CASE STUDIES

# INCREASING THE SUPPLY OF NEW AFFORDABLE HOUSING

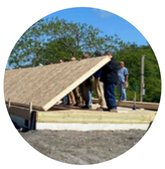
## CASE STUDIES FROM HUD'S COMMUNITY DEVELOPMENT PROGRAMS

AFFORDABLE HOUSING SUPPLY PRIMER | CASE STUDIES

# CASE STUDIES

The following case studies demonstrate how communities have layered various funding sources, including CPD programs, and employed creative models into planning and developing their own affordable housing.

**Check out these developments:**



## GURNEY'S BEND
Hazard, KY

## HOPE MANOR VILLAGE
Chicago, IL

## LIBERTY BANK BUILDING
Seattle, WA

## PRESERVATION CROSSING
Hattiesburg, MS

## RIVER AT EASTLINE VILLAGE
Tempe, AZ

## SAVANNAH GARDENS
Savannah, GA

## THE RESIDENCES AT CAREER GATEWAY
Columbus, OH

## THE RESIDENCES AT NORTH HILL
Fairfax County, VA

## THE RIDGEWAY
Yonkers, NY

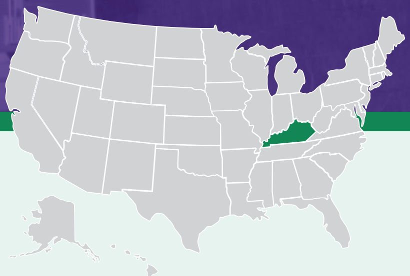
## THE ROW FREMONT
Fremont, NE

## TUSCANY COVE APARTMENTS
Miami, FL

## 157 WASHINGTON
Dorchester, MA

# Gurney's Bend

Hazard, KY



## AT A GLANCE

**Beneficiaries:** Low- and very low-income residents of Hazard

**Single-Family Housing:**
15 units, for sale

- 100% affordable

**Key Development Strategies:**

- Reduced or waived fees for qualifying projects
- Deed-restricted homeownership

**For More Information:**
[Housing Development Alliance, Inc.]

## OVERVIEW

### *The Project*

Gurney's Bend is a single-family development of 15 affordable, for-sale houses in Hazard, located in eastern Kentucky's Perry County. Hazard is the primary city in this mostly rural county. The development is on the site of a former abandoned shopping center. The City of Hazard wanted to use the site for affordable housing and partnered with Housing Development Alliance, Inc. (HDA), a regional nonprofit organization, which is known for its housing development expertise. The houses range in size from three bedrooms, one bathroom, to four bedrooms, two bathrooms.

The city obtained CDBG funding to purchase the site, demolish the shopping center, and develop the necessary infrastructure. The city then sold the land to the developer at a reduced cost. Gurney's Bend is the largest housing development in Hazard within the past 40 years and the houses sold quickly.

### *The Developer*

HDA serves low-income families in Breathitt, Knott, Leslie, and Perry counties, all of which are designated as "distressed" by the Appalachian Regional Commission. These counties are among the poorest in the United States. Statistically, 42% of the area's households earn $25,000 per year or less, while 15%

subsist on $10,000 per year or less. Approximately 40% of the households in these counties are inadequately housed. HDA's mission is to develop affordable single-family homes to help area residents establish wealth to end the cycle of generational poverty.

HDA generally builds scattered site projects of one to four houses. Individual houses cost approximately $120,000 to build. HDA keeps the cost of construction low by using its own construction staff, some of whom have learned their trades through the HDA's job training programs, and volunteers. Given the low-income levels of area families, purchasers can usually borrow a maximum of between $80,000 and $100,000. The gap between the cost to build and the families' purchasing power is often filled with HOME funds.

## AFFORDABLE HOUSING STRATEGIES

**Reduced or waived fees for qualifying projects:** The City of Hazard reduced various fees to lower development costs in order to make the homes affordable for families in this "distressed" county. For example, the city waived the water and sewer hook-up fees, which saved HDA $2,000 per unit.

**Deed-restricted homeownership**: As CPD funding contributed to the overall project, the housing must remain affordable for a specific period of time. If a homeowner resells the house during the affordability period, they must repay a pro-rated portion of HDA's investment, depending on the number of years elapsed. It is likely that the majority of the homes will be resold to program-eligible households to whom the affordable covenant can be transferred.

**Redeveloping vacant and blighted property:** The city allowed the developer to demolish an abandoned strip mall to develop the site for single-family homes.

### CHALLENGES AND LESSONS LEARNED

The Gurney's Bend site included a hillside that slopes down to a creek, with a portion situated on a flood plain. To ensure that families were not overburdened by flood insurance costs or the increased vulnerabilities of living on a flood plain, HDA surveyed the house sites separate from the hillside to avoid locating the houses on the flood plain.

As the development occurred under the COVID-19 pandemic protocols, HDA encountered construction delays and increased material costs. Additionally, potential buyers were faced with changing family budgets, thus delaying decision-making and even required some families to drop out due to reductions in wages and difficulties with securing a mortgage.

## KEY PARTNERS

**United States Department of Agriculture (USDA) Rural Development** Section 502 Single Family Housing Direct Home Loans supplied the bulk of the projects' permanent financing.

**Kentucky Housing Corporation** provided HOME funds and Affordable Housing Trust Funds, which were critical sources of gap financing.

**The City of Hazard** was an active partner in this development by allowing the demolition of the commercial site and reducing various fees, which helped lower the development costs.

**The Appalachian Impact Fund** provided funding to HDA to purchase the site. These funds were replaced by the permanent financing.

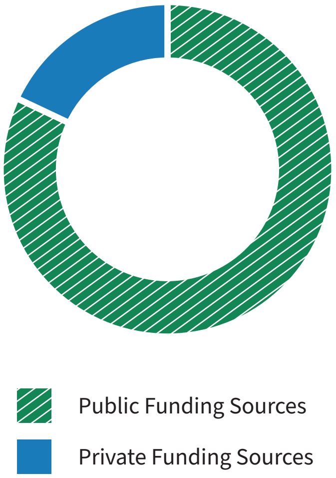
**The Federation of Appalachian Housing Enterprises (FAHE)** provided construction financing for the development. These funds were replaced by the permanent financing as well.


Before


After

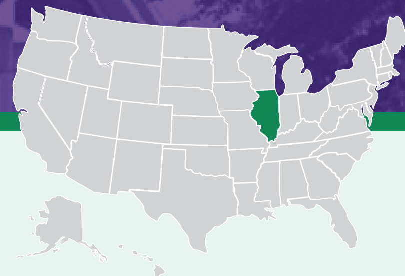
## FUNDING SOURCES

| Public Funding Sources | AMOUNT |
|---|---|
| USDA Rural Development Section 502 Single-Family Housing Direct Home Loans | $1,286,786 |
| HOME (State) | $473,571 |
| State Affordable Housing Trust Fund | $372,621 |
| Housing Assistance Council – Self-Help Ownership Program Grant | $161,923 |
| State Energy Program | $6,429 |
| **PUBLIC FUNDING TOTAL** | **$2,301,330** |
| **Private Funding Sources** | **AMOUNT** |
| Federal Home Loan Bank Affordable Housing Program | $168,729 |
| American Electric Power Foundation | $119,520 |
| Community Housing Development Organization Proceeds | $91,256 |
| Delores Barr Weaver Foundation | $85,714 |
| Sweat Equity | $13,500 |
| Homebuyer Funds | $10,506 |
| Hope Building (ARC Power) | $8,447 |
| HDA Internal Grant | $6,429 |
| Other | $1,071 |
| **PRIVATE FUNDING TOTAL** | **$505,172** |
| **TOTAL COMBINED FUNDING AMOUNT** | **$2,806,502** |



# Hope Manor Village

Chicago, IL



## OVERVIEW

### *History*

The Englewood neighborhood, located on Chicago's South Side, experienced increasing disinvestment from the late 1960s through the late 1990s. Disinvestment from the neighborhood was exacerbated by numerous foreclosures during the housing crisis in 2006 through 2008. By 2010, Englewood had the largest proportion of vacant lots and boarded up buildings in Chicago. On some residential blocks, up to 60% of all available parcels as vacant lots or abandoned structures.

### *The Project*

The developer of Hope Manor Village—Volunteers of America Illinois (VOA Illinois)—forged strong relationships with area residents during prior revitalization efforts and recognized that revitalization efforts would require block-by-block, long-term strategies. They used a three-pronged approach: (1) building new affordable rental housing on vacant lots, (2) redeveloping abandoned dwellings for homeownership opportunities, and (3) redeveloping vacant commercial parcels into community amenities. VOA Illinois convened stakeholders and city and community leaders through focus groups and other methods to obtain input on utilizing a human-centered design approach.

## AT A GLANCE

**Beneficiaries:** Low-income households

**Multifamily, Scattered Site Housing:**
36 units

- 16 two- and three-unit buildings
- 100% restricted for households at 15% to 60% of AMI

**Key Strategies:**

- Upzoning
- Redeveloping blighted and vacant private property

**For More Information:**
[VOA Illinois]

Completed in 2021, the first phase of what is now referred to as Hope Manor Village is a scattered site infill development consisting of 36 two-bedroom apartment units housing residents with income tiers at 60%, 50%, 30%, and 15% of AMI. The buildings comprise 16 two- and three-unit buildings—often referred to as two- and three-flats in Chicago–with exterior features similar to a rowhouse or townhouse, fitting seamlessly within the predominant development patterns of the neighborhood.

## AFFORDABLE HOUSING STRATEGIES

**Upzoning:** VOA Illinois and the community aimed to create and maintain density and population growth in the residential sections of Englewood. Development of the two- and three-flats addressed the first element of the three-pronged strategy by building new affordable rental housing on 16 vacant lots.

Members of the community indicated a strong preference for rowhouses or townhouses to blend in with existing occupied housing, rather than three- or four-story apartment buildings with courtyards. While it was ultimately more expensive to develop smaller buildings on scattered sites, this design was instrumental in gaining community support for the project.

**Redeveloping blighted and vacant private property:** The City of Chicago provided VOA Illinois with the 16 vacant lots on which the dwellings were built. The land, in addition to obtaining LIHTC and HOME funds from City of Chicago, enabled the project to be built.

### CHALLENGES AND LESSONS LEARNED

Scattered site development is difficult for numerous reasons. While the positive impact on the affected blocks in Englewood has been considerable, the effort involved in developing individual parcels of land resulted in a greater per unit cost than if the 36 units were housed in one or two buildings. In addition, the LIHTC program tends to favor more units concentrated in fewer buildings, which offers greater economies of scale in costs. For example, VOA Illinois had to pay to complete and file 16 separate Form 8609s to obtain a housing credit allocation from the housing credit agency. Additionally, leasing 16 separate buildings with a traditional LIHTC credit delivery structure and schedule was a significant challenge, with each building being treated as a separate credit delivery target.

Despite these difficulties, however, VOA Illinois was committed to meeting the community's needs and thus required innovative ways to solve the problems inherent in utilizing traditional LIHTC tools in a scattered site project. Incorporating community members' insights about design helped to gain much needed support for the development and ultimately increased the project's marketability and impact on the community.

## KEY PARTNERS

**Local Initiatives Support Corporation (LISC)** is an active participant in VOA Illinois' Hope Manor Village development.

