “housing affordable to households earning between 60% and 120% of area median income (AMI)”. The Profit Share Model prioritizes and makes all housing types available to those earning between 80% - 120% AMI.
- **Missing Middle Housing.** Typical projects include a mix of home types including those considered “missing middle” by current definitions.
- **Wealth Inequality.** Localized wealth inequity is growing, even as rising housing costs narrow down who can afford to buy homes. The Community Profit Share model directly addresses both issues, while also boosting local economic consumer growth (decentralized from the developer), by providing substantial move-in equity and enabling more people to fully participate in local housing markets.
- **Home Equity.** Historically, investing in real estate has been a significant source of economic stability and mobility, though many have been (or are now) priced out of the market. Home buyers receive the difference

between the Effective Price and sale price as move-in equity on day one, thus compounding the benefit of future home appreciation.

- **Scale.** Assuming high demand, Wishcamper will utilize modern production home building techniques to construct larger housing developments rapidly. 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 housing news” (intangible benefit).
- **Alignment.** Lower Effective Purchase Prices equate to higher demand, which equates to lower developer risk, which incentivizes Wishcamper to do larger projects, thus meeting civic goals 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 Wishcamper model is unique, but it is simple and replicable for any city with cost-effective and civic-minded private developers as well as easily adaptable to a public-private partnership model.

TARGETED PROFIT SHARE ALLOCATION



STRATEGIC PROJECT DIRECTIVES

- **Collaboration.** 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.** Wishcamper believes ample open space, modern floorplans, and universal site design foster stronger communities.
- **Seek Experts.** 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 Design.**

Modern production home building and the Profit Share Model don't incorporate bland or cheaply constructed homes as way to control cost.

Homes are designed that 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 online quicker.
- **Cost Containment.** Contain costs by leveraging the principles and advantages of scale, production building, direct and bulk material procurement, and Wishcamper’s unique way of working with general contractors and 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.