



Mini Case Study
Atlanta Neighborhood Development Partnership, Inc. - ANDP

#	Year	Investor	NMTCs [\$]	Pricing	# of Homes	Capital Stack	% LIP Sales	Loan to Cost		
1	May-17	HPN	USBCDC	10,000,000	\$0.86	74	ANDP	403,238	50%	
							AE Casey	600,000		
							RF (SL)	3,000,000		
							PIC	1,352,393		
							Net Benefit	<u>2,267,862</u>		
							Total Cons	<u>7,623,493</u>		<u>39.35%</u>
2	Sep-18	HPN	USBCDC	10,000,000	\$0.82	72	ANDP	958,215	50%	
							RF (SL)	4,000,000		
							PIC	1,893,550		
							Net Benefit	<u>2,236,524</u>		
							Total Cons	<u>9,088,289</u>		<u>44.01%</u>
							3	May-21		RF
RF (SL)	1,968,712									
PIC	1,122,243									
Net Benefit	<u>1,488,634</u>									
Total Cons	<u>7,969,341</u>	<u>24.70%</u>								
4	Aug-21	ESIC	USBCDC	10,500,000	\$0.71	50			ANDP	
							WFF/RE (SL)	3,800,000		
							PIC	1,132,700		
							Net Benefit	<u>1,488,634</u>		
							Total Cons	<u>8,124,872</u>	<u>46.77%</u>	
							5	Apr-25	HPN	USBCDC
PIC	1,545,537									
Net Benefit	<u>2,182,085</u>									
Total Cons	<u>9,101,084</u>	<u>0.00%</u>								
Total:			50,500,000		280	Total Cons	9,101,084			

ANDP NMTC Allocation #1

With a \$10 million allocation, [Atlanta Neighborhood Development Partnership, Inc.](#) (ANDP) sought to acquire, rehab, and sell approximately 74 single family homes within qualified census tracts in the Atlanta Metropolitan Statistical Area (25 homes have been identified at closing), some of which will be located in the Pittsburgh neighborhood (which once had the nation's largest foreclosure rate and now is the most underwater zip code in Metro Atlanta). This project has addressed issues of affordability, suppressed housing values, and neighborhood stabilization that impact the target area. ANDP uses a scattered site model. Its target area includes hard hit and low-income portions of eight metro counties (Clayton, Cobb, DeKalb, Douglas, Fulton, Gwinnett, Henry and Rockdale counties in Georgia) that were severely impacted by metro Atlanta's foreclosure crisis and the lingering effects of negative equity. In the target area, 72% of the population is minority; 34% of all households earn less than \$25,000 and 48% earn less than \$35,000. The area's homeownership rate has fallen significantly since 2007 and, as of the closing in 2017, was 39.8%. The vacancy rate is high at 16.4%. This cradle of hard-hit neighborhoods is centered in the south metro region which was ground zero for high levels of foreclosures during the mortgage crisis. These low-income, largely minority neighborhoods south of Interstate-20 and along the corridors of Interstate-85 and portions of Interstate-75 have experienced little real estate activity and slow rebounds in home prices.

ANDP lists its available properties on real estate listing services and its own website, where its program guidelines and purchaser household income limits are also posted. Purchasers (i) must be able to qualify by an approved third-party lender, (ii) not own another home, (iii) must be purchasing the home as their primary residence, (iv) complete a HUD-approved homebuyer education course, and (v) contribute \$1,000 toward transaction and closing costs. Additionally, buyers must have qualifying income not to exceed 120% of the HUD area median income limits. In conjunction with its QLICI Loan, ANDP has agreed that the homes sold by its Separate Business will be located in Low-Income Communities, and that 50% of the homes will be sold to Low-Income Persons.