**Teamwork Englewood (TWE),** formed as part of the New Communities Program, is sponsored by LISC and the MacArthur Foundation. TWE works with VOA Illinois to advance quality-of-life initiatives in Englewood.

**Neighborhood Housing Services** is helping VOA Illinois to revitalize the blocks comprising Hope Manor Village.

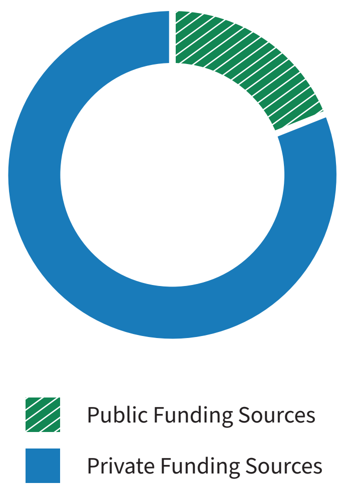
**The Resident Association of Greater Englewood (R.A.G.E.)** works with VOA Illinois to foster resident involvement in Hope Manor Village.

**DL3 Realty** developed Englewood Square, a new commercial development very close to Hope Manor Village. The development provides amenities, such as a Whole Foods store, for Hope Manor Village residents.

**The City of Chicago** has been an instrumental partner in the development of Hope Manor Village by donating the vacant lots and providing HOME funds for the development of the 16 two- and three-flats.

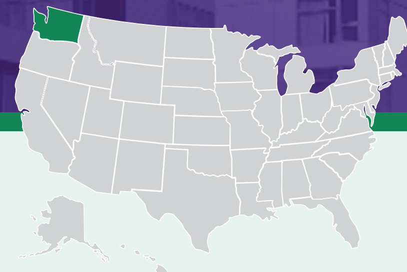
## FUNDING SOURCES

| Public Funding Sources | AMOUNT |
|---|---|
| HOME (City) | $2,656,111 |
| **PUBLIC FUNDING TOTAL** | **$2,656,111** |
| **Private Funding Sources** | **AMOUNT** |
| LIHTC | $10,125,037 |
| VOA Illinois Seller Financing Loan | $28,500 |
| Home Depot Grant | $400,000 |
| Volunteers of America National Services Capital Magnets Loan | $250,000 |
| Federal Home Loan Bank Affordable Housing Program | $540,000 |
| **PRIVATE FUNDING TOTAL** | **$11,343,537** |
| **TOTAL COMBINED FUNDING AMOUNT** | **$13,999,648** |



# Liberty Bank Building

Seattle, WA



## OVERVIEW

### *The Project*

The Liberty Bank Building in Seattle, Washington's Central District is a mixed-use, 115-unit affordable housing and retail development on a historic site previously home to the first bank west of the Mississippi River dedicated to serving the Black community. The formerly redlined neighborhood was a hub in the city's civil rights movement but has experienced demographic changes and gentrification in recent decades. The Liberty Bank Building addresses displacement by facilitating the reestablishment of Black businesses and unrooted Black community members and contributing to an Africatown community identity.

The site developer—Community Roots Housing—established partnerships with local Black-owned nonprofit organizations, including Byrd Barr Place, Africatown Community Land Trust, and the Black Community Impact Alliance. The establishment of the Liberty Bank Advisory Board allowed the developer and community stakeholders to hold critical conversations about how to create a place that adds to the Black community's social network in the Central District and honors the history of the neighborhood and the story of the site.

## AT A GLANCE

**Beneficiaries:** Area residents and Black-owned businesses that were experiencing displacement due to gentrification

**Multifamily Rental Housing:** 115 units

- Studio, one-bedroom, and two-bedroom
- 100% restricted for households up to 60% AMI

**Key Strategies:** Upzoning

**More Information:** [Community Roots Housing]

The Liberty Bank Building's aesthetic encourages a sense of community through its courtyard, lounge, workshop spaces, and rooftop terrace. The site consists of 115 units—studio, one-bedroom, and two-bedroom—of which 100% are dedicated to households with incomes of up to 60% of AMI and that actively advertise the development to low- and moderate-income Black residents. Despite a first-come, first-served application process for rental units, there has been extra outreach with the goal of encouraging low-income Black residents to move to and/or return to the neighborhood. Additionally, several units in the building are targeted to special-needs households, and Community Roots Housing partners with a local organization that provides services to the residents of these units. The property also houses commercial tenants—primarily Black owned businesses—including Communion Restaurant, which focuses on "Seattle soul" cuisine.

The development was part of the Seattle Multifamily Tax Exemption Program through which the city provides a tax exemption on eligible multifamily housing in exchange for income- and rent-restricted units. This program supports mixed-income development in the urban centers and helps to preserve affordability.

## AFFORDABLE HOUSING STRATEGIES

**Upzoning:** The site needed to be upzoned for higher density. In order to maximize the amount and quality of affordable housing in this location, a legislative rezone was considered based on the 23rd Avenue Action Plan Urban Design Framework. Due to the timeline of the legislative process, the proposed project sought and was granted a Contract Rezone.

### CHALLENGES AND LESSONS LEARNED

As urbanization grew and the tech industry dominated Seattle from the late 1990s to the present, low- to middle-income Black residents have been increasingly unable to live in the Central District due to a rapidly rising cost of living. The Liberty Bank Building's neighborhood has seen significant change—the percentage of Black residents in the Liberty Bank Building's census tract went from 90% in 1970 to 11% in 2017.

The developer and community stakeholders showed a commitment to the community by signing a memorandum of understanding (MOU) that led the way for future Black ownership of the building by a community organization. In the MOU, Black-owned businesses are prioritized for the three commercial spaces, minority and Black-owned businesses are prioritized for subcontractors, and an innovation fund is maintained to help develop Black-owned businesses in the Central District.

The project departs from typical models of private developments looking to turn a profit and that do not include the community in their development decisions.

## KEY PARTNERS

**Africatown Community Land Trust** acquires, develops, and stewards land in Greater Seattle to empower and preserve the Black diaspora community.

**Byrd Barr Place** is an organization that helps community members develop a path toward self-sufficiency by providing food and financial assistance to avoid eviction. The organization has a 20% interest in the general partnership, which will likely be transferred to Africatown.

**Black Community Impact Alliance** is a group of cooperating organizations that serve the Black community in western Washington State and assist with community advocacy for the project and outreach.

The involvement of these organizations was crucial to ensuring that the Liberty Bank Building had community and political support, which facilitated the development process.

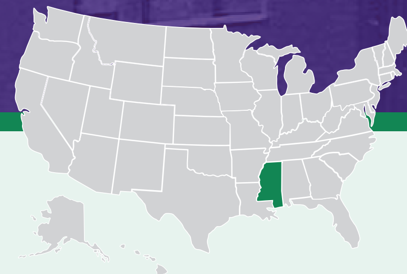
## PROJECT COSTS

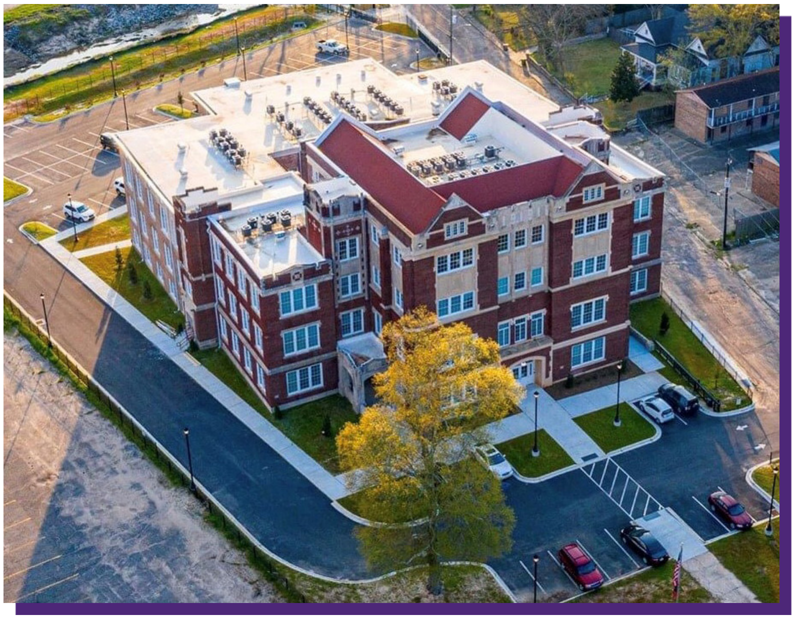
A primary source of revenue for this development was the City of Seattle Housing Levy. In 2016, Seattle voters approve a $290 million levy to create affordable housing. Spanning 7 years, the median cost to Seattle homeowners is $122/year or $10.17 per month. The Housing Levy provides short-term loans for strategic purchases of rental housing to preserve affordable rents for residents and also for land to be used for future housing projects.

| Public Funding Sources | AMOUNT |
|---|---|
| City of Seattle Housing Levy | $12,220,000 |
| State Affordable Housing Trust Fund | $1,000,000 |
| CDBG (City) | $400,000 |
| **PUBLIC FUNDING TOTAL** | **$13,620,000** |
| **Private Funding Sources** | **AMOUNT** |
| LIHTC | $10,074,425 |
| Enterprise Community Partners Real Estate Capital | $8,100,000 |
| Wyncote Foundation | $200,000 |
| Other Capital Campaign Funders | $2,232,475 |
| **PRIVATE FUNDING TOTAL** | **$20,606,900** |
| **TOTAL COMBINED FUNDING AMOUNT** | **$34,226,900** |

# Preservation Crossing

## Hattiesburg, MS





## AT A GLANCE

**Beneficiaries:** Low- and very low-income individuals, age 55+

**Multifamily Rental Housing:** 74 units

- 100% restricted for households at 30% to 60% of AMI

**Key Strategies:**

- Adaptive reuse of public buildings
- Historic Tax Credits (HTCs)

**For More Information:** [Intervest Corporation]

## OVERVIEW

### *History*

In Hattiesburg, Mississippi, Preservation Crossing is an adaptive reuse of the former Hattiesburg High School, originally constructed in 1911 and serving students until 1959. Following the closure of the building as a public school in 1959, it was used as office space for the Hattiesburg Public School District and later as an antique mall/flea market. The structure was classified in the National Registry as a historic landmark in 1987. In 2002, Old Hattiesburg High School was acquired by the Historic Hattiesburg Downtown Association. After enduring heavy structural damage during Hurricane Katrina in 2005 and extensive fire damage in 2007, the historic building remained vacant for many years.

### *The Project*

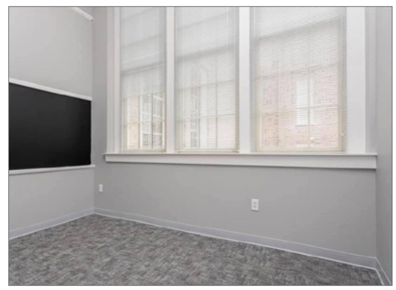
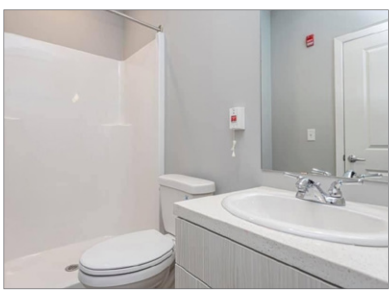
A development firm and property management company—Intervest—had a plan to save this historic structure and provide the community with much needed affordable housing for seniors. Preservation Crossing preserved the historic integrity of the structure and created a 74-unit, 100% affordable apartment complex for senior citizens. The project contains 15 units for residents at or below 30% of AMI and 59 units for residents at or below 60% of AMI.

