



Atlanta



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# Redevelopment of the Former Lakewood Heights Elementary School

**Center for Leadership**

**MTAP PRESENTATION**

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# Agenda

- Introductions
- Project Overview
- Property History
- Consideration of Prior Community Visions and Plans
- Neighborhood Demographics
- Community Needs – Adaptive Reuse
- Affordability Analysis and Housing Study
- Other Considerations

# mTAP Team

## Introductions



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Senior Director, Capital Markets,  
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Managing Partner,  
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Meilyn Marino  
Principal, Land Development &  
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# Project Overview

The vacant Lakewood Heights Elementary property holds potential for redevelopment, aiming to blend affordable and market-rate housing with community amenities to foster a vibrant town center.

Atlanta Public Schools plans to establish a redevelopment framework through a partnership with AUDC, involving a 50-year ground lease and extensive community engagement.



# Project Overview

This framework must incorporate current neighborhood input, respect past visioning efforts, and retain historic elements while addressing community needs. APS seeks innovative recommendations from the mTAP team along with an affordability analysis, and creative preservation approaches for the historic structure.



*2016 Public Meeting for Lakewood Heights Commercial Center  
Redevelopment Blueprint*

# Project Overview

## Deliverables

1. Consideration of concepts from prior community visioning and neighborhood plans
2. Conduct affordability analysis to guide recommendations on inclusion and financing of affordable units
3. Propose adaptive reuse and conservation approaches for the historic building
4. Address other key factors for APS to consider in the initiative



# History of the Property

## Lakewood Heights Elementary

- The school has been home to historic events such as the organizing of the General Motors Strike in 1936.
- Closing of Lakewood Fairgrounds and the General Motors Assembly Plant caused residents to leave the Lakewood Heights area which would lead the surrounding community and schools to suffer from underdevelopment



# History of the Property

## Lakewood Heights Elementary

- 2.1 acre site
- Original structure constructed in 1932
  - Original structure includes two story main building
  - Single story annex addition
- Closed in 2004 due to low enrollment and has remained empty
- Registered in the National Register of Historic Places in 2002 contributing to the Lakewood Heights Historic District
  - The colonial-revival architectural style of the exterior will be preserved.







# Consideration of Prior Community Visions and Plans

## Major Themes

### Summary of Public Comments

- **Assets/Strengths:** Accessibility to major thoroughfares, the BeltLine, employment nodes, education and zoning.
- **Challenges & Needs:** Crime, neglected homes, businesses and lots, food desert, infrastructure and negative community image.

#### Summary of Major Themes of Public Comments

The major themes, key observations, and areas of consensus from discussion at the Public Kickoff and other meetings are summarized as follows:

#### Assets/ Strengths

- Access to the Downtown Connector, airport, downtown Atlanta, venues, community facilities, the BeltLine, etc.
- The presence and influence of colleges and universities
- The affordable land prices and low real estate values in historic single-family neighborhoods;
- The large vacant lots are development opportunities
- The new Zone 3 precinct, which will increase police presence and address crime issues

#### Challenges and Needs

- Criminal activity, drugs and trash
- Abandoned, dilapidated housing and businesses attract crime and loitering
- Food desert
- Lack of police presence
- Neglected residential roadways and insufficient sidewalks
- Speeding and accidents on Metropolitan Parkway
- Owner occupied single-family houses are on a decline
- Negative community image

#### Vision

- A community with a diverse population, varied incomes and quality housing options in all price points
- A safe, pedestrian friendly and walkable community
- Residents who take pride and ownership of their neighborhoods
- A holistic community that address the social needs and partnerships with schools
- Revitalizations will not displace existing residents and businesses
- A live, work, and play community

# Consideration of Prior Community Visions and Plans

## Key Economic Development Considerations

- Explore potential programs to keep graduates within the community and foster integration with the students
- Maximize job opportunities and training for local residents
- Proactively address crime and crime prevention
- Encourage development patterns that promote physical activity and social interaction



# What Does the Community Need?

## Adaptive Reuse Recommendations

A mixed-use development comprised of

- Affordable, Workforce, and Market-rate housing
  - 1-, 2-, and 3-bedroom units
- Retail
- Office
- Community Gathering Spaces
- Greenspace
- Pedestrian and landscape improvements within the site area



