



EXHIBIT D1

BENTONVILLE SCHOOL DISTRICT

HOUSING COMMUNITY

DISCUSSION / SEPTEMBER 2023



The lack of affordable housing for teachers has become a crisis across the nation

The Washington Post

School district asks parents to let teachers move in as rents soar



By [Jonathan Edwards](#)

September 2, 2022 at 7:21 a.m. EDT

FORTUNE

SUCCESS · TEACHING

The housing affordability crisis is a hidden reason your kid doesn't have a teacher—stunning report shows teachers can only afford 12% of homes near their work

BY [CHLOE BERGER](#)

September 8, 2023 at 1:44 PM CDT



THE WALL STREET JOURNAL.

U.S. | U.S. EDUCATION NEWS

Why Schools Are Building Housing for Teachers

Kansas City schools rent homes to teachers starting at \$400 a month to recruit more amid a national shortage

By [Christian Robles](#) [Follow](#)

Aug. 26, 2023 9:00 am ET

Executive Summary

- Feasibility continues to increase each day
- \$20M - \$25M project with multiple funding sources identified
- 10+ organizations engaging
- “Model for NWA and beyond...”
- Favorable Attorney General Opinion

Excellerate Foundation is a health conversion foundation (Public Charity), operating for 25 years in NWA.

Social Determinants of Health (SDOH)

- 1. Housing
- 2. Goods
- 3. Food
- 4. Transportation
- 5. Legal
- 6. Social Support
- 7. Health
- 8. Money
- 9. Education
- 10. Work

Non-Profit Hospital



Sale to For-Profit Organization



Health Conversion Foundation
Non-Profit
(Excellerate)



< - Only 20%
Look upstream

<-Approx 242

“Green band” emphasis, with three pillars



*NWA Family of 4 AMI = \$92,400

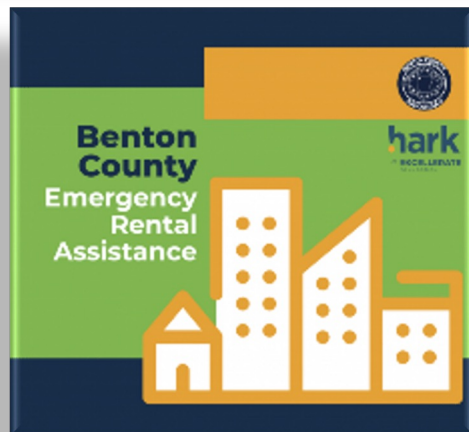
Excellerate has a legacy of supporting Bentonville School District and greater Bentonville



Bentonville
AR Better
Chance Pre-K
\$3.5M



Bentonville
Schools EAP+
154
SERVED



Bentonville
ERA 1 & 2
\$4M



Bentonville
Community
Center
\$1M

Excellerate is a key facilitator in driving multiple Affordable Housing initiatives in NWA

- ▶ **NWA Regional Collaborator – Multiple housing projects and funding**
- ▶ **Chair - Bentonville Mayor's Affordable Housing Committee**
- ▶ **Washington County - Affordable Housing Fund *\$1.4M***
- ▶ **Benton County – Affordable Housing Fund *\$2.4M***
- ▶ **2023 HUD Secretary's Award for Public-Philanthropic Partnerships**