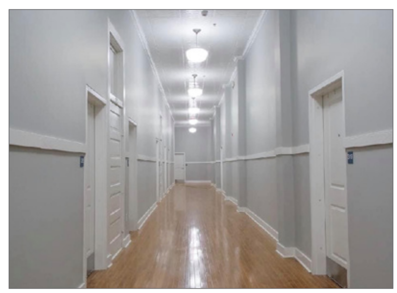
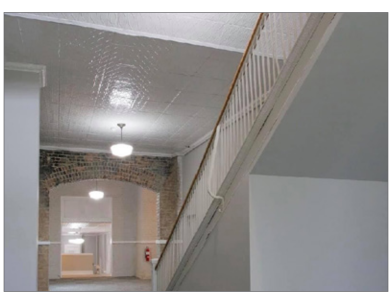
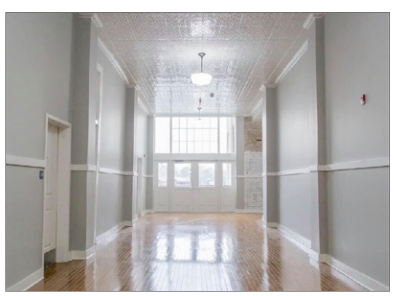
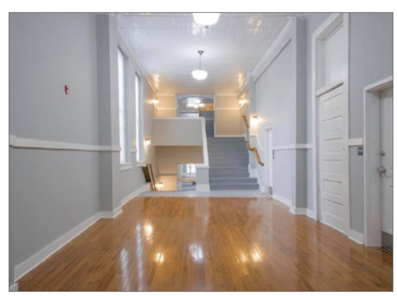
## AFFORDABLE HOUSING STRATEGIES

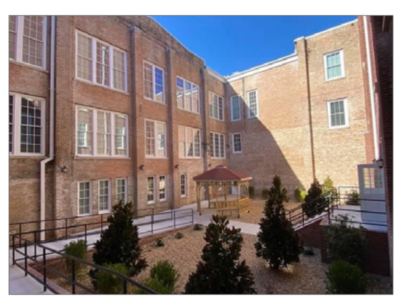
**Adaptive reuse of public buildings:** In the 1950s, a new Hattiesburg High School was developed at a different site. The city tried to use the old site to house city offices and, at one time, the University of Southern Mississippi considered offering classes there. However, this effort fell through because making the structure habitable would have required funds beyond what the city and university were able to commit. The site required both a Phase I and Phase II Environmental Review due to the presence of lead-based paint and asbestos, which were removed from the premises during interior renovation.

**Historic Tax Credits (HTCs):** This redevelopment would not have been completed if not for the receipt of HTCs that allowed for the development of housing while maintaining the historic aspects of the building. The fact that Hattiesburg High School was designated as a historic site eliminated some of the concerns that the community had toward affordable housing developments as community residents were amenable to using the site for senior housing as long as the high school was not demolished.



## KEY PARTNERS

**Wallace Architects**, with which Intervest had previously worked, designed the building for residential use. Having an existing relationship with the architect facilitated the design process.

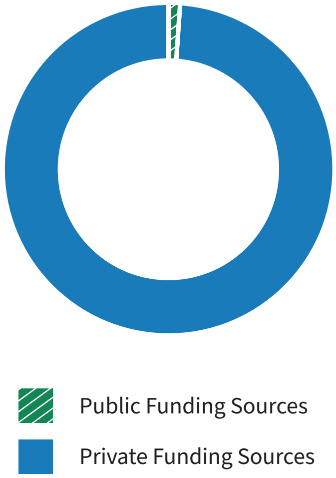
**The Mississippi Home Corporation (MHC)** played a critical role by allocating the National Housing Trust and Financial Institutions Housing Opportunity Pool (FIHOP) funds for the development.

**The Historic Hattiesburg Downtown Association,** which is dedicated to revitalizing and preserving downtown Hattiesburg, played an integral role by being a liaison between municipal departments to help support this monumental undertaking.

**Hunt Capital Partners** was the tax credit syndicator.

## FUNDING SOURCES

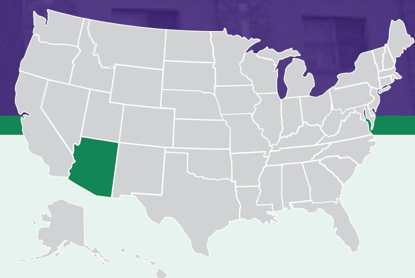
| Public Funding Sources | AMOUNT |
|---|---|
| National Affordable Housing Trust Fund | $500,000 |
| FIHOP* CRA Credits (via MHC) | $1,075,000 |
| **PUBLIC FUNDING TOTAL** | **$1,575,000** |
| **Private Funding Sources** | **AMOUNT** |
| LIHTC | $10,041,783 |
| State Tax Credits  State Historic Tax Credits | $2,700,797 |
| Deferred Developer Fee | $1,170,546 |
| Cash From Operations | $96,441 |
| **PRIVATE FUNDING TOTAL** | **$14,009,567** |
| **TOTAL COMBINED FUNDING AMOUNT** | **$15,584,567** |




* FIHOP, together with MHC, brings Community Reinvestment Act (CRA) investment opportunities to the Mississippi banking community.

# River at Eastline Village

Tempe, AZ



## OVERVIEW

### *The Project*

The River at Eastline Village is an affordable multifamily housing development located in the Escalante neighborhood of Tempe, Arizona. This transit-oriented development sits along the Valley Metro Light Rail on Apache Boulevard near Arizona State University and the Tempe Marketplace, which provides numerous dining and shopping options

The development consists of 56 affordable units for families that are accessible to the physically disabled and sensory impaired. The units themselves are some of the largest rental units within the submarket. A central community center is located on the ground floor, offering a leasing office and multi-use facility used for after school programs, educational assistance, a computer lab, a fitness center, and office space for counseling and case management.

### *History*

Over the course of 10 years, the Housing Authority of Maricopa County (HAMC) added or rehabilitated 600 affordable units across its portfolio, with a total development cost of more than $120 million. HAMC also is the first public housing authority in the State of Arizona to have transitioned all of its public housing units through Rental Assistance Demonstration (RAD)

## AT A GLANCE

**Beneficiaries:**
Low-income residents

**Multifamily Rental Housing:**
56 units

- one-, two-, and three-bedroom
- 100% restricted for households at 40 to 60% of AMI

**Key Strategies:**

- Rental assistance
- Redevelopment of public land
- Creation of ADA units
- Transit-oriented development

**More Information:**
**Gorman & Company**

conversion. HAMC leveraged the existing capital reserves of the older public housing projects with financing from private lenders to modernize about 500 units during the RAD conversion. The River at Eastline Village is a key component of its efforts to modernize its housing stock.

HAMC, in partnership with the developer Gorman & Company, redeveloped and "transferred assistance" of two existing public housing developments to The River at Eastline Village. The 56 units of original public housing were converted to project-based rental assistance under the RAD program.

## AFFORDABLE HOUSING STRATEGIES

**Increasing ADA Units:** In keeping with Gorman & Company's core value of actively providing equal access to opportunities and resources to all, the company decided to make all of the units in the development accessible for persons with disabilities. The residents also benefit from the Community Service Facility onsite and the proximity to public transportation.

**Redevelopment of public land and upzoning:** The site and surrounding parcels were part of a development plan approved by the city; however, the land was mostly under private ownership. HAMC now holds the land, which they leased back to the tax credit partnership under a long-term ground lease for $1 per year. In Arizona, when a county or local government

owns property, developments located on the property are exempt from paying property taxes. In addition, the development benefited from the fact that the county is exempt from zoning requirements on land that it owns. This tool is an effective way to increase density.

**Rental assistance:** When public housing properties undergo a RAD conversion, the public housing authority may convert the public housing assistance and move it to a new property location, either to an existing property or to a property to be constructed. This is called "transfer of assistance." Public housing authorities may allow the transfer of assistance from poorly performing developments to sites that are more financially viable and have superior neighborhood amenities. HAMC was willing to transfer assistance from two of its substandard sites to the new transit-oriented site in the Escalante neighborhood in Tempe.

The guaranteed 20-year project-based rental assistance contract allowed the developer to leverage debt but also allowed the high-quality, newly constructed units targeted to low- and very low-income residents.

### CHALLENGES AND LESSONS LEARNED

Based on design criteria and its transit-oriented location, the City of Tempe required a significant commercial component located on the ground floor. However, this requirement posed a problem as the area had experienced high retail vacancies of several mixed-use developments as the site was not situated in downtown Tempe. Additionally, the River at Eastline Village was limited in the type of retail establishments it could house due to the restrictive requirements of the Federal tax credits, which were a key financing component of the project's budget.

Gorman & Company sought out a local partner—Newtown Community Development Corporation (CDC)—to use the space as a Community Service Facility and to help with developing the space for housing counseling and financial literacy training, in addition to having the CDC rent office space at a below-market cost.

Because the property is located near the Metro Light Rail and the University, dining and shopping is easily accessible to the property's residents.

## KEY PARTNERS

**The City of Tempe** helped to expedite the development process and provided CDBG funding to the project.

**The County of Maricopa** assisted with zoning and tax incentives.

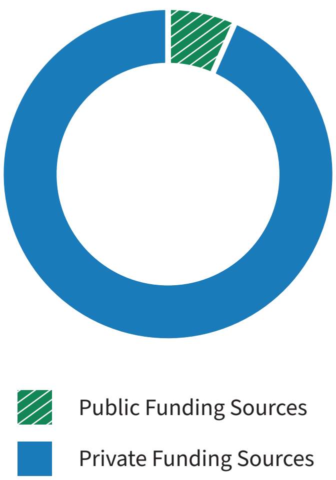
**The Housing Authority of Maricopa County** provided the project-based rental subsidy through the RAD conversion.

**The Newtown Community Development Corporation** assisted The River at Eastline Village in leasing the commercial space, which is considered a community service facility under the Internal Revenue Service's Tax Code, making the costs for this space included in eligible basis for tax credit purposes.

## PROJECT COSTS

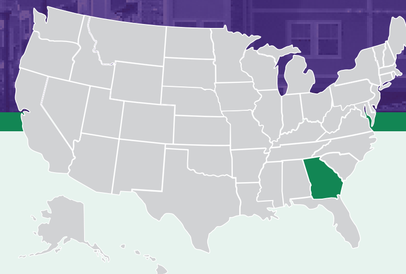
The City of Tempe, Maricopa County, and the Arizona Department of Housing provided HOME and CDBG funds of more than $1 million, which is a critical infusion of financing.

| Public Funding Sources | AMOUNT |
|---|---|
| CDBG (City) | $500,000 |
| HOME (State) | $335,742 |
| HOME (County) | $300,000 |
| **PUBLIC FUNDING TOTAL** | **$1,135,742** |
| **Private Funding Sources** | **AMOUNT** |
| LIHTC | $14,248,575 |
| Conventional Loan | $1,000,000 |
| Deferred Developer Fee | $742,107 |
| **PRIVATE FUNDING TOTAL** | **$15,990,682** |
| **TOTAL COMBINED FUNDING AMOUNT** | **$17,126,424** |



# Savannah Gardens

Savannah, GA



## OVERVIEW

### *History*

Savannah Gardens, located in Savannah, Georgia, incorporates affordable housing as the centerpiece for the revitalization of Strathmore Estates, a 44-acre site on the city's east side that contained 380 units of substandard rental housing originally built during World War II for shipyard employees. During the early 2000s, the owners planned to sell individual buildings to rental property investors for future condominium development. However, the city began negotiating the purchase of the property and chose CHSA Development, Inc., a local nonprofit, a community housing development organization, and a community-based development organization to purchase the property in 2007 and become the master developer. Using Housing Development Action Grant (HODAG) funds and a loan from Regents Bank, CHSA purchased the property for $12.5 million and formed a resident advisory group to participate in the design process. HODAG funds were recaptured from a previous project loan (funded when the HODAG program was active). The city elected to invest in the development of Savannah Gardens when the original HODAG loan was repaid.

