

# VINE CITY- MLK, JR. DRIVE REDEVELOPMENT

*APRIL 29, 2021*

*URBAN LAND INSTITUTE*



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# PROJECT OVERVIEW

*To create a preliminary highest and best use plan based on the previously stated community needs. This should include an integrated site plan, design, and programming concepts as well as possible financing structures to include viable public and private sources.*

## AFFORDABLE HOUSING



New quality affordable housing opportunities for legacy residents to remain in the neighborhood and avoid displacement.

## COMMERCIAL SPACE



New quality commercial space for local businesses which will provide new amenities and jobs for the local community.

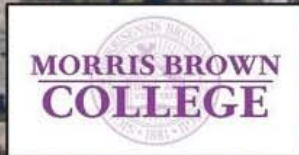
## GATEWAY



Provide a gateway to the Historic Westside to celebrate and memorialize its rich civil rights history.

# LOCATION- MICRO







**"FOR EVERY  
GREAT IDEA,  
THE OPPOSITE  
IDEA IS ALSO  
TRUE."**

- Adam Kahane,  
*Collaborating with the Enemy*

### GUIDING PRINCIPLES:

- Stretch Collaboration
- Celebrate Cultural Significance
- Restorative Justice
- Catalytic Development
- Holistic
- Inclusive

### OUR PROCESS:

- Establish Baseline Scenarios
- Asset Mapping
- Stakeholder Engagement
- Case Studies
- Refine Scenarios
- Potential Sources and Uses

# HISTORICAL CONTEXT



# WHAT GIVES VINE CITY PERSONALITY?



MR. TILLMAN WARD, WESTSIDE SUMMIT, FEB 2021

## *HISTORIC & ICONIC COMMUNITY*

HOME OF MARTIN LUTHER KING, JR.  
CORNERSTONE OF CIVIL RIGHTS MOVEMENT  
EPICENTER OF HBCU'S



# ABOUT THE NEIGHBORHOOD



## Late 1800s

It was settled by large landowners

## 1920s

Westside neighborhoods offered first subdivisions where African-Americans could purchase

## Early 1930s

Atlanta was first introduced to what would become "America's National Dance": the Lindy Hop.

## Mid 1900s

The area was a middle-class African-American neighborhood. Alonzo Herdon, Atlanta's first black millionaire built a mansion in Vine City.

## 1950s

Vine City was the epicenter of the Civil Rights Movement. Paschal's.

## HISTORIC SUNSET AVE DISTRICT

PICTURED RIGHT: MAYNARD JACKSON'S  
CHILDHOOD HOME

PICTURED BELOW: MARTIN LUTHER KING JR.'S  
FAMILY HOME



# VINE CITY NEIGHBORHOOD

## OTHER FACTS

- One of the earliest and most diverse neighborhoods. The development of the street car and the neighborhood's proximity to power plant and railyards drew working class across racial lines.
- A mix of social classes were present.
- Morris Brown College, founded in 1881 by African-Americans

## CONTINUATION OF TIMELINE

- Martin Luther King Jr. moved to Sunset Ave in 1966. Maynard Jackson and Julian Bond's families also lived on Sunset Ave
- 1950's and 1960's ushered in neighborhood decline from rising unemployment and crime.
- From 1970's to 1990's urban renewal impacted the Westside with the development of the GWCC (and subsequent expansions) and the Georgia Dome, which displaced residents.
- In 1995 the English Ave Elementary School closed.

## 2009

- During the Great Recession, the area was hard hit by foreclosures; adjacent 30310 on of the top 10 hardest-hit areas in the nation

## WESTSIDE

### Land Use Framework Plan



"To create a diverse and sustainable, multi-generational community with high-quality mixed-income housing, locally-owned retail, and walkable greenspace; in a safe, healthy, and civic environment that promotes family, education, and homeownership; and encourages traditionally designed, primarily single-family development and rehabilitation which reflects and preserves the history and culture of the Vine City Neighborhood."

VINE CITY VISION STATEMENT

## WESTSIDE

### Land Use Framework Plan



- Expand Housing Choices and anti-displacement
- Preservation of Neighborhood Character
- Improve storm water practices
- Access to parks and greenspace
- Leverage Urban Agriculture Movement
- Retain existing retail businesses

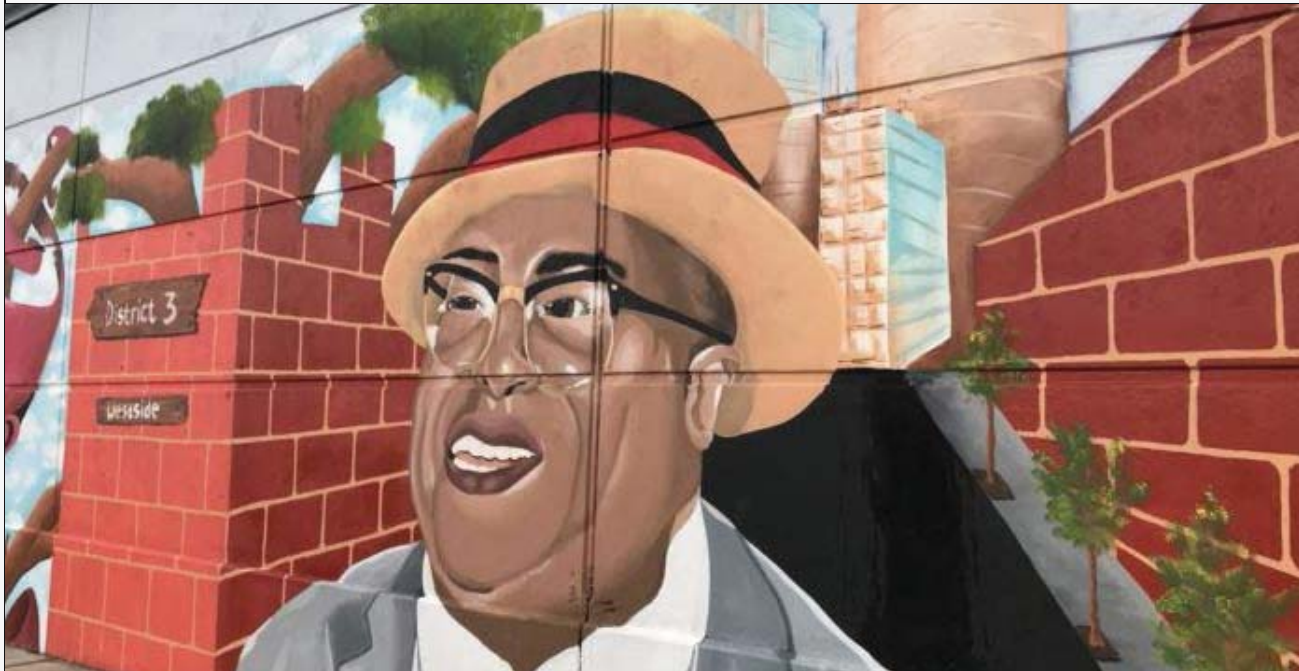
#### GOAL HIGHLIGHTS & RECCOMENDATIONS

Estimated absorption: 1105 units

30% AMI Units: 220 units or 20%

Retail absorption: 21,500 SF

# STAKEHOLDER ENGAGEMENT



30+ INTERVIEWS

- RESIDENTS
- NONPROFITS
- DEVP PARTNERS
- AUC PARTNERS
- FUNDING PARTNERS

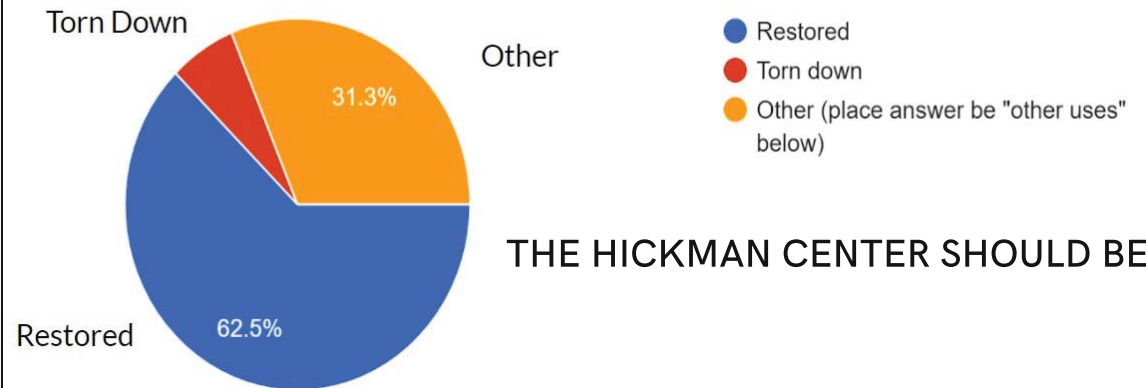
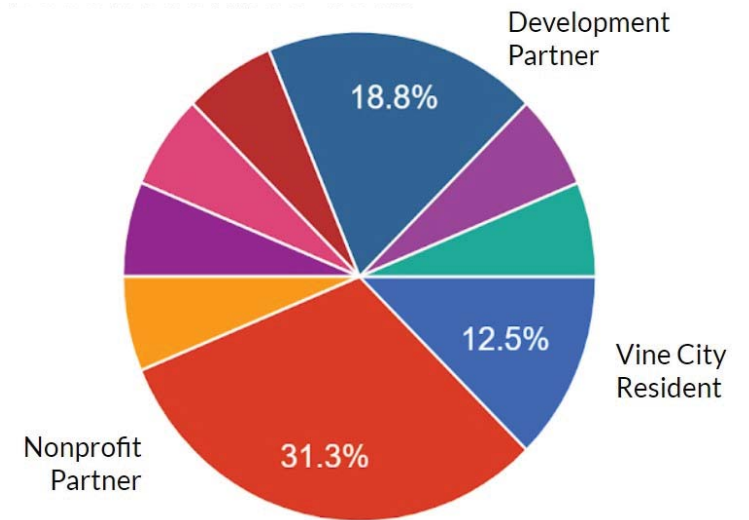
FEB/MAR NPU-L MEETINGS

FOCUS GROUP SURVEY



# INVEST ATLANTA mTAP FOCUS GROUP SURVEY:

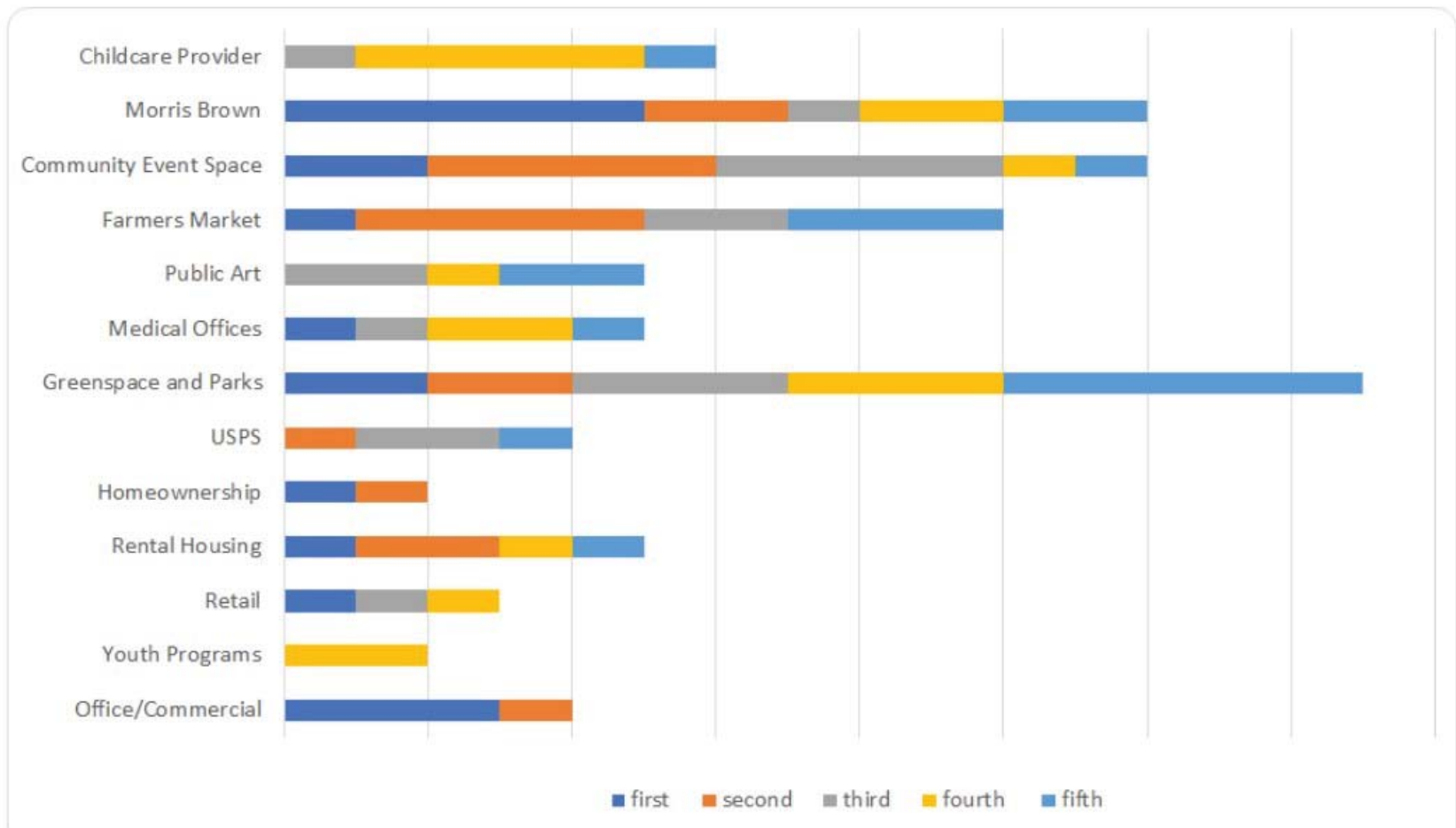
WHICH OF THE FOLLOWING BEST DESCRIBES YOU?



