



Administrative Services Committee Meeting

Meeting Date: 11/12/2024

HCD_ Laney Walker Development Corporation Agreement Amendment Request

Department:	HCD
Presenter:	Hawthorne Welcher, Jr. and/or HCD Staff
Caption:	Motion to approve Housing and Community Development Department's (HCD's) request to amend an existing Laney Walker Development Corporation ~ Miller Street Agreement to enable development partner (LWDC/WD Communities) reimbursement ahead of two (2) housing sales using an allowable non-federal source due to several interested buyers being over the HUD total household income limit.
Background:	<p>In 2008, the Augusta Commission passed legislation supporting community development in Laney Walker/Bethlehem. Since that time, the Augusta Housing & Community Development Department has developed a master plan and development guidelines for the area, set up financial incentive programs for developers and home buyers, selected a team of development partners to focus on catalytic change, and created a marketing strategy to promote the overall effort.</p> <p>On April 18, 2023, the Augusta, GA Commission approved Housing and Community's request to partner with Laney Walker Development Corporation to develop five (5) single family housing units on Miller Street (near medical district), and on February 2, 2024, the Augusta, GA Commission approved additional funding to support soft costs. To date, three (3) of these houses have been constructed and are currently being listed/marketed for sale (2 potential contracts under review).</p> <p>Housing and Community Development and Laney Walker Development Corporation (area nonprofit & Community Housing Development Organization) has a long history of working together to promote affordable housing as does Laney Walker Development Corporation have a proven track record of single family development within the community as well as a standing community development relationship with WD Communities spawning back to 2019 (development of five affordable/workforce houses that sold on Perry Avenue and Boyd Lane alike).</p>

To date, these homes are garnering a lot of interest due to their proximity to Piedmont Hospital/etc., but the majority of our interests has been from upper medical professionals whom all (to date) have exceeded the allowable HUD total family household income limits, thus creating a six/eight month delay wherein said houses are sitting and funding invested through partnership beginning to accrue interest.

Thus, knowing that we have potential buyers being vetted in the coffers, we ask for your understanding and gracious approval to move to use allowable Laney Walker/Bethlehem project funding to repay (out) this partnership ahead of each housing sale.

Upon the sale of each home, 100% of the sales proceeds shall be recouped and go to reimburse 100% of the funding distributed/paid out, thus yielding a zero net effect.

Repayment to include.....

- 1227 Miller Street, Augusta, GA 30901 (\$ 157,375.00)
 - 50% Construction Cost: \$115,0000.00
 - Developer's Fee earned: \$30,000
 - Other Holding Fees: \$12,375
- 1231 Miller Street, Augusta, GA 30901 (\$ 157,375.00)
 - 50% Construction Cost: \$115,0000.00
 - Developer's Fee earned: \$30,000
 - Other Holding Fees: \$12,375

Analysis:

Approval of the request will allow Housing and Community Development to maintain a strengthened relationship for future community economic development endeavors in all Augusta, GA areas of revitalization.

Financial Impact:

HCD will utilize Laney Walker/Bethlehem Project Funding (\$157,375/house) to reimburse the Laney Walker Development Corporation partnership investment, and upon the sale of each home (2), use the home sales proceeds (2) to reimburse 100% of funding distributed (HOME & LW/B Project funds), thus yielding a zero net effect.

Alternatives:

Do not approve HCD's Request.

Recommendation:

Motion to approve Housing and Community Development Department's (HCD's) request to amend an existing Laney Walker Development Corporation ~ Miller Street Agreement to enable development partner (LWDC/WD Comm) reimbursement ahead of two (2) housing sales using an

allowable non-federal source due to several interested buyers being over the HUD total household income limit.

Funds are available in LWB Redevelopment Cost
the following accounts: **GL Code: 298077343-5413150**

REVIEWED AND Procurement
APPROVED BY: Finance
Law
Administrator
Clerk of Commission