

Southview Villas – Hope Mills, N.C.

Rural Integrated Supportive Housing



Southview Villas

This new construction development, consisting of 64 units (48 one-bedroom and 16 two-bedroom), brings much needed affordable and permanent supportive housing to this small but fast-growing town outside of Fayetteville. Ten percent of units are dedicated to people with disabilities, as required of all projects using Housing Credits awarded by the North Carolina Housing Finance Agency.

Owner/Sponsor: United Developers, Inc.

Property Management: United Management II

Service Provider: Various

Tenant Profile: People with disabilities

Key Features and Innovations:

- Property opened in October 2008
- Tenants with disabilities are fully integrated in the community at-large and Southview Villas. The property continues to operate at 100% occupancy.
- Property amenities include on-site manager, community room with resident computer center, meeting space and laundry room, gazebo, covered patio and picnic area with playground.
- The community supported the project, and the city of Hope Mills annexed site into its limits to allow access to city services.
- The site is located within 2 miles of shopping, restaurants, health care, schools, banking and a public transportation stop.

Financing Information

Capital

Low Income Housing Tax Credit Equity (Investor: Raymond James)	\$3,945,156
State Tax Credit (Loan, 0% \$0 annual debt service, 30-year term)	\$1,031,407
Cumberland County Community Loan Fund Loan (2% interest, 20-year term and amortization)	\$400,000
Deferred Developers Fee	\$113,615
Bank Loan	\$564,000
Total	\$6,054,178

Operating (Annual)

Net Rental & Other Income	\$273,335
Rental Income from Key Program	\$28,320

Services (Annual)

Provided free to residents by Local Lead Agency and its referral agencies, primarily funded by North Carolina Department of Health and Human Services.

About the North Carolina Housing Finance Agency and its 10% Threshold Requirement

In the Qualified Allocation Plan (QAP) for its Low Income Housing Tax Credit (LIHTC), the North Carolina Housing Finance Agency (NCHFA) established a threshold requirement. It states all LIHTC applicants must commit that 10% of the units in the property will be reserved for extremely low-income persons with disabilities, including those experiencing homelessness. Units that carry such restrictions are eligible for rental subsidies through North Carolina's Key Program—a rental assistance program administered by NCHFA, and jointly funded by NCHFA and the North Carolina Department of Health and Human Services (DHHS). The Key Program is designed to serve as a “bridge” project-based subsidy, unless and until a Section 8 Housing Choice Voucher is available or the tenant leaves the property.

Each LIHTC property has a Targeting Plan, which outlines the agreement between the owner, property management and a Local Lead Agency (LLA). The LLA is human service agency that represents the community's human service system in dealings with the property. The agency may serve a specific disability population, but in its role as LLA, agrees to help coordinate services for targeted tenants regardless of disability type.

About Duggins Smith, A United Developers Company

Since 1986, Duggins Smith Builders has partnered with the city of Fayetteville and Cumberland County to increase the stock of affordable housing. The city and county have awarded Duggins Smith Builders \$6 million toward the construction of 13 local projects. Using its financial background, Duggins Smith Builders has leveraged that \$6 million into more than \$52 million in new affordable housing. Four of the projects located within the city limits have designated the community buildings as Neighborhood Resource Centers for the citizens of Fayetteville. Computer access and support services are provided daily.

In addition, seven other projects have been awarded to Duggins Smith Builders in Cumberland County, including a \$7 million rehabilitation of 100 HUD Section 8 units. In addition to these 16 projects in Fayetteville and Cumberland County,, Duggins Smith Builders has completed 13 projects in North Carolina and South Carolina, including six rehabilitation projects. Duggins Smith Builders has completed numerous buildings for Cumberland County Parks and Recreation Department, as well as a day care center and medical office building in Raleigh.

About CSH

CSH transforms how communities use housing solutions to improve the lives of the most vulnerable people. We offer capital, expertise, information and innovation that allow our partners to use supportive housing to achieve stability, strength and success for the people in most need. CSH blends over 20 years of experience and dedication with a practical and entrepreneurial spirit, making us the source for housing solutions. CSH is an industry leader with national influence and deep connections in a growing number local communities. We are headquartered in New York City with staff stationed in more than 20 locations around the country. Visit csh.org to learn how CSH has and can make a difference where you live.



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