THE HICKMAN CENTER SHOULD BE...

17 RESPONSES

## PLEASE RANK TOP FIVE USES FOR THE SITE...



# ONE WORD

DESCRIBE YOUR **VISION** FOR  
**VINE CITY**



BE**LOVED** COMMUNITY

PROXIMITY

TRANSFORMATIONAL

LEGACY

LIVABLE

HEALTHY LIVING



HISTORIC

**HEALING**

**ICONIC**

**SUSTAINABLE**

COMMUNITY

GATEWAY

**FLOURISHING**

FRESH **FOOD**

**WALKABLE**

RESILIENT

**THRIVING**



"Where **PEOPLE** who have lived there for 5+ years can **AGE INPLACE** and benefit from the **AMENITIES** coming and have n'hood **REPRESENT**ative of what they **VALUE**"

## NOTABLE QUOTES

### AND THE SURVEY SAYS.....

"Chronic flooding in Vine City requires greater stormwater detention than Cook Park alone. **Sunset is an ideal location for stormwater storage with park and trail connectivity.** Other needs including community event space, AUC student space, farmers market AND public art could all be layered on to such a multi functioning public space. Don't think silos. Think overlapping layers that begin with stormwater storage and greenspace!"

"It would be interesting to see a mixed-use program that incorporates film/technology teaching labs, collaboration, and commercial uses and **brings together students from the AUC with industry leaders and practitioners.**"

"The Hickman Student Center redevelopment has a long history with MBC and should be used to as a tool that will foster economic growth for MBC primarily and the community."

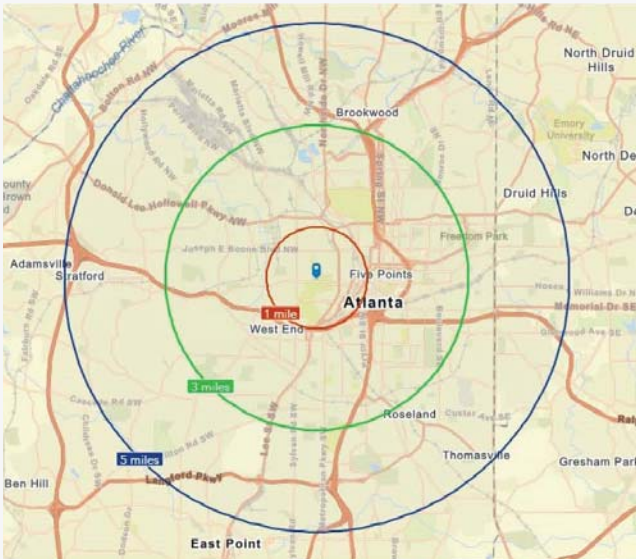
"These are **iconic neighborhoods** and the history should try to be preserved. There is a significant portion of the site that is vacant land and that is where you could explore the density."

"We need to create an **urban, walkable** development."

# MARKET CONDITIONS






# DEMOGRAPHICS & CURRENT MARKET



Subject Property: 50 Sunset Avenue, Atlanta, GA 30314

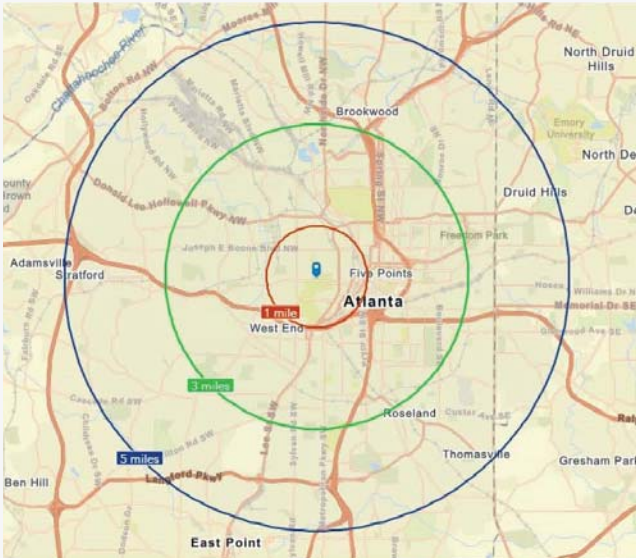
## 2020 CENSUS DATA - ESRI - SITE TO DO BUSINESS

 Population	1 Mile	18,377
	3 Miles	169,527
	5 Miles	345,510
 Households	1 Mile	6,039
	3 Miles	76,254
	5 Miles	155,784
 Average HH Income	1 Mile	\$53,118*
	3 Miles	\$85,064
	5 Miles	\$97,444