*Former  
Highland Inn  
(then and now)*



# Adaptive Reuse Recommendations

## Retail, Office and Other



- Retail and office space with incentives for locally owned and black-owned businesses
- Community gathering/gym space for student and other community events, public meetings, etc. (old auditorium, and outside gathering greenspace)
- Small business incubator - (in partnership with Invest Atlanta and other organizations that offer minority and disadvantaged business assistance)
- Fresh/Farmers Market Saturdays
- Greenspace
- Community services
  - Workforce Development
  - Early Childhood Development
  - Social Programs for the Elderly

# Adaptive Reuse Recommendations

## Housing and Preservation

- Phase I: Main School Building
  - Utilize historic preservation credits to jumpstart progress on Phase I
  - Adaptive reuse will strengthen applications for preservation and housing tax credits
  - Consider combining with workforce/market-rate (80-120% AMI) housing in the main building's upper level (1- and 2-bedroom units)
  - Workforce housing inside the historic building could potentially utilize Community Foundation for Greater Atlanta's Housing Fund
- Phase II: New Multifamily
  - Demolish aux building and go vertical on new multifamily housing to include Affordable units (60% AMI) and seek low-income tax credits and financing
  - 2- and 3-bedroom units in the new building.

# Historical and Adaptive Reuse Considerations

## Historic Building Tax Credits

- Façade Easement: Preserves the historical structure by restricting changes to the building exterior. The façade will be maintained and preserved.
  - The federal facade easement can expedite the project start.
  - The project can apply for federal and state historic tax credits, to subsidize the cost of redevelopment.
  - The project can start receiving these credits before completion.
  - To enact the federal facade easement, the project needs to obtain a Part A letter from the State Historic Preservation Office (SHPO) and work with Easements Atlanta, Inc.
  - Obtaining the easement typically takes 90 to 180 days, in parallel with obtaining permits.
  - By pursuing the federal easement, the project can focus on dealing with local regulations instead of national ones.
  - The easement does not restrict any nearby building activities.

# Historic Building Considerations

- The preservation of the original structure is a priority for APS and the community, while the additions made in the 90s (annex, addition, and auxiliary building) are not required to be preserved.



*“When done right, our historic APS school building can and will add community value, stability, and positive growth for our neighbors and children. Like every other Beltline neighborhood, Lakewood Heights deserves to assure our APS properties serve us as working education and publicly owned real estate investments.”*

*– “Lakewood Heights Elementary is Not For Sale”*



# Affordability Analysis & Housing

## Neighborhood Demographics

According to data from the US Census Bureau, the poverty rate in Lakewood Heights is exceeding the national average, which is more than double the poverty rate in Atlanta as a whole.

### Lakewood Heights Demographics

#### Education Levels

		National
Master's degree or higher	16%	13%
Bachelor's degree	20%	21%
Some college or associate's degree	27%	28%

More ▾

#### Racial Diversity

African American	90%
White	5%
Two or more races	5%

#### Gender

Female	61%
Male	39%

#### Age

<10 years	13%
10-17 years	13%
18-24 years	6%

More ▾

### Income

Median Household Income

**\$56,968**

National \$75,149

#### Household Income Brackets

<\$25k	31%
\$25-\$44k	12%
\$45-\$74k	18%
\$75-\$149k	23%
\$150k+	16%

# Affordability Analysis & Housing

## Low-Income Housing Tax Credits (LIHTC)

- Developers are awarded federal credits via competitive application process then sell the credits to private investors to obtain equity financing. Once the housing project is placed in service (essentially, made available to tenants), investors can claim LIHTCs over a 10-year period. [Tax Policy Center, 2024].
  - There are two types of LIHTCs: The 30 percent subsidy, which is known as the automatic **4 percent tax credit**, covers new construction that uses additional subsidies or the acquisition cost of existing buildings. The 70 percent subsidy, or **9 percent tax credit**, supports new construction without any additional federal subsidies. [Novogradac, 2024].

