

Eastern Eight
Community Development Corporation

PATRIOT PLACE



About us.....

- We serve an 8-county region, mixed small urban and rural
- Sale of new homes is our main source of revenue
- Developed/own/manage 130 rental units scattered sites
- Licensed mortgage lender
- Licensed mortgage loan originators (packaging)
- Licensed manufactured housing retailer
- 300+ 'Homebuyer Education' course participants
- Awesome post-purchase education workshop center
- Administer foreclosure counseling programs
- Becoming a NeighborWorks chartered organization





Staff

Project Pre-Development

- **Began at the local community level**
 - County Mayor
 - City Mayor
 - Chamber of Commerce President
 - Postmaster
 - Veterans organizational leaders (VFW, etc)
 - Warden of state prison (located in the county)
 - Business owners
- **Formed Champion Communities Committee**
 - Assist with marketing, engineering, site concept
- **Marketing Study completed**



Project Pre-Development

- **Held Community Support Informational Meeting**
 - Hosted by County Mayor
 - Invited presidents of all local financial institutions
 - Invited other community lenders not previously included
 - E8 brought examples of existing strong partnerships as guest speakers
- **Obtain option on identified property**
 - County Mayor & committee chair showed E8 available properties
 - Arranged introductions to property owners
 - Signed options (180 – 360 days)
- **Strategies for funding opportunities**
 - Grants, loans, programs, partnerships

FUNDING STRATEGIES

➤ Acquisition Funds

- THDA (state housing financing agency)
 - BUILD loan program
 - HOME (balance of state funds)
- Local lender
 - CITC program (low interest rate program in Tenn.)
- Housing Assistance Council
 - SHOP program
 - Revolving Loan Fund
- Rural Development -USDA
 - Acquisition & site development programs
 - (only for Mutual Self-Help funded programs)

FUNDING STRATEGIES

- **Infrastructure/Site Development financing**
 - **THDA (state housing financing agency)**
 - BUILD loan program
 - CDBG (balance of state funds)
 - **Local lender**
 - CITC loan program
 - **Housing Assistance Council**
 - SHOP program
 - Revolving Loan Fund

FUNDING STRATEGIES

➤ Unit construction financing

➤ THDA (state housing financing agency)

- BUILD loan program
- CDBG (balance of state funds)
- HOME (balance of state funds)

➤ Local lender

- CITC program

➤ Housing Assistance Council

- SHOP program
- Revolving Loan Fund

➤ Rural Development – USDA

- 502 Direct Loan w/construction funds – closed up front

FUNDING STRATEGIES

- **Permanent financing (homeownership units)**
 - **Rural Development - USDA**
 - 502 Direct loan program
 - 502 Guarantee loan program
 - **THDA (state housing financing agency)**
 - “New Start” mortgage loans - non-profit partnership
 - other THDA mortgage loan products
 - **Local lender**
 - Local portfolio loan products

FUNDING STRATEGIES

➤ PURSUE EVERYTHING ELSE POSSIBLE!!

➤ Foundations

- East Tennessee Foundation
- Walmart, etc

➤ Donations, Discounts

- Building supplies – Lowes, Home Depot, vendors
- Local manufacturers – block, brick, flooring, etc

➤ Labor, Expertise

- Internships with local colleges
- Home Builders Association

First Steps

1. Development of draft site concept plan
2. Determine total development costs, project budget
3. Break down into workable 'phases' according to resources, capacity
4. Seek funding resources
5. Assign/hire project coordinator
6. Assemble pre-development team



Problems encountered

- BUILD program turned down our application down
 - “Who wants to move to Mountain City?”
 - “Who would pay \$25,000 for a lot in Mountain City?”
 - “Don’t you know the housing market is tanked right now? – should be pursuing rental projects right now”
- HOME program was not opened for applications in 2012 or 2013
 - “we are waiting on the final rule”
- Delays in funding acquisition lost local project momentum
 - “I thought that project was dead”
 - “I wondered what happened to that project”



Funding Commitments

- First in: HAC - SHOP/RLF combination for \$637,0000
 - \$337,000 for land acquisition costs
 - \$300,000 for infrastructure costs
- Home Depot Foundation
 - \$150,000 for unit construction costs (\$25,000 x 6 units)
- CHDO proceeds
 - \$100,000 utilized E8CDC previous HOME CHDO proceeds funds to assist with closing costs (\$1,000-\$5,000)
- Local Lenders – FAHE, 1st Bank & Trust
 - \$2,100,000 secured line of credits



Project Design

- Rural affordable design
- Target population: veterans and their families
- Target: low-to-moderate income households <80% LMI
- Mixed income project
- Mixed use (homeownership , rental, public use)
- Community amenities such as center to host agency service providers, horse stables, walking paths, target range area
- Developed in phases



Project Design

- **Project Site** is adjacent/connects to an 8,600-acre tract comprising the Doe Mountain Nature Conservancy; purchased in 2013 by the State of Tennessee and managed by a local governing board appointed by the Governor. Homeowners will be within walking distance of numerous amenities such as horseback riding, hiking trails, mountain biking, all-terrain vehicle trails, etc. as the site is developed.



