



WORKFORCE HOUSING



HO2 SHADOW HILLS OPPORTUNITY BRIEFING

HO2 Walsenburg LLC: Colorado Limited Liability Company – subsidiary of Housing O2 LLC

Housing O² has established HO2 Shadow Hills LLC as a subsidiary dedicated to development of workforce housing in Fremont County, Colorado.

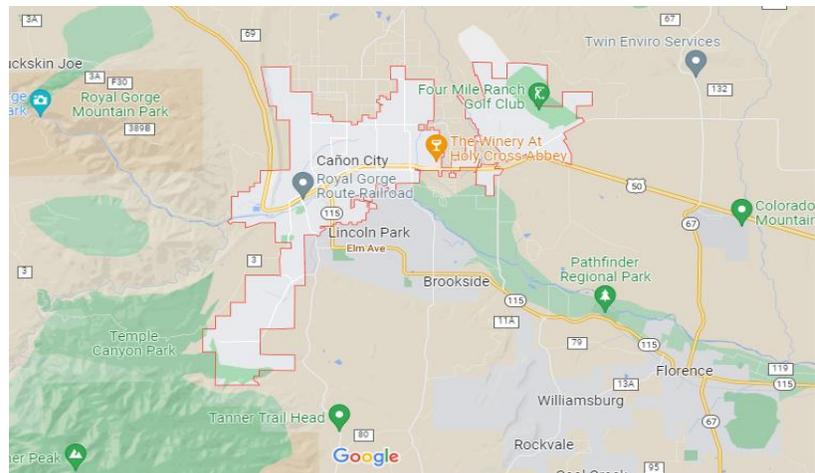
Established: 2021

Fremont County and Canon City

Mission – enable low-income workers to attain homeownership and support community economic recovery.

Fremont County is in central Colorado. Canon City is located within the County. Fremont County has a population of approximately 50,000 people and Canon City has a population of approximately 19,000 people. Canon City is located 1.75 hours of driving time southeast of Denver and 45 minutes west of Pueblo on US Highway 50.

Goal – Build as many workforce housing units as soon as possible on the site

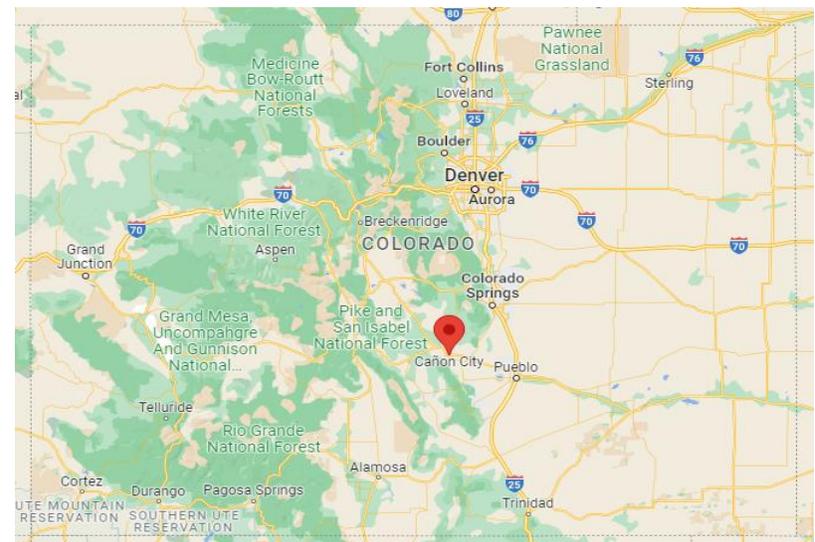


Site – former Shadow Hills Golf Course

Principals

- Karl Dakin
- Mark Pacheco
- Tom Pantan

Investment to Date - \$250,000



Status

Raising capital while designing development strategy.

Contact

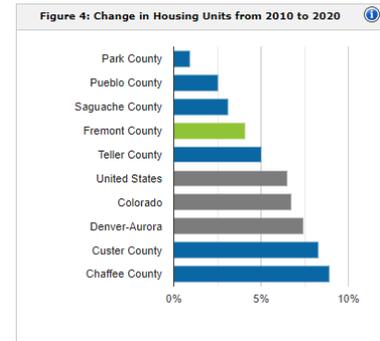
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Market

Fremont County is experiencing a shortage of affordable housing like all other communities within Colorado. [Affordable Housing Transformational Task Force](#)

Fremont County experienced a reduced change in ownership of housing units which reflects a shortage of housing. [Town Charts](#)

[Rocket Mortgage](#) continues to report Fremont County as a Sellers' Market. "Fremont County, CO has 85 homes for sale to choose from. The number of homes for sale in Fremont County, CO increased by 18.1% between April 2022 and May 2022. The median list price of listings available in May 2022 was \$355,000, while the average time on the real estate market was 80 days. This housing market listing prices have changed between April 2022 and May 2022: prices of 2 bedrooms properties prices increased by 14.5%."