## Historic Tax Credits

- Historic tax credits is an indirect federal and state subsidy to finance the rehabilitation of historic buildings. The **federal subsidy provides a 20 percent tax credit**, and the **state subsidy provides a 25% percent tax credit** for qualified expenditures. [Novogradac, 2024].

# Affordability Analysis & Housing

## Housing Opportunity Bond Financing (Small Multifamily)

- The Housing Opportunity Bond Fund (HOB) was created to provide gap financing for projects with **less than 85 affordable workforce housing units**.
  - Program funds are used for low interest loans to finance in part the acquisition, construction or renovation of housing in conjunction with conventional financing, bond financing or other private/public financing for site development costs. [Invest Atlanta, 2024].

## Co-Investment Fund

- Atlanta Housing Authority's Co-Investment Fund offers financing products to provide short term, permanent, gap financing, and/or participation in public-private partnership opportunities.
  - No more than 50% of units may be set aside for households at or below 80% AMI for multifamily or up to 100% set aside for households at or below 80% AMI whose head of household is 55 or older; [Atlanta Housing Authority, 2024].

# Affordability Analysis & Housing

## Funders' Collective

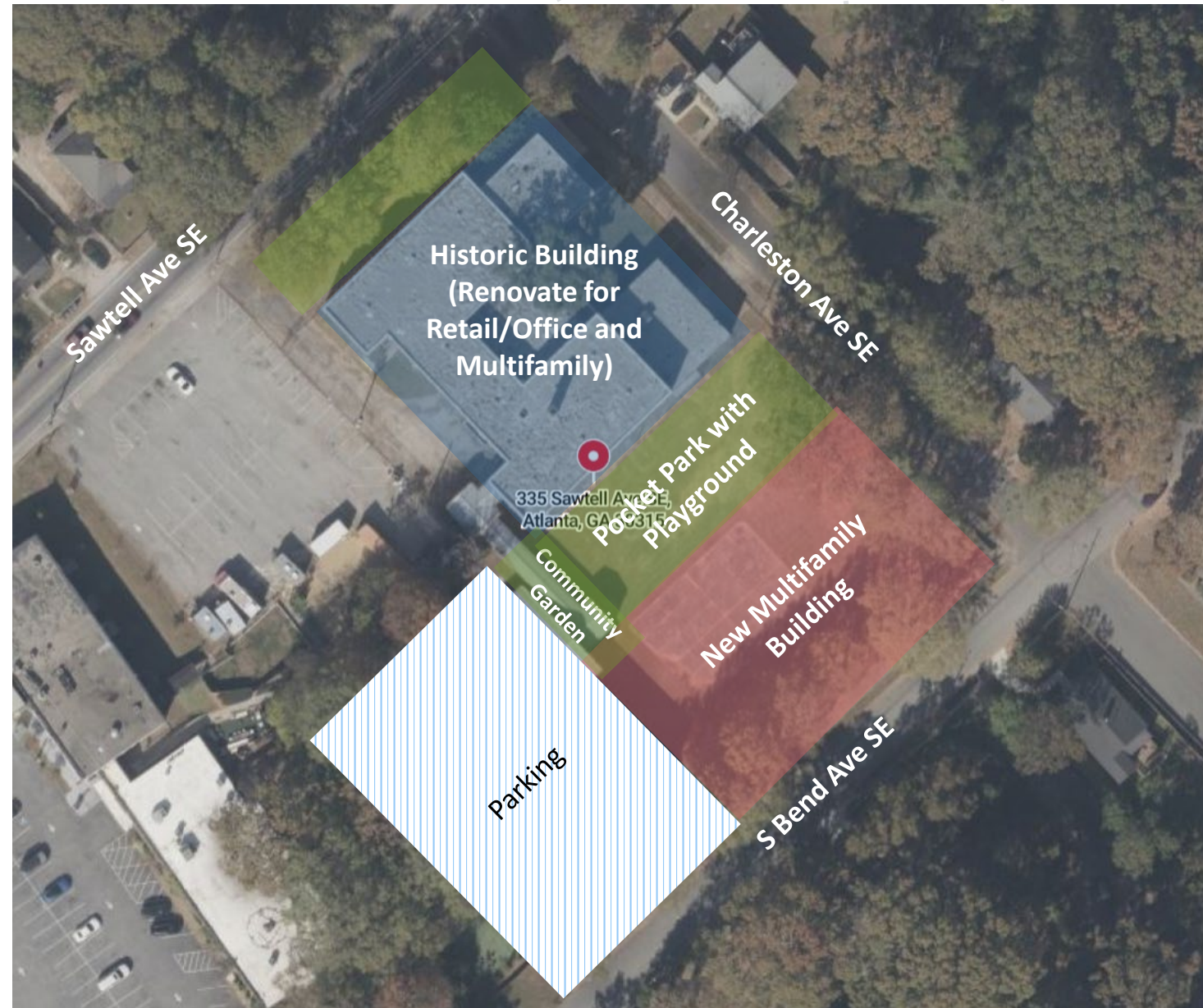
- The HouseATL Funders' Collective is a collaborative of public, philanthropic, and private (banks, CDFIs, social impact) funders who seek to raise new capital, and more efficiently coordinate existing resources, to support the production and preservation of affordable housing in Atlanta. [HouseATL, 2024].