## AT A GLANCE

**Beneficiaries:** Low and very low-income families

**Number of Units:**
619

- Affordable: 557 (90%)

**Key Strategies:**

- Infill development
- Redeveloping blighted and vacant private property
- Density bonuses
- PDU

**More Information:**
[Savannah Housing and Neighborhood Services]

## *The Project*

The development replaces 380 dilapidated units with 619 new units. The site was designated as a planned unit development, which allowed for greater density with the delivery of 239 additional units. Built over six phases between 2009 and 2022, the redevelopment includes 523 new apartments; 96 new single-family homes for first-time homebuyers; new public parks and playgrounds; sustainable, energy-efficient infrastructure; and new streets and paths that offer connectivity to adjoining neighborhoods.

To develop the rental housing, CHSA selected Mercy Housing Southeast, a national nonprofit tax credit developer. CHSA remained the master developer overseeing relocation, demolition, and construction of new single-family houses for sale to first-time buyers. This partnership helped to expedite the project's approval process and improve the area's public amenities, which, in turn, further increased community support for the project.

In partnering with the City of Savannah, the Savannah Gardens Enterprise Zone was established. This Enterprise Zone provides 10 years of property tax relief on apartments, fee waivers, and fee reductions. First-time homebuyers are eligible for other tax benefits, including the homestead exemptions for city and county property taxes and Stevens-Day tax incentives. The latter freezes the taxable value of the house at its time of purchase until it is sold to a new owner in the future.

### Multifamily Rental Housing

| | |
|---|---|
| **Phase I** | 115 units, 100% affordable (family housing) |
| **Phase II** | 40 units, 100% affordable (housing for the elderly and/or disabled) |
| **Phase III** | 94 units, 95% affordable (family housing) |
| **Phase IV** | 114 units, 80% affordable (family housing) |
| **Phase V** | 76 units, 80% affordable (family housing) |
| **Phase VI** | 84 units, 100% affordable (family housing) |

### Owner-Occupied Single-Family Housing (CHSA Houses)

- 71 units built, first-time homebuyers, 100% affordable
- 25 remaining single-family houses, 80% affordable

### CHALLENGES AND LESSONS LEARNED

Infill developments, such as Savannah Gardens, are often met with community opposition due to the introduction of various building types, whether they are multifamily developments in a single-family neighborhood or multi-story buildings where most structures are only one or two stories.

To garner the community support needed for a project of this size and with numerous building types, CHSA strategically located the single-family owner-occupied housing on the site's perimeter. This allowed the development to seamlessly blend into the surrounding community and integrate with the surrounding neighborhood's character.

## AFFORDABLE HOUSING STRATEGIES

**Redeveloping blighted and vacant property:** The development team not only replaced 380 dilapidated units with 619 new affordable dwelling units, they acquired, demolished, and redeveloped an abandoned grocery story site for new housing. The grocery store site yielded 54 units developed in Phase VI.

**Land banking:** The Chatham County/City of Savannah Land Bank Authority is a separate entity created to acquire the vacant, abandoned, blighted, tax delinquent properties of the city and county and assist in the return of the properties to a productive use. To this end, the Authority entered into a 99-year ground lease with Mercy Housing Southeast for the development of the final phase's 84 apartment units. The city ultimately invested $2.8 million toward site acquisition and $13 million toward the development of public space and infrastructure, thus reducing the overall housing development costs.

**Density bonuses:** The City of Savannah's planned unit development (PUD) zoning allowed for increased density, reduced lot sizes, reduced street widths, reduced parking requirements, and land-conserving stormwater retention features that ultimately produced more affordable units and open space for community use than would otherwise have been possible. By partnering with the city on this project and securing the PUD zoning, the developers were able to increase the number of developable units, which then reduces the construction cost per unit and streamlines a more efficient construction schedule.

**Deed-restricted homeownership:** To preserve affordability and assist not just the current homebuyers but future homebuyers on the site as well, Savannah Garden's new single-family homes had deed restrictions recorded on the properties specifically incorporating the HOME recapture provisions on purchases of the new single-family homes.

## KEY PARTNERS

**CHSA Development, Inc.** is the master developer.

**City of Savannah, Housing and Neighborhood Services Department** is a co-developer.

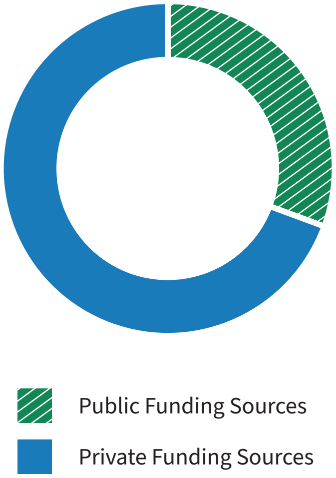
**Mercy Housing Southeast** was the LIHTC developer.

**Dasher Construction Company, LLC** is a small, minority-owned firm that is the project's single-family home builder/developer.

## FUNDING SOURCES

CDBG and HOME funds were critical sources of funding for this project and assisted the development by leveraging additional financing. The city made a conscious decision to use HOME funds for single-family development and CDBG for multifamily site improvements and architectural and engineering costs.

| Public Funding Sources | AMOUNT |
|---|---|
| City SPLOST (Special-Purpose Local-Option Sales Tax) | $13,040,626 |
| HOME* (City) | $6,343,136 |
| CDBG (City) | $5,870,934 |
| HUD Section 202, restricted for the development of units for the elderly and/or disabled (Phase II only) | $4,337,800 |
| NSP | $3,697,695 |
| City HODAG | $2,800,000 |
| Affordable Housing Trust Fund (City) | $652,500 |
| **PUBLIC FUNDING TOTAL** | **$36,742,691** |
| **Private Funding Sources** | **AMOUNT** |
| LIHTC | $46,899,204 |
| Private Loans** | $35,976,360 |
| Private Cash (from homebuyer down payments) | $234,253 |
| Federal Home Loan Bank Affordable Housing Program | $110,500 |
| **PRIVATE FUNDING TOTAL** | **$83,220,317** |
| **TOTAL COMBINED FUNDING AMOUNT** | **$119,963,008** |

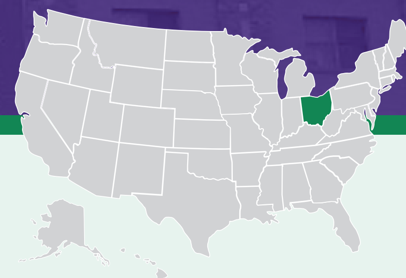



* Includes $2,016,000 received by Mercy Housing Southeast for Phase VI of the development, $1,250,000 of funds anticipated in the 2022–2023 allocation, and $3,077,136 for homeownership units.

** Combination of 30-year homeownership loans, including the Federal Housing Administration, Veterans Administration, the Department of Community Affairs, conventional loans, and so forth.

# The Residences at Career Gateway

Columbus, OH



## AT A GLANCE

**Beneficiaries:** Low- and very low-income families

**Multifamily Housing:**
58 units

- 44 apartments and 14 three-bedroom townhomes
- 100% restricted for households at 30% to 60% of AMI

**Key Strategies:**

- Redeveloping vacant and blighted property
- Employer-assisted training
- Resident retention

**For More Information:**
NRP Group

## OVERVIEW

### *History*

After years of disinvestment and concentrated poverty, the South Side of Columbus has experienced steady growth over the past 10 years, aided by the expansion of Nationwide Children's Hospital, the largest Medicaid administrator for children in Ohio. In seeking to increase its footprint, the hospital sought to integrate itself within and to improve the surrounding neighborhood. The hospital had been experiencing high staff turnover and was interested in collaborating with the community to address workforce development to increase the pool of potential job applicants and improve job retention in a way that benefited neighborhood residents.

Rather than displace current residents through gentrification, the hospital, in partnership with Community Development for All People (CD4AP), a local faith-based nonprofit organization, sought out an experienced affordable housing developer to meet their goals for developing affordable housing with a workforce training component. The developer—NRP Group—proved to be invaluable in arranging for the complex financing, establishing site control, obtaining permits, and working with the State Historic Preservation Office (SHPO) to develop The Residences at Career Gateway.

### *The Project*

Located near the main campus of Nationwide Children's Hospital, The Residences at Career Gateway is a 58-unit property with a 3,000-square-foot workforce training facility available to the residents and members of the neighborhood. The development includes a three-story building with 44 apartments and 14 three-bedroom townhouses—all of which are dedicated to households at 30% to 60% of AMI. Since the community training center was completed, CD4AP has hosted career boot camps and other activities for residents and others from the local community, who were able to learn skills to improve their digital literacy, résumé writing, and other soft skills. More than 50% of boot camp participants obtained employment. Other amenities include a 24-hour fitness center, a children's playground, and a community room with a fireplace and kitchen.


## AFFORDABLE HOUSING STRATEGIES

**Redeveloping vacant and blighted property:** The South Side of Columbus is very dense and offers little land to develop into affordable housing. NRP Group found a 3.5-acre site that housed a dilapidated middle school which had been vacant for 10 to 15 years. Given the existing structure, SHPO became involved; however, the school was ultimately deemed not of historical value and the building was demolished to make way for the new apartment building and townhouses.

**Employer-Assisted Training:** Nationwide Children's Hospital played a key role, including identifying and securing financing, in the overall development of the site. To reduce the high cost of turnover and develop a pool of entry-level employees, a major interest of the hospital was the development of a job training program for neighborhood residents and assistance in financing the development of community training facilities on-site at The Residences at Career Gateway. The Chase Foundation provided the hospital with a $300,000 grant and CD4AP with a $75,000 grant to subsidize the cost of the training facilities.

As a result, CD4AP applied for a $500,000 Fannie Mae grant to develop programming in the space. Hospital staff continue to mentor staff that run the training facility. Their efforts have resulted in 20 to 30 hours of programming each week.

## CHALLENGES AND LESSONS LEARNED

The Residences at Career Gateway's success was predicated on drawing on and amplifying each partner's unique strengths – CD4AP's vision of improving the neighborhood, the desire of Nationwide Children's Hospital to integrate within the community and increase its pool of eligible job applicants, and NRP Group's successful experience in developing affordable multifamily housing.

Additionally, the partnership with Nationwide Children's Hospital proved to be especially fortuitous when applying for financial resources. A policy goal of the Ohio Housing Finance Agency (OHFA) is to "redevelop vacant or foreclosed buildings, leverage non-OHFA financial resources and partner with local employers." As such, the workforce development goals of the Residences at Career Gateway boosted the developer's application for OHFA funding.

