

Case Study: The Pines at Westdale

Warner Robins, Georgia

The 2016 HOME NOFA...

March 10, 2016 the Georgia Department of Community Affairs (DCA) announced a HOME Multifamily Affordable Housing Notice of Funding Availability (HOME NOFA).

- The goal of the HOME NOFA was to facilitate construction, rehabilitation, and acquisition/rehabilitation of affordable multifamily rental housing in a preferred area by providing gap financing at rates below those charged by commercial lending institutions.
- The HOME NOFA loans were to be leveraged with the Low Income Housing Tax Credits and Tax-Exempt Multifamily Housing Revenue Bonds.



Development Highlights:

- At the time of application, Houston County had the highest area median income in the state of Georgia.
- The schools within the applicable district of the proposed site scored among the highest in the State.
- Numerous amenities within walking distance of the site
- Located within a census tract with less than 5% poverty
- The Pines was “shoved ready” as proper zoning and site control was in place, the Phase 1 and Market study were complete, and financing commitments had been obtained

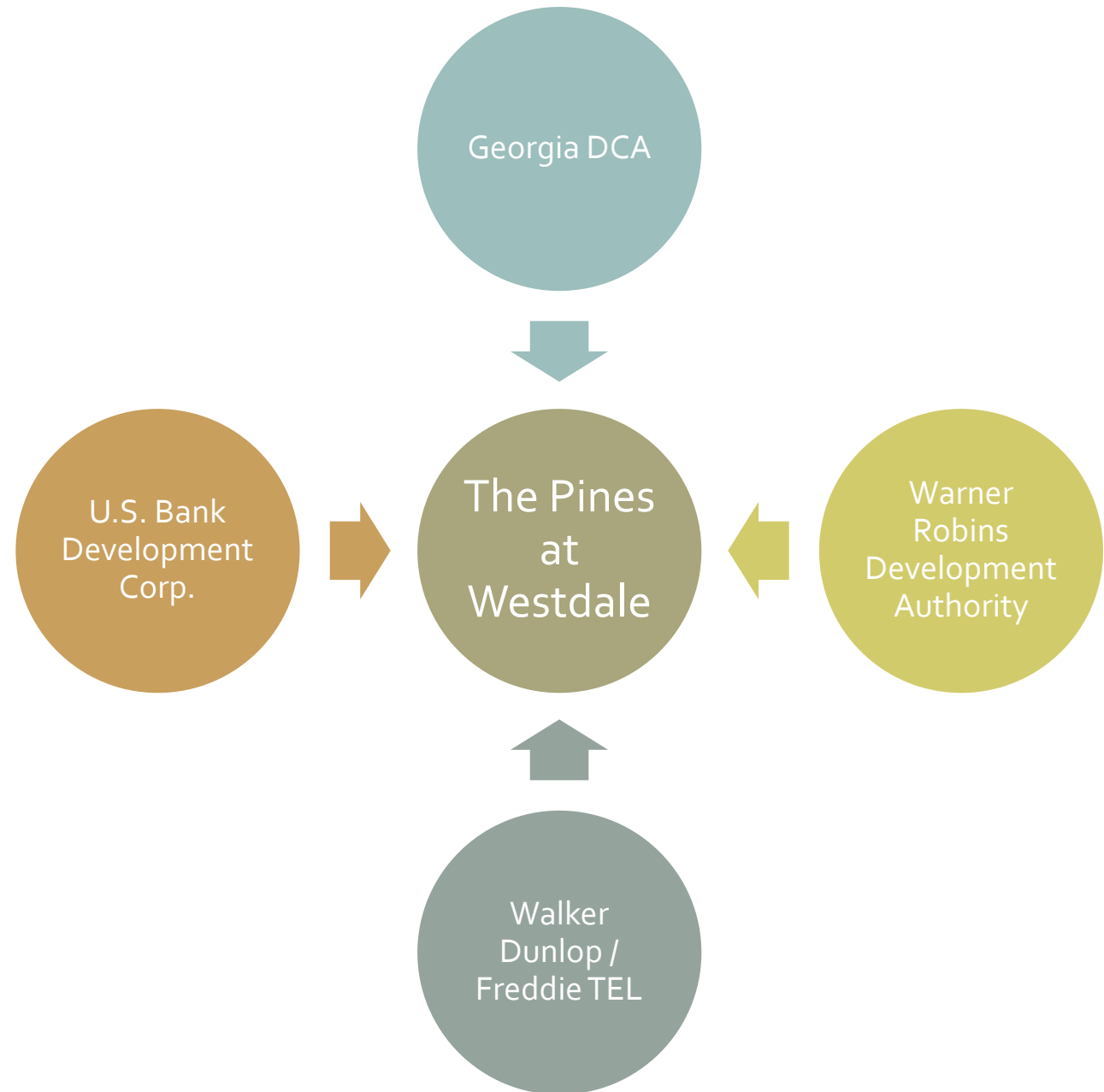
*On March 31, 2016
Vantage submitted an
application to DCA
under the HOME
NOFA for the proposed
development,
The Pines at Westdale.*

Funding The Pines at Westdale allowed DCA to couple their 4% Credits and HOME funds to bring a development in a high-income area with excellent education programs and a strong demand to fruition.

Coupling 4% credit and HOME funds on a new construction deal outside of a QCT was a new and exciting concept for DCA.

