

## DECATUR LEGACY BOARD MEETING

Thursday, September 29, 2022 - 5:30 P.M.

Decatur Legacy Park – 500 S. Columbia Drive—ADMINISTRATION BUILDING AUDITORIUM

### AGENDA

1. Call to Order
2. Review and Approval Meeting Minutes from July 28, 2022
3. Action Item:
  - A. Presentation of a proposal from PadSplit, Inc. to assist with tenant recruitment and residential apartment management for a co-housing model program in Edwards and Trustees Cottages that are part of the Creative Village. In return for identifying and screening tenants that meet income and artistic requirements set by Legacy Decatur, managing tenant relations, on-site quality control, 24/7 resident support and monthly remittance and revenue reporting, PadSplit will receive 12% of the rent revenue. This co-housing model offers the most effective method of providing affordable housing options in the Creative Village. If the model is successful, we will recommend expanding it to include the efficiency and on-bedroom units in Smith Cottage next year.

*Staff recommends authorization to negotiate a contract agreement with PadSplit, Inc. and authorization for the Executive Committee to approve a contract based on the attached proposal and recommendation memorandum.*

- B. Extension of the existing agreement with Inspiritus, Inc for the lease of Sam Bell Cottage. The board approved a short-term lease with with Inspiritus Inc for the lease of Sam Bell Cottage through December 31, 2022. They have requested an extension of the lease through May 31, 2023 to allow the children of the current tenants to complete the school year. Based on the current schedule for the RFQ submittals, RFP invitations and subsequent selection of a developer for the proposed North Village project, this request extension will not delay the proposed development project.

*Staff recommends authorization to extend the lease with Inspiritus, Inc for Sam Bell Cottage for a period not to exceed May 31, 2023 with the provision that the building be available for scheduled tours for prospective developers coordinated by Legacy and Inspiritus staff in advance.*

4. Project Updates:
  - Grant updates and timelines for Creative Village Project, Playground and Pond Boardwalk
  - Truckin Tuesdays Report
  - Upcoming Festivals and Events
5. Additional Business
6. Adjourn

# LEGACY | DECATUR

## MEMORANDUM

TO: LEGACY DECATUR BOARD  
FROM: MADELEINE HENNER  
RE: RESIDENTIAL PROPERTY MANAGEMENT FOR CREATIVE VILLAGE  
DATE: SEPTEMBER 26, 2022

The purpose of this memorandum is to outline a residential property management option for the Creative Village and to recommend authorization to move forward with a contract. The Creative Village, included in the Legacy Park Master Plan, consists of four former group residential cottages at Decatur Legacy Park to be repurposed to provide affordable residential units and working studios for qualified area artists.

With the \$229,000 grant and foundation funding we have allocated for the Creative Village, we will prioritize the renovation of Edwards and Trustees Cottages. In order to maintain the historic character of Cottages and be responsible stewards of the funds, we plan to utilize the existing apartment layouts. There are eight apartment units in total between these two cottages ranging in size from (1) efficiency, (4) two-bedroom, (2) three-bedroom and (1) four-bedroom units.

The most effective way to provide the maximum number of affordable residential units in the Creative Village is to use a co-housing model, also referred to as Single Room Occupancy (SRO). Individuals would rent a private bedroom and share a kitchen, living room, laundry room and bathrooms with an apartment mate(s). The co-housing model could allow up to 19 individuals to rent shared residential space in these two cottages.

The co-housing model offers a very affordable housing option for young, low-income individuals and an opportunity to build credit as rent payments are tracked and reported. However, co-housing also involves a level of tenant screening and management that is beyond the capabilities of Legacy Decatur staff. Therefore, we propose contracting with PadSplit, Inc, currently the largest co-living marketplace in the United States with an estimated 5,000 active units and 10,000 households served, to design a unique, pilot project for the Creative Village at Legacy Park.

In return for 12% of the rent generated, PadSplit would offer marketing services, generate demand, screen residents, provide ongoing 24/7 resident support, process all rental payments,

maintain on-site quality control, and issue monthly remittance and revenue reporting to property owners. They would work with us and the Decatur Arts Alliance to create a unique screening component, assuring that working Dekalb County artists meeting our AMI income limits are given preference for these units.

Based on a conservative estimate, we anticipate an annual rental revenue from these two buildings of \$102,000 a year with a management fee of \$12,240.00. We recommend that the board authorize the staff to move forward to negotiate a contract with PadSplit for the management of affordable, residential housing for artists in Edwards and Trustees Cottages in the Creative Village. A final contract will be presented to the Executive Committee for review and brought to the full board for final approval. We have researched several options to provide affordable, artist housing and have determined that the co-housing model offers the most cost-effective and efficient option to meet our goals. We recommend that the board authorize us to move forward with this plan.



Subject: Proposal for Housing Management at Legacy Park

To Whom It May Concern:

PadSplit, Inc is a Public Benefit Corporation on a mission to solve the affordable housing shortage by leveraging housing as a vehicle for financial empowerment for low-income households, and we are currently the largest co-living marketplace in the US with almost 5,000 active units and over 10,000 households served. In an effort to create affordable housing supply that is accessible and affordable within Legacy Park inside the City of Decatur, we are pleased to present the following proposal.