ANDP helped form and lead the Atlanta Piece by Piece Foreclosure Recovery Initiative whose steering committee included the Atlanta Regional Commission, Federal Reserve Bank of Atlanta, Greater Atlanta Homebuilders, Home Depot Foundation, NeighborWorks America and others. The Piece by Piece Initiative set a regional plan for interventions to the Foreclosure Crisis and update their plan in 2014 to address the region's negative equity crisis which was concentrated largely in minority neighborhoods.

From ANDP's 2017 Intake Form to HPN:

"Based in part by Piece by Piece findings and in part by local experience and community input, The City of Atlanta, Gwinnett County, and DeKalb County have prioritized their limited affordable housing dollars for acquisition, rehab and for sale activities to income eligible families.

"ANDP will leverage NMTC financing to mitigate both high rehab costs and the appraisal risk in the highly distressed neighborhoods where our future rehab efforts are focused. NMTC financing will allow ANDP to fill a critical capital gap

as well as scale our foreclosure redevelopment work and expand the number of homes in the project. Homes with lower acquisition costs (affordable to <80%AMI) generally require higher rehab and require deeper developer subsidy.

“As we are pursuing scattered site single-family redevelopment or new construction to lift values over time in high foreclosure impacted neighborhoods, only a portion of the project would move forward. NMTC allows us to scale work in Atlanta’s Pittsburgh neighborhood (at one time the nation’s highest foreclosure zip code and currently the most underwater zip code in our metro) and serve additional high distress areas and increase sales to 80 percent and 60 percent AMI households. ANDP proactively engages MBEs and WBEs with demonstrated capacity in our foreclosure redevelopment efforts. Currently, MBEs support approximately 30% of ANDP’s non-governmental single-family projects. ANDP will also utilize a MBE and WBE brokerage to close a substantial portion of our properties, and we have another MBE and WBE that serves as project manager for the homes that will be rehabbed in the Pittsburgh neighborhood. Through our partnerships with the Pittsburgh Community Improvement Association and the Annie E. Casey Foundation, ANDP will engage local residents completing special job training programs (such as the Construction Ready Program at the Center for Working Families) in both contracting and job training opportunities. This four-week immersive construction training program exposes participants to critical skills needed in the construction industry, prepares them for hire with interactive interview and resume trainings, and assists with job placement through partner construction projects and companies.

“In consultation with Southface Energy Institute, ANDP produced and consistently utilizes a “Green” Scope of Work when executing our single-family rehab and construction projects). Southface is an Atlanta-based nonprofit organization with a mission to promote sustainable homes, workplaces and communities through education, research, advocacy and technical assistance. The organization inspires market-based solutions by drawing on decades of experience defining the cutting edge of sustainability in the region. ANDP’s green specifications pay particular attention to the envelope of the home, preserving sustainability and reducing utility expense for the homeowner.”

ANDP NMTC Allocation #2

Atlanta Neighborhood Development Partnership, Inc. (ANDP). ANDP continued its same strategy it utilized with its First NMTC Allocation from HPN CDE; and, within the same geographic footprint.

However, since the deployment of its first NMTC Allocation, ANDP was able to confirm that its single-family rehabilitation program increased neighboring property values at a 15 to 1 leverage ratio. Each rehabilitated home and re-sell creates a quality market comparable and helps lift home values in the surrounding community. According to studies conducted in partnership a 2017 study conducted in partnership with DeKalb County Tax Commissioner’s Office, investment in single-family rehabilitation in DeKalb County contributed to an estimated \$7.4 million in local income and \$635,000 in tax revenue. ANDP’s investment in the neighborhood also helped to lift homeowners out of negative equity, allowing them to build wealth and invest back into their communities. Homes acquired, rehabbed, and sold with NMTC financing continue to be part of three comprehensive community development initiatives in the region (described in the First NMTC Allocation Application to HPN CDE); the continuation of which will layer diverse community investments to achieve greater collective impact.

