



# THE CITY OF ATLANTA FAITH-BASED DEVELOPMENT INITIATIVE



# Program Update

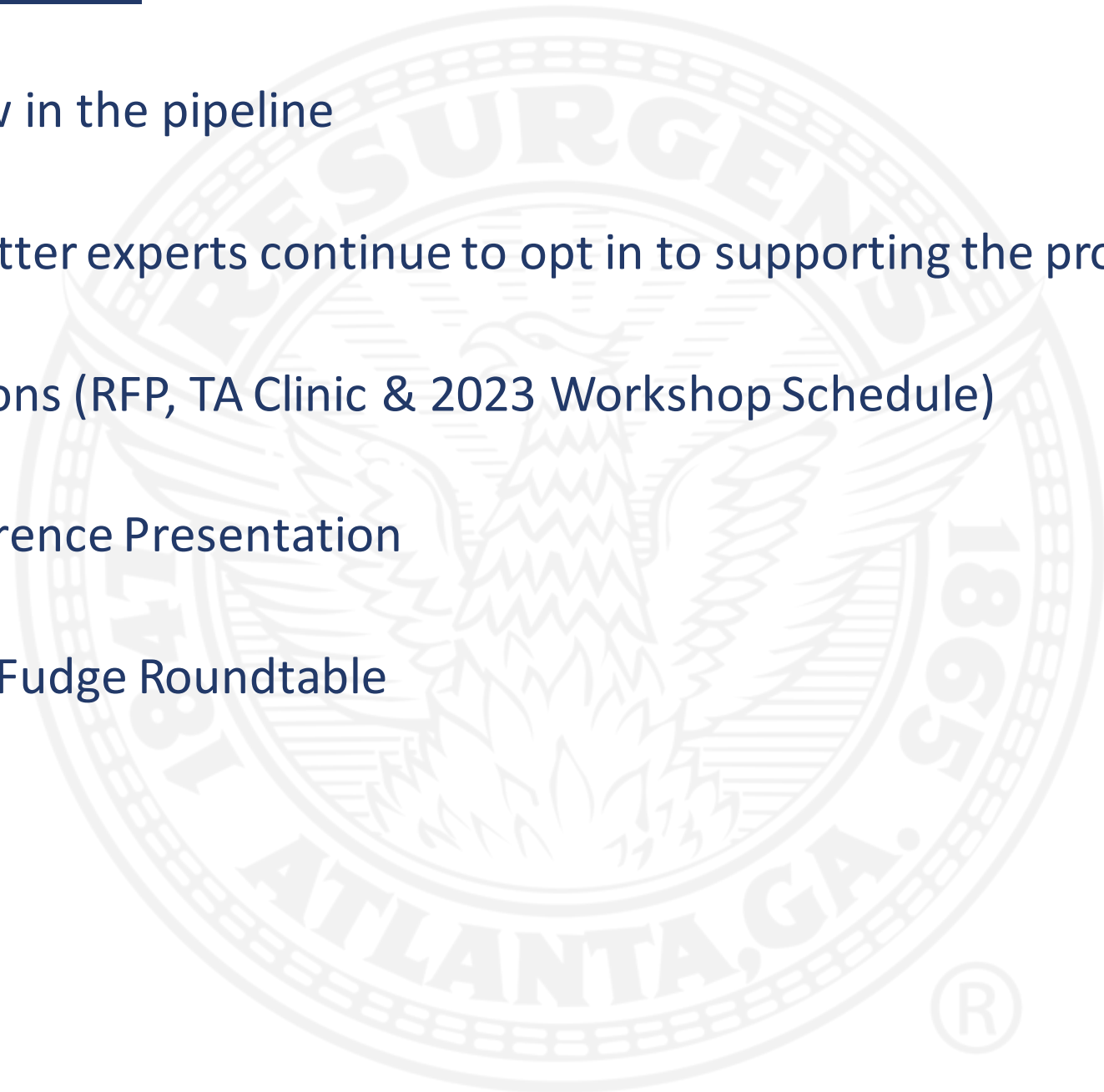
22 projects now in the pipeline

30+ subject matter experts continue to opt in to supporting the project

Website Additions (RFP, TA Clinic & 2023 Workshop Schedule)