**\*40%** of the residents within a 1-mile radius of the property earn <\$25K annually

**\*66%** of the residents within a 1-mile radius of the subject property earn <\$50K annually

# DEMOGRAPHICS & CURRENT MARKET



Subject Property: 50 Sunset Avenue, Atlanta, GA 30314

## 2025 CENSUS DATA - ESRI - SITE TO DO BUSINESS



Population

1 Mile	18,914
3 Miles	188,193
5 Miles	377,362



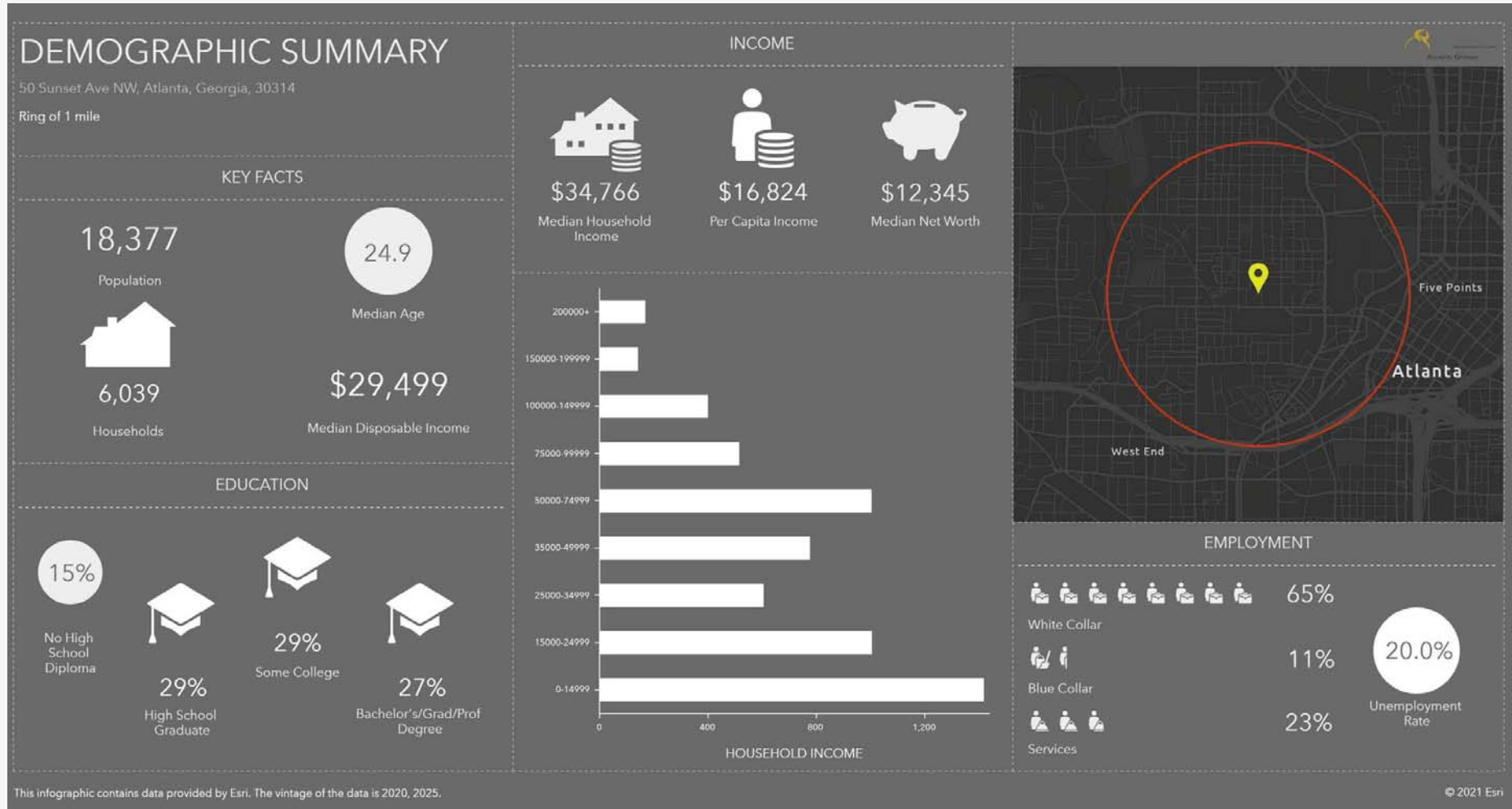
Households

1 Mile	6,332
3 Miles	86,599
5 Miles	177,105



Average HH Income

1 Mile	\$58,568
3 Miles	\$97,586
5 Miles	\$110,335



**2020 CENSUS DATA - ESRI - SITE TO DO BUSINESS**

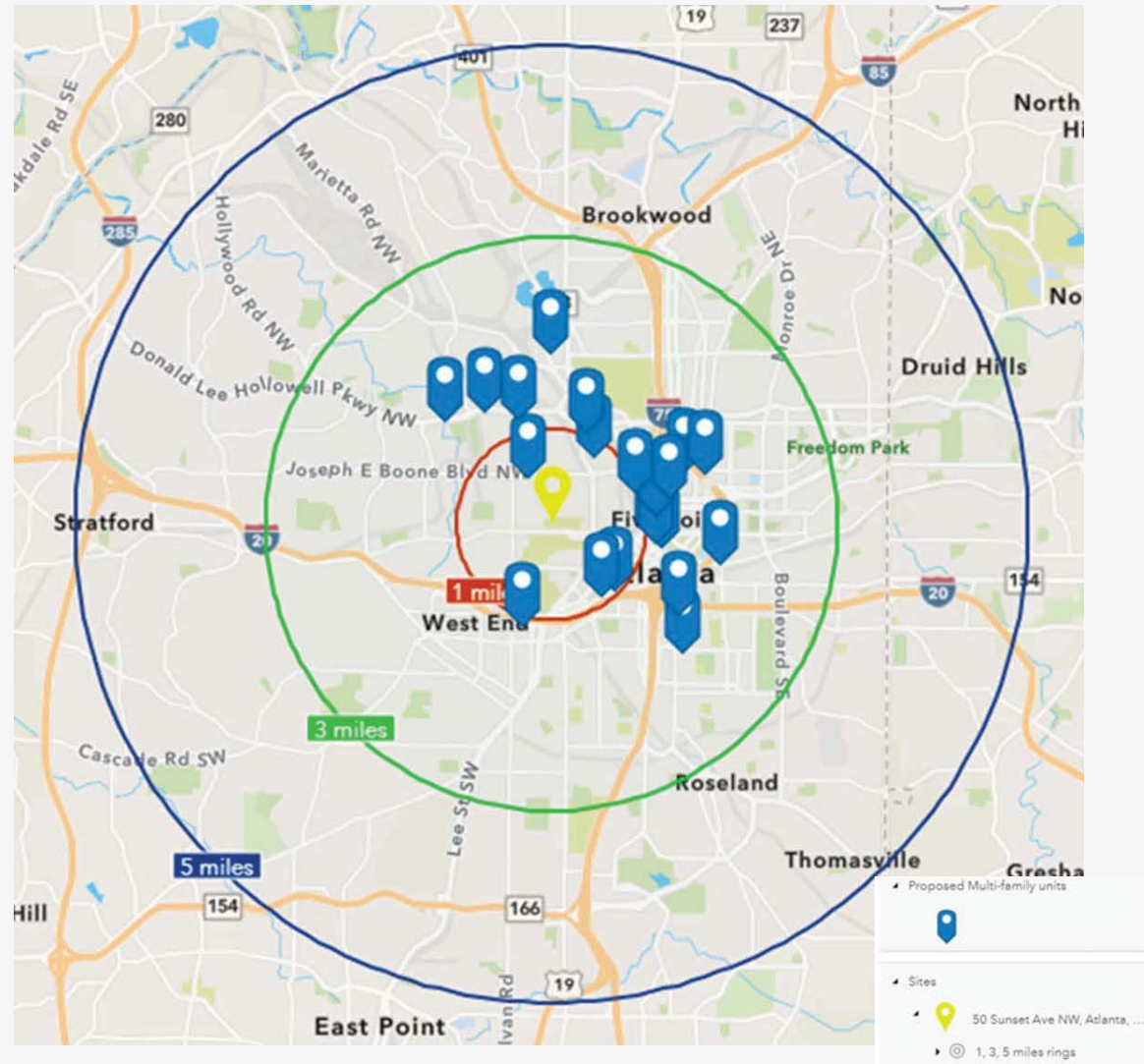
# PROPOSED MULTI-FAMILY DEVELOPMENTS

7,678 NEW UNITS

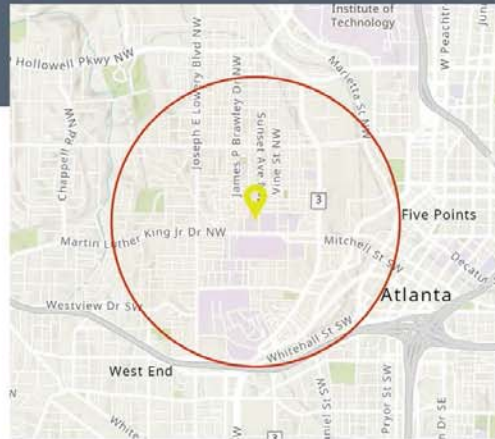
**2022:** 3,152 Units

**2023:** 3,442 Units

**2024:** 1,084 Units



**23** NEW DEVELOPMENTS



## AT RISK POPULATION PROFILE

50 Sunset Ave NW, Atlanta, Georgia, 30314



Ring of 1 mile

**18,377**

Population

**6,039**

Households

**2.05**

Avg Size Household

**24.9**

Median Age

**\$34,766**

Median Household Income

**\$205,982**

Median Home Value

**35**

Wealth Index

**96**

Housing Affordability

**19**

Diversity Index



**1,491**  
Households With Disability

### AT RISK POPULATION



**1,624**  
Population 65+



**2,071**  
Households Without Vehicle



**29%**  
Households Below the Poverty Level



**1,926**  
Households Below the Poverty Level



**0**  
Pop 65+ Speak Spanish & No English

### POVERTY AND LANGUAGE



**29,419**  
Daytime Population



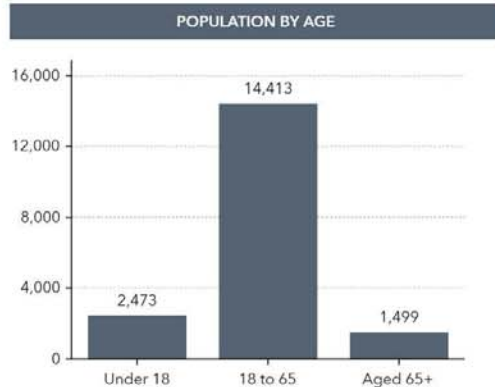
**842**  
Total Businesses



**25,453**  
Total Employees

### POPULATION AND BUSINESSES

Language Spoken (ACS)	Age 5-17	18-64	Age 65+	Total
English Only	2,278	14,121	1,681	18,080
Spanish	38	400	0	438
Spanish & English Well	38	365	0	403
Spanish & English Not Well	0	36	0	36
Spanish & No English	0	0	0	0
Indo-European	10	323	9	342
Indo-European & English Well	6	315	9	330
Indo-European & English Not Well	4	8	0	12
Indo-European & No English	0	0	0	0
Asian-Pacific Island	0	395	0	395
Asian-Pacific Isl & English Well	0	377	0	377
Asian-Pacific Isl & English Not Well	0	18	0	18
Asian-Pacific Isl & No English	0	0	0	0
Other Language	0	104	0	104
Other Language & English Well	0	104	0	104
Other Language & English Not Well	0	0	0	0
Other Language & No English	0	0	0	0



Source: Esri forecasts for 2020, U.S. Census Bureau, 2015-2019 American Community Survey (ACS) Data.

Version 1.7 © 2021 Esri

**2020 CENSUS DATA - ESRI - SITE TO DO BUSINESS**

# SITE ANALYSIS



# SWOT ANALYSIS

## STRENGTHS

Strong HBCU Presence & Resurgence of Morris Brown College  
MLK Historic District Extension  
Proximity to MARTA  
Strong Market Factors Encourage Development of MF Housing

## WEAKNESSES

Topography  
Existing flooding issues  
Adjacent vacant buildings and facilities  
Sewer Pipe Trunk line

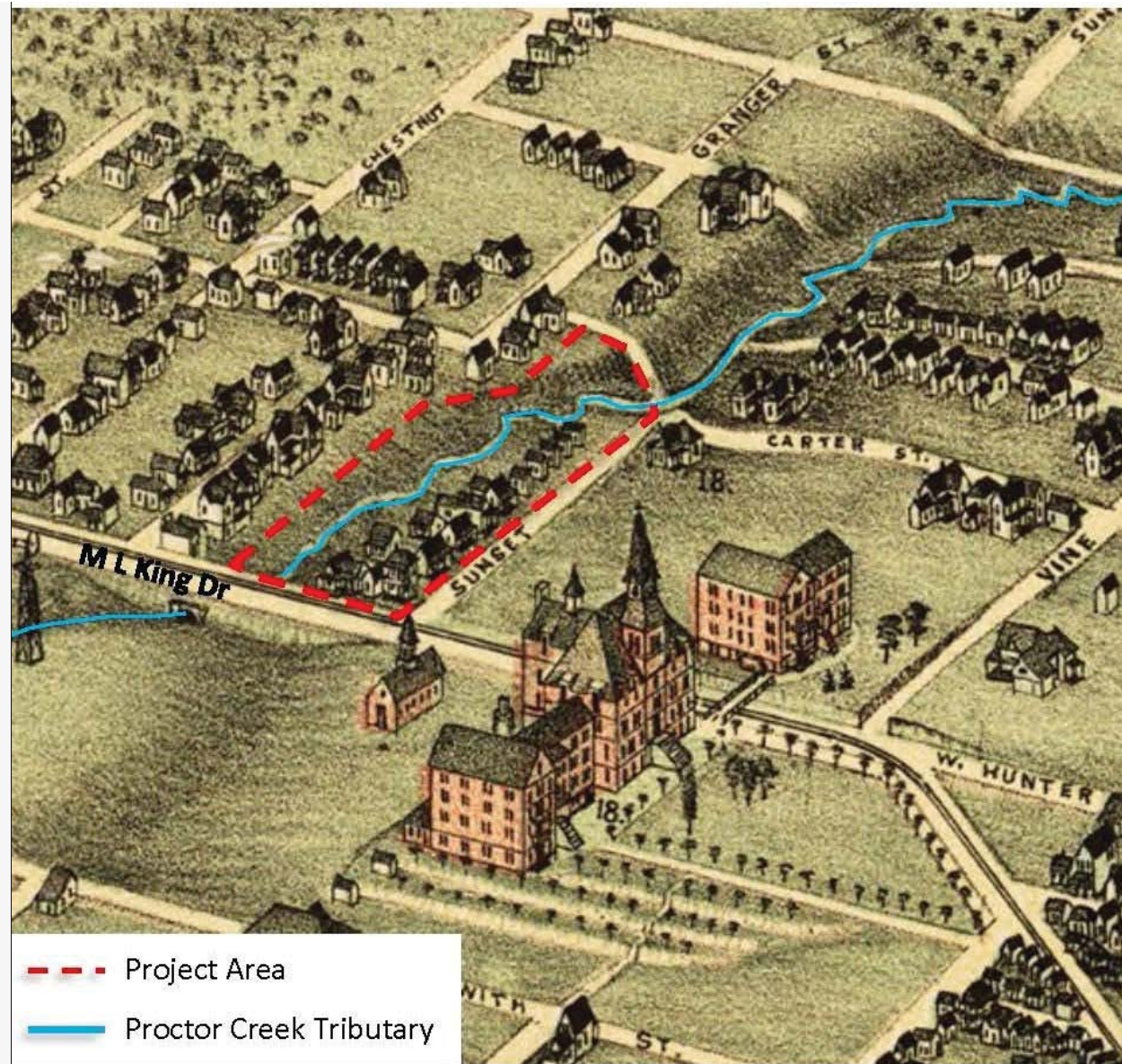
## OPPORTUNITIES

Placemaking; Neighborhood Branding  
Parks & Greenspace  
Revitalization Efforts Underway  
Main Streets Program  
Proximity to Downtown, Highways  
Proposed Street Car Extension along AUC Student Movement Blvd

## THREATS

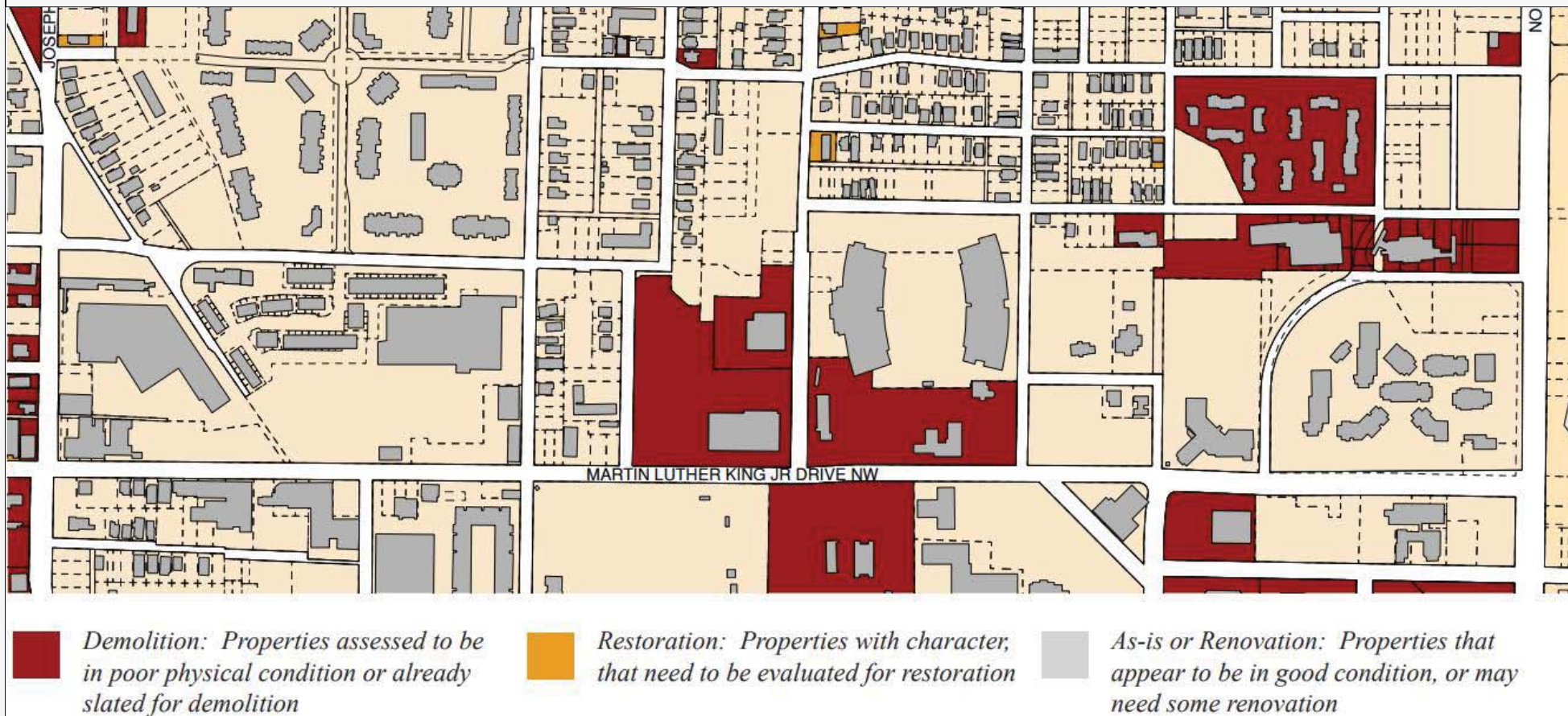
Competing Priorities  
Gentrification Pressures  
Absentee Landlords  
Land Speculation