## KEY PARTNERS

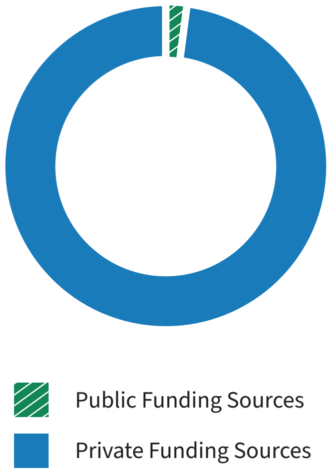
**CD4AP** is a nonprofit organization focusing on "asset-based community development" to ensure that residents are not displaced through gentrification.

**Nationwide Children's Hospital** is the largest Medicaid administrator for children in the State of Ohio.

**The City of Columbus** provided HOME funds for this development, facilitated the variance and rezoning processes, and provided a property tax abatement that brings down the cost of property operations. The city decided to use HOME funds for single-family development. The city used CDBG in the pre-development phase for multifamily site improvements and architectural and engineering costs.

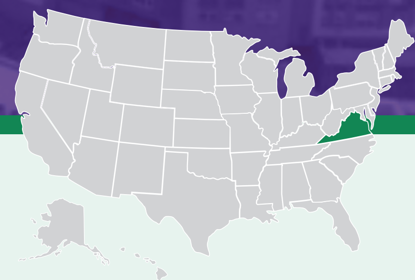
## FUNDING SOURCES

| Public Funding Sources | AMOUNT |
|---|---|
| HOME (City) | $250,000 |
| **PUBLIC FUNDING TOTAL** | **$250,000** |
| **Private Funding Sources** | **AMOUNT** |
| LIHTC | $9,767,967 |
| Conventional Loan | $1,375,000 |
| Nationwide Children's Hospital | $300,000 |
| Other Sources | $242,000 |
| Chase Bank for CD4AP and Nationwide Training Facility | $75,000 |
| **PRIVATE FUNDING TOTAL** | **$11,759,967** |
| **TOTAL COMBINED FUNDING AMOUNT** | **$12,009,967** |



# The Residences at North Hill

Fairfax County, VA



## OVERVIEW

### *History*

The Residences at North Hill Park are located in the Richmond Highway corridor in the Mount Vernon District of Fairfax County, VA. In the early 1980s, the 45-acre property where the site is located consisted of a mobile home park with approximately 500 mobile homes. The mobile home park was dilapidated and dangerous, rendering the area unfit for human habitation. The Fairfax County Redevelopment and Housing Authority took over the property through eminent domain, using CDBG funds for the acquisition. Twelve acres were used for developing a new mobile home park, while the remaining 33 acres remained undeveloped at that time.

### *The Project*

After years of discussions, planning, and community engagement, a public-private partnership formed to complete the transformation of the remaining 33 acres into a mixed-income, affordable, and market-rate housing community comprised of multifamily and senior rental apartments, for-sale townhomes, and a new park.

The multifamily portion of the development will consist of 5 four-story buildings, including 216 affordable multifamily apartments and 63 units of affordable independent living for older adults. An additional 175 market-rate townhomes will be built on a third of the land and the remaining 12 acres will be a passive public space on a hilltop.

## AT A GLANCE

**Beneficiaries:** Low-income households, including independent living for older adults

**Multifamily Rental Housing and Townhomes:**
279 units

- 216 units, 100% affordable (family housing)
- 63 units, 100% affordable (senior housing)

**Owner-Occupied Townhomes:**
175 units, market rate

**Key Strategies:**

- Capital subsidies
- Redevelopment of public land

**For More Information:**
**Fairfax County Housing and Community Development**

By selling part of the available acreage for homeownership purposes (townhomes), the Fairfax County Redevelopment and Housing Authority, in partnership with HUD, recognized this as an opportunity to generate program income of approximately $14 million, which could fund site work for the affordable housing component of the development.

While originally reticent about the feasibility of such a large-scale project, the redevelopment of this property proved to be a valuable learning opportunity and paradigm shift for the county. The development process enabled the county to create a template through which they can develop more mixed-income, intergenerational housing coupled with a public facility and capitalize on the benefits of public-private partnerships when developing housing on publicly owned land, thus paving the way for additional public-private partnership developments within Fairfax County in locations across the county, including near George Mason University and Tysons Corner, a transit hub area in northern Virginia that is home to numerous office buildings, shopping malls, and other retail establishments.

## AFFORDABLE HOUSING STRATEGIES

**Capital subsidies:** The development benefited from receiving multiple soft loans of local and Federal dollars, which are supporting the vertical construction of the 279 affordable units spread across 5 four-story buildings. For more information about these sources, see “Project Costs” below.

**Redevelopment of public land:** The Housing Authority retained ownership of the land for affordable housing and provided ground leases to the buildings at a nominal fee. The value of the subsidized ground was critical to both the financial viability of the project and its competitiveness for 9% LIHTCs.

**Expedited permitting for qualifying projects:** Fairfax County Land Development Services (LDS) has a program for complex land development. Under this program, an interdisciplinary team does all of the processing for permits. The LDS Project Management Program played a critical role in the project being able to meet its critical deadlines.

**Rental assistance:** The Housing Authority is a Moving to Work (MTW) agency, which allows it to focus on providing creative housing solutions by allowing them the flexibility to use and leverage their strengths, resources, and partnerships. As an MTW agency, the agency was able to use its authority to provide 68 project-based vouchers to the development’s affordable housing component.

### CHALLENGES AND LESSONS LEARNED

There were two main challenges encountered in developing The Residences at North Hill Park. Foremost was the difficulty of building on the site, which has a steep slope and unstable soil. To make the site buildable, the development team had to research and employ expensive geotechnical solutions. The hill is currently stabilized by retaining walls.

Another challenge was the complexity of the deal itself, which required multiple ground leases and a partnership of two developers—one for the affordable housing and another for the townhouses. The developer of the market-rate housing had to understand the needs and restrictions placed on the affordable housing developer, and the affordable housing developer had to understand the market-rate developer’s risk tolerance. Communication and education were key to making this partnership work.

## KEY PARTNERS

**The Virginia Housing Development Authority (VHDA)** and Fairfax County regulatory agencies were extremely supportive in determining how to deliver this development on a challenging site, as were the Fairfax County Board of Supervisors, the District Supervisor, and the Chairman.

*Fairfax County, VA:* Housing-related development and assistance programs and services in Fairfax County are administered through the following two organizations:

**Fairfax County Housing and Community Development (HCD)** spearheaded the project's development. HCD is an active issuer of tax-exempt bonds that provide gap financing for affordable housing developments.

**Fairfax County Redevelopment and Housing Authority (FCRHA)** is HCD's development partner. Whereas HCD is an agency of Fairfax County Government, FCRHA is a separate political body from Fairfax County Government but is staffed by HCD. FCRHA provided loans, CDBG funds, and housing choice vouchers to the project.

*CHPPENN, LLC* is FCRHA's affordable housing development partner on the project. FCRHA selected the developer through the Public-Private Education Facilities and Infrastructure Act, which is a competitive selection process. The CHPPENN team is a partnership between the Virginia-based Community Housing Partners and Pennrose.

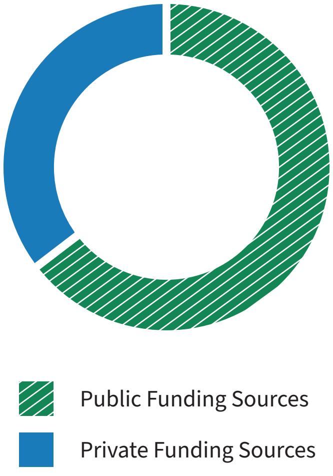
**Community Housing Partners** is a nonprofit developer and manager of affordable housing, which assisted HCD and FCRHA in the development of the project's affordable units.

**Pennrose**, a Philadelphia-based developer, was the lead developer of the market-rate units.

## FUNDING SOURCES

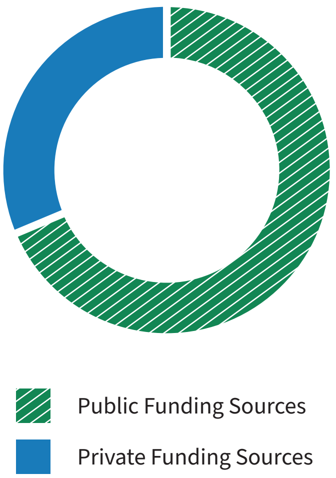
**Bond 47 – North Hill**

| Public Funding Sources | AMOUNT |
|---|---|
| VHDA | $4,999,141 |
| Fairfax County/Community Housing Partners (CHP) | $4,452,173 |
| VHDA 1.95 | $2,000,000 |
| HOME (State) and State Affordable Housing Trust Fund | $1,700,000 |
| VHDA REACH | $1,692,000 |
| Blueprint (Fairfax County Subordinate Loan) | $637,200 |
| **PUBLIC FUNDING TOTAL** | **$15,480,514** |
| **Private Funding Sources** | **AMOUNT** |
| Limited Partnership Equity | $7,221,270 |
| Deferred Fee | $1,263,089 |
| **PRIVATE FUNDING TOTAL** | **$8,484,359** |
| **TOTAL COMBINED FUNDING AMOUNT** | **$23,964,873** |



### Bond 94 – North Hill

| Public Funding Sources | AMOUNT |
|---|---|
| VHDA | $10,750,000 |
| Fairfax County/CHP | $7,389,866 |
| Blueprint (Fairfax County Subordinate Loan) | $2,608,331 |
| VHDA 1.95 | $2,000,000 |
| VHDA REACH | $1,900,000 |
| HOME (State) | $800,000 |
| National Affordable Housing Trust Fund | $700,000 |
| State Affordable Housing Trust Fund | $500,000 |
| CDBG (County) | $229,000 |
| Fairfax County Environmental Remediation Reimbursement | $117,142 |
| **PUBLIC FUNDING TOTAL** | **$26,994,339** |
| **Private Funding Sources** | **AMOUNT** |
| Limited Partnership Equity | $12,301,831 |
| **PRIVATE FUNDING TOTAL** | **$12,301,831** |
| **TOTAL COMBINED FUNDING AMOUNT** | **$39,296,170** |




### Senior 9% – North Hill

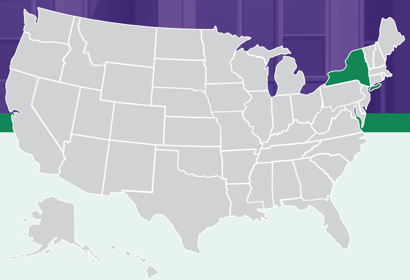
| Public Funding Sources | AMOUNT |
|---|---|
| VHDA REACH | $3,600,000 |
| VHDA Tax Exempt | $3,000,000 |
| VHDA 1.95 | $2,000,000 |
| **PUBLIC FUNDING TOTAL** | **$8,600,000** |
| **Private Funding Sources** | **AMOUNT** |
| Limited Partnership Equity | $5,813,977 |
| Donated Land | $2,194,044 |
| Sale to Townhome Developer | $3,599,881 |
| Federal Home Loan Bank Affordable Housing Program | $500,000 |
| Deferred Fee | $458,491 |
| Community Housing Partners Equity | $100 |
| **PRIVATE FUNDING TOTAL** | **$12,566,493** |
| **TOTAL COMBINED FUNDING AMOUNT** | **$21,166,493** |


