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Rosedale Rebuild Brings Tornado Victims Home

By Mark O'Meara, Staff Writer, Novogradac & Company LLP

A ribbon cutting ceremony on Jan. 14, 2013, marked a new beginning for many residents of Rosedale Court in Tuscaloosa, Ala. The completion of the first phase of redevelopment at the Tuscaloosa Housing Authority's (THA's) oldest public housing development gave residents the opportunity to move back into the apartment complex they called home before being displaced by a tornado and subsequent storms in April 2011. The tornado and storms destroyed almost half of the 188-unit apartment complex, putting dozens of families out of their homes. Now, residents are happy to be moving into the new-and-improved property.

"I was just so happy to come back home because this is what I know. This is home," said John Wedgeworth, who has lived in Rosedale Court for 13 years. "It's just totally different now. Now it is just more up to date. I have a lot more room."

Phase I Marks a Beginning

During the first phase of redevelopment, Doug Hollyhand Realty renovated 88 units, including 52 low-income housing tax credit (LIHTC) units and 36 public housing units. Phase I also included a revamp of open space on the property. The developers added several small parks, pavilions and playgrounds to the property and connected the development to the surrounding community.

"Today, 88 newly constructed apartments in 12 buildings replace the barracks-style housing that existed before," said Robert Strickland, Alabama Housing Finance Authority's (AHFA's) executive director. "The new Rosedale is a residential community that provides walkable streets connecting to the surrounding neighborhood. The public



Photo: Courtesy of Tuscaloosa Housing Authority
Rosedale Court was rebuilt after a tornado and subsequent storms devastated much of the state of Alabama in April 2011. Building 8, pictured here, shows the property's new look.

spaces and community facilities encourage residents to participate in community activities."

The completion of Phase I did more than give a handful of residents their homes back, those involved with the redevelopment report that it acted as a symbol of hope for all Tuscaloosa residents who were affected by the tornado.

"[The rebuild] has been important because the Rosedale complex is located on a gateway to the city," said Win Yerby, a developer at Hollyhand. "It was important that the project got started quickly because it exemplified the overall rebuilding effort for the city."

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Courtesy of Tuscaloosa Housing Authority
The tornado and subsequent storms of April 2011 tore down almost half of the Rosedale Court apartment complex.

Disaster Strikes

Rosedale Court, originally built in 1952, was in dire need of an overhaul before the tornado hit. The army-barracks-style Rosedale was constructed by stacking as many units as possible on top of each other, said Chris Hall, the THA's director of development. When tornados devastated much of Tuscaloosa, Hollyhand already had a LIHTC application pending. The developer had applied for tax credits in March 2011, one month before the tornado devastated Rosedale Court. Because a development plan was already in place, Rosedale's recovery process was shorter than it could have been if the developer would have had to start from scratch.

"It was somewhat fortuitous that we already submitted an application for Phase I of the tax credits before the tornado hit," said Yerby. "It was a tragedy, especially given the loss of life, but it was fortuitous that we had a plan in place."

The \$17.7 million renovation for Phase I was financed, in part, by \$1.55 million in 9 percent federal LIHTCs administered by the AHFA. Syndicator Raymond James provided an equity investment of \$14.3 million. The development also received \$450,000 in HOME funding from the city of Tuscaloosa, a \$2.1 million loan from the THA and a permanent mortgage of \$882,000 from Bank Independent.

"We have a long successful history with Hollyhand and the Tuscaloosa Housing Authority," said John Colvin, Raymond James's vice president and director of acquisitions. "It's a complicated deal when you consider the devastation in the community and we were glad to play a role in the rebuilding efforts. Having good partners and the leadership of THA is what made it all possible."

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While the natural disaster made restoring the property a high-priority, the renovations didn't come without their share of problems. Before any of the physical labor could begin, residents had to be relocated.

"The biggest thing was that the tornado accelerated all of our timelines. We had to go through the relocation process early," said Hall. "We were trying to get families relocated and trying to get the property ready, but we didn't even have an office to work out of."

While it took some additional time to relocate the residents, in some respects, the tornado actually expedited the renovation process.

"When the tornado came through it actually knocked down several of the buildings that were intended for demolition," said Dondi Williamson, an architect at McKean & Associates Architects LLC. "It was really bizarre. The tornado accelerated the demolition phase, but other than that it didn't change a thing."

New and Improved

Phase I of the Rosedale redevelopment boasts many improvements to the once aging apartment complex. Residents now share a new community center, exercise facilities and equipment, and a café with Internet capabilities, as well as new laundry facilities. Each apartment comes with modern appliances, central heat and air, and private patios or balconies. In addition, both phases are being constructed to the EarthCraft green building certification standard, a green building certification program used in Georgia, Virginia, Tennessee, Alabama, North Carolina and South Carolina.

"Because we're dealing with low- to moderate-income families, we felt it was important to build the units to a 'green' standard," Hall said. "Our hope is that the upgrade in materials along with the implementation of certain green building techniques will reduce resident utility bills."

While the completion of Phase I is a big step in rebuilding Tuscaloosa, there is more work to be done at the Rosedale site. THA and Hollyhand have two more development phases planned. Phase II, which is currently under construction and will be completed in February 2014, will add 86 additional housing units. Of those 86 units, 52 will be LIHTC units and the 34 units will be public housing units. Projected costs for Phase II are estimated at \$20 million. A reservation was made for \$1.5 million in 9 percent federal LIHTCs for Phase II, according to Yerby. Hollyhand will submit a 4 percent bond application for a third phase. That application is due May 1. Phase III will be built outside the original footprint, located in an adjacent lot south of

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the Rosedale complex. The 128 units in Phase III will be set aside for low-income seniors and those with disabilities.

Cooperation Was Key

What really made this renovation successful was the cooperation between all parties involved, said Yerby.

“It was a very complex transaction because it involved so many different organizations, including HUD, investors, the AHFA, the housing authority and the city, among others. What’s been really gratifying about this project is that everyone has stepped up and collaborated together,” said Yerby. “It’s been great to see all these different entities working in concert to get this development done as quickly as possible.” ❖

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