Housing Market Conditions



Difference Since May 2021
Since last year, Fremont County has remained a Seller's Market.

Property Site

Housing O² placed an option purchase agreement a 197-acre property site formerly known as the Shadow Hills Golf Course which has been out of operation since 2013.



The property includes a 9,600 square foot clubhouse that was constructed in 1987.

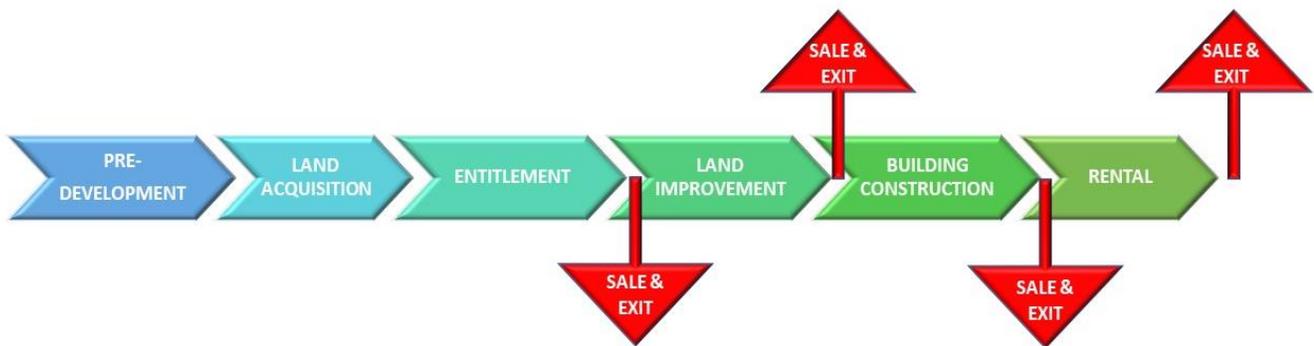
Water lines run to the property but are insufficient to support a large development. City sewer lines are approximately one mile away to the west or to the north. Broadband internet access is available through local providers.

The entire site lies within the Lincoln Park (Cotter Mill) Superfund site. Most of the site is owned by Colorado Land Legacy who purchased it from Cotter Mill and who is currently working through an environmental cleanup that will take another six to ten years.

Business Model

It is anticipated that development of the entire property site may result in use of four different business models for portions of the property:

1. Sale of land upon entitlement
2. Sale of finished lots upon land improvement
3. Sale of housing units upon construction, and
4. Sale of housing units five years after construction (Rent to Own Program).

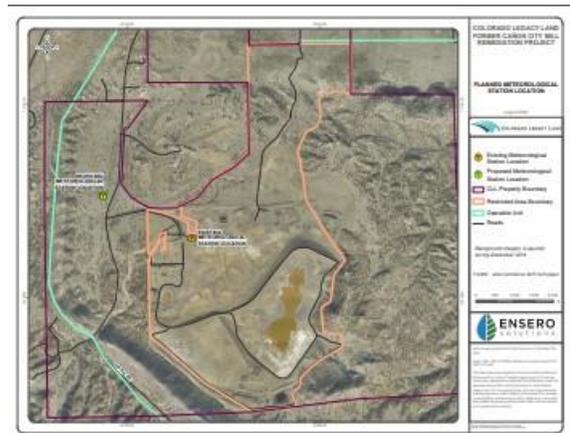


Design Concepts

HO2 Shadow Hills is designing development strategies that call for different types of development in stages over a period of years. Development may include residential buildings, retail space with residential above, professional offices, light manufacturing, and public buildings.

Initial concepts include:

- **Residential** – 6 projects - 20 acres each – single family and/or multifamily dwellings – 100+ housing units. As conceived, the first project may provide for 100 single family residences on 20 acres in the northwest corner of the parcel.
- **Retail with residential above** – 18 acres – number of commercial and residential units to be determined. As conceived, the existing clubhouse would be an anchor tenant for this project. Discussions are underway for placement of a craft brewery and sports bar restaurant within the clubhouse. Retail space would include a grocery



store, day care center and a variety of businesses that would serve the surrounding residential, commercial and industrial buildings.