# 1892 MAP OF VINE CITY



# WFF WESTSIDE LAND USE FRAMEWORK

## VINE CITY OPPORTUNITIES FOR RENOVATION



# WFF WESTSIDE LAND USE FRAMEWORK VINE CITY OPPORTUNITIES FOR RETAIL

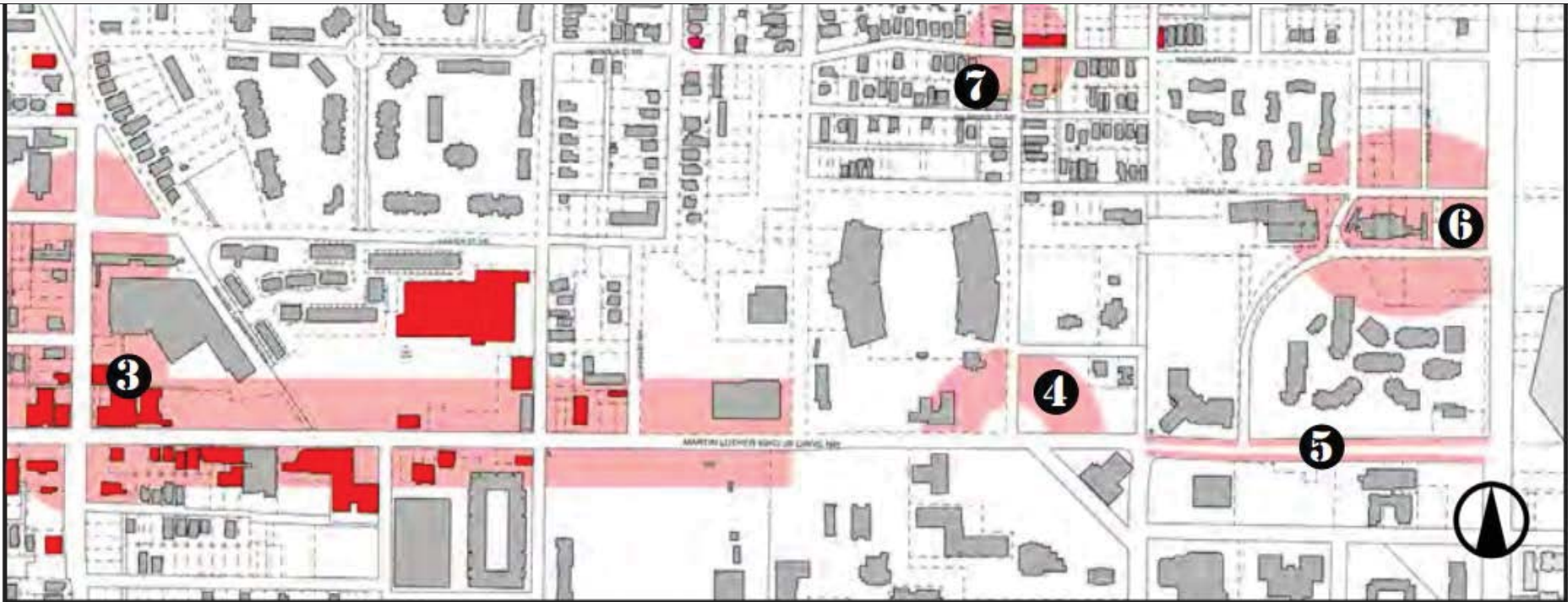
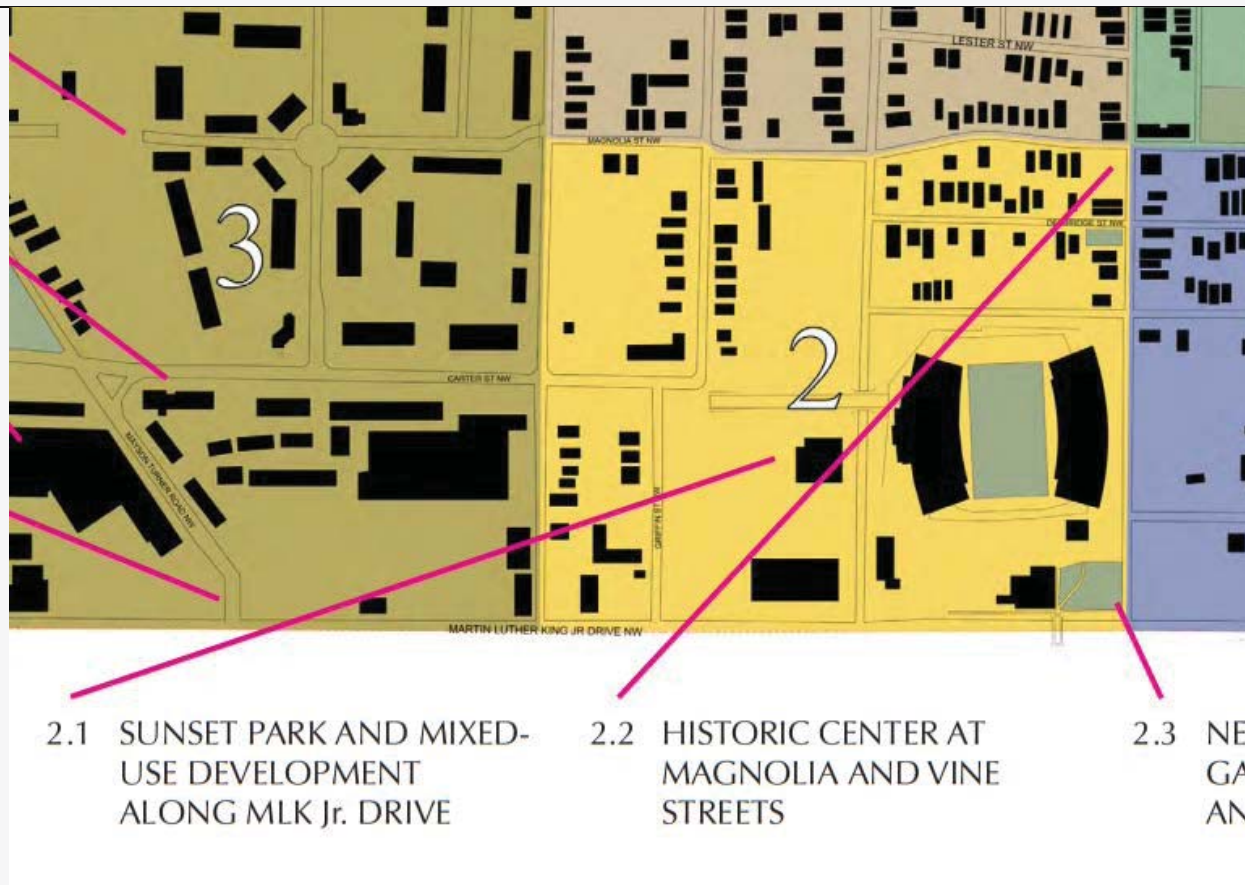


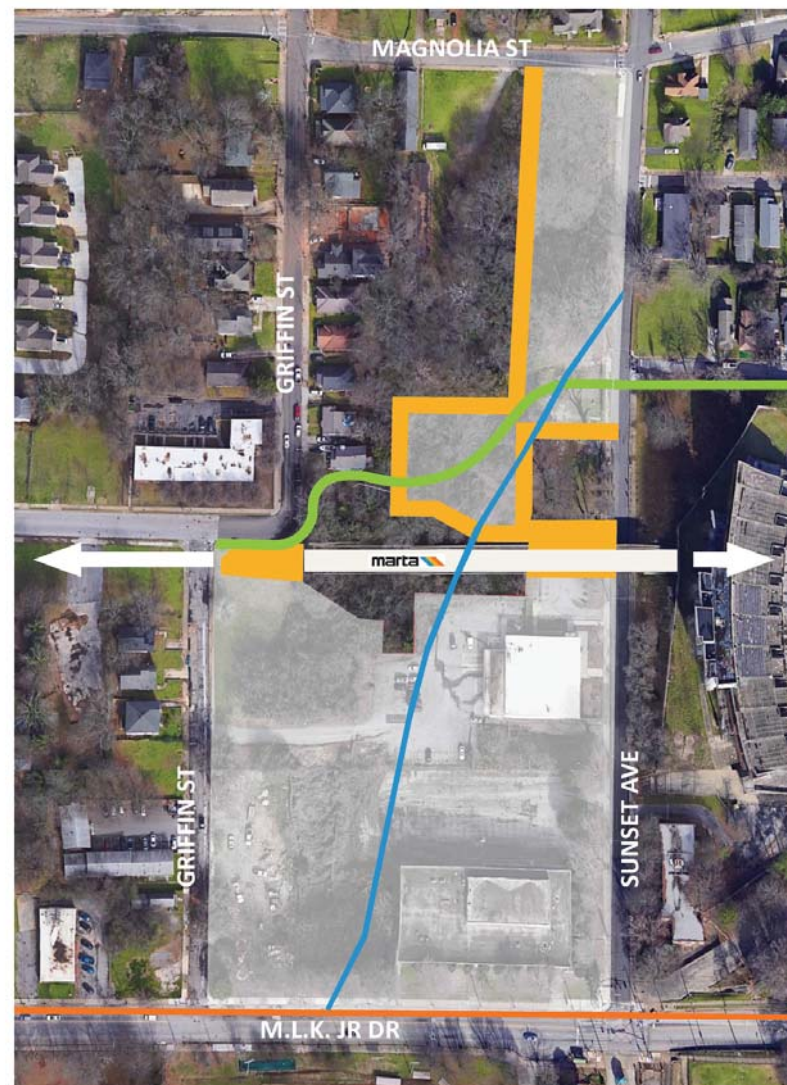
FIGURE 45: VINE CITY MAP OF OPPORTUNITIES FOR RETAIL

# WFF WESTSIDE LAND USE FRAMEWORK RECOMMENDED USES



# EXISTING CONDITIONS

Easements & Setbacks  
Westside Trail Connection  
Combined Sanitary/Sewer Trunk Line  
Bike Lane



# SITE PLAN



## POTENTIAL USES & THEMES

- Placemaking & Neighborhood Branding
- Cultural Significance & History of Vine City
- Extension of MLK Historic District
- Celebrate Community Assets
- Reactivate MLK Jr. Drive
- Wealth Building Opportunities
- Affordable Housing
- Healthy Intergenerational Connections
- Cradle to College
- Stormwater Retention and Green Infrastructure



# SITE PLAN BUILDINGS

50,000sf Commercial  
220 Apartments  
15 Townhomes  
210 Parking Spaces

1. Hickman Hall Building
2. Walk-Up Flat Apartments
3. Apartment Building
4. Townhomes



# SITE PLAN GREENSPACE

5. Outdoor Amenity Trail for Entire Development; Potential US Civil Rights Trail
6. Outdoor Youth Programming; Urban Gardens
7. Retention Pond as Amenity
8. Pocket Park
9. Connection to Westside Trail
10. Park Space