As ANDP continues to expand its single-family rehabilitation efforts throughout its target area, it broadens its work with key partners and stakeholders to align these investments with larger community visions. The homes will be scattered throughout the target area, with a priority on neighborhoods where there is opportunity for collective impact. While homes are not acquired based on their proximity to healthy food options, there are active efforts to promote community health within our target area, including plans for a food cooperative in the Tri-Cities area.



Figure 1 – 617 Hamilton E Holmes Drive - Renovations financed with NMTC Allocation #2

ANDP NMTC Allocation #3

After its two previous NMTC transactions in 2017 and 2018 (receiving a \$10M allocation in each transaction), by the end of 2020, ANDP had acquired/renovated/built or was in the process of doing so for 133 homes constructed from the powerful capitalization NMTC financing provided.

With an additional \$10 million allocation from Reinvestment Fund in 2021, ANDP sought to acquire, renovate and/or build and sell approximately 43 single family homes in metro Atlanta communities.

Alongside ANDP’s traditional scattered-site acquisition/rehab approach, ANDP partnered with Cityscape, an established minority-owned Atlanta homebuilder to develop 12 townhomes in a severely distressed census tract in the Browns Mill neighborhood, as an outparcel portion of a larger subdivision being developed by Habitat for Humanity Atlanta. ANDP utilized the NMTC net benefit to layer additional down payment assistance for these home sales, bringing down the purchase price and targeting additional homebuyers. This down payment assistance is being provided to four units at 80% AMI as a 0% 40-year second mortgage. All homes are built and rehabbed to ANDP’s Green & Healthy Standards, allowing homebuyers to experience long-term savings in utilities and maintenance.



Figure 2 - Austin Walk

In this transaction, Reinvestment Fund, the provider of the NMTCs, as well as the lender of the Source Loan (for the capitalization of the Leverage Lender) required the following covenant in the NMTC Loan Documents with regard to outcomes (Table ** [Note *]):

Homeownership: Construction or substantial rehabilitation of 55 energy-efficient homes in severely distressed, NMTC-qualifying census tracts in Greater Atlanta to be sold consistent with the following conditions:

- 100% of homes to be sold to buyers earning 120% of Area Median Income (AMI) or less;
- 30% or more of homes to be sold to buyers earning 80% of AMI or less;
- 55% or more of homes to be sold to Black/African American households; and
- 10% or more of homes to be sold to veteran households.

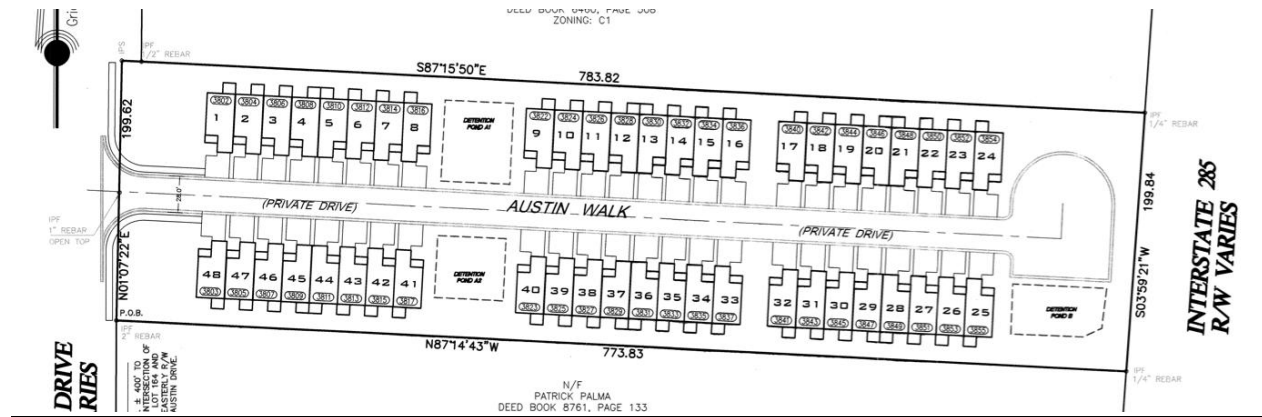


Figure 3 - Austin Walk Plat

ANDP NMTC Allocation #4

With an additional \$10.5 million allocation from Enterprise, ANDP is proposing to acquire, renovate, build, and sell approximately 44 single-family homes in the two areas of Atlanta facing pressures and opportunities due to different phases in the cycle of gentrification: Atlanta’s Westside and Southwest neighborhoods.