- **Sports complex** – 10 acres. As conceived, the project would include two domed indoor sports fields constructed on the site that would offer year-round play for a variety of sports. Sports programs would be supported by Citizens Sports and managed by the Exiles with other sports programs offering progression from elementary school to professional play.
- **Light manufacturing** – 30 acres. As conceived, size and location and tenants would be determined within a larger master planned activity. Housing O2 is supporting the launch of the Rural Workforce Housing Innovation Coalition which is working to develop an innovation district that can house shared facilities for design, development, prototyping, testing and small-scale manufacturing of innovative housing and utility products and services.
- **Other** – 20 acres



Buildings

Within the entire property, HO2 Shadow Hills may construct several types of buildings:

- Single family
- Multifamily
- Mixed use
- Specialty
- Light industrial



HO2 Shadow Hills is engaged in design of property development strategies.

Discussions have been held with the City of Canon City regarding annexation of the property into the City which may be completed as early as December 2022.

HO2 Shadow Hills is determining options for accelerated development in conformance with Superfund remediation laws and regulations governed by the US Environmental Protection Agency (EPA) and the

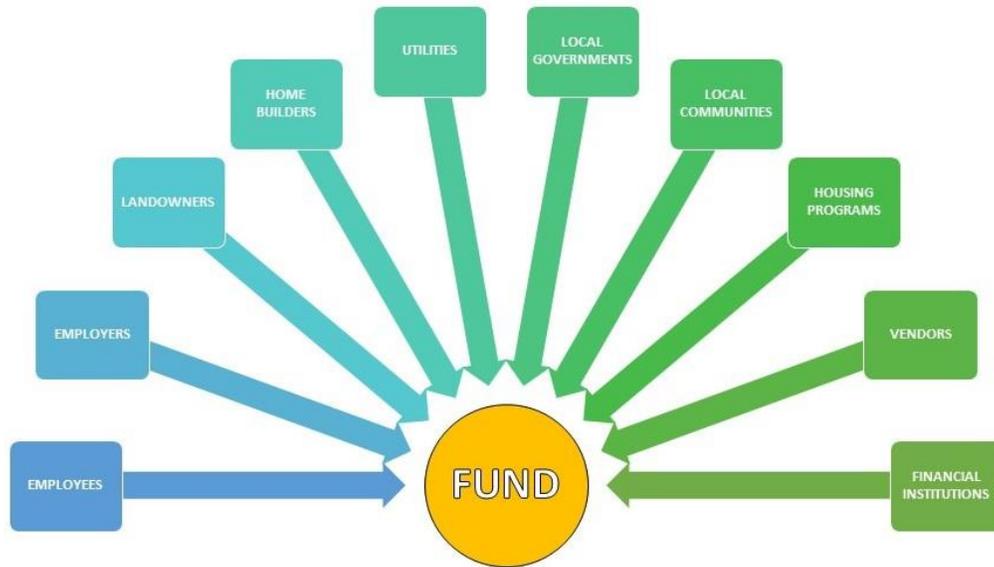
Colorado Department of Health. HO2 Shadow Hills may obtain approval for construction of infrastructure as early as July 2023 upon testing that demonstrates the property is not contaminated like the adjoining Colorado Land Legacy properties (formerly Cotter Mill).

HO2 Shadow Hills is exploring development of additional nearby property within a larger master planned community.

Opportunities

HO2 Shadow Hills currently offers the following opportunities:

- Investors – HO2 Shadow Hills is seeking immediate funding to complete acquisition of the property and master planning within the context of the surrounding area
 - Direct funding of the entire project
 - Direct funding of a sub-project
 - Funding through the HO2 Acquisition & Entitlement Fund
- Partners – HO2 Shadow Hills is exploring possible partnerships with stakeholders. Housing O2 has identified the following groups as stakeholders:
 - Employees – individuals who may obtain a roof over their head while building wealth through home ownership
 - Employers – recruitment and retention incentives for employees through offer of home ownership opportunities that enable employers to fully staff their current operations and provide for growth
 - Landowners – development of land raising the property to higher values with greater income
 - Home Builders – partnering with Housing O² or buying finished lots to engage in horizontal land improvement and vertical construction of buildings resulting in greater revenue
 - Utilities – partnering with Housing O² to expand their customer base resulting in greater revenue
 - Local Governments – increasing property values resulting in higher tax revenue
 - Local Communities – enabling communities to recover from COVID by creating a housing inventory for workers that are employed by local employers
 - Housing Programs – partnering with Housing O2 to provide a variety of housing structures for people with different income levels
 - Vendors of Construction Products and Services and Manufacturers of Housing – partnering with or selling to Housing O² Projects in the building of new housing resulting in greater revenue
 - Financial Institutions – partnering with or providing acquisition, improvement, construction, and operating capital for housing development that benefits the communities in which they work resulting in greater revenue



For more information, contact:

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Or

Visit our website:

<http://www.housingo2.com>