GA ACTS Conference Presentation

HUD Secretary Fudge Roundtable



# HUD Secretary Fudge



**#MOVING ATLANTA FORWARD**

# Working with a development rep



**K N G D M**



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# FAITH BASED DEVELOPMENT INITIATIVES

Structuring your Deal



# CREATING THE FRAMEWORK

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- MDA or MOU
- What are the parties expecting of each other?
- What resources/benefits/examples are the parties bringing?
- What are the economic expectations?
  - How much paid at closing v. how much paid over life of the deal
  - Cash flow waterfall



# UNDERSTANDING CHURCH RULES

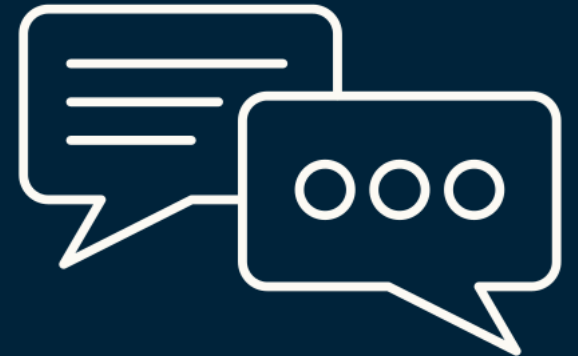
## Timing



## Approvals



## Communication Structures



# FINANCING/DEAL STRUCTURE QUESTIONS AND ISSUES

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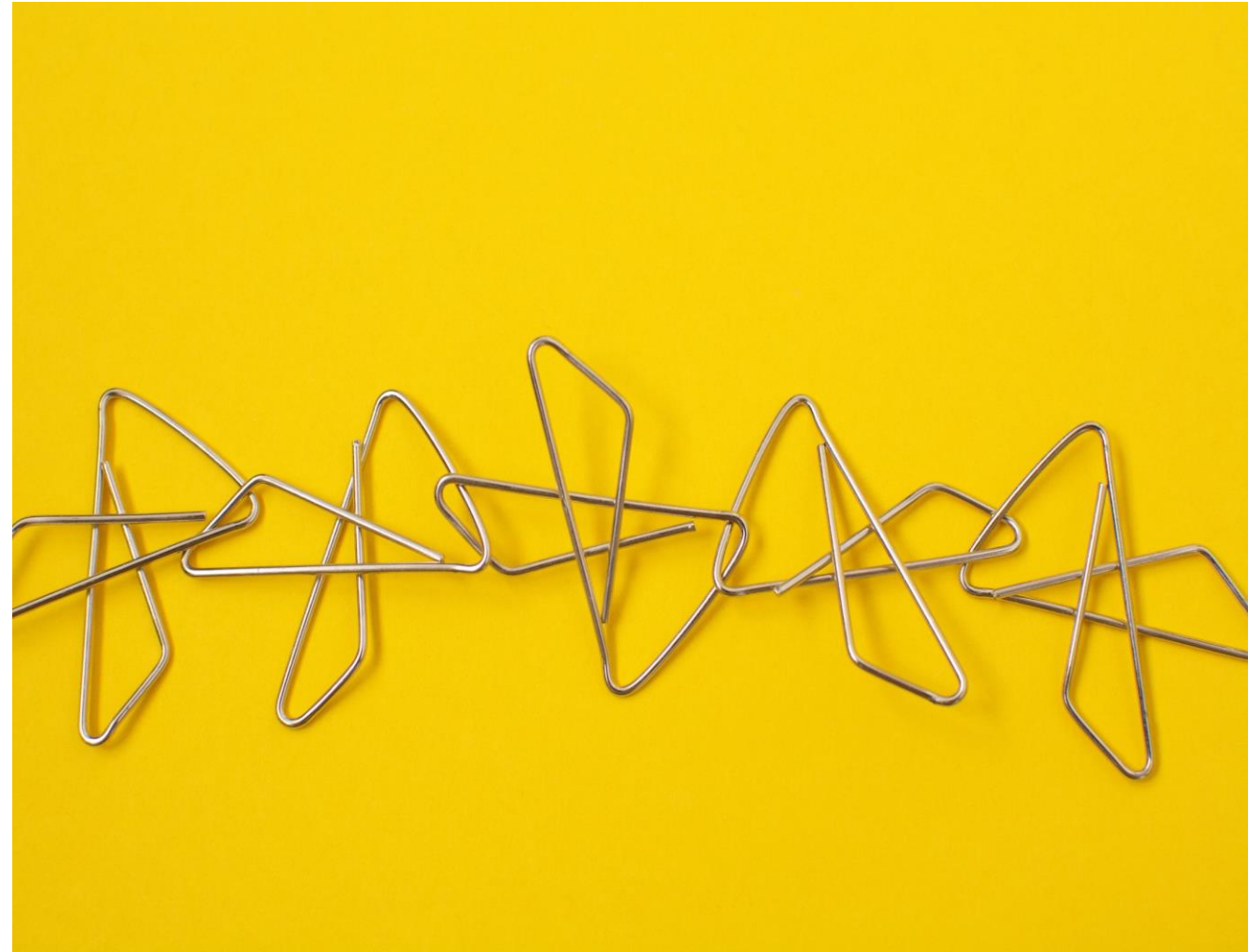
- Sale or Ground Lease
- Co-Developer
- Co-Owner
- Management
- Exit Strategy/Unwinding