Home Designs

- 3 bedroom, 2 bath
- 1,150 square feet
- Attached garage (or basement)
- One level
- Universal design features [“Easy Living”]
- .50 acre lot size
- Underground septic system/public water
- Energy Star certified - avg. HERS rating 72





All Albums

Photo Stream Jul 11, 2011 - Oct 10, 2011



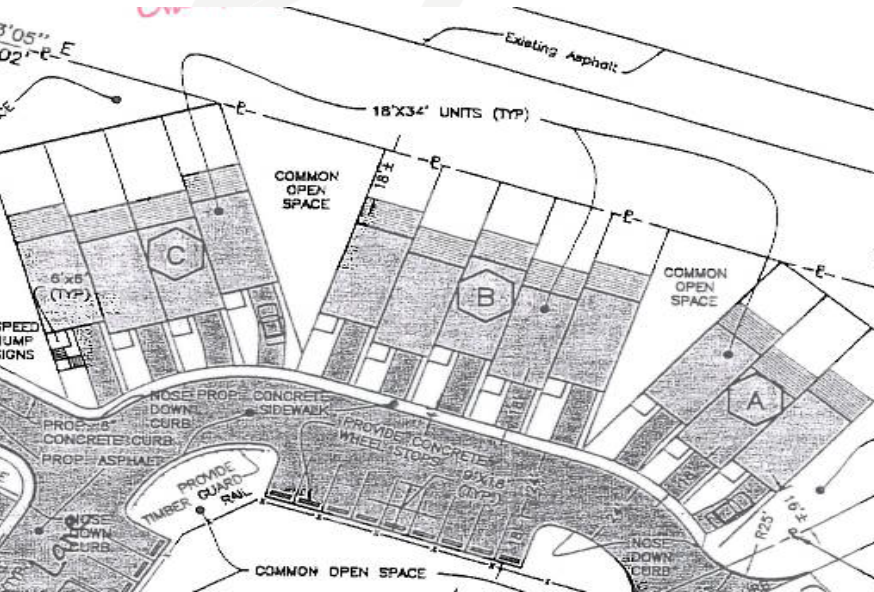
Slideshow

MacBook Pro

Rental Housing

Potential 20 units

- Town house design
- Clusters of 5 units/building
- Mix of 1-, 2-, and 3- bedroom models
- Some units will be project-based housing assistance
- Johnson County 2-bedroom HOME high rent is \$350



Experience with Housing for Veterans

- VASH voucher program – Experienced Landlord
- Developed 15 rental units specifically for homeless veterans near the VA Center
- Participating agency in the regional Continuum of Care
- Participating member of regional Tri-Cities Military Affairs Council



Homeownership Assistance

(Closing Costs, Down Payments, Principal Buy-down)

- sweat equity program to lower the mortgage cost of their home an average of \$5,000
- IDA program (avg. \$2,000 matched to \$6,000) to assist with closing costs
- HOME deferred loans (avg. \$5,000) to assist with closing costs
- SHOP deferred loans (avg. \$5,000 - \$12,000) to lower the mortgage cost
- E8CDC equity deferred loans to bridge gap between mortgage affordability and appraisal sales price (\$1,000-\$20,000)



Partnerships

Supportive Services

- Veterans Administration Hospital [Mountain Home] – case management, transportation, health care
- Local businesses/Johnson County Economic Board – job opportunities
- VFW – social activities, support groups, transportation
- Frontier Health – case management
- First TN Area Agency on Aging and Disabilities – access to medical services, home health care, homemaker and personal grooming, day respite for care givers, etc.
- First TN Human Resource Agency – transportation, home delivered meals, SeniorCorps
- ARCH – supportive services for veterans and families
- Alliance for Business & Training – employment and job training services , educational attainment



Marketing & Public Relations

- Events

- Ground breaking/ Ribbon cutting/ Grand opening celebration
- Booths at festivals, community events
- Chamber of Commerce events
- Leadership 2015 (Johnson County)
- Local radio talk show interviews/guest spots
- WCQR Radio spots
- WCYB-TV – Daytime Tri-Cities show
- WJHL-TV – News at Noon
- Area veterans events/activities



What E8CDC brings to the project

- ✓ Capacity [financial, staff, organizational]
- ✓ Collaborations, partnerships, resources
- ✓ Subdivision Development Experience
- ✓ Diversity
- ✓ Educational programs
- ✓ Access to special funding

Things we do well: Homebuyer services

- Offering one-to-one assistance with mortgage pre-qualification and approval
- Offering accessibility to numerous regional affordable housing resources
- Homebuyer Education – pre- and post-purchase courses



Loan Packaging

We have packaged over
\$20 million in loan value



Real estate development





Things we
do well:

**Involving
elected
officials &
funders**



Press Conference – Funding announcement



Mission Statement:

***Strengthening communities through
the creation and preservation of
affordable housing***



Our first home!



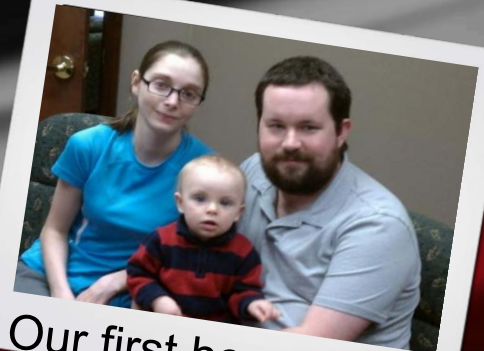
Moving in!



Closing day!



Keys to my dream home!




Our first home



**The right choice,
at the right price,
at the right time.**



 Recommend

