



North Carolina LIHTC Properties Double Impact for Woda

BRAD STANHOPE, SENIOR EDITOR, NOVOGRADAC & COMPANY LLP

Proximity is positive for The Woda Group Inc., which recently broke ground on two affordable housing multifamily developments in North Carolina—Ravenwood Crossing in Rocky Mount and Shepard Greene in Zebulon.

The cities—Rocky Mount has about 55,000 people and Zebulon is a town of 4,400—are 37 miles apart. Woda has a third community in the preconstruction phase in nearby Roanoke Rapids.

“If we could do it, all of our developments would probably be in a triangle,” said Denis Blackburne, senior vice president for The Woda Group. “It’s so much easier and efficient to manage property going forward. It makes it less complicated if a property is in the same area as others. There is a half-hour drive between [Rocky Mount and Zebulon] and Roanoke Rapids is about an hour from Zebulon and even closer to Rocky Mount.”

Woda held groundbreaking events at Ravenwood Crossing and Shepard Greene Nov. 14, 2017—but other than the geography and developer, they’re unrelated. Combined, they’ll provide 130 apartments for low-income residents who live within an hour of Raleigh, N.C.

Ravenwood Crossing

Ravenwood Crossing in Rocky Mount is a \$9 million property that will include 80 townhomes for seniors, families and singles. Woda applied for LIHTCs twice before finally getting an allocation on the third attempt.

“The city helped us,” Blackburne said. “They were patient and sold us the land at a reasonable price and assisted by providing a loan. We had a great relationship with the community throughout.”

Woda and the city combined to rehabilitate a troubled property.

“The former property was an eyesore and [the city was] looking for a partner,” Blackburne said. “We had a cooperative relationship with the city to redevelop it. [The previous property was known as Clairmont Apartments,] but it was rundown and in desperate



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need to be redeveloped. The boarded-up property distracted from the mostly residential neighborhood.”

That wasn’t all. This was the 17th time Woda paired up with LIHTC equity syndicator Community Affordable Housing Equity Corporation (CAHEC).

Ravenwood Crossing will have bright, open-concept living spaces, washer and dryer hookups, Energy Star appliances and covered porches. Other amenities will include a community building with management offices, a multipurpose room, laundry areas, a fitness center and computer rooms. Several apartments will be handicapped-accessible and there will be an outdoor play and picnic area. There is a city-run community center next to the complex, bringing extra activities.

“The [state housing] agency wants certain amenities to be included in such developments, but the city wanted us to leverage the adjacent community center,”

Blackburne said. “So we worked hand-in-hand with them. They already had a playground, so we will install a smaller playground geared

for younger children and toddlers. We called our community building the ‘amenities building and leasing office’ to avoid confusion with the community center next door.”

There will be nine one-bedroom, 36 two-bedroom and 35 three-bedroom apartments in 15 buildings. The first homes should open in the fall.

“There is strong demand in Rocky Mount,” said Greg Mayo, vice president, acquisitions for CAHEC. “Rocky Mount is an important economic hub for the northeast part of the state and this is a larger deal. It’s in a neighborhood that’s a targeted area of opportunity in the city.”

The property will feature a variety of architecture, too. “There’s quite a bit of architectural diversity in the 15 different buildings that will be part of Ravenwood Crossing,” Blackburne said.

Shepard Greene

Meanwhile, Shepard Greene, a \$6.4 million property in Zebulon, will have 50 affordable apartments for seniors 55 and older in a three-story building.

Image: Courtesy of Ravenwood Crossing and Shepard Greene
Ravenwood Crossing in Rocky Mount, N.C., will include 80 townhomes for low-income residents. It is being funded with low-income housing tax credit equity.

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“This is much closer to Raleigh,” Blackburne said. “And [Shepard Greene is] close to downtown. There has been a lot of development on the west side of town, but this helps with re-energizing downtown.”

Again, Blackburne said the city was helpful. “It’s really nice to work with the neighborhoods and city,” Blackburne said. “We needed some variances and it was nice to be welcome in the communities.”

There are 18 one-bedroom and 32 two-bedroom apartment in the property, which will be complete in late 2018.

“Zebulon is a distant suburb of Raleigh,” said Miles Cary, senior vice president of community development banking at Bank of America Merrill Lynch, equity investor and the lender for Shepard Greene. “They hadn’t had an affordable housing project [recently], which was one of the interesting situations for this. Nothing had been done in a generation.”

Financing

Ravenwood Crossing financing included \$5.3 million in LIHTC equity from CAHEC and two loans of roughly \$800,000 each from the North Carolina Housing Finance Agency (NCHFA). The city provided a \$250,000 HOME loan and the Bank of Tennessee provided a construction loan and \$1.5 million in permanent loans.

Shepard Greene received \$3.5 million in LIHTC equity from Bank of America, as well as a \$6 million construction loan. It also received a \$2.9 million USDA Rural Development 538 loan implemented by Bellwether Enterprise, along with \$566,000 in owner equity.

“Woda is a good client and we do a lot of work with them,” Cary said. “We like that it’s a high-impact project, a good client and is eligible for [Community Reinvestment Act] credit for debt and equity.”

Reaction

With two regional developments under construction, Blackburne credited the state agency with playing a key role. “It really is nice [to work with NCHFA],” Blackburne said. “It’s a great agency to work with. The executive director was at Ravenwood Crossing and Shepard Greene’s openings and a board member spoke at the groundbreaking (for Ravenwood Crossing). They’re so engaged and ready to be involved, and that deserves the kudos. They too are excited about these developments.” ❖

Ravenwood Crossing

FINANCING

- ◆ \$5.6 million construction loan from Bank of Tennessee
- ◆ \$5.3 million in low-income housing tax credit (LIHTC) equity from CAHEC
- ◆ \$1.5 million permanent loans from Bank of Tennessee
- ◆ \$841,000 Workforce Housing Loan Program loan from North Carolina Housing Finance Agency (NCHFA)
- ◆ \$800,000 rental production program loan from NCHFA
- ◆ \$279,000 owner equity
- ◆ \$250,000 HOME loan from city of Rocky Mount

Shepard Greene

FINANCING

- ◆ \$6 million construction loan from Bank of America
- ◆ \$3.5 million in LIHTC equity from Bank of America
- ◆ \$2.9 million USDA Rural Development 538 loan implemented by Bellwether Enterprises
- ◆ \$566,000 owner equity

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