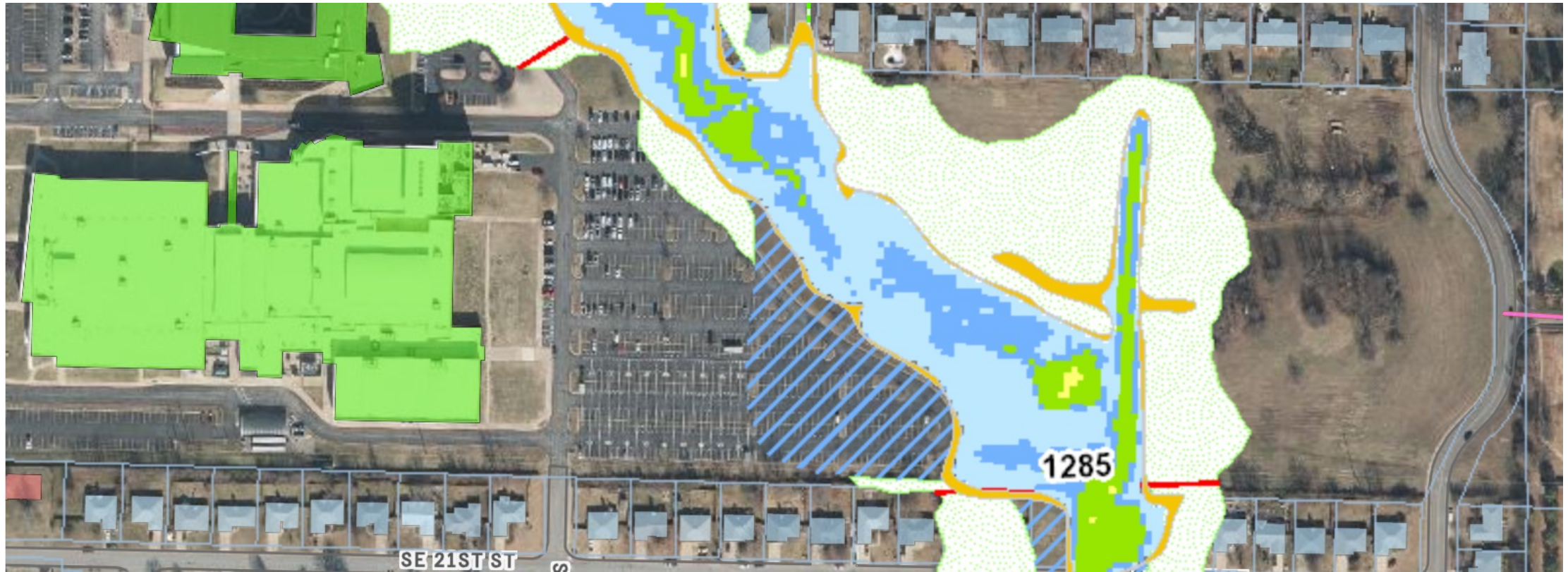
The parcel suggested by BSD is a great location, but has some challenges...



POTENTIAL PROJECT

BENTONVILLE - NEAR BENTONVILLE HS

Floodplain considerations seem to point to one main useable area



Floodplain issues can be mitigated by careful placement



Plan all development east of greenway

Main entrance off "S" street

Secondary entrance from greenway

All required utilities are close by and should not present an issue



- a. Dark green is the sewer
- b. Dark blue is the water
- c. Light blue dots is nearby electrical
- d. Light green is stormwater (southside of the site).

The initial design could include ~100 family units with a range of income, size, style, rental/ownership options