New Construction outside of a QCT...

Financing Mechanisms



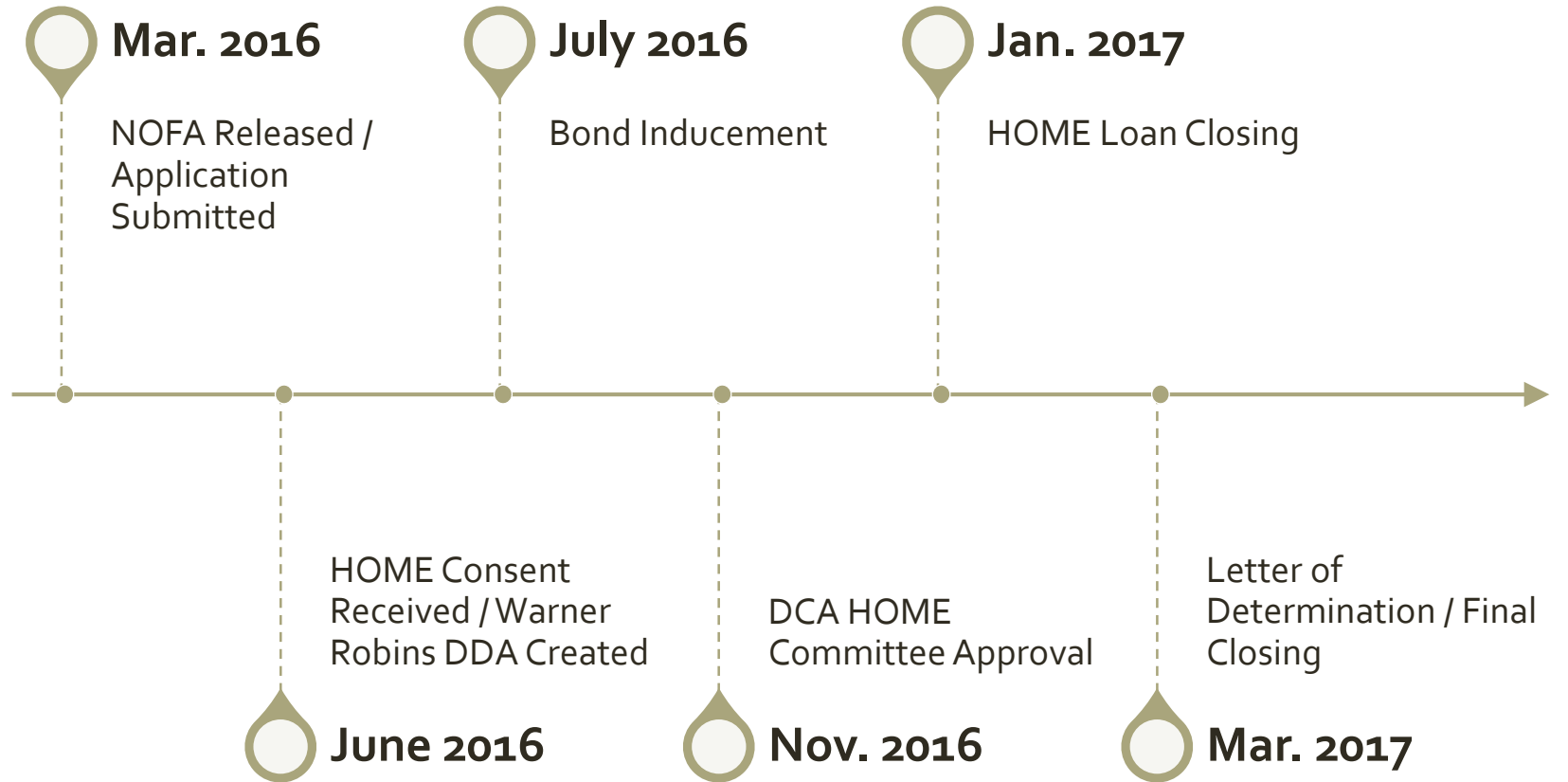
SOURCES

	<i>Construction</i>	<i>Permanent</i>
Federal Tax Credit Equity	\$ 1,305,286	\$ 6,526,431
State Tax Credit Equity	\$ 1,166,965	\$ 5,834,823
Construction Loan (Bonds)	\$ 15,389,697	
1st Perm Mtg		\$ 7,812,000
Other		
General Partner Equity		
DCA HOME Loan - 2nd Mtg	\$ 2,900,000	\$ 2,900,000
Grants (Non-basis)		
Deferred Dev Fee		\$ 532,718
Total Sources	\$ 20,761,948	\$ 23,605,973

USES

Land	\$ 700,000
Hard Const	\$ 12,163,791
Site Const.	\$ 2,949,966
GC Fees	\$ 2,115,926
Const. Contingency	\$ 500,000
Financing Costs	\$ 1,492,954
Soft Costs	\$ 579,633
Developer Fee	\$ 1,980,000
Mktg, Reserves, FF&E	\$ 1,123,703
Total Uses	\$ 23,605,972

Development Timeline



Market Information

Market Predictions

- Overall Demand: 1,501
- Overall Capture Rate: 12%
- Average LIHTC Vacancy Rate: 1.2%
- Lease-up Predictions: 14-16 months (11-13 units per month)

Market Reality

- Lease-up Rate – XX units per month