### Family 9 – North Hill

| Public Funding Sources | AMOUNT |
|---|---|
| VHDA Taxable | $3,900,000 |
| VHDA REACH | $3,600,000 |
| VHDA 1.95 | $2,000,000 |
| **PUBLIC FUNDING TOTAL** | **$9,500,000** |
| **Private Funding Sources** | **AMOUNT** |
| Limited Partnership Equity | $13,900,036 |
| Donated Land | $2,611,957 |
| Sale to Townhome Developer | $2,550,000 |
| Deferred Fee | $483,769 |
| Community Housing Partners Equity | $100 |
| **PRIVATE FUNDING TOTAL** | **$19,545,862** |
| **TOTAL COMBINED FUNDING AMOUNT** | **$29,045,862** |

# The Ridgeway

Yonkers, NY



## AT A GLANCE

**Beneficiaries:** Low-income area residents

**Number of Units** (some under construction)
500 units, of which 459 will have regulated rents

**Key Strategies:**

- Expedited permitting
- Brownfields
- PHA redevelopment
- Energy efficiency

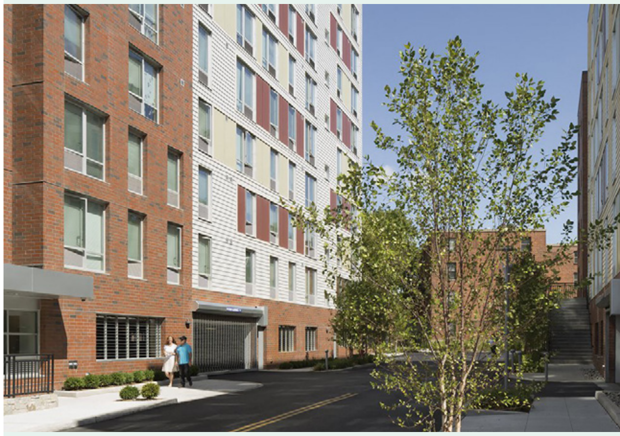
**For More Information:**
**The Community Builders, Inc.**

## OVERVIEW

### *The Project*

The Ridgeway is located in the Croton Heights neighborhood of Southwest Yonkers, NY, which is a community that experienced decades of decline. As envisioned in the Yonkers Choice Neighborhood Transformation Plan (funded by a HUD's Choice Neighborhoods Planning Grant in 2012), the neighborhood was primed for revitalization with many unique assets, including its location, its role as a local transit connector, incredible views, historic housing, and the potential rebirth of underperforming assets. A key component of the Plan was the redevelopment of a 70-year-old complex—Cottage Gardens—which comprises 14 buildings and 256 units of public housing.

Developed by The Community Builders, Inc. (TCB) and their development partner, the Municipal Housing Authority for the City of Yonkers (MHACY), The Ridgeway encompasses a six-phase master plan that incrementally demolishes Cottage Place Gardens and builds a mixed affordable and market-rate development of 500 units of housing, parking, central open space, and mixed-use development. In order to prevent displacement, construction of a new building started on the largest single phase of the development on a vacant parcel of land, with 120 units for seniors and families. This allowed the developer to move residents to the newly completed building.



For each phase of construction, residents were able to move into newly completed buildings. To ensure that all of the existing tenants retained housing, the developer considered unit sizes and household incomes based on the tenancy in the phases to be demolished. Uniquely, The Ridgeway was jump-started in the wake of the 2009 recession through HUD's Neighborhood Stabilization Program 2 (NSP2) funds awarded to TCB, which were used in two phases of the development.

As of 2022, 327 units across four phases have been completed, including the new construction of a 10,000-square-foot universal prekindergarten center and the substantial renovation of an existing 8,500-square-foot daycare center. Another 81 units and 9,000 square feet of childcare space are currently under construction, with the remaining 92 units in design. Funding applications for the development scored well as the sites are located in an urban renewal area and at the center of a coordinated redevelopment plan.

### *Phases:*

**Schoolhouse Terrace at the Ridgeway:** Using stone from the demolition of an on-site school, Schoolhouse Terrace at The Ridgeway is a mixed-income development consisting of 2 buildings, one with 51 units of senior housing and the other consisting of 70 units for families. The LEED-certified project includes new streets, sidewalks, green roofing, garage parking, mixed-use space, increased lighting, and other amenities.

***Outcome:***

120 affordable units for families and seniors up to 60% of AMI.

**188 Warburton at The Ridgeway:** This is a 51-unit development for families. The development has LEED for Homes Silver certification and ENERGY STAR® Multifamily Mid Rise and New York State Energy Research and Development Authority (NYSERDA) New Construction Program accreditation. The development includes a landscaped terrace, on-site parking, and a large community room, among other amenities.

***Outcome:***

51 units for families, 100% affordable to households at up to 60% of AMI.

**The Villas at The Ridgeway:** This complex consists of four new construction buildings that comprise 70 new duplex units designed for larger families (26 two-bedroom, 35 three-bedroom, and 9 four-bedroom). The development site is on land that formerly comprised three public housing buildings and an outmoded affordable development in need of demolition. The Villas at The Ridgeway is a mixed-income community that includes income tiers for families earning up to 30%, 50%, and 60% of AMI, as well as a market-rate tier. The new homes are reinvigorating pedestrian activity along Warburton Avenue and Willow Place by providing new sidewalks, street trees, and site lighting that help connect new and old residents to their neighborhood, and the attractive landscape close creates a renewed sense of place.

***Outcome:***

70 units for families, 86% of which are affordable to households up to 60% of AMI.

**172 Warburton at The Ridgeway:** This is a mixed-income development. 172 Warburton replaces three public housing buildings and a vacant, blighted three-story residence with a new, sustainable, and energy-efficient mixed-income, mixed-use building with a state-of-the-art universal prekindergarten center and 85 residential units affordable to households earning less than 30%, 50%, 60%, and 90% of AMI. The project is designed to achieve Enterprise Green Communities certification. Dwelling units meet the accessibility requirements of New York State Homes and Community Renewal, the State financing agency, the City of Yonkers, and Westchester County.

***Outcome:***

85 units for families, 76% of which are affordable to households of up to 60% of AMI and 24% of which are affordable to households up to 90% of AMI.

**178 Warburton at The Ridgeway:** This complex will contain 81 mixed-income rental apartments for households between 30% and 90% of AMI. The new property will eventually comprise a mix of modern studio, one-bedroom, and two-bedroom apartments. The lower level of the property will contain a daycare center for low-income families with a rooftop play area for attending toddlers. The Westchester Community Opportunity Program, which is a nonprofit social services organization, is the anticipated operator of the center.

***Outcome:***

81 units for families, 75% of which will be affordable to households of up to 60% of AMI, 12.5% of which will be affordable to households at between 60 to 80% of AMI, and 12.5% of which will be affordable to households at up to 90% of AMI.

**Phase VI:** This project, still in the design phase, will be a 92-unit building targeted to senior citizens. It has not yet been named.

***Expected outcome:***

92 units for seniors, of which 100% will be affordable to household of up to 60% of AMI.

## AFFORDABLE HOUSING STRATEGY

**Expedited permitting:** The Ridgeway is exceptionally well situated for a redevelopment of this nature as it is located in an urban renewal area. This allowed the developer to bypass the battery of individual zoning variances that would have been necessary for an 11-building development of this size and scale. Instead of a phase-by-phase permitting approach, TCB filed the project as a Planned Urban Redevelopment (PUR). The PUR allowed the city's Planning Board to review the project and the City Council to approve it holistically, which sped up and simplified the permitting process.

**Brownfields:** All phases are located on New York State-designated brownfields due to petroleum contamination, underground storage tanks, and heavy metals located in the soils. This was both a challenge and an opportunity as the New York State Department of Environmental Conservation provides tax incentives for the development of brownfield sites. The program generated several million dollars for the overall development but carried a substantial upfront risk, including, but not limited to, hundreds of thousands of dollars in early predevelopment costs, uncertain initial qualification for the program at each phase, and difficulties in budgeting and scoping the entire site. Brownfields were remediated prior to commencing construction.

### CHALLENGES AND LESSONS LEARNED

Cottage Place Gardens was developed at a time when public housing was designed to be hidden and isolated, with units facing inward, rather than integrated into the neighborhood and, therefore, had little public street frontage. TCB and MHACY worked with the City of Yonkers, the New York State Housing Finance Agency (HFA), and private sellers to acquire six sites along major roadways to properly reconnect the housing to the broader neighborhood by having the buildings face outward and adding new sidewalks and streetlights. The design incorporates landscaping and shared spaces to encourage community interaction and casual meetings between neighborhood residents. The new buildings are helping to reinvigorate pedestrian activity in the neighborhood, which is minutes from downtown Yonkers and near public transportation, dining, and shopping. The city donated one acre for Phase I of the development to MHACY. TCB purchased two- thirds of an acre from a local non-profit organization for Phase II. Phase III included a blighted townhouse development financed by HFA in the 1970s, which the state assisted TCB in acquiring and redeveloping. Phases IV and V included a mix of tax-foreclosed properties that the city sold to MHACY for the price of the liens and a dilapidated home that TCB acquired from a private seller. These sites were all transferred to MHACY and ground leased to a single-purpose development entity for 99 years at the price of $1 per year.

Additionally, each development phase included the demolition of two or three public housing buildings at a time, requiring interim utility connection, parking, and roadway revisions. This necessitated consistent communication with site residents who were inconvenienced during construction. The developers held on-site tenant meetings and were in close coordination with MHACY on particularly invasive work.

## KEY PARTNERS

**The City of Yonkers,** including Mayor Mike Spano, supported the project and provided financing for its development.

**Westchester County** also provided development financing.

**Sarah Lawrence College, Groundwork Hudson Valley, and Community Voices Heard**, a community organizing organization, partnered with the city, MHACY, and TCB to lead the development of the Choice Neighborhoods Transformation Plan and conduct outreach and community convening.

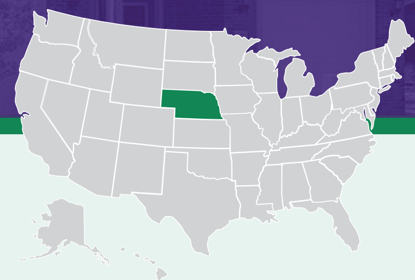
# FUNDING SOURCES

### Phases I Through V

| Public Funding Sources | AMOUNT |
|---|---|
| State of New York Mortgage Agency First Mortgage | $47,325,000 |
| New York State Homes and Community Renewal (HCR)/Housing Finance Agency Subsidy and Soft Loans | $27,490,001 |
| Municipal Housing Authority for the City of Yonkers (MHACY) | $6,494,432 |
| Westchester County Housing Implementation Fund | $5,000,000 |
| New York State (NYS) HCR Community Investment Fund | $3,480,000 |
| HOME (City) | $3,300,000 |
| NSP2 | $3,240,000 |
| NYS Empire State Development, Restore NY | $2,500,000 |
| Federal Home Loan Bank Affordable Housing Program | $2,632,435 |
| CDBG (City) | $1,500,000 |
| State Affordable Housing Trust Fund | $1,440,000 |
| NYSERDA Incentives | $543,834 |
| **PUBLIC FUNDING TOTAL** | **$104,945,702** |
| **Private Funding Sources** | **AMOUNT** |
| LIHTC | $77,152,075 |
| Brownfield Cleanup Program Tax Credits | $38,316,883 |
| Deferred Developer Fee | $11,144,902 |
| State LIHTC | $8,769,568 |
| Soft Loan Interest During Construction | $1,175,562 |
| Solar Equity | $82,067 |
| **PRIVATE FUNDING TOTAL** | **$136,641,057** |
| **TOTAL COMBINED FUNDING AMOUNT** | **$241,586,759** |

# The Row in Fremont

Fremont, NE



## AT A GLANCE

**Beneficiaries:** Low-income residents at 80% AMI and below

**Multifamily Rental Housing:**
25 units

- Four-bedroom townhomes
- 100% for households at 30 to 60% of AMI

**Key Strategies:**

- Legal authority for planned unit developments
- Revenue and general obligation bonds

**More Information:**
[Hoppe Development]

## OVERVIEW

### *The Project*

Unfortunately, a flood in 2019 eliminated many previously affordable housing units. The Row in Fremont (aka The Row) is the first project in a new community—Bluestem Commons—which, upon completion, will offer more than 400 units of mixed-income rental and ownership opportunities in the community of Fremont, Nebraska. The Row provides affordable housing alternatives in an urban-adjacent area that demonstrates significant pent-up housing demand, with historically little new housing development.