TRELLIS BBQ PAVILION & TRAIL CONNECTION

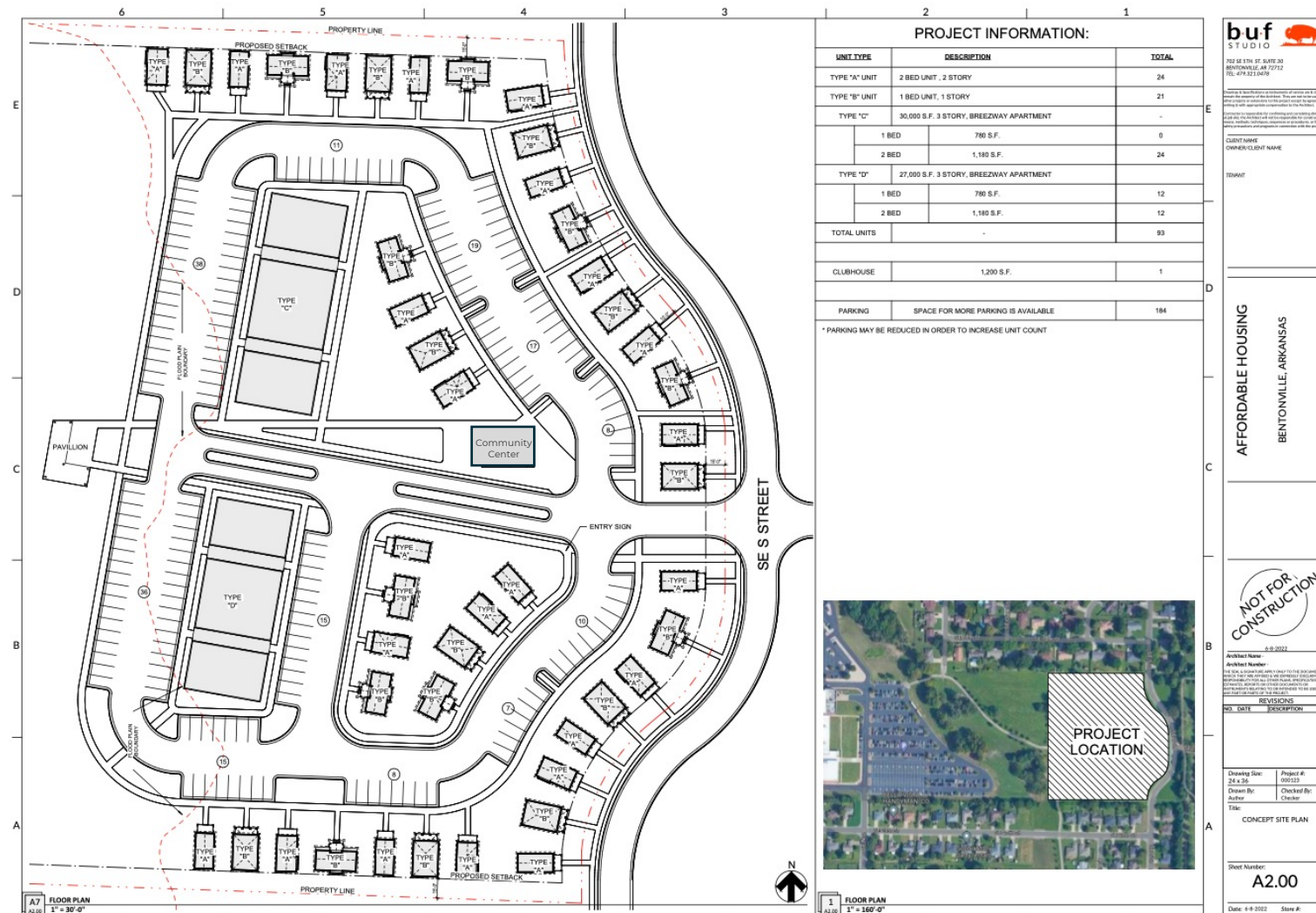
FIRE PITS

ENTRY SIGN

COMMUNITY CENTER



Parking and street layout strives to enhance a community feel



2 Multi-family (+/-30 each)

~24 – 2 bed 2 story

~21 – 1 bed 1 story

Total +/-105 units

Pavilion



A community building would provide beneficial educational services for residents, students, and members of the school district