Westside Project: The targeted Westside neighborhoods includes six formerly disinvested and currently gentrifying neighborhoods surrounding the newly constructed Mercedes Benz Stadium in downtown Atlanta: Vine City, English Avenue, Atlanta University Center, Ashview Heights, Booker T. Washington, and Just Us. This project will be accomplished in partnership with the Westside Future Fund (WFF), a nonprofit/philanthropically funded, place-based community development organization, which currently owns over 100 single-family homes and parcels in the WFF footprint. ANDP expects to complete approximately 20 single-family homes from this NMTC allocation, all of which are already under WFF’s control. The homes are clustered in the English Avenue neighborhood and are near two recently revitalized greenspaces, Cook Park and Katherine Johnston Memorial Park. The homes are formerly abandoned and on blighted blocks; many have been vandalized and stripped of systems and wiring. The renovations or rebuilds will therefore be much more extensive and costly than the typical ANDP acquisition/rehab. The homes are within one mile of the MARTA rapid transit stations in English Avenue and Vine City, and within one quarter mile of a MARTA bus stop. Critically, these homes are all within three miles from downtown Atlanta and access to the CBD job center. All homes completed in partnership with WFF will be sold to homebuyers earning 120% of Area Median Income or less, and Westside legacy residents and employees of neighborhood businesses will be prioritized for home purchases.



Figure 4 - Westside home financed with NMTC Allocation #4

This single-family acquisition/rehab/new construction program is a part of WFF’s Home on the Westside strategy, which includes development and renovation of 800 multifamily rental units and 225 single-family homes in the next five years along with a partnership with On the Rise Financial Center, which offers financial literacy, credit counseling, and homebuyer readiness training for legacy residents interested in homeownership, creating a viable pipeline of legacy residents ready for homeownership. WFF’s larger community revitalization strategy includes cultivating a diverse, mixed-income community, improving quality of life, and elevating and celebrating the Historic Westside’s unique history and culture. To these ends, WFF drives a collective effort based on four impact

strategies involving many different impact partners: Safety & Security, Mixed-Income Communities, Cradle-to-Career Education, and Community Health & Wellness. ANDP is a critical partner in the delivery of Mixed-Income Communities.

Southwest Project: As a part of this NMTC allocation, ANDP also plans to develop or renovate approximately 24 single-family homes in Atlanta’s Southwest neighborhoods, areas that has seen decades of disinvestment. Although this area has been slower to transition than other core intown neighborhoods, there is no doubt that the area’s proximity to downtown Atlanta coupled with current and future public transit access, including a planned and funded streetcar line from downtown Atlanta and the Atlanta BeltLine, will bring diverse amenities and upwards market pressure to the area. ANDP plans to utilize its vast single-family development expertise through its private partner model to acquire, rehab, build, and sell homes within this footprint, capitalizing on the area’s relatively low home prices to create homeownership opportunities where dilapidated homes exist.



Figure 5 – Campbellton Road Townhome Development in Southwest Atlanta

Both the Westside and Southwest initiatives will create homeownership and wealth creation opportunities for low- and moderate-income families in West and Southwest Atlanta, ensuring wealth remains in communities of color and helping to lift neighboring homeowners out of negative equity.