This initial project consists of 25 four-bedroom, 1,600-square-foot townhouses in a five-plex configuration, featuring single-car garages and washers and dryers, and providing income-restricted rental options for families making 30% to 60% of AMI. To mitigate the risk of flooding, the developer brought in additional fill to raise the ground level three feet above the baseline level to ensure the development was out of the floodplain and had the appropriate soil quality.

Bluestem Commons will eventually consist of 400 units, including townhomes for rent and homeownership and traditional three-story multifamily apartment buildings with one- and two-bedroom units. The developer, Hoppe

Development, is employing a “master plan” approach that provides on-site amenities available to the community, such as a pool, a walking trail, and a pond.

## AFFORDABLE HOUSING STRATEGY

**Legal authority for planned unit development (PUD):** Hoppe Development was able to demonstrate the need for affordable housing to the city, which granted the development a PUD designation, effectively enabling greater project density.

**Revenue and general obligation bonds:** The developers created a sanitary and improvement district (SID) to issue general obligation bonds to fund infrastructure costs. This tool has been prevalent in high-end, market-rate development, and Bluestem Commons is one of the first examples in the State to utilize the SID structure for affordable housing.

### CHALLENGES AND LESSONS LEARNED

In developing The Row in Fremont, Hoppe Development encountered community opposition from nearby residents of a high-cost housing development. The development partners collaborated with representatives of local churches to speak to community members at City Council meetings and other community events. They put a human face on the need for affordable housing by providing relatable examples, such as explaining that the people with whom community members worship and work often cannot afford to live in Fremont. Engaging on the key elements to seamlessly integrate affordable housing into a market-rate community proved key to overcoming neighborhood opposition.

## KEY PARTNERS

**Nebraska Department of Economic Development** provided National Housing Trust funds for the project.

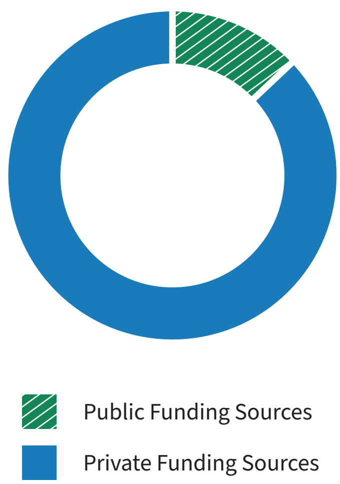
**Greater Fremont Economic Development Council**, a consortium of different businesses, was instrumental in providing predevelopment financing and appointing a task force led by local business leader Diane Mallet to advocate with the City of Fremont to ensure entitlements and cooperation.

**Nebraska Investment Finance Authority** allocated the Federal and State tax credits.

## FUNDING SOURCES

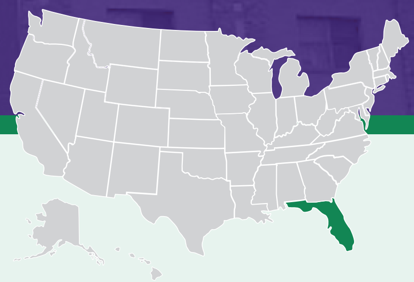
In addition to the costs shown below, the developer received $400,000 in Rural Workforce Housing funds from the Greater Fremont Development Corporation for land development efforts, which reduced the cost of the land sold to the project.

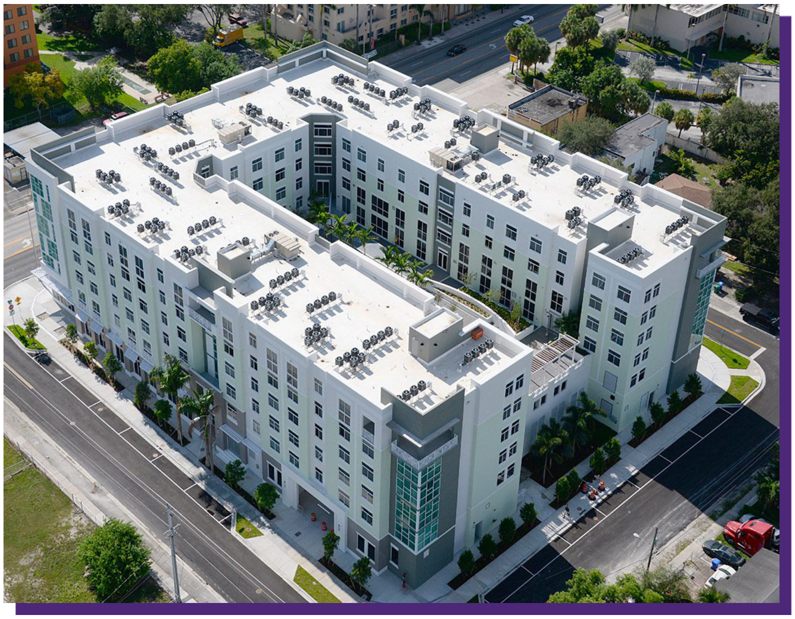
| Public Funding Sources | AMOUNT |
| --- | --- |
| National Affordable Housing Trust Fund | $861,000 |
| **PUBLIC FUNDING TOTAL** | **$861,000** |
| **Private Funding Sources** | **AMOUNT** |
| LIHTC | $2,936,577 |
| Nebraska Affordable Housing Tax Credits | $1,308,743 |
| Conventional Loan | $1,363,050 |
| Deferred Developer Fee | $173,000 |
| **PRIVATE FUNDING TOTAL** | **$5,781,370** |
| **TOTAL COMBINED FUNDING AMOUNT** | **$6,642,370** |



# Tuscany Cove Apartments

Miami, FL





## OVERVIEW

### *The Project*

Completed in 2019 by Tacolcy Economic Development Corporation (TEDc), Tuscany Cove I is a 160-unit senior development in the Liberty City neighborhood of Miami, Florida. The mid-rise building includes ground-floor retail space and residential amenities, including covered parking, in-unit washers and dryers, energy-efficient appliances, an outdoor courtyard, a community room, a gym, and a computer/library room. As of late, TEDc is in advanced discussions with a healthcare provider to lease the first-floor commercial space. The provider will provide healthcare services to the residents, as well as the surrounding community.

The development's appearance and amenities make the case for integrating affordable housing into mixed-income neighborhoods.

### *History*

After years of disinvestment, Liberty City began experiencing increases in real estate values, spurring developers such as TEDc to identify opportunities for residents to remain in their community. TEDc, whose offices are in the Liberty City neighborhood, owns property across the street from the Tuscany Cove site, which had been vacant for 20 years and

## AT A GLANCE

**Beneficiaries:** Low-income senior citizens who need access to services

**Multifamily Rental Housing:**
160 units

- Studio, one-, and two-bedroom units,
- 100% restricted for households at 33% to 60% of AMI

**Key Strategies:**

- Dedicated revenue sources
- Density Bonus
- Retention of community residents

**More Information:**
Tacolcy Economic Development Corporation (TEDc)

owned by the City of Miami. When the parcel became available after the development rights of another affordable housing developer expired, TEDc approached the City Commissioner of Miami's District 5 regarding their interest in the site. Consequently, the City of Miami sold the land for $1, with a restrictive use covenant to ensure that rent remains affordable.

Under a Florida statute, there are two *ad valorem* tax exemptions available for affordable housing, including an exemption for senior projects. The "Homes for the Aged" exemption requires that the property is owned by a limited liability partnership and that the sole general partner of the partnership be a 501(c)(3) organization. Under this exemption, at least 75% of all tenants in the complex must be at least age 62 or disabled. Assuming that this threshold is met, each apartment unit is tax exempt if (i) at least one tenant in the unit is age 62 or disabled, and (ii) the income of all of the tenants in the unit does not exceed $34,374 for a single tenant or $38,590 (combined) for multiple tenants. If at least one tenant in the unit is age 62 or disabled, however the unit is over-income, the owner may apply for a partial tax exemption for that unit. The owner must apply for this tax exemption annually.

## AFFORDABLE HOUSING STRATEGIES

**Dedicated revenue sources:** Some of the financing of Tuscany Cove came from proceeds from Miami Dade County's Surtax Program. A Florida statute allows certain counties to levy a discretionary surtax for providing low- and moderate-income housing. The tax applies to deeds and other instruments related to real property in an amount not to exceed 45 cents per $100. The statute exempts real property transactions involving single-family residences. Developers can use surtax loan proceeds to finance the construction, rehabilitation, or purchase of rental housing units. The loans are treated as soft debt on the property and repayable from cash flow.

**Density bonuses:** In Miami, density bonuses are provided to incentivize the development of affordable and workforce housing.

**Expedited permitting for qualifying projects:** Affordable housing developers in the City of Miami who either are nonprofit organizations or whose developments receive an allocation of tax credits are eligible to receive expedited permitting.

### CHALLENGES AND LESSONS LEARNED

Although tax credits provide a critical funding source for senior affordable housing development, they can create major timing challenges for the development process. Because of tax credit occupancy requirements, Tuscany Cove had to achieve a certain level of occupancy before the credits would kick in. To solve this challenge, TEDc arranged for the City to provide temporary certificates of occupancy for individual floors so that residents could move in sequentially.

To keep the project moving throughout the development cycle and closing process, TEDc used the City of Miami's phased permitting process. The unintended consequences were the delays that it created in the construction schedule. It will be valuable in future ventures when using a phased permitting process to allocate substantial time in the construction schedule for this tactic.

## KEY PARTNERS

**Public Housing** and **Community Development of Miami Dade County** provided $3,328,000 in surtax funding for Tuscany Cove in the form of soft debt, repayable from cash flow, which was the property's largest public funding source.

**Redstone Equity Partners** was the tax credit equity partner.

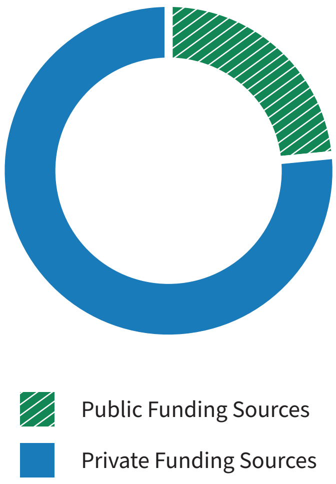
**The City of Miami's District 5 Commissioner**, who is committed to facilitating the development of affordable housing in Miami, was an advocate for the project.