TRELLIS BBQ PAVILION & TRAIL CONNECTION

FIRE PITS

COMMUNITY CENTER

ENTRY SIGN



Entrance
Looking west

Education

- Tutoring
- Life skills training

Health & wellness

- Wellness seminars
- Fitness programming
- Nutrition education

Financial

- Personal finance
- Debt reduction
- Preparing for home ownership

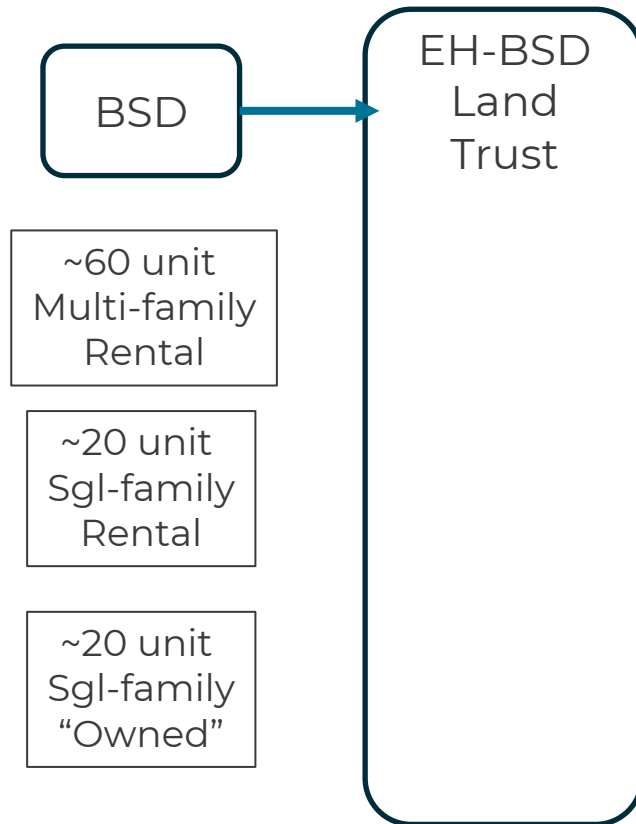
Community Building

- Clubs, events, etc...
- Volunteering

The BSD project will use known building blocks assembled in an innovative way

Building Block	Purpose		Section Used
Land Trust	Ensures control via deed		All three sections
LIHTC / HOME Funds	Access Federal & State Funds		Section 1
Shared Equity	Advantages over home ownership		Section 3
Index-Based Appreciation	Balances first and second teacher		Section 3
Excellerate (as bank)	Advantages over conventional bank		Section 3

Excellerate Housing LLC is structured to drive and maintain affordable housing



1. Community land trusts preserve affordable ownership by retaining ownership of land and leasing it under a long-term ground lease
2. Deed ensures activities on the land preserve the intentions of the school

3. EH operating the LT ensures policies outside of those that can be included in the actual deed are maintained
4. EH extends long-term lease to the three "sections" of the project

Three residential components are designed into the mixed use, mixed income community



INSPIRATION IMAGES



Section #1 – multi-family

50-60 rental units 2 & 3 bed
\$750 “back of market” (eg \$750)
BSD influence waiting list

Section #2 – single family rental

+/-20 rental units 1 & 2 bed
\$500 “back of market” (eg \$1000)
BSD controls (eg who, income, rent)

Section #3 – single family homes

+/-20 homes 1 & 2 bed
\$180K - \$200K (teachers)
Size 850 - 1000sq/ft
BSD controls



Excellerate Housing LLC is structured to drive and maintain affordable housing



- Follows HUD/ADFA guidelines
- LIHTC* approach stable since 1986
- Utilizes Federal / State funds
- Enrolls community bank partners

- ADFA limits on household's incomes (60% AMI)
- ADFA limits on rents (approx. \$750/month)
- Protections in place for 35 years
- Provides compliance mechanisms

- Open to BSD employees, parents of students, and BSD district citizens
- Public waiting list utilized

*LIHTC = Low Income Housing Tax Credit

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Excellerate Housing LLC is structured to drive and maintain affordable housing



- Acts like standard rental home
- Funded through philanthropy
- Financing enrolls community bank partners
- Sets limits on household's incomes (100% AMI)
- Sets limits on rents (approx. \$1000/month)
- Rent increase with AMI over time
- Limits household size
- Restricted to teachers of BSD
- Limited to 5 years

Three residential components are designed into the mixed use, mixed income community



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Classic Home Ownership				
Benefits		Barriers/Impediments		
Equity Appreciation		Availability of houses		
Return of Principal		Cost of house		
Interest deduction		Downpayment		
Long-term ownership		PMI costs		
Personal touch		Property Taxes		
		Closing Costs		
		Maintenance cost		
		Insurance cost		
		Interest Rates		

EH plans to use a Shared Equity Program. What is it and how does it work?

1. EH owns the homes, maintains the title (likely tax exempt)
2. Acts like home ownership but isn't
3. Participant makes P&I payment
4. Allows for equity appreciation participation and recovery of principal on exit
5. Only pay insurance on contents of the home
6. Provides balance between equity gain and enduring affordability
7. Provides control over duration of occupant participation (5 year max)
8. Transition costs minimized, on change of occupant, no need for realtors, appraisers, title companies, nor closing costs, etc...
9. Common areas maintained by property management
10. Structured to position teacher for successful entry into next home

Excellerate will operate as the bank to bring additional benefits to the participants

1. No issue with land being owned / controlled via the EH Land Trust
2. EH will not require a down payment nor PMI
3. EH will provide an interest rate at or below market
4. Equity gain will be tied to an AMI index moderating equity growth (no appraisal concern)
5. By tying equity growth to AMI index, it ensures affordability for subsequent buyers