# **GROUND LEASE**

# Joint Venture Agreements/Economics

- Which Agreement are You Talking About? Developer JV Agreement? General Partner JV Agreement
- Consent Rights
- Day-to-Day Management
- Budget
- Fees (Developer, Management, Other...)
- Cash Flow



# RFQ Major Topics to be Considered

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- Vision & Program
- Regional and Area Information
- Entitlement Information
  - Current Zoning
  - Future Land Use
  - Committed and Proposed nearby Improvements





# RFQ Major Topics to be Considered

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- **Jurisdictional Support for the Vision**
  - **Financial Incentives**
  - **Re-Zoning Assistance**
  - **Political Imperatives**
- **Experience & Qualifications**
- **Financial Capacity**
- **Respondent's Organizational Structure**

# Questions?

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**#MOVING ATLANTA FORWARD**



# How to Build in Partnership With Community Development Corporations

Presentation for the City of Atlanta Faith-Based Initiative

*October 26, 2022*



# WHO IS HDDDC?

## A Legacy of Equitable Revitalization

The non-profit Historic District Development Corporation (HDDDC) was co-founded by Coretta Scott King in 1980 to rehabilitate and revitalize the historic Atlanta neighborhoods of Sweet Auburn and Old Fourth Ward.

### OUR ORGANIZATION IS GUIDED BY THREE CORE PRINCIPLES:



#### NON-DISPLACEMENT

Our track record includes zero displaced residents or businesses



#### HISTORIC PRESERVATION

Preserving landmarks & homes that capture Sweet Auburn's rich history



#### SUSTAINABILITY

Redevelopment into vibrant, sustainable, mixed-use communities

# OUR IMPACT

A Legacy of Equitable Revitalization

**120**

Single-Family Homes  
Built/Restored

**40**

New  
Business  
Leaders  
Cultivated

**500**

Units of Multi-Family  
Housing Developed

**50,000**

Square Feet of  
Commercial Space

**0**

Residents or  
Businesses Displaced

**30**

Emerging  
Artist  
Leaders

# DECADES OF REVITALIZATION

Our Block-By-Block Approach to Residential Development

**BEFORE**



**AFTER**



HDDC has always employed innovative approaches to revitalization. In the late 1990's it pioneered the "block-by-block" development strategy by building new homes on vacant lots on the same streets where it rehabilitated existing dilapidated structures. The strategy became the catalyst for the revitalization of the entire neighborhood. The organization has continued to build on its successes and has expanded its reach to work throughout the entire Old Fourth Ward neighborhood.

# PAST PROJECTS

A Proven Track Record of Successful Mixed-Use Developments



## Auburn Glenn

\$30 million mixed-use building with 271 rental units and 10,000 SF of commercial space co-developed with Capitol Development Group



## Dynamic Metals Lofts

Mixed-use development on the site of an abandoned scrap yard with 39 rental units and 9 retail spaces that received an EPA Regional Brownfield Award



## Studioplex

Mixed-use redevelopment of a former cotton warehouse into an arts-focused community with 112 rental lofts, 17 commercial units, and 24 gallery spaces

# WHY IT MATTERS

- According to the Atlanta City Design, Metro Atlanta is expected to **grow by nearly 50%** over the next 20 years: **From 5.5M to over 8M**
- We aim to ensure that **ALL** residents and businesses in the corridor participate fully in the growth of the community.
- There is an **urgent need** for a **city-wide leader** to encourage and advise on equitable development. **HDDC has a track record** and best-practice experience to lead Old Fourth Ward, specifically Sweet Auburn, into the future.