# HICKMAN HALL

- Existing Building to be adapted and reused
- 40,000sf Commercial Space
- Potential Uses

Retail, Event Space, Rooftop Amenity, Food Hall, Fresh Food Market

Student Center, Film & Audio Studios, Hotel Training Center, Classrooms

Post Office, Offices, Medical Clinics, 24hr Daycare, Co-Working, Business Incubator, Commercial Kitchen, Maker Space

Galleries, History Center, Youth Programming

Parking (Basement Level)



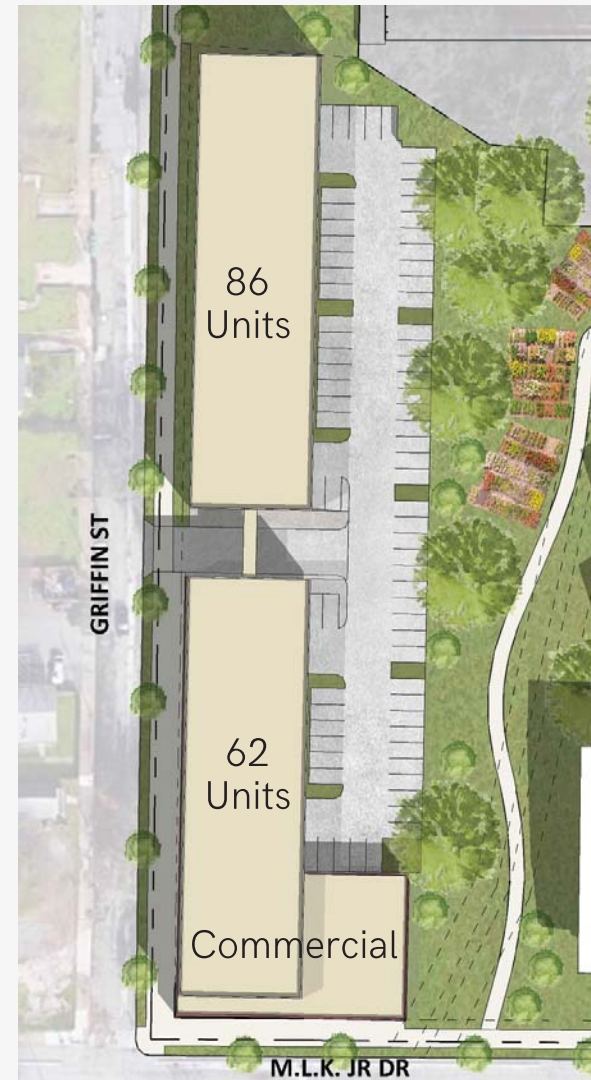
# WALK-UP APARTMENTS

- 3 Story Walk-Up Flat Apartments
- Central stair for each "pod" allows the building to step with the severe grade along Sunset Ave and does not require elevators
- 18 1br's  
54 2br's  
72 total



# APARTMENT BUILDING

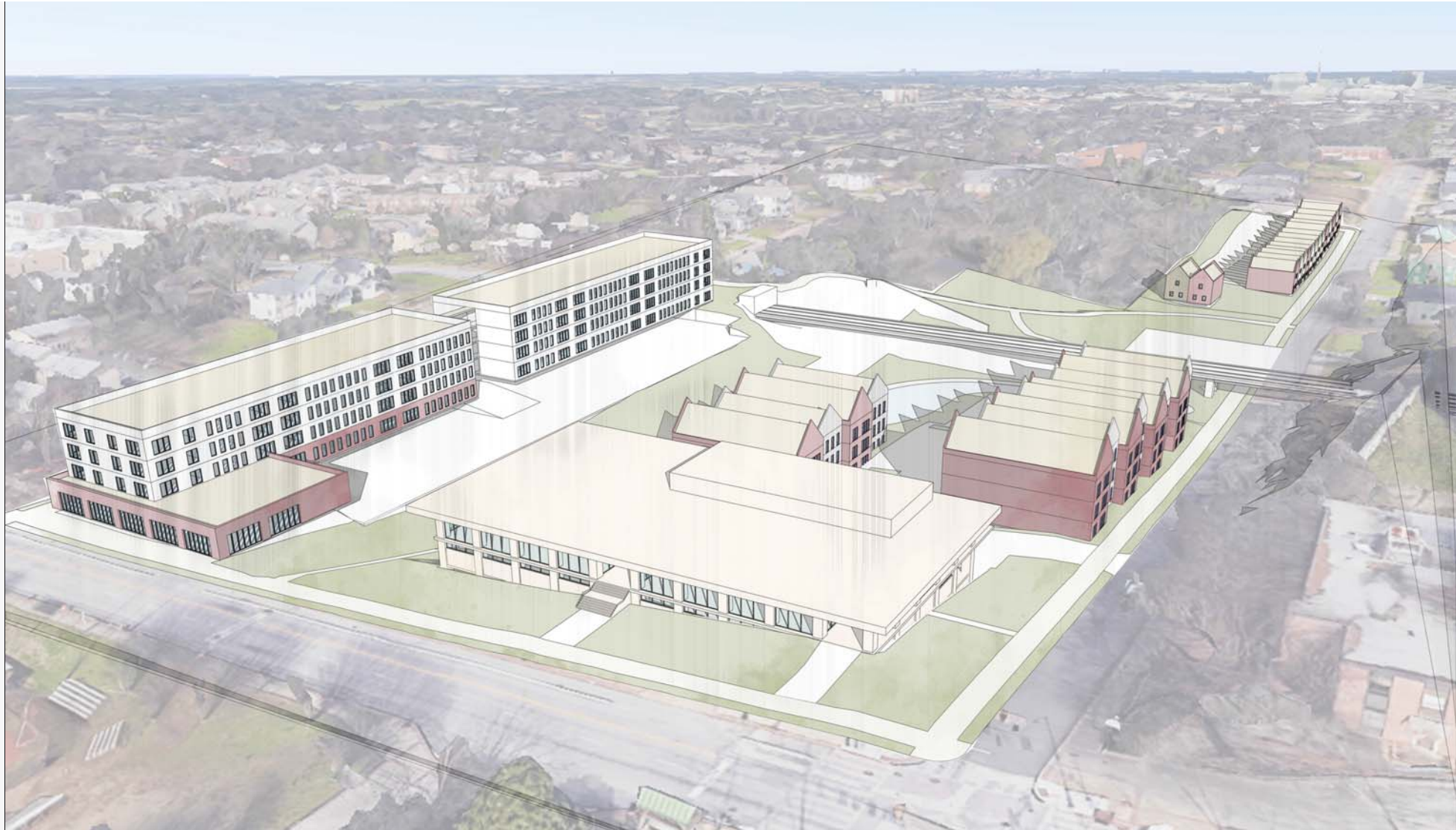
- 4 Story apartment building
- Simple, efficient double loaded corridor
- Parking beneath & behind
- 64 Studios
  - 70 1br's
  - 14 2br's
  - 148 total
- 10,000sf Commercial Space on MLK & Griffin
- Potential Uses
  - Retail, Office, Post Office, Fresh Food Market



# TOWNHOMES

- 15 3br Townhomes





AFFORDABLE HOUSING

MLK HISTORIC DISTRICT

INTERGENERATIONAL



PLACEMAKING

CULTURE

REACTIVATE MLK



CRADLE TO COLLEGE

GREENSPACE

COMMUNITY ASSET

WEALTH BUILDING

The collage features several financial and data-related elements:

- Pie Chart:** Located in the top left, showing segments in red, green, and purple.
- Bar Chart:** Located in the top center, with bars in blue, green, and red.
- Line Graph:** A central line graph with four series in blue, green, red, and blue. A magnifying glass is positioned over the left side of the graph.
- Stylized Number '4':** A large, colorful number '4' composed of orange, green, and blue segments, positioned in the center-right.
- Pen and Document:** A silver and black pen lies diagonally across the bottom right, resting on a document containing a table of numbers.
- Table of Numbers:** A document with a table of numbers, including values like 12 398,14, 1 112,77, 1 231,55, 5 185,78, 1 231,22, 595,55, 5 940,90, 3 938,55, 3 938,49, 2 383,49, 3 939,29, 39 348,22, 3 939,09, 65 254,80, 593,86, 3 839,11, 867,48, 3 954,11, 12 341,59, 9 558,37, 555,33, 2 234,43, 228,99, 34 173,27, 12 31, 9 38, 3 430, 3 384, 944,11, 12 398,14, 1 112,77, 1 231,55, 5 185,78, 1 231,22, 595,55, 5 940,90, 3 938,55, 3 938,49, 2 383,49, 3 939,29, 39 348,22, 3 939,09, 65 254,80, 593,86, 3 839,11, 867,48, 3 954,11, 12 341,59, 9 558,37, 555,33, 2 234,43, 228,99, 34 173,27, 12 31, 9 38, 3 430, 3 384, 944,11, 12 398,14, 1 112,77, 1 231,55, 5 185,78, 1 231,22, 595,55, 5 940,90, 3 938,55, 3 938,49, 2 383,49, 3 939,29, 39 348,22, 3 939,09, 65 254,80, 593,86, 3 839,11, 867,48, 3 954,11, 12 341,59, 9 558,37, 555,33, 2 234,43, 228,99, 34 173,27, 12 31, 9 38, 3 430, 3 384, 944,11, 12 398,14, 1 112,77, 1 231,55, 5 185,78, 1 231,22, 595,55, 5 940,90, 3 938,55, 3 938,49, 2 383,49, 3 939,29, 39 348,22, 3 939,09, 65 254,80, 593,86, 3 839,11, 867,48, 3 954,11, 12 341,59, 9 558,37, 555,33, 2 234,43, 228,99, 34 173,27, 12 31, 9 38, 3 430, 3 384, 944,11, 12 398,14, 1 112,77, 1 231,55, 5 185,78, 1 231,22, 595,55, 5 940,90, 3 938,55, 3 938,49, 2 383,49, 3 939,29, 39 348,22, 3 939,09, 65 254,80, 593,86, 3 839,11, 867,48, 3 954,11, 12 341,59, 9 558,37, 555,33, 2 234,43, 228,99, 34 173,27, 12 31, 9 38, 3 430, 3 384, 944,11, 12 398,14, 1 112,77, 1 231,55, 5 185,78, 1 231,22, 595,55, 5 940,90, 3 938,55, 3 938,49, 2 383,49, 3 939,29, 39 348,22, 3 939,09, 65 254,80, 593,86, 3 839,11, 867,48, 3 954,11, 12 341,59, 9 558,37, 555,33, 2 234,43, 228,99, 34 173,27, 12 31, 9 38, 3 430, 3 384, 944,11, 12 398,14, 1 112,77, 1 231,55, 5 185,78, 1 231,22, 595,55, 5 940,90, 3 938,55, 3 938,49, 2 383,49, 3 939,29, 39 348,22, 3 939,09, 65 254,80, 593,86, 3 839,11, 867,48, 3 954,11, 12 341,59, 9 558,37, 555,33, 2 234,43, 228,99, 34 173,27, 12 31, 9 38, 3 430, 3 384, 944,11, 12 398,14, 1 112,77, 1 231,55, 5 185,78, 1 231,22, 595,55, 5 940,90, 3 938,55, 3 938,49, 2 383,49, 3 939,29, 39 348,22, 3 939,09, 65 254,80, 593,86, 3 839,11, 867,48, 3 954,11, 12 341,59, 9 558,37, 555,33, 2 234,43, 228,99, 34 173,27, 12 31, 9 38, 3 430, 3 384, 944,11, 12 398,14, 1 112,77, 1 231,55, 5 185,78, 1 231,22, 595,55, 5 940,90, 3 938,55, 3 938,49, 2 383,49, 3 939,29, 39 348,22, 3 939,09, 65 254,80, 593,86, 3 839,11, 867,48, 3 954,11, 12 341,59, 9 558,37, 555,33, 2 234,43, 228,99, 34 173,27, 12 31, 9 38, 3 430, 3 384, 944,11, 12 398,14, 1 112,77, 1 231,55, 5 185,78, 1 231,22, 595,55, 5 940,90, 3 938,55, 3 938,49, 2 383,49, 3 939,29, 39 348,22, 3 939,09, 65 254,80, 593,86, 3 839,11, 867,48, 3 954,11, 12 341,59, 9 558,37, 555,33, 2 234,43, 228,99, 34 173,27, 12 31, 9 38, 3 430, 3 384, 944,11, 12 398,14, 1 112,77, 1 231,55, 5 185,78, 1 231,22, 595,55, 5 940,90, 3 938,55, 3 938,49, 2 383,49, 3 939,29, 39 348,22, 3 939,09, 65 254,80, 593,86, 3 839,11, 867,48, 3 954,11, 12 341,59, 9 558,37, 555,33, 2 234,43, 228,99, 34 173,27, 12 31, 9 38, 3 430, 3 384, 944,11, 12 398,14, 1 112,77, 1 231,55, 5 185,78, 1 231,22, 595,55, 5 940,90, 3 938,55, 3 938,49, 2 383,49, 3 939,29, 39 348,22, 3 939,09, 65 254,80, 593,86, 3 839,11, 867,48, 3 954,11, 12 341,59, 9 558,37, 555,33, 2 234,43, 228,99, 34 173,27, 12 31, 9 38, 3 430, 3 384, 944,11, 12 398,14, 1 112,77, 1 231,55, 5 185,78, 1 231,22, 595,55, 5 940,90, 3 938,55, 3 938,49, 2 383,49, 3 939,29, 39 348,22, 3 939,09, 65 254,80, 593,86, 3 839,11, 867,48, 3 954,11, 12 341,59, 9 558,37, 555,33, 2 234,43, 228,99, 34 173,27, 12 31, 9 38, 3 430, 3 384, 944,11, 12 398,14, 1 112,77, 1 231,55, 5 185,78, 1 231,22, 595,55, 5 940,90, 3 938,55, 3 938,49, 2 383,49, 3 939,29, 39 348,22, 3 939,09, 65 254,80, 593,86, 3 839,11, 867,48, 3 954,11, 12 341,59, 9 558,37, 555,33, 2 234,43, 228,99, 34 173,27, 12 31, 9 38, 3 430, 3 384, 944,11, 12 398,14, 1 112,77, 1 231,55, 5 185,78, 1

