INVEST ATLANTA
$2,000,000 Eastside TAD Ascension Fund Grant
Front Porch at Auburn Avenue

PURPOSE:
To approve a grant up to $2,000,000 from the Eastside TAD Ascension Fund to support construction of the 117,105 SF mixed use development.

LOCATION:
348-372 Auburn Avenue; 349 Old Wheat Street, Atlanta, GA
Council District: 2 NPU: M APS District: 1

OWNERSHIP ENTITY:
Historic District Development Corporation (HDDC)

DEVELOPER:
Historic District Development Corporation (HDDC)

TYPE:
Multifamily and Retail

DESCRIPTION:
HDDC in consultation with Partnership for Southern Equity and The Guild, proposes a $23 million mixed-use development consisting of 42-units of housing and 27,000 SF retail directly in the heart of the Sweet Auburn district. The planned development will repurpose two historic buildings along Auburn Avenue (368 Auburn, a six (6) unit retail building and 364 Auburn - formerly Haugabrooks Funeral Home) and an unutilized parking lot to provide a combination of workforce and market rate rental and for sale housing, a restaurant, makers and artist studio spaces, commercial/retail, and open space for events and community activities. The primary focus of the retail is to serve as small business incubators for artists and local businesses while serving as an amenity for the surrounding community, tourists and visitors to the Martin Luther King, Jr. National Historic Site. The developer is committed to providing below market rents for the retail space. A minimum of 20% of the gross leasable retail space will remain at below market rents for the length of the incentive period.

BACKGROUND:
HDDC, Partnership for Southern Equity, and The Guild are mission driven, minority owned organizations focused on leveraging economic mobility for all Atlantans, and the history of the Sweet Auburn neighborhood as the heart of black entrepreneurship continues to be a guiding force for all three organizations in their efforts. It is from that spirit that the vision for the Front Porch at Auburn Avenue was born. The name "Sweet Auburn" was coined by John Wesley Dobbs and was once referred to the "richest negro street in the world". Originally known as Wheat Street, it was later changed to Auburn Avenue in 1893.

This redevelopment project draws upon the strength and legacy of not only Sweet Auburn but Southern traditions. The use of “Front Porch” in the project’s name is a metaphor for welcoming everyone with no displacement and increased access for the local community. The front porch incorporates the spirit of community, gathering, transition, and engagement.

Adjacent to the site are several storefront and mixed-use buildings. The new development seamlessly blends into the context of the surrounding neighborhood and leverages the significant elevation change between Auburn Avenue and Old Wheat Street. This unique site feature offers the opportunity to introduce an additional level of uses at Old Wheat Street on the western portion of the development. The development features a new signature restaurant at Old Wheat and Hilliard Streets along with such amenities as a children’s activity center and sub-grade parking to service residents in the development. On Auburn Avenue, the development features retail, an additional restaurant, and the signature two-story
front porch which serves to provide a multi-use gathering space to welcome everyone to the site. The front porch can be used for a variety of activities including farmers markets and leasable special event space. These spaces serve to not only activate the street but fulfill the vision of providing amenities that will bring people together to celebrate the spirit of Sweet Auburn.

The development will infuse key elements of environmentally and economically sustainable infrastructure, urban agriculture and commerce into the neighborhood economy. It will incorporate innovative green building design through solar panels, green roofs and green stormwater infrastructure. The plan includes the creation of urban agriculture opportunities through rooftop and vertical gardens, contributing to the local, sustainable food system.

### UNIT MIX:

<table>
<thead>
<tr>
<th># Units/ Beds</th>
<th>Type</th>
<th>Avg. Size (SF)</th>
<th>Base Rent</th>
<th>Utilities</th>
<th>Total Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>80% Co-Living</td>
<td>447</td>
<td>$875</td>
<td>$180</td>
<td>$1,055</td>
</tr>
<tr>
<td>3</td>
<td>80% Studio</td>
<td>501</td>
<td>$875</td>
<td>$180</td>
<td>$1,055</td>
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<tr>
<td>5</td>
<td>Mkt Studio</td>
<td>501</td>
<td>$1,200</td>
<td>$180</td>
<td>$1,380</td>
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<tr>
<td><strong>28</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</table>