In this transaction, Enterprise, the provider of the NMTCs, as well as the lender of the Source Loan, Westside Future Fund (for the capitalization of the Leverage Lender), required the following covenant in the NMTC Loan Documents with regard to outcomes (Table ** [Note **]):

By completing the Project using the NMTC Loan, NMTC Beneficiary will use reasonable commercial efforts to achieve the following:

- a) The 45 newly constructed or renovated single-family homes will have affordability requirements such as:
 - 100% of homes in the Project will be sold to buyers earning less than 120% AMI; and
 - 20% of homes in the Project will be sold to buyers earning less than 80% AMI.
- b) Approximately 60% of the 45 newly constructed or renovated single-family homes will be sold to homebuyers identifying as Under-Represented Minorities.
 - For homes purchased as a part of the Homes on the Westside program, homebuyers will meet Home on Westside guidelines, prioritizing long-term legacy residents of the targeted neighborhoods.

ANDP NMTC Allocation #5

With a \$9.7 million NMTC loan, Atlanta Neighborhood Development Partnership, Inc. (ANDP) will acquire 35 vacant single-family homes from large-holding rental investors to rehab and sell affordability to low-income homebuyers across multiple neighborhoods in Atlanta, Georgia. ANDP is a thought leader regionally and nationally on preserving and creating affordable homeownership opportunities. Market conditions in the metro Atlanta area, including higher debt costs and the opportunity to take an investment windfall from market appreciation have led to institutional single-family investors selling off rental homes – creating a unique opportunity to increase affordable homeownership opportunities. The goal is for all homebuyers to have a safe, move-in ready home. ANDP’s efforts will provide lower income families with stable homeownership opportunities, easing neighborhood displacement.

A previously vacant three-bedroom and three-bath rental home is now renovated and available for purchase in DeKalb County.



HOUSING

New markets tax credit brings 45 affordable homes to Westside and Southwest Atlanta

BY BRIA SUGGS
The Atlanta Voice

Through New Markets Tax Credit financing, Enterprise Community Partners (Enterprise), Atlanta Neighborhood Development Partnership (ANDP) and Westside Future Fund have committed to building or rehabilitating 45 affordable homes for low to moderate income families in Atlanta.

The project will have a focus in the city’s Westside and Southwest neighborhoods. ANDP will create 25 homes in the Campbellton Road area, while Westside Future Fund will rehabilitate 20 homes in Vine City, English Avenue, Ashview Heights and the Atlanta University Center.

In a statement the partnering companies described the goal of the new development as “helping to expand homeownership and wealth-building opportunities in historically Black communities close to the city center that have experienced decades of disinvest-

ment and gentrification and, more recently, disproportionate harm from COVID-19.”

“The homes are going to be affordable to families earning up to 120% of the median income, with 20% of the units set aside to families earning at or below 80% of the median income,”

Meaghan Vlkovic, Enterprise vice president and Southeast market leader, said. “This is very

important because in this model, because of the new market tax credit investment, and the

public private and philanthropic partnership, it is going to allow for the sale prices to be affordable to families earning those incomes.” The New Markets Tax Credit program was established by Congress in 2000. According to the United States Treasury, the program “permits individual and corporate taxpayers to receive a non-refundable tax credit against federal income taxes for making equity investments in financial interme-



Happy young family couple holding key to new home on moving day. Photo Credit: iStock/Dragana991

diaries known as Community Development Entities (CDEs).” The money is then invested in low-income urban and rural communities. Racial equity is what Vlkovic described

as the center of her work at Enterprise, and is what caught her interest on this project. “The majority of the homes on the Westside are not owner occupied- they are investor owned and getting in now to secure homes for renovation or vacant land for new production of affordable homes, it will help prevent displacement,” Vlkovic said. John O’Callaghan, president and CEO of ANDP, this development is an opportunity for people to create wealth within their families as well. “So, this is really a wealth creation initiative that is particularly focused on developing wealth and among families of color,” O’Callaghan said. “And ... there’s just a need across Atlanta for more homes and apartments that are affordable.” On average, families who have used ANDP’s homeownership program have accumulated \$134,000 in wealth from the value of their homes. Construction on this project has been ongoing for about a year and is expected to be complete in 2023.