# FINANCIAL ANALYSIS OBJECTIVES

- To create a base line financial model that allows for affordable housing as a % of AMI without relying on public subsidies
- Achieve return metrics that are attractive to private investors.
- Efficient design, low costs & maximize density
- Manage efficiently to maximize NOI
- 40% of units capped at 80% AMI, 40% at 60% AMI and 20% at 30% AMI
- Target capital partners who mission driven

# PROFORMA SUMMARY: UNIT MIX & INCOME

Unit Mix	Bedrooms	No. of Units	Size Per Unit	% AMI	Total Size	Rent/ SF	Rent/ Unit	Total Rent/Year
A1 - 1 br	1	34 units	600 sf	60%	20,400 sf	\$ 1.55	\$ 930	\$ 379,440
A2 - 2 br	2	34 units	968 sf	60%	32,912 sf	\$ 1.15	\$ 1,116	\$ 455,328
A3 - Studio	1	21 units	500 sf	60%	10,500 sf	\$ 1.74	\$ 868	\$ 218,736
B1 - 1 br	1	34 units	600 sf	80%	20,400 sf	\$ 2.07	\$ 1,241	\$ 506,328
B2 - 2 br	2	34 units	968 sf	80%	32,912 sf	\$ 1.54	\$ 1,489	\$ 607,512
B3 - Studio	1	21 units	500 sf	80%	10,500 sf	\$ 2.32	\$ 1,158	\$ 291,816
C1 - Studio	1	22 units	500 sf	30%	11,000 sf	\$ 0.87	\$ 434	\$ 114,576
C2 - 1 br	1	20 units	600 sf	30%	12,000 sf	\$ 0.78	\$ 465	\$ 111,600
Total/ Average		220 units	685 sf		150,624 sf	\$ 1.47	\$ 1,017	\$ 2,685,336
Townhomes	2-3	15 units	1,500 sf	NA	22,500 sf	NA	NA	NA

- Targeting a unit mix of studio, 1 & 2 bedroom units sized efficiently.
- Rents capped at associated % of AMI.
- Townhomes are considered a separate development run by Atlanta Housing Trust.

Commercial Income	Size	Rate (Net)	Total Monthly	Commencement	Duration	Annual Esc.	TI Allowance
Hickman Tenant 1	20,000 sf	\$ 28.50	\$ 47,500	Jan-24	10 years	2.5%	\$ 75.00
Hickman Tenant 2	10,000 sf	\$ 29.00	\$ 24,167	Jan-24	10 years	2.5%	\$ 75.00
Hickman Tenant 3	10,000 sf	\$ 30.00	\$ 25,000	May-24	10 years	2.5%	\$ 75.00
Commercial Tenant 1	5,000 sf	\$ 30.00	\$ 12,500	Sep-24	10 years	2.5%	\$ 75.00
Commercial Tenant 2	5,000 sf	\$ 30.00	\$ 12,500	Jan-25	10 years	2.5%	\$ 75.00

- Hickman Center program is centered around a mix of community development occupants and for-profit entities.
- Commercial tenant are purely market driven but focused on needs discussed previously.

# PROFORMA SUMMARY: OPERATING EXPENSES

Operating Expenses	\$ / Unit/ YR		Total
Payroll	\$	1,432	\$ 315,040
Repairs, Maintenance & Contract	\$	654	\$ 143,880
Admin & Marketing	\$	352	\$ 77,440
Utilities	\$	755	\$ 166,100
Replacement Reserves	\$	201	\$ 44,220
Real Estate Taxes (tax abatement)	\$	1,757	\$ 386,431
Insurance	\$	317	\$ 69,740
Management Fee (3%)	\$	366	\$ 80,560
<b>Total OPEX</b>	<b>\$</b>	<b>5,834</b>	<b>\$ 1,160,904</b>

- Managing the OPEX figures is key to success.
- Payroll, R&M, contract work and Admin/ Marketing are largely variable and controllable.
- Taxes, insurance, utilities and replacements are largely fixed and subject to market conditions outside of ownership control.
- Real Estate Taxes assumes bond-for-title tax abatement program through Invest Atlanta.

# PROFORMA SUMMARY: BUDGET SUMMARY

Budget Summary	\$/ RSF		\$/ Unit		Total
Land Value	\$	11.46	\$	10,455	\$ 2,300,000
Hard Costs	\$	149.22	\$	136,074	\$ 29,936,250
Commercial Leasing & TI	\$	25.42	\$	23,182	\$ 5,100,000
Soft Costs	\$	27.57	\$	25,140	\$ 5,530,769
Finance Expenses	\$	11.97	\$	10,916	\$ 2,401,440
Contingency	\$	10.37	\$	9,460	\$ 2,081,301
<b>Total Development Costs</b>	<b>\$</b>	<b>236.01</b>	<b>\$</b>	<b>215,226</b>	<b>\$ 47,349,759</b>

- Cost of land is paid to Invest Atlanta.
- Hard costs are an important variable to this model.
- Soft costs include design fees, consultants, marketing, internal & city fees and other intangible items.
- The capital stack heavily influences the financing costs.

# PROFORMA SUMMARY: CAPITAL STACK

Financing & Equity			
Financing	LTC	Rate	Amount
Construction Loan	65.00%	4.00%	\$ 30,777,343
Invest Atlanta Bond	4.22%	2.25%	\$ 2,000,000
AAHF Bond	6.34%	3.00%	\$ 3,000,000
Blended Debt/ Bond Financing	<b>75.56%</b>	<b>3.82%</b>	<b>\$ 35,777,343</b>
Opportunity Zone Equity	<b>24.44%</b>		<b>\$ 11,572,416</b>
Total Capital			\$ 47,349,759
Debt Fees	0.5%		\$ 153,887
Equity Fees	0.0%		\$ -
Total D&E Fee			\$ 153,887
Interest Cap. Period	31 Months		Feb-25

- Capital stack can be a mixture of traditional debt and equity, public subsidy and partnerships with social impact funds and CDFIs.
- The goal is to focus on partnerships and subsidies that are simplest to obtain and supplementing remainder with traditional capital.
- The strategy is to maximize the chance to close on capital to begin construction!



REINVESTMENT  
FUND



Enterprise



ACCESS TO CAPITAL FOR ENTREPRENEURS



Westside  
Future Fund



LSC

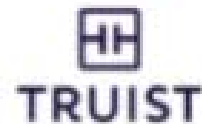


GoATL Fund

VILLAGES  
MICRO FUND



THE ARTHUR M. BLANK  
FAMILY FOUNDATION



ATLANTA WEALTH  
BUILDING INITIATIVE



BANK OF AMERICA

JPMorganChase

# PROFORMA SUMMARY: PROJECT SCHEDULE

Project Schedule	Duration	Start Date
Predev. Start Date	12 Months	Jul-21
Construction Start Date	18 Months	Jul-22
Loan Closing		Jul-22
First Occupancy		Jan-24
Stabilization Date	14 Months	Feb-25
Capital Event	72 Months	Feb-31
<i>Total Project Duration</i>	<i>116 Months</i>	<i>10 Years</i>

- Assumed 12 months to raise capital, design & price, arrange various subsidies and partnerships.
- 10 Year hold is assumed because it is envisioned as an Opportunity Zone investment.

# PROFORMA SUMMARY:

## EXIT ASSUMPTIONS & RETURN METRICS

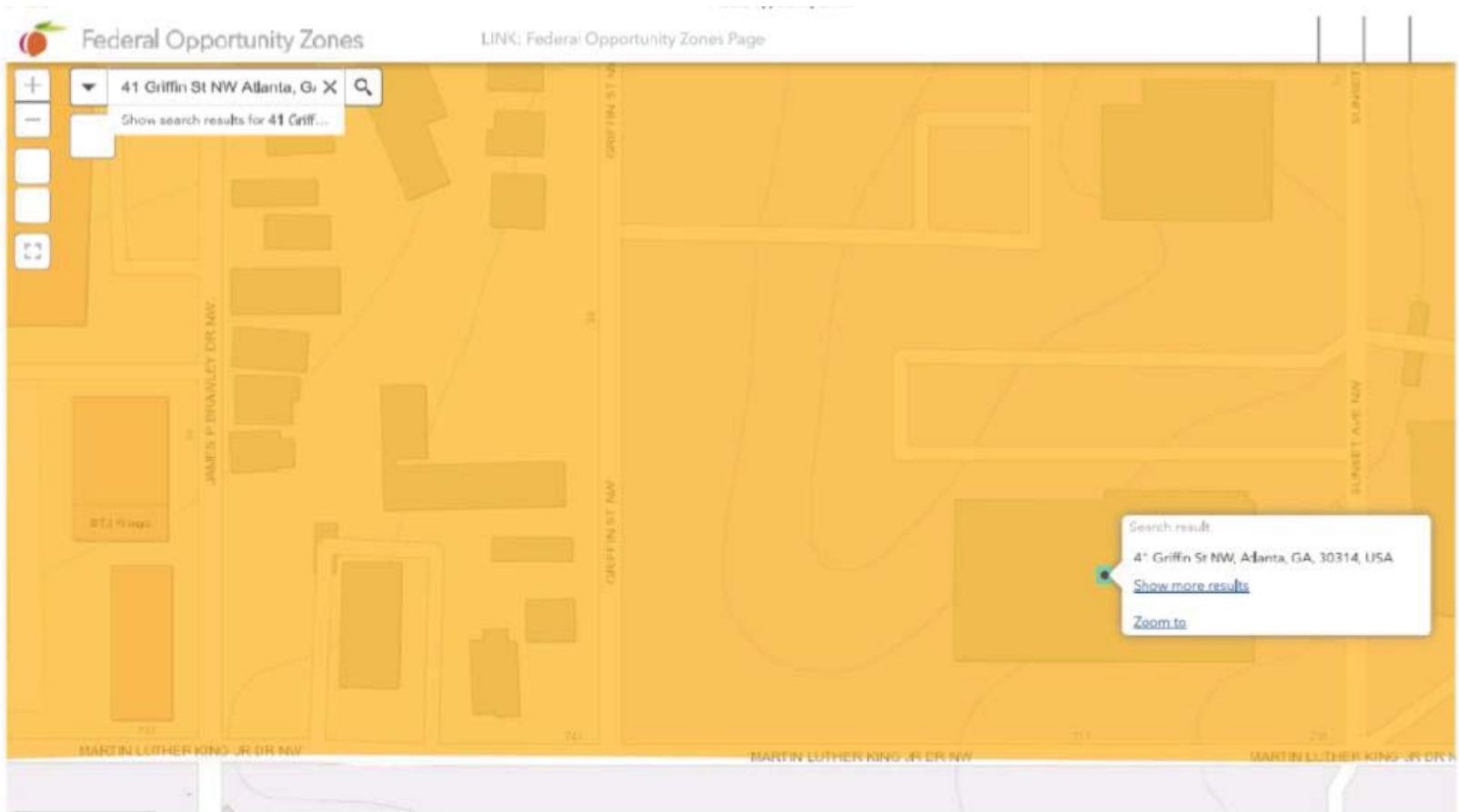
Exit Summary	
Capital Event Date	Feb-31
Forward NOI	\$3,366,415
Cap Rate	5.50%
Selling Expense	1.0%
Net Sales Value	\$60,595,464
Net Sales Value Per Unit	\$304,500

- Certain projects are currently achieving sub 4% cap rates in nearby areas.