### For-Sale Unit Breakdown

<table>
<thead>
<tr>
<th>Type</th>
<th>Mkt/ Workforce Units</th>
<th>Avg. Size (SF)</th>
<th>Avg. Market Sales Price</th>
<th>Workforce Sales Price (120% AMI)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1BR</td>
<td>5/1</td>
<td>1,026</td>
<td>$303,226</td>
<td>$215,000</td>
</tr>
<tr>
<td>2BR</td>
<td>4/1</td>
<td>1,372</td>
<td>$390,019</td>
<td>$258,000</td>
</tr>
<tr>
<td>3BR</td>
<td>2/1</td>
<td>1,830</td>
<td>$444,293</td>
<td>$298,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11/3</strong></td>
<td><strong>1,409</strong></td>
<td><strong>$379,179</strong></td>
<td><strong>$257,000</strong></td>
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</table>

### Commercial Unit Breakdown

<table>
<thead>
<tr>
<th>#Units</th>
<th>Type</th>
<th>Avg. Size (SF)</th>
<th>Base Rent</th>
<th>Total Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Beauty Suite</td>
<td>174</td>
<td>$363</td>
<td>$450</td>
</tr>
<tr>
<td>5</td>
<td>Makers Space</td>
<td>386</td>
<td>$804</td>
<td>$997</td>
</tr>
<tr>
<td>4</td>
<td>Artist Studio</td>
<td>536</td>
<td>$1,117</td>
<td>$1,385</td>
</tr>
<tr>
<td>4</td>
<td>Food &amp; Bev.</td>
<td>2,510</td>
<td>$5,229</td>
<td>$6,484</td>
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<tr>
<td>4</td>
<td>Gen. Commercial</td>
<td>2,215</td>
<td>$4,615</td>
<td>$5,723</td>
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</tbody>
</table>

*Based on an October 2019 market study prepared by Haddow and Company for the Sweet Auburn District Technical Assistance Program, the average per square foot rental rate on as-built retail space is approximately $25 PSF. The report also noted that no newly-constructed retail product has been delivered to this market. The closest new construction delivery is SPX Alley and rents average $38 PSF.

### DEVELOPMENT BUDGET:

**Sources**

- Construction Debt: $15,108,783
- Equity: $5,334,188
- Eastside TAD Grant: $2,000,000
- Cash flow Note: $700,115

**Total Construction Sources:** $23,143,086

**Uses**

- Acquisition: $3,700,000
- Hard Costs: $14,628,714
- Soft Costs: $1,245,000
- Contingency: $1,699,371
- Financing: $1,120,000
- Developer Fee: $750,000

**Total Uses:** $23,143,086
NEIGHBORHOOD BENEFITS:

• Activates highly visible vacant & obsolete buildings and parking lots; and preserves a historic asset within the City of Atlanta while creating activity-generating uses.

• Preserves Sweet Auburn's cultural legacy and aids in the City’s economic mobility initiative by providing access to flexible, more affordable retail space for local and disadvantaged businesses through co-working and below market, for-rent commercial spaces

• Creates new affordable and workforce residential housing located along the current Atlanta Streetcar route and various MARTA bus stops within the Sweet Auburn Neighborhood

• Adds new retail amenities such as goods and services, dining options and cultural amenities while contributing to the long-term vision of establishing downtown as an entertainment and shopping destination in the city.

• Achieves all three of City Council’s priorities outlined in the 2018 legislation for reopening the Eastside TAD; Economic Development, Affordable Housing, and Historic Preservation

• Directly increases the property tax base in the Eastside TAD

• Developer is committed to an Earthcraft certification for the project

COMMUNITY ENGAGEMENT:

Developer has submitted letters of support from the following community organizations:

• NPU-M

• 4th and SAND Neighborhood Association

PROJECT TIMELINE:

Invest Atlanta Award December 2019
Begin Construction June 2020
End Construction March 2022
Stabilized Occupancy September 2022

ECONOMIC IMPACT:

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Direct Capital Investment</td>
<td>$23,143,086</td>
</tr>
<tr>
<td>Total Economic Output*</td>
<td>$34,980,936</td>
</tr>
<tr>
<td>Permanent Jobs Created**</td>
<td>100</td>
</tr>
</tbody>
</table>

*Based on IMPLAN analysis
** Applicant reported job creation
EXISTING SITE – Hillard Street & Old Wheat Street

PROJECT RENDERING