# Front Porch

Mixed-Use Development



# HOW DID WE GET HERE?





# COMMUNITY ENGAGEMENT



Community Advisory Board

Categories

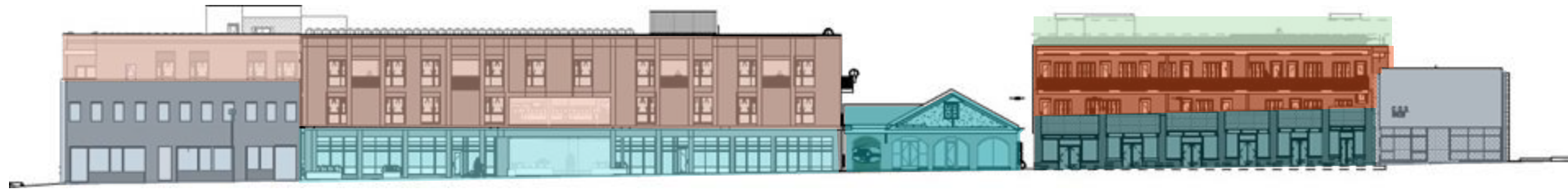
- Faith-Based
- Homeless (Ad)
- History/Arts/Culture
- Transportation
- Arts/Culture
- Resident (C)
- Small Business
- Senior (Ad)
- Green Economy
- Government
- Economic Inclusion
- Financial
- Advocacy/Education
- Illness/Health
- Urban Agriculture/
- Library



# COMMUNITY ENGAGEMENT






# PROJECT DETAILS



## Commercial Space

-  New construction of 4 larger retail units (13,200 SF) that will support restaurants and more established businesses
-  Renovation of historic Haugabrooks Funeral Home into a 6,800 SF of arts space
-  Conversion of 6 existing retail units (4,300 SF) into affordable pop-up spaces for local entrepreneurs

## Residential Space

-  34 units of affordable co-living rental housing arranged into 12 communities with shared kitchen and living areas
-  23 micro and studio units (9 affordable) of rental housing
-  16 for-sale condos (4 affordable) ranging from 1-3 bedrooms

## Other Components

-  20,000 SF rooftop event space will have a community garden and room for health classes, networking, and other events
-  Project will be built around two existing buildings which will remain in third-party ownership













# FINANCING AND TIMELINE

## Financing Sources

- NMTC Allocation sought: \$25-30million
- Non-NMTC financing sources:
  - Debt from Reinvestment Fund + LISC
  - Invest Atlanta TAD grant
  - Sponsor Equity

## Timeline

- Q4 2021
  - Secure NMTC financing commitments
  - Finalize construction drawings and submit for building permit
- Q2 2022
  - NMTC Closing
  - Begin construction
- Q1 2024
  - Complete construction/commence operations

Total Sources	
NMTC Gross Equity (before any fees)	\$8,775,000
Owner's Equity	\$3,000,000
TAD Grant	\$2,000,000
Debt (Reinvestment Fund + LISC)	\$18,734,769
<b>Total Sources</b>	<b>\$32,509,769</b>
Total Uses	
Acquisition + Predevelopment to date	\$6,300,000
Hard Costs	\$16,592,668
Hard Cost Contingency	\$1,659,267
Soft Costs	\$2,481,880
Soft Cost Contingency	\$248,188
Development Fee	\$1,000,000
Tenant Improvements	\$892,575
Leasing Commissions	\$272,192
<b>Total Base Project Costs</b>	<b>\$29,446,769</b>
At Close NMTC Fees -(est.)	\$1,200,000
Ongoing NMTC Fees -(est., reserved)	\$1,138,000
NMTC Closing Costs (est.)	\$725,000
<b>Total</b>	<b>\$32,509,769</b>

# ENGAGING YOUR CDC

- Mission alignment is key
- Long term partnership vs investment opportunities
- Establish clear partnership goals and responsibilities
- Establish internal process and procedures
- Trust the process



# LET'S GET STARTED



# Thank You!

**Cheneé  
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**HDDC**

Historic District Development Corporation

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