Total Project Returns	
Total Gross Proceeds	\$ 37,514,769
Net Project Income	\$ 25,942,353
Peak Capital	\$ 11,572,416
Equity Multiple	3.24x
IRR	16.9%
Opportunity Zone IRR	20.9%
Debt Yield	9.5%
Return on Cost	6.2%

- 15% IRR is attractive on a 10 year hold.
- Investing in an opportunity zone improves the IRR by +/- 400 bps
- Return metrics at this level support a feasible project!

# FEDERAL OPPORTUNITY ZONE PARCEL



# QUALIFIED OPPORTUNITY ZONE INVESTORS

## What is a Qualified Opportunity Zone?

- A QOZ is an economically distressed community where new investments, under certain conditions, may be eligible for preferential tax treatment.
- First conceived in April of 2018, QOZ are now in place for communities in all 50 states.. How it works is that each state nominates blocks of low-income areas by census tract, which are then certified by the Secretary of the U.S. Treasury via its delegation of authority to the Internal Revenue Service.

## What are the Tax Benefits of Investing in a QOZ?

- There are three possible income tax incentives for taxpayers interested in investing in a QOZ:  
(1) deferral, (2) discount and (3) exemption.

### Deferral

- A taxpayer may defer recognizing capital gains from a sale of a capital asset if the capital gains are invested in a QOZ within 180 days of the disposition of the property. By investing in a QOZ, a taxpayer is able to defer recognition of their capital gains until either the QOZ is sold, or December 31, 2026, whichever occurs first. A taxpayer may invest an amount greater than the eligible gain, but only the capital gain portion will be eligible for the tax benefits under the program.

### Deferral Example

- Tom liquidates his portfolio in April 2020 and generates a \$5 million long-term capital gain. He invests only the \$5 million capital gain into a QOZ in June 2020 (Notice 2020-39 extension). By investing in a QOZ within 180 days, Tom may defer \$1.19 million of capital gains tax (\$5 million x 23.8%) that would have been payable on his 2020 income tax return.

### Discount

- A taxpayer may receive a potential discount upon recognition of the capital gains that were initially invested in the program. In general, depending on the timing of a taxpayer's investment and the period the investment is held, up to 10% of the taxpayer's rolled gain may be permanently exempt from taxation. Specifically, the cost basis of a QOZ should increase by 10% after 5 years.

### Discount Example

- At the time of the initial investment in June of 2020, Tom's cost basis in the QOZ is considered to be zero, even though he contributed \$5 million.
- In 2025, Tom's cost basis in the QOZ investment should increase from zero to \$500,000 (which is a 10% increase, calculated based on the original \$5 million contribution amount) because he would have held the QOZ investment for 5 years.
- In 2026, Tom may then recognize only \$4.5 million in capital gains instead of the \$5 million that he would have recognized in 2020 had he not invested in the QOZ; thus saving approximately **10%, or \$119,000**, in capital gains taxes.

### Exemption

- A taxpayer may be able to permanently exclude any appreciation on the original capital gains investment in the QOZ investment if the investment remains a QOZ investment for at least 10 years.

### Discount Example

- By 2030, Tom's interest in the QOZ investment has increased from \$5 million to \$10 million. Tom decides to exit the QOZ investment and liquidates his entire position. Tom already reported his capital gains on his initial \$5 million QOZ investment on the mandatory recognition date of December 31, 2026 and paid the related tax by April 15, 2027, using assets outside the QOZ investment. The remaining \$5 million should not be subject to capital gains tax since Tom was invested in the QOZ for at least 10 years.

# OPPORTUNITY ZONE IMPACT

Opportunity zone (OZ) vs non-OZ analysis: Interactive calculator

	After-tax non-OZ investment	Qualified opportunity fund investment
<b>Capital gain</b>	<b>\$ 11,572,416</b>	<b>\$ 11,572,416</b>
Initial capital gain tax	<b>\$ (3,373,938)</b>	\$ -
Initial investment	\$ 8,198,478	\$ 11,572,416
<b>Average annual appreciation in value</b>	<b>20.40%</b>	<b>12.48%</b>
Gross proceeds at liquidation	\$ 52,459,316	\$ 37,514,763
Total investment gains	\$ 44,260,838	\$ 25,942,347
2026	\$ -	<b>\$ (4,598,820)</b>
Second capital gains tax on liquidation	<b>\$ (19,543,373)</b>	\$ -
<b>Net cash after taxes</b>	<b>\$ 32,915,943</b>	<b>\$ 32,915,943</b>
	<b>Current Rate</b>	<b>Future Rate Assumption</b>
Federal long-term capital gain	20.00%	35.00%
Net investment income tax (if applicable)	3.80%	3.80%
State capital gain (if applicable)	5.36%	5.36%
<b>Tax rate</b>	<b>29.16%</b>	<b>44.16%</b>

# CONSIDERATIONS (...for future developer)

- To finalize the proforma, the following information will need to be refined and proven out
  - Unit mix & income assumptions meet market demand
  - Management company can provide reliable OPEX assumptions
  - Verify costs & receive a GMP from a General Contractor
  - Design with enough detail to provide a reliable GMP amount
- Advancing the development process requires time, effort and resources
- While the objective is to capitalize this deal via private investment, it is assumed that certain subsidies are achievable
  - Tax abatement via Invest Atlanta
  - Opportunity zone

# RECOMMENDATIONS



## GREEN INFRASTRUCTURE

STORMWATER  
MANAGEMENT

## VINE CITY GATEWAY

PLACEMAKING;  
NEIGHBORHOOD BRANDING

## US CIVIL RIGHTS TRAIL

PARK EXTENSION/  
ALONG SUNSET AVE

## WEALTH BUILDING

HOMEOWNERSHIP - CLT  
COMMUNITY OWNERSHIP - CST

## AFFORDABLE HOUSING

RANGING FROM  
30%-80% AMI

## HICKMAN HALL RESTORATION/COMMERCIAL

MBC/AUC PARTNERSHIPS  
HBCU ART ATTRACTION/ EVENT &  
NONPROFIT SPACE  
RETAIL/COMMERCIAL USES

# NEXT STEPS

## COMMUNITY STAKEHOLDERS

Launch Cultural Preservation Task force;  
Participate in ANDP's Neighborhood  
Leadership Institute

## SUSTAINABILITY

Resiliency Task force - Residents,  
HBCUs, WFF, Watershed,  
Planning, Atlanta City Design, Path  
Foundation, Park Pride, MARTA  
Green Infrastructure Bond

## FINANCING

Feasibility Analysis;  
Engage Potential Partners;  
RFP Guidelines



**THANK YOU!**

# APPENDIX

- CASE STUDIES
- FINANCIAL SOURCES
- LIST OF  
STAKEHOLDERS
- REFERENCES

# CASE STUDIES



***FRESH FOOD:***  
***CARVER***  
***NEIGHBORHOOD***  
***MARKET***  
  
***EASTERN MARKET***

Carver Market is a community based, independent grocery store and cafe focused on bringing food justice to South Atlanta. Since the 1800s, Eastern Market has been a Detroit staple, offering fresh produce and other goods to both consumers and wholesalers.



## ***COMMUNITY SPACE, YOUTH ARTS ENTERPRISE & MENTORING:***

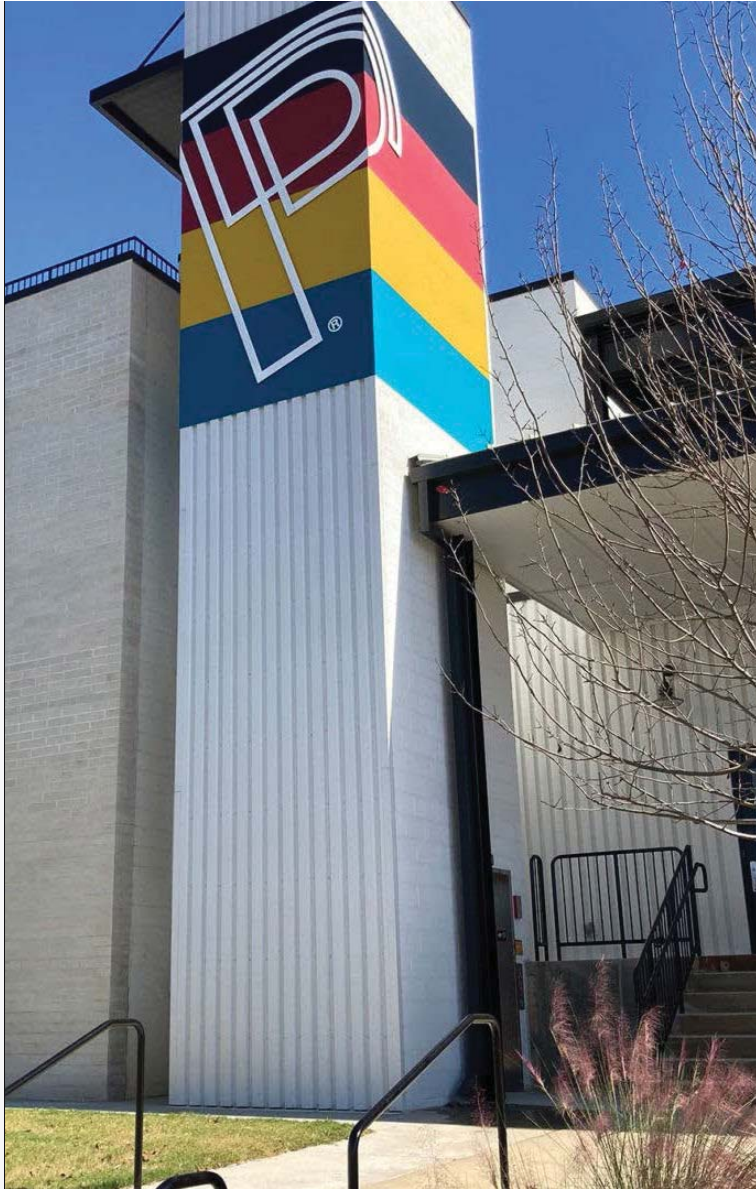
### ***ARTS FOR HUMANITY***



Boston-based Artists For Humanity (AFH) provides under-resourced teens with tools to self-sufficiency through paid employment in art and design. The AFH model has been adapted in 9 other cities.

AFH also created the Epicenter, which provides vibrant, innovative and sustainable space which also supports the operations of the nonprofit organization.





## ***BUSINESS INCUBATOR:***

### **PITTSBURGH YARDS**

Professional and maker spaces for rent embedded in the community of Pittsburgh, Atlanta.

Community-led development focused on entrepreneurship and economic equity for the residents of southwest Atlanta neighborhoods.



## *RETAIL/FOOD:*

### *THE VILLAGE MARKET*

### *WE SUKI SUKI*

### *COMAL*



The Village Market showcases and amplifies black-owned businesses who specialize in "conscious apparel," all-natural products, and foods.

Food collectives/halls host multiple food concepts in a single restaurant-sized space.

Comal Food Heritage Incubator provides culinary arts & business skills to a cohort of women to preserve & celebrate their traditions through entrepreneurial ventures.



## *GREEN INFRASTRUCTURE:*

### *HISTORIC OLD FOURTH WARD PARK*

Local storm water issues resolved with infrastructure in the form of a park creating an amenity to the area.



