

Housing O2 Seeks Communities for Micro Public Private Partnerships to Develop Workforce Housing

The combination of Housing O2, local governments and local employers enables private rent to own funding model for low-income, full-time workers

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EINPresswire.com/ -- [Housing O2 LLC](#) is launching a series of micro public private partnerships to develop workforce housing for local communities across the United States.

Each partnership will include Housing

O2 LLC, a municipal and/or county government, one or more local employers and one or more stakeholders. This combination enables Housing O2 LLC to make each property shovel ready and to raise funding needed for construction.



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Karl Dakin, Chief Executive Officer, Housing O2 LLC

The United States is experiencing a workforce housing shortage disaster that is preventing employment and hindering economic recovery resulting in higher poverty. This segment of the housing market is called the ‘missing middle’ because nearly all housing programs fail to enable home ownership for the people who work at our local businesses. A lack of workforce housing is particularly acute in rural communities, resort areas and communities of color. The National Association of Realtors estimated that over 5.5 million new affordable homes are needed to address this shortage.

The goal of each partnership is to enable a group of 25 to 100 low-income, full-time workers to participate in a program where they rent constructed housing for five years while employed and then purchase the unit they are renting.

“We are working to set up and manage as many workforce housing development projects as soon as possible to help local communities survive and thrive,” said Karl Dakin, Chief Executive Officer, Housing O2 LLC.

Using a unique funding model crafted by the [Capital Innovation & Technology Institute](#), housing units are pre-sold to local employers with the purchase date set five years after construction. The units are sold to the employers at 10% below market and then resold by the employers to their employees at full value in a double closing. The employers use the discount to make a down payment on behalf of their employees. With no cash requirement, employers get a five-year recruitment and retention program.

Micro Public Private Partnerships Can Advance Workforce Housing Development



Local governments act to accelerate the entitlement process. Optimally, local governments may provide the land for the partnership and take a carried interest. An in-kind investment of the land reduces the cash needed to launch a partnership. Upon sale to the employees, the local government may earn market rates on their investment and roll over the proceeds to new projects.

First stage financing of the partnerships will come from private investors or the planned HO2 Acquisition & Entitlement Fund LLC (the 'Fund'). In either option, a dedicated subsidiary of Housing O2 LLC will acquire land or place it under an option contract, obtain authorization of the local government to build residences and either sell the property upon entitlement or raise funding for land improvement and construction of the housing units.

Housing O2 LLC is engaged in the development of workforce housing projects to provide needed housing for full-time, low-income workers and enable local communities to recover from COVID. Stakeholders, comprised of interested local governments, community leaders, employee associations, employers, builders, vendors of construction products/services, manufacturers or fabricators of buildings and financial institutions and/or utilities, may contact Housing O2 LLC to discuss forming a partnership within their community.

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