## Affordable Housing Funds

- The Community Foundation for Greater Atlanta invests in the preservation and creation of affordable housing in Atlanta's five core counties (Clayton, Cobb, DeKalb, Fulton and Gwinnett).
  - Affordability is defined here as being mostly under 80% AMI with a duration of at least 10 years. Longer terms of affordability are preferred.
  - An up to \$5M maximum investment, subject to the discretion of the Fund manager. [Community Foundation of Greater Atlanta, 2024].

# Potential Site Plan

- Main (historic building-blue):
  - Retail and office on main level, including community gathering space
  - Upper level to include market and workforce housing (mainly 1- and 2-BR units)
- Tear down auxiliary building and rebuild new multifamily (red) to include affordable units



# New Multifamily Housing

- Unit Mix: 2- and 3-BR units
- Playground
- Pocket park
- Community garden
- “Income averaging” allows at least 40% of the units to have an average designated income limit of no more than 60% AMI, with rents set at a fixed amount of 30% of a unit’s designated income limit.
- To maximize financing options and low-income tax credits, not more than 20-40% market rate units



# Other Considerations

- Public Sentiment Sensitivity: communicate early and often during the process; involve stakeholder groups and community based advisory committee made of locals
- Potential Social Equity Study and Outreach to consider home valuation changes and keeping existing families from being priced out of their homes
- Use of sustainable building materials and construction processes (solar, etc.)
- Public Art by Local Artists: murals/sculptures/markers on site with a nod to the history and legacy of the property

# Other Considerations

- Leverage partnerships and provide space for activities for students from Atlanta Metropolitan State College and Atlanta Technical College to spur redevelopment and provide training
- Potential Beltline funding
- Proximity to future MARTA BRT lines
- Seek to coordinate public mobility improvements including existing sidewalks and streets surrounding the site to enhance marketability

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# Sources: Expert Interviews

## Additional Industry Expert Interviews

- In addition to online media and APS-provided historical documentation, the team consulted:
  - David Yoakley Mitchell, Executive Director, Atlanta Preservation Center
  - Chris Crump, Senior Underwriter, Real Estate Transactions, Management & Capital Markets, Atlanta Housing
  - Michael D. Wilson, SVP, Transactions Management and Capital Markets, Atlanta Housing



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# Additional Industry Experts

- Recommended interviewees with knowledge and expertise in historic preservation, mixed-use developments, and mixed income housing:
  - Developer -
    - Sharon Guest, Radiant Development Partners
    - Gary Hammond Jr., Principal, Landbridge Development LLC
  - Architect –
    - Jim Winer, Make3
    - Randy Pimsler, AIA, Principal, Pimsler Hoss Architects Inc.
  - General Contractor - Mike Williamsen, Vecino Construction
  - Finance -
    - Vickey Roberts, Invest Atlanta (Bonds and Gap Funds)
    - Mitch Kelly, Georgia Housing and Finance Authority (Tax Credits)
  - Property Manager - Kelly Young, Wingate
  - Real Estate Attorney – Althea Broughton, AGG
  - Real Estate Broker – Tyrone Rachal, Red Rock Global

# Q&A



