

# Laurel Ridge 2008 Magnolia Awards Finalist

DASH for LaGrange  
&  
The Gateway Companies



# Laurel Ridge Development

- **DASH for LaGrange**  
Non-Profit Partner



# Laurel Ridge Development

- **The Gateway Companies**  
Developer



# Laurel Ridge Project Overview

- Low Income Housing Tax Credit Project
- Approximately 24 Acres Site
- Seventy Single-Family Units
- Lease-Purchase Concept



# Laurel Ridge Project Overview Cont.

- Two -, three- and four bedroom houses with minimum 15 year rental period (LIHTC requirement)
- Rents tailored to families at 30%, 50% and 60% of AMI
- 7 units at 30%; 31 units at 50%; 32 units at 60%
- Total Cost: \$10 million
  - \$8 million – tax credit equity
  - \$2 million – 20 year loan
- DASH revenue/benefit
  - \$240,000 property sale
  - \$550,000 developer fee
  - DASH owns all property at end of compliance period

# Laurel Ridge Project Specifics

## DCA Low Income Housing Tax Credit Program



# House Features

- **60% brick exterior & HardiePlank Siding**
- **Energy Star appliances**
- **Two full baths in each unit**
- **Vinyl, insulated glass window units**
- **Insulated steel doors with adjustable thresholds**
- **Concrete driveways with parking pads**
- **Full Landscaping**



# Development Features

- Community center
- Computer lab
- Playground & picnic area
- Sidewalks
- Green space



# Critical Partnerships

- Experienced Developer
- Local Non-Profit
- Tax Credit Syndicator
- Lending Institution
- Architect
- Contractor
- Experienced Property Management Co.

# Resident Services

- Financial literacy training
- Home maintenance and repair
- Community building and leadership training
- Transportation Service



# Community Benefit

- **Quality, Affordable Rental Housing**
- **Replacement of Units Taken Out of Service**
- **Path to Homeownership – Equity Opportunity**
- **Removal of Blight**



# Laurel Ridge Affordability

- Sample Tenant:

Family of four; \$24,800 gross annual income (+/- \$12/hr)  
50% AMI for Troup County; minor debt & minimal credit issues

- | <u>Rental Comparison</u> | <u>Equivalent unit</u> | <u>Laurel Ridge</u> |
|--------------------------|------------------------|---------------------|
| Market Rate (3/BR SF)    | \$938/mo               | \$425/mo            |
| Monthly Savings          |                        | \$486               |
| Annual Savings           |                        | \$5,832             |
| 15 year Savings          |                        | \$87,480            |

# 2022 LIHTC Compliance Period Ends

- \* **Current residents have first option to buy**
- \* **May continue portion of units as rental**
- \* **Permanent Financing balloons in 2025**



# Equity Earning Opportunity (3-bedroom home)

<u>Residency Term</u>	<u>Equity Earnings</u>	<u>Required Mortgage</u>	<u>Property Value 2022</u>
15 years	\$60,300	\$73,700	\$134,000
10 years	\$40,320	\$94,080	\$134,000
5 years	\$20,160	\$114,240	\$134,000

# DASH Asset Projection

- All units achieve *15 year* equity earning:  
Net proceeds to DASH \$4.2 million
- All units achieve *10 year* equity earning:  
Net proceeds to DASH \$5.6 million
- All units achieve *5 year* equity earning:  
Net proceeds to DASH \$7 million

# Questions & Answers