## FUNDING SOURCES

Through TEDc's partnerships with lenders, including the City of Miami, Miami-Dade County, and the Florida Housing Finance Corporation, as well as community support, TEDc raised enough capital within the required timeframes to deliver this needed housing resource for Miami seniors. However, without critical gap financing from the State, TEDc may not have been able to retain site control.

Additionally, the development received tax-exempt bonds, purchased by JPMorgan Chase, for the purpose of making the construction loan, which was paid off partially from LIHTC. The Florida Housing Finance Corporation also provided much needed gap financing. The first mortgage is with Freddie Mac (government-backed) in the amount of $8 million.

| Public Funding Sources | AMOUNT |
|---|---|
| Surtax Loan – Miami-Dade County | $3,328,000 |
| SAIL* – Florida Housing Finance Corporation | $2,524,999 |
| ELI** – Florida Housing Finance Corporation | $1,200,000 |
| HOME (City) | $880,000 |
| **PUBLIC FUNDING TOTAL** | **$7,932,999** |
| **Private Funding Sources** | **AMOUNT** |
| Conventional Loan | $17,950,000 |
| LIHTC | $4,312,811 |
| Deferred Developer Fee | $3,557,326 |
| Accrued Interest During Construction | $37,586 |
| General Partner and Special Limited Partner Capital Contributions | $110 |
| **PRIVATE FUNDING TOTAL** | **$25,857,833** |
| **TOTAL COMBINED FUNDING AMOUNT** | **$33,790,832** |

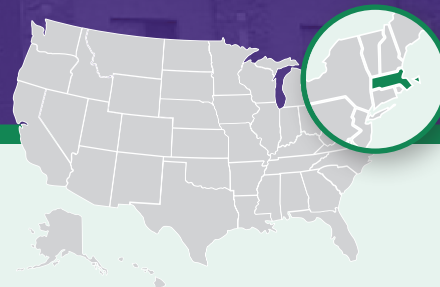


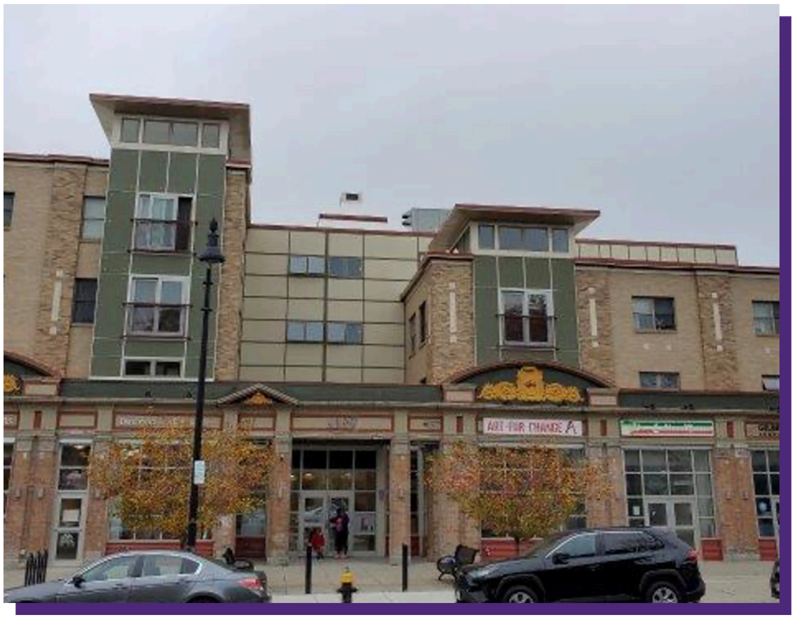

* Florida Housing Finance Corporation's State Apartment Incentive Loan (SAIL) provides developers with gap financing between the development's primary financing and the total cost of the development.

** Extremely Low-Income (ELI) Limits program provides funding for affordable housing for households with incomes at or below 30% of AMI.

# 157 Washington Street

Dorchester, MA





## OVERVIEW

### *History*

157 Washington Street in Dorchester, MA was a significantly underutilized site in the heart of what became a transit-oriented development node at the Four Corners Station. Codman Square Neighborhood Development Corporation (CSNDC) acquired the property in August 2007 in order to demolish an existing one-story commercial building on-site (saving only the historic façade) and to build in its place a mixed-use, transit-oriented development with retail space, community space, and affordable cooperative housing.

### *The Project*

Oriented around an existing plaza, 157 Washington Street is the centerpiece of CSNDC's development at the new transit station. The main building comprises three stories of apartments over commercial space on the first floor. The rear of this deep site contains the parking lot and four three-story modules that accommodate eight townhomes.

## AT A GLANCE

**Beneficiaries:**
Low-income residents

**Multifamily Rental Housing:**
24 units

- 5 one-bedroom,
  16 two-bedroom, and
  3 three-bedroom units
- 100% restricted for households at 30% to 60% of AMI

**Key Strategies:**

- Limited equity cooperatives
- Brownfields

**For More Information:**
[Codman Square Neighborhood Development Corporation]

## AFFORDABLE HOUSING STRATEGIES

**Limited equity cooperatives:** Like in many inner-city neighborhoods, as Dorchester began to experience signs of recovery from decades of urban disinvestment, activists became increasingly interested in promoting homeownership to provide wealth-building opportunities to area residents. One option for wealth building for the acquired site was condominiums; however, at that time (2007), condominiums were becoming financially infeasible as a result of the housing crash. Limited equity cooperative housing offered an attractive alternative to condominiums—they provide for tenant control of housing, grow the equity investments of cooperative members, provide a solid stepping stone between renting and more conventional homeownership, remain affordable for lower income households, and provide access to more public funding sources than are available for traditional homeownership projects.

In order to create limited equity cooperative housing and engender community buy-in, CSNDC organized the community and collaborated with experienced limited equity cooperative developers. Although not all of the planned elements of a limited equity cooperative came to fruition at the time of occupancy, due primarily to restrictions imposed by investors and lenders (see Challenges and Lessons Learned), the elements will be reintroduced once the 15-year LIHTC compliance period ends.

**Brownfields:** Originally the site of an automobile showroom and candy factory, and more recently a factory for auto parts production, the project preserved the historic façade and front plaza of the existing building at 157 Washington Street. CSNDC secured a grant from the U.S. Environmental Protection Agency (EPA) to handle a significant amount of environmental remediation. To use the EPA grant and then subsequently qualify for LIHTC, CSNDC had to change project ownership structures at key junctures of the project's timeline.

### CHALLENGES AND LESSONS LEARNED

CSNDC was enthusiastic about the equity-building aspect of the limited equity cooperative model. Due to concerns on the part of the tax credit syndicator and permanent lender, some aspects of the limited equity cooperative model are delayed until the LIHTC affordability period ends. The development still assists the residents in equity building and the project provides sorely needed, attractive affordable housing close to transportation and job opportunities, with commute times to downtown averaging 10 minutes. Sticking points for the tax credit syndicator and lenders were that they required professional property management instead of resident management and they wanted to limit the resident board's ability to completely control how the project is run. CSNDC learned that in selling the concept of a limited equity cooperative to the community, they may have to propose a staged approach wherein residents learn how to manage and make decisions about the property from professional property management until the affordability period ends, at which time, residents may choose to either keep these responsibilities with management or assume them themselves. By continuing to work with successful developers who have developed affordable limited equity cooperatives specifically, perhaps CSNDC and other developers may be able to mitigate some of these challenges during the affordability period.

## KEY PARTNERS

**The City of Boston** provided HOME funds and City of Boston Neighborhood Housing Trust funds for the project, which together comprise a significant percentage of the development's funding. The city, acting through the Boston Redevelopment Authority, assisted the project in conducting the local development review and approval process and provided zoning relief.

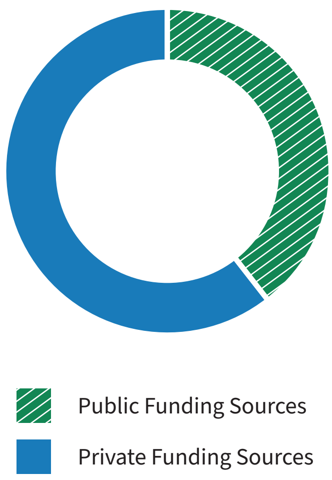
**The Commonwealth of Massachusetts** provided Affordable Housing Trust Funds, as well as $550,000 in HOME funds through its Department of Housing and Community Development.

**The U.S. Environmental Protection Agency (EPA)** worked closely with the developer in providing brownfields funding, which was made possible through the American Recovery and Reinvestment Act.

**The National Equity Fund** provided the tax credit equity.

## FUNDING SOURCES

| Public Funding Sources | AMOUNT |
|---|---|
| State Affordable Housing Trust Fund | $1,069,495 |
| HOME (City) | $1,069,495 |
| City of Boston Neighborhood Housing Trust | $750,000 |
| U.S. EPA – Brownfields | $526,000 |
| HOME (State) | $550,000 |
| **PUBLIC FUNDING TOTAL** | **$3,964,990** |
| **Private Funding Sources** | **AMOUNT** |
| LIHTC | $4,781,222 |
| Conventional Loan | $600,000 |
| Acquisition | $405,000 |
| Developer Equity | $238,616 |
| Energy Rebates | $55,000 |
| **PRIVATE FUNDING TOTAL** | **$6,079,838** |
| **TOTAL COMBINED FUNDING AMOUNT** | **$10,044,828** |




## ACKNOWLEDGMENTS

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ICF

## PROJECT PROFILES ACKNOWLEDGMENTS AND PHOTO CREDITS

ICF also thanks the HUD grantees and developers who contributed their time and insight on the project profiles.

**Gurney's Bend:** Chris Doll, Housing Development; photo obtained from Mindy Miller, Housing Development Alliance. **Hope Manor Village:** Nancy Hughes, Melissa Kleeman-Moy, and Ouida Jones, VOA Illinois. **Liberty Bank Building:** Jeremy Wilkening, Community Roots Housing; exterior photo by Kevin Scott. **Preservation Crossing:** Pam Thornton, Intervest. **River at Eastline Village:** Brian Swanton, Gorman & Company; photo obtained from Mike Small Photography and Tavits Photography (www.tavitsphotography.com). **Savannah Gardens:** Martin Fretty, Anita Smith-Dixon, City of Savannah, Housing & Neighborhood Services. **The Residences at Career Gateway:** Aaron Pechota and Adam Siegel, NRP Group. **The Residences at North Hill:** Thomas Fleetwood and Debashish Chakravarty, City of Fairfax, Department of Housing and Community Development; rendering obtained from Christopher Consultants (now IMEG), photograph obtained from Richard MacDonald. **The Ridgeway:** Ari Burling Photography, 234 Euclid Ave Fairfield, CT 06825, (917) 941-1742, ari@ariburling.com. **The Row Fremont:** Jake Hoppe, Hoppe Development; photo obtained from Joseph Carter. **Tuscany Cove:** Carol Gardner and Crystal Jackson, TEDc. **157 Washington:** Marcia Thornhill and Mark Dinaburg, Codman Square Neighborhood Development Corporation.