Program sets teacher up for second home success

Shared Equity Teacher Start			Shared Equity Teacher 2nd Home		
Home price	\$200,000		Home price	\$300,000	
Down Payment	\$0		Down Payment	\$50,000	
Payment	\$1,500		Payment	\$1,900	
HH Income	\$ 65,000.00		HH Income	\$75,000	

- Resources in place to help teachers prepare a plan for their long-term home
- Periodic reviews to ensure plan is on track and to assist with any issues that arise
- The goal is to ensure teachers are best positioned to move to their “forever homes”

Woodward Hills

Bentonville, AR 72712

SINGLE FAMILY HOMES

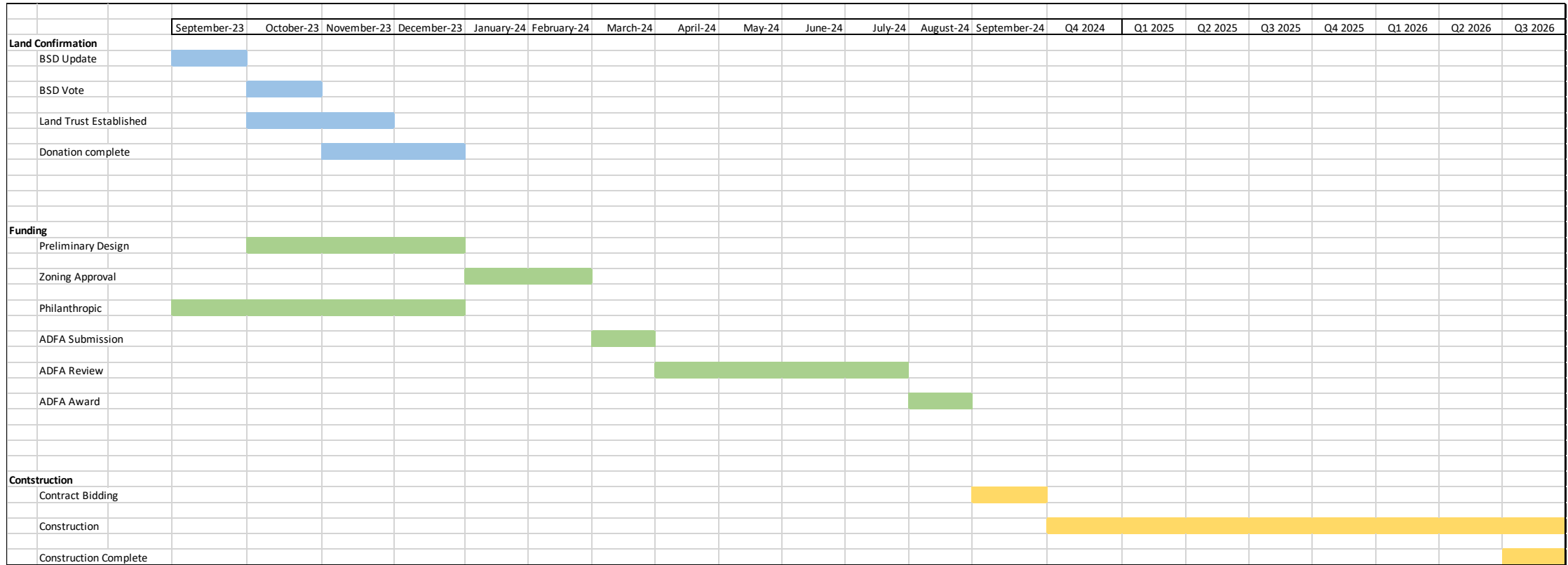
Starting At \$300,439



Funding will come from multiple sources with no requirement from BSD

Sources		
Public		\$10,400,000
Philanthropy		\$8,900,000
Private		\$4,700,000
TOTAL		\$24,000,000

The timeline projects to breaking ground in Q3 2024, with 2026 completion



The payback to BSD employees and Bentonville citizens is multi-faceted

			Amount
Property Enhancement			\$24,000,000
Investment by BPS			\$1,677,060
ROI			14
Section 1			
Value to Participants			\$18,900,000
Section 2			
Value to Participants			\$4,200,000
Section 3			
Value to Participants			\$7,000,000
Total Value to Participants			\$30,100,000
ROI			18

QUESTIONS?