After reviewing the current conditions and scope of work for the Edwards Cottage and Trustees Buildings at Legacy Park, we anticipate at least **14** individual bedrooms that we propose to manage.

**Resident Management:**

For all units, PadSplit can provide marketing, demand generation and screening of all residents, ongoing 24/7 resident support, all payments processing and collections of any rental amounts due, on-site quality control, monthly remittance and revenue reporting to property owners,

PadSplit does not bill separately for marketing, personnel costs, lease-up, or collections services, and instead bills a **flat 12% fee on any collected revenue with no minimum charge**. If we cannot fill the units or do not collect rents from our residents, we do not collect any fees. We do accept credit card and debit card payments from residents, but these non-ACH transactions will incur a 2.75% credit card processing fee. Our fee also includes rent-reporting to credit bureaus which have increased credit scores for 95% of our residents, and we also include free access to tele-medicine and job staffing services. Our resident screening includes income verification, identity verification, and background checks.

For no additional fee, we can provide up to 8 hours of design and construction consultation services, including specifications for each bedroom and furnishings, as well as a recommended unit pricing per bedroom.

**Property and Asset Management:**

If desired, PadSplit can also provide both asset and on-site facilities management services, including addressing all maintenance requests, ongoing management of utility accounts,

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**Address**

1151 Walker Rd Ste 236  
Dover, DE 19904





monthly quality control visits, ongoing coordination with PadSplit regarding pricing or resident dispute & escalations, and a variety of ancillary services.

These services are provided by our affiliate entity, Two Keys Property Management, LLC, and billed as an asset & property management fee of **6% of collected revenue, billed monthly**. Additional service charges that are not included are listed below.

Member Onboarding Support: \$50.00 Per Move-In:

- Inspection of Room Day of Move-In: (Verification/Testing of Door Codes, Lights, Outlets, Inventory of Furniture, Pre-Move in Pictures)

Landscaping: \$125.00 per Month

- Bi-Weekly Cut, Trim, Edge, Hedge Trimming, Blow

Pest Control: \$150.00 per Quarter

- Excludes Bedbug Remediation. \$50.00 per Bedbug Remediation

Member Offboarding: \$50.00 a Member

- Room Turn Services: (Physical Vacancy Verification, Inventory of furniture, Damage Assessment, Cleaning/Prep, Holdover negotiations)

Eviction Support: Cost+\$100.00

- Hire Manage Lawyer/Service, Manage Eviction Process, Testify if Needed

Put Out Services: \$50.00 per visit

- Coordination with Marshals, Onsite Assistance at Put-Out Day

Same Day Emergency Property Visit: \$40 during Business Hours per Visit/\$100 After Hours

Cleaning Service: \$50.00 per Month (Common Areas Only)

General maintenance technician service visits will be billed at \$45/hour.

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We are happy to provide referrals from both residents and property owners upon request, and you can also view some of those stories [here](#), as well as our updated community impact report [here](#). We have been honored to be included in the list of the fastest growing private companies in the US, as well as the Best in the Business by Inc. Magazine, and we've also been awarded as the Affordable Housing Solution of the Year in 2021, a Georgia PaceSetter, and an Atlanta Corporate Citizen of the Year.

We look forward to the possibility of working with the City of Decatur and Legacy Park to continue our mission here at home.

Thank you for your consideration,



Atticus LeBlanc  
CEO  
[atticus@padsplit.com](mailto:atticus@padsplit.com)  
770.714.4617

# LEGACY | DECATUR

## MEMORANDUM

TO: LEGACY DECATUR BOARD  
FROM: LYN MENNE  
RE: EXTENSION OF INSPIRITUS LEASE OF SAM BELL COTTAGE  
DATE: SEPTEMBER 23, 2022

The purpose of this memorandum is to request authorization to extend the short-term lease with Inspiritus, Inc for Sam Bell Cottage through May 31, 2023 to allow current residents to remain through the end of the current school year. The board authorized a lease with Inspiritus, Inc for the period March 1, 2022-December 31, 2022 to address a short-term housing need. This project has been successful for all involved and has not had a negative impact on our plans to move forward with the development of the North Housing Village. It also generated rental income of \$3,000 per month providing \$36,000 in rental income for the current fiscal year to support park operations.

Based on our current timeline for the North Village Project, we do not anticipate having a development partner selected before March 1, 2023. Project plans and permitting would then be required prior to any construction start. Therefore, allowing the continued use of Sam Bell Cottage through May 31, 2023 will not have a negative impact on the project. In addition to continuing to support this partnership, this extension will generate \$15,000 in rental income to support park operations in FY2023.

Inspiritus would continue to be responsible for maintenance, repairs and tenant relations through the term of this extension and understands that no additional extensions will be granted beyond May 31, 2023. The lease extension would also authorize us to schedule tours of Sam Bell during the RFQ and RFP process. I recommend authorization to pursue an extension of a lease with Inspiritus, Inc for Sam Bell Cottage for a period not to exceed May 31, 2023.