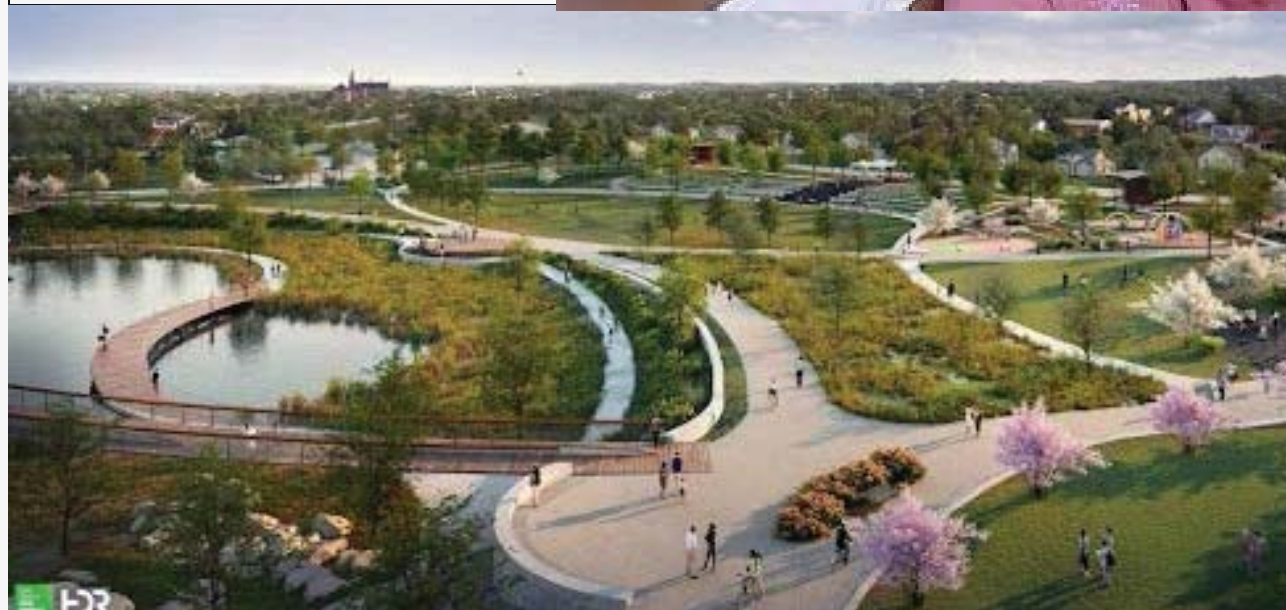


*US CIVIL  
RIGHTS TRAIL:*  
*KELLY INGRAM  
PARK*

Kelly Ingram Park served as a central location for the Civil Rights Movement in Birmingham, AL. Today the park is part of the city's efforts to remember the Civil Rights Movement of Birmingham and is a popular destination on the US Civil Rights Trail.



*ECODISTRICTS:*  
*AVE*  
*ECODISTRICT*



EcoDistricts focus on creating resilient neighborhoods for all. From 2014 to 2016, University CDC led efforts to establish a roadmap for the AVE (Ashview Heights, Vine City, English Ave) EcoDistrict.

## *COMMUNITY LAND TRUST MODEL:*

### *ATLANTA LAND TRUST*

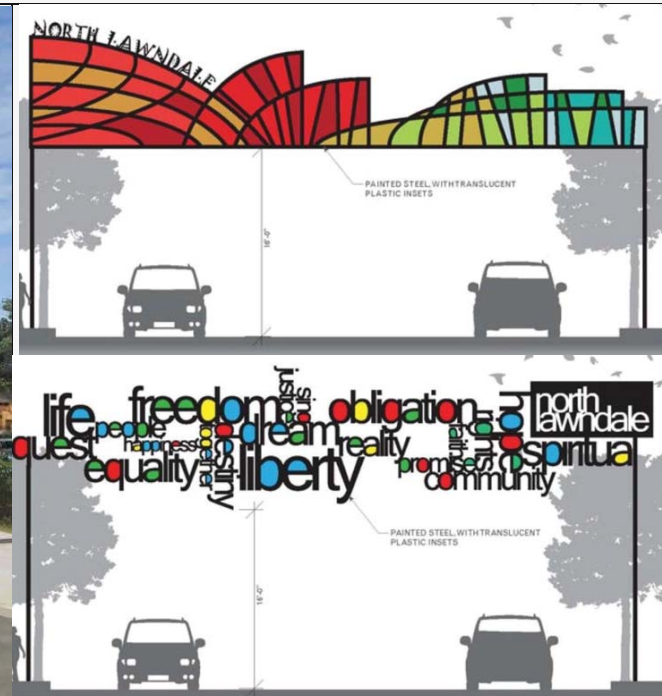
A Community Land Trust is a member based nonprofit organization that focuses on securing and managing land that will preserve affordability and create wealth building opportunities.



## PLACEMAKING/ CULTURAL GATEWAY:

### ROOSEVELT ROAD

A series of streetscape elements to support community identity in the North Lawndale neighborhood, including pedestrian and vehicular gateways, medallions, and banners that were inspired by the history, culture, and mural art of the neighborhood.



# COMMUNITY STEWARDSHIP TRUST:

GROUNDCOVER



## MIXED-USE PROPERTY

(Ownership transferred from the guild to CIT)



Community residents buy shares and become investors in the property, with voting rights and equity. Residential and/or commercial tenants pay rent, which pays down debt on the building and provides dividends for community investors.

# POTENTIAL FINANCING SOURCES/ PARTNERS

## PHILANTHROPIC/NONPROFIT PARTNERS

SPARCC	Main Street America
Arthur M. Blank Foundation	Atlanta Neighborhood
Westside Future Fund	Development Partnership
Kaiser Permanente	Park Pride
Atlanta Wealth Building Initiative	Path Foundation

## SOCIAL IMPACT

Atlanta Affordable Housing Fund; Atlanta eTOD Fund  
 American South Real Estate Fund  
 Westside Future Fund  
 Village Micro Fund

## PUBLIC

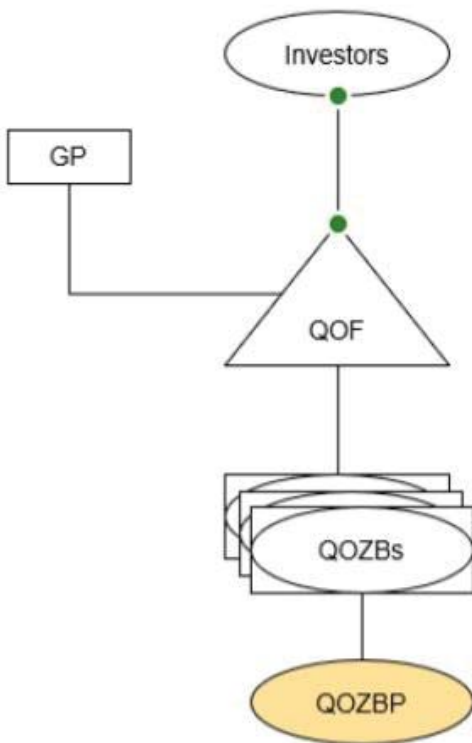
Westside TAD	LIHTCs (4% or 9%); NMTCs
Housing Opportunity Bonds	TCAP Funds
Urban Enterprise Zones	Down payment Assistance
Tax Abatements	Programs
Vine City Trust Fund	USDA Farmers Market
Opportunity Zone Eligibility	Promotion Program
Atlanta Housing - Vouchers	National Parks Department

## CDFI'S/FINANCIAL INSTITUTIONS

Access to Capital for Entrepreneurs	PNC OZ Fund
Enterprise Community Loan Fund	CRA Investments
Local Initiatives Support Corporation	
Low Income Investment Fund	
Reinvestment Fund	

# How to make a QOZ Investment

## Typical Structure - QOZBP



### QOZBP

- QOZBP means tangible property used in a trade or business of a QOF or a QOZB, if:
  - The property was acquired by purchase from an unrelated party after December 31, 2017,
  - During substantially all (90%) of the QOF or QOZB's holding period, substantially all (70%) of the use of the property is in a QOZ, and
  - The original use of the property commences with the QOF or QOZB, or
  - The QOF or QOZB substantially improves the property. QOZB may rely on multiple overlapping safe harbors, not to exceed 62 months from the initial receipt of working capital assets.

### Original Use

- Original use of property in a QOZ commences on the date first placed in service for purposes of depreciation.
- Original use property also includes:
  - Property that has been vacant for an uninterrupted period of one year prior to the date the QOZ was designated, and remained vacant through the date of purchase by the QOF or QOZB.
  - Vacant for these purposes means more than 80% of the square footage of useable space is unused.

### Substantial Improvement

- Non-original use property must be substantially improved in order to qualify as QOZBP.
  - The QOF or QOZB has 30 months from the date of acquisition to substantially improve the property
  - Additions to basis must exceed 100% of the acquired adjusted basis
- Unimproved land is not required to be substantially improved.
  - Exception: If unimproved or minimally improved land is purchased with an expectation to not improve the land by more than an insubstantial amount, the land must be substantially improved

# STAKEHOLDER MEETINGS

- Amanda Rhein, Atlanta Land Trust
- Amon Martin, PennRose
- Bill Eisenhauer, Green Infrastructure Advocate
- Carrie Salvary, Vine City Resident
- Ceasar Mitchell, Jr., Dentons
- Dr. Charles Moore, Healthy Communities/Emory University
- Charmen Gowens, Phyllis Wheatley YWCA
- Chris Faussemagne, Third & Urban
- Chuck Young, Prestwick Companies
- Cicely Garrett, Consultant
- Cory Rayburn, COA Department of Watershed
- Faron Hill & Fernando Nasmyth, Peregrine Oak
- Jessica Lavandier & Keyetta Holmes, COA Office of Zoning & Development
- Jessie and Bridget Wiles, APD Urban Planning
- Joel Dixon, Urban Oasis
- John Ahmann, Westside Future Fund
- Katie Hayes, Community Farmers Market
- Kelly King, Developer, Morris Brown Trustee
- Dr. Kevin James, Morris Brown College
- Leah LaRue and Lenise Lyons, COA Dept of City Planning
- Lauren Koontz, YMCA Metro Atlanta
- LeJuano Varnell, Sweet Auburn Works
- Leonard Adams, Quest Communities
- Rev. Matthew Williams, Interdominational Theological Center
- Marc Pollack, Rangewater
- Marilyn Davis, Clark Atlanta University
- Michael Halicki, Park Pride
- Nikisha Iyengar, The Guild
- NPU L Meetings (February and March 2021)
- Paul Flippo, Flippo Civil Engineering
- Rachel Carey, Westside Future Fund
- Rita Gibson, Formerly of University CDC
- Roderick Wallace, Atlanta Housing
- Rosario Hernandez, Historic Westside Gardens
- Suganthi Simon, Arthur M. Blank Foundation
- Tillman Ward, Vine City Resident Leader, MLK Merchants Association
- Todd Greene and Dr. Michael Hodges, AUC Consortium

# VINE CITY REDEVELOPMENT PLAN



**VOLUME I - FINAL REPORT**  
September 2004

**Prepared For:**  
The Vine City Civic Association

**Prepared By:**  
URBAN COLLAGE, INC. in collaboration with Robert Charles Lesser & Co.

## FINAL REPORT

Prepared for:  
City of Atlanta

November 30 2017



### Best of Both Worlds

One City needs affordable housing AND stormwater management AND more greenspace. By combining plans, the City of Atlanta can deliver all of these benefits, ensuring an equitable and sustainable development.



**DEVELOPMENT SUMMARY**

	Units
<b>Residential (Building)</b>	
144 Single Family Attached (3-4)	72
65-88 Multi-Family (3-4)	78
<b>Total</b>	<b>150</b>
<b>Parking (Paved)</b>	<b>Covered</b>
Single Family Attached (5.5/Unit)	26
Multi-Family (1.5/Unit, 8/Unit)	252
Visitor/Guest/Service Parking	5
<b>Total</b>	<b>283</b>
<b>Non-residential Development</b>	
<b>Total</b>	<b>16,000 (SF)</b>
<b>Total</b>	<b>16,000 (SF)</b>



University Commons - Atlanta Housing Authority



English Avenue and Vine City Existing Conditions Report

**APD